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31ST ANNUAL REPORT

CASPIAN IMPACT INVESTMENTS PRIVATE LIMITED

FINANCIAL YEAR 2021-22

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Chairman’s Communique

For almost all of us, 2021 began as one of our toughest times yet, as we faced a second – and more deadly – wave of Covid, and the focus was on keeping our families and friends and ourselves safe. The second wave deeply and directly impacted some of our team members and several of our portfolio companies. This was not a period of business as usual, and empathy, understanding and support for each other was the need of the hour.

January-March 2022 was dominated by Omicron, and business disruption was inevitable, as the number of staff who contracted the virus – our own as well as those of our portfolio companies – was much larger than in any previous wave. The health outcomes were, thankfully, less damaging overall.

As a business, for much of the Financial Year 2021-22 we were nimble, able to alternate between remote and in person work based on the science as well as the comfort of our employees. As I write this note in May 2022, we appear to be in a period of low infection rates, and ‘business as usual’ has resumed.

In December 2021, Avishek Gupta took over as Managing Director and CEO. Avishek who has been with Caspian Debt since its early days (2014) has extensive experience in the SME (Small and Medium Enterprises) lending business and over the years has spearheaded Caspian’s foray into newer high impact sectors. Avishek also led our digital transition over the past few years. He has assumed his new role with a sharp vision for Caspian Debt.

While the two waves of Covid pushed most of our disbursements to the end of the last quarter, I am pleased to report that our disbursements this fiscal year were our highest till date, at INR 489 Crs (US$65M) resulting in a 21% growth in AUM. We ended the year with a portfolio outstanding at INR 554 Crs (US$70M). We added the most number of new clients this year. Portfolio quality, always a top priority, was preserved with gross NPAs of 2.6%. We have been able to provide customized debt funding to over 200 companies and 33% of our total disbursements this year were made to women led companies. However, our Business goals have had a medium-term impact. Covid has set us behind by 2 years and the future impact on our underlying clients is yet to be fully unfolded. During this period we prioritized liquidity and portfolio quality over growth. This may have impacted our profitability, but it has helped us come out of this unprecedented crisis with a resilient team, portfolio of strong companies and stress tested early warning risk management system.

Several new initiatives were approved/implemented during this Financial Year. We partnered with FinTech's and other digital lending platforms to offer a wider range of products to SMEs. We continue to make select Venture Debt Investments. We deepened our work and involvement in developing the ecosystem for Impact Investing- especially using gender lens in Investment decisions & Cleantech Investments.

Our ambition is to become a leading and respected Impact & ESG focused credit asset management company, with the ability to originate credit assets across the return and impact continuum through a variety of credit strategies. This would include direct lending, blended finance, mezzanine credit, venture debt, co-lending, wholesale credit and retail assets. Our track record in originating impact credit assets across wholesale, corporate and retail segments, and having lent to the most number of impact-focused SMEs over the last eight years, puts us in a strong position to be able to meet the impact & ESG credit asset requirements of multiple investor classes - commercial, impact, as well as philanthropic.

In the year ahead, we plan to launch our first Debt AIF (Alternate Investment Fund) with a Climate Smart Theme and make progress on launching two more funds with the themes of gender and financial inclusion. Success in our new initiatives will depend on continuing our deep eco-system development work, investing in technology and the ability to offer innovative structures that rest on the solid foundation of our proprietary deal sourcing strategies and portfolio risk management systems. We look forward to serving visionary entrepreneurs who are building for a better world.

Best,

Viswanatha Prasad Subbaraman
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Caspian Debt is a Non-Deposit Taking – Systemically Important - Non-Banking Financial Company ("**NBFCs**") registered with Reserve Bank of India ("**RBI**") and is primarily regulated by provisions laid down by the Reserve Bank of India, Companies Act, 2013, SEBI Listing and Disclosure Requirements and other rules and regulations to the extent applicable. Hence, it operates under the same regulation and market forces that impact NBFCs. For the past few years, the Indian NBFCs sector has been exposed to significant challenges. Prior to covid-19 pandemic, an economic slowdown had led to issues in portfolio quality in certain sectors, the failure of a few large NBFCs had led to drying up of funding for the NBFCs sectors overall. And as the good quality NBFCs were slowly emerging out of these challenges, COVID-19 pandemic led to an immediate and significant negative impact on the sector once again.

While the measures by the Government and the Reserve Bank of India were put in place to support the NBFC sector, the data reveals that much of the funding support to NBFCs went to higher rated or larger NBFCs and the smaller NBCs were left out of the support. RBI reports on the TLTRO schemes reveal that only about 2% of the funding through TLTRO went to NBFCs rated BBB or below or of assets size less than INR 5000 Mn. Caspian Debt was one of the few BBB rated NBFCs that could access funding through TLTRO, and we were also able to take benefit of the ECLGS scheme to provide debt to covid impacted SMEs.

The start of the financial year witnessed the second wave of the pandemic just when the economy was inching back towards recovery. While the second wave was a serious health crisis, the learnings from the first wave helped the economy stave off complete lockdowns. This meant that business was still continuing, and the economy hadn't come to a standstill. As a result, there was an ongoing need for debt for growth as well as to recover from the impact of the first year of covid.

However, while on one hand there was a lot of liquidity chasing well capitalised companies and at the same time, a lot of smaller companies were unable to access debt. In that context, Caspian Debt's role became important in supporting companies who were unable to access debt. 84% of our portfolio NBFCs have Portfolio Outstanding of <INR 10 Bn while 73% of our portfolio NBFCs have Portfolio Outstanding< INR 5 Bn. To cater to the needs of these enterprises, we went onto support them through additional capital. Stronger focus was placed on supporting smaller enterprises that had borne the brunt of the multiple lockdowns and intermittent issues but were fundamentally strong.

In the SME space, yet again, low footfall and supply chain disruptions challenged business operations. Enterprises catering to niche healthcare services like single-specialty care or elective procedures saw a downturn in the first quarter of the year in contrast to medical equipment companies which were targeting COVID-related products, who saw peaking revenues in the first two quarters. Buoyed by the new telemedicine guidelines issued by the government, companies in the said space found new opportunities in partnering with corporations and hospitals. Adaption, which was the key to surviving these times, demanded enterprises to re-look and pivot their business models in addition to digitizing business process to the greatest degree possible. For our SME portfolio, we continued to provide funding throughout the year including the COVID-affected periods, unlike the first quarter of FY'21 when we chose to freeze funding. Equity capital continued to flow at accelerated levels in the FY (estimated to be $30-40bn) with prime focus on start-ups leveraging technology for digital delivery. In general, the SMEs were able to bounce back faster because of lesser stringent lockdowns which allowed the economy to continue operating. The availability of the vaccines had also created a general positive outlook amongst the population in general.

It is expected that during FY 2023, the global economy will see policy rates increase and that will dry up liquidity across the board from the Indian markets. It is expected that in such a situation, access to debt will become more challenging. While Caspian Debt will itself face such constraints, given the diversified support that it has from different types of capital providers, it will be in a better position to access the capital and then deploy it in fundamentally strong but capital starved businesses or sectors.

Caspian Debt's mission is to enable the growth of enterprises that work towards creating social and environmental impact, in a responsible, transparent, and sustainable manner by using a variety of debt instruments to achieve this objective. Towards the mission, Caspian Debt provides debt to retail finance NBFCs lending for microcredit, MSME finance and affordable housing finance. The company also funds corporate SMEs or social enterprises working in a variety of high impact sectors.

OPPORTUNITIES AND CHALLENGES:

Despite these challenging times, we continued to innovate and adapt our products to the need of the hour. Our virtual-DD process and risk-sharing partnerships enabled loan sanctions within ~10 days of receiving information. We built two new partnerships to offer blended finance products. By virtue of these partnerships, we were able to fund companies across the healthcare, agriculture, and clean energy sectors through blended finance partnerships. We see a further opportunity for growth in blended finance and will continue to be on the lookout to build new partnerships and scale current affiliations. Our vision is to use these partnerships to support high-impact enterprises, particularly those with a focus on climate, healthcare and gender equity.

This year, we also initiated digital retail lending by partnering with platforms and financial services firms. Overall, our measures enabled us to add 44 new clients during the financial year 2022 which is double the number of new clients that we have added in the previous years. Through the retail partnerships, we were able to onboard 225 more new clients.

Even though businesses may have learnt to live with COVID, the pandemic remains a threat to both Financial and Non-Financial institutions alike. The informal sector and the MSME sector have been severely impacted with severe job losses. The rising inflation and job losses with closure of MSMEs has resulted in a very complex situation. Under such circumstances, access to finance to the last mile, becomes even more important. We believe that through our partnership retail lending business, we could try to support this market directly ourselves.

Oddly enough, the quantum of equity funding done by venture capital investors ballooned to highest ever levels backed by very high levels of liquidity due to low policy rates across the globe. Given the higher amount of equity funding raised by individual companies, the average loan ticket size expected by these companies shot up. We lost some clients due to the inability to provide larger loans of the size that the clients expected.

A positive development for the industry has been proliferation of new entities that are trying to reduce the access to finance problems for start-ups and mid-corporates. For us, this has led to increased competition in the collateral-free SME/start-up lending space, and some of the larger tickets are also being funded by lenders who entered the market in a bullish environment after raising bigger capital rounds, allowing them to make larger ticket loans.

Availability of cheaper funds has always been a key demand in our customer segment (like any customer segment). The opportunity, and the underlying threat for us remains our ability to be able to meet borrowing cost expectations of our clients as they grow.

Over the years, we have seen tremendous growth of professionally managed companies operating in high impact sectors - from brick & mortar financial institutions to fintech firms, from engineering and hardware companies to data analytics companies, from people driven services companies to product manufacturing companies. These ventures operate in high impact sectors like – food & agribusiness, clean energy & energy efficiency, healthcare, financial inclusion, education, water and sanitation, etc. Our borrowers are fast growing professionally managed companies, driving innovations in product and supply chains across a wide variety of sectors. As a result, even though our borrowers are small and medium sized, they have the complexity of funding requirements that are comparable to any large corporate firm. We specialise in being able to understand the complexity and provide multiple types of debt, meeting the specific needs of the borrower. We believe that we have an incredible opportunity to strengthen our relationships and scale up access to debt funds for all professionally managed companies across India. The rise of ventures in these sectors and their requirement of significant funding has provided us a great opportunity to enable the growth of such enterprises. We believe that this will be a continuing trend.

At the same time, we believe that Caspian Debt can serve as the platform that can make it easier for investors and lenders to be a part of the growth of a much larger number of ventures while achieving returns with lesser volatility. Such assets are in great demand globally and Caspian Debt has the networks and ability to be able to drive that capital into appropriate opportunities.

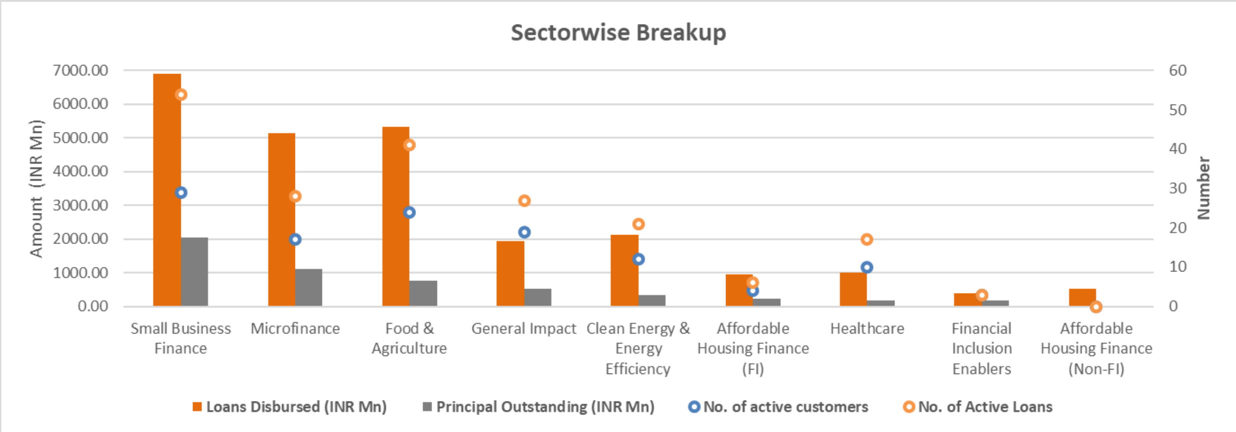
SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

This year, we crossed 200 customers served since inception by adding 44 new companies to our portfolio. This is twice the number of companies added in FY21 (20 companies) and FY20(21 companies). We disbursed INR 4894 Mn during the year (42% more than FY21 and 15% more than FY20) including about INR 200 Mn+ via a digital platform partnership. We would also like to note that:

- **14** SDGs are supported by the work of our clients

- **63%** of the clients added this year were loss making at the time of their loan from Caspian
- **40%** of the SME clients added this year have Caspian as their first lender or second lender
- **33%** of our direct clients have businesses which impact women.
- **26%** of the businesses financed through our partners are owned by women.

Other key portfolio metrics for the year are in the chart below:



OUTLOOK

Deriving optimism from the resilience shown by our team and portfolio companies, we are anticipating a positive outlook in the medium to long term in the next financial year. While we share a similar outlook for the short term as well, we will move with caution to look out for another possible shorter wave of the pandemic. On the brighter side, the industry seems to have learned time and again, to adjust itself to such temporary phases. Going forward, we see businesses placing importance on leveraging digital solutions and following health and safety guidelines to overcome the obstacles created by the pandemic.

Apart from our current focus sectors, we also plan to fund enterprises that have shown intent of prioritizing ESG goals and those that are led by women. Over the coming year, we will continue making investments in our technology and data analytics capabilities with the sole aim of improving customer experience while making our risk management more robust.

RISKS AND CONCERNS

Notwithstanding the rapid coverage and effectiveness of vaccines coupled with the acquired adaptability of businesses, the overall stability of the economy going forward is still quite uncertain.

Financial Institutions:

Analysis of our portfolio helped us note that smaller size entities, i.e., having AUMs of up to INR 1000 Mn and having higher geographical and/or sectoral concentration, might face difficulties in coming back to their former efficiency levels. We foresee reduced availability of capital in the market for such entities along with an increased cost of capital, which may further force them to realign their target audience or move to other segments of business. A case in point being the education finance portfolio, where all our portfolio entities that had a strong focus on affordable private schools, are now impacted with severe delinquencies due to the pandemic.

At the same time, quarterly analysis of our small business finance portfolio reveals that large institutions (AUM > INR 5000 Mn) have seen more deterioration in portfolio quality in comparison to small and medium size institutions. For Microfinance companies, while the average portfolio quality has remained the same, in absolute terms it seems to have worsened. In terms of provisioning, Microfinance institutions continue to be conservative and provide for larger parts of their NPAs in comparison to Small-Business Finance companies, who on the other hand have a stronger capital backing.

Small and Medium Enterprises:

We observed that most of our portfolio companies in the SME space were able to bounce back easily, with virtue of them being essential businesses. Except for the Education sector, where few companies bore the brunt of unpredictable and extended lockdowns, all enterprises in our other focus sectors of Agriculture, Clean Energy, Sustainability, and Healthcare have shown growth. With schools gradually re-opening, the education SMEs serving them are hoping to recover to business-as-usual after two tough years of pivots.

Using the data of 65 companies in our SME portfolio, we observed that the Food and Agriculture sector remained resilient, registering strong sales throughout the year, while Clean Energy companies turned around and revived themselves in this financial year in comparison to the hit they took in the last year. However, on the downside we also see an increase in input prices. With major share of our health care portfolio falling under non-essential services, they took a downturn last year but have now seen an uptick in demand along with improvement in profitability due to growth in sales.

We feel that companies dependent on frequent fundraises may face a tough year as the equity round size is expected to decline. Concerns around disruption of the supply chain continue to persist but may not be as severe as those seen during the lockdowns last year where there was shortage of raw material, rise in costs, and delayed deliveries owing to the Russia-Ukraine war in addition to the pandemic.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal controls, and they are operating effectively. The Company has appointed an external firm for internal audit that does detailed reviews on the controls across different functions such as Business, Information Technology, Risk, Regulatory and Compliance, Human Resources and Finance & Treasury. The Company underwent a IT Systems audit by a reputed auditor to make sure that IT related risks are under control.

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The Audit Committee quarterly reviews the audit findings on the adequacy and effectiveness of the internal systems and controls and action taken thereon.

FINANCIAL PERFORMANCE

Unlike the first year of the pandemic where the company was cautious on disbursements, during the current year, various strategies on product offerings were implemented with the twin objective of tapping growth opportunities while maintaining the asset quality. Two new product offerings were – SME retail lending through platforms that enables building granular portfolio to reduce concentration risk, and venture debt that provides a potential to tap future upside. Coupled with other standard products, these strategies helped the company reach its highest ever annual disbursement of INR 4,889 Mn while adding 44 new direct clients across 8 high impact sectors, bringing the asset under management to INR 5,580 Mn at the close of the year. We added over 220 clients with a portfolio outstanding of INR 186M in our SME retail lending offering. On the quality of assets, despite the effects of supply chain constrains and tapering of various government stimulus packages, the company's gross non-performing assets (GNPA) was 2.58%. Further, the company has written off loans amounting to INR 41.8 Mn, but also saw a recovery of INR 19.7 Mn from bad debts written off a few years back.

Particulars	FY 22	FY 21	YoY
Disbursement (INR Mn)	4,889	3,445	41.9%
AUM (INR Mn)	5,580	4,603	21.2%
New Clients Added	44	20	120%
Active Clients at Yr End	118	101	16.8%
GNPA	2.58%	2.39%	-
Write Off (INR Mn)	418.1	-	-

The Company continued to maintain high levels of liquidity during most part of the financial year enabled by good collections and debt drawdowns from existing and new lenders. A total of INR 1,249 Mn was raised during the year, while adding three new lenders – one private bank and two NBFCs. As at the end of the financial year, the Company had outstanding debt from a diversified set of lenders i.e., public sector banks (14%), private sector banks (7%), foreign bank (3%), development financial institution (53%) and non-banking financial companies (21%). The year-end Capital Adequacy Ratio was at 37% that provides room for further leverage. Additionally, the company has maintained a positive mismatch during the year, across all buckets up to five years indicating a strong ALM position.

Particulars	FY 22	FY 21	YoY
Drawdown (INR Mn)	1,249.5	3,109.2	(59.8%)
Outstanding (INR Mn)	4,502.2	3,855.1	16.7%
Active Lenders	17	15	6.6%
Capital Adequacy Ratio	37.2%	44.62%	-

The Company registered a total income of INR 688 Mn and a profit after tax of INR 2 Mn for the year. The total income increased by 18% over the previous year and this was mainly due to increase in interest income from loans and high rated listed instruments. With the third wave of covid pushing disbursements to the fag end of the last quarter, the corresponding interest income could not be considered for the quarter despite it being one of highest quarterly disbursements in the last 8 years of operation. Profits dropped in comparison to the previous year mainly on account of increased investment in technology, human resources, business development and rental costs. These investments are towards strengthening digital capabilities, improving efficiencies in credit delivery and efforts in building the presence of Caspian Debt brand in the start-up ecosystem, which through the innovative products can enable the company to play an active market-maker role in underserved impact sectors.

Particulars	FY 22	FY 21	YoY
Total Income (INR Mn)	688.5	582.0	18%
Profit Before Tax (INR Mn)	1.7	22.9	(93%)
Profit After Tax (INR Mn)	2.0	24.6	(9%)
Net Worth (INR Mn)	1744.6	1719.5	2%

Overall, the current financial year required adapting to the post pandemic environment and finding the right balance between competing priorities of-tapping the growth potential, monitoring the asset quality, maintaining adequate liquidity and ensuring profitability.

MATERIAL DEVELOPMENTS IN HUMAN CAPITAL

We have a work culture that inspires people to do their best and encourages teamwork, continuous learning, and work-life balance. We continue to focus on attracting and retaining the right talent and follow the merit-based rewarding culture. We are committed to enhancing the employee experience with seamless onboarding, and effective communication through various means including knowledge-sharing sessions, an internal virtual platform where people can share ideas and news relevant to the business we are in and appreciate one another. We ensure each team member has an opportunity to interact with interdepartmental leadership. 1-1 connects and leadership townhalls are carried out at regular frequency.

Our people continue to be our core strength and we continuously strive to build their capability and character, through focused internal and external training, which was also the focus of this year. In addition to the respective department-wise internal training, our employees participated in 20 external trainings covering technical, functional, and soft skills at an individual and group level. In addition to this, our employees clocked in 128 hours as part of their volunteering work. To help cope with mental stress, we also extended the service of a counsellor to all our employees.

We are delighted to share that the overall satisfaction of employees as noted from our employee engagement survey, is high. This survey, through a series of objective questions, assessed the level of satisfaction of employees on four important dimensions: Culture, Work, Teaming, and Learning & Development.

We have identified specific employees in each of our offices (Bangalore, Delhi and Hyderabad) to expand our expertise in all industry and geographical sectors. We continue to hire across these locations and onboard both in-person and virtually. As of March 31, 2022, we have 59 employees as compared to 43 as of March 31, 2021.

We had key leadership changes in the month of December which transitioned smoothly. The key changes were that the Managing Director was elevated to the position of the Non-Executive Chairman on the Board, while the new Managing Director and the new Chief Financial Officer were picked from the existing leadership. Over the years, we have built a strong leadership team. We have also invested in select junior employees to gain experience across functions so that they can grow into a leadership role sooner.

We continued following covid protocols by extending the work from home option and gradually moved into a hybrid model of working, by giving flexibility to the employees. We ensure to follow covid protocols both at office and while traveling, as per the guidelines shared by the government. All our employees are now vaccinated, and the vaccine cost was reimbursed for all employees at Manager level and below.

We are compliant with the statutory obligations applicable to us.

BOARD'S REPORT

To the Members,
Caspian Impact Investments Private Limited

Overview

Caspian Impact Investments Private Limited ("the Company") is a company domiciled in India, existing under the provisions of Companies Act, 2013. Registered as a Non-Banking Finance Company ("**NBFC**") with the Reserve Bank of India ("**RBI**") the Company is primarily engaged in providing debt to the impact investing sectors including financial inclusion, affordable housing, food and agriculture, clean energy, healthcare and general impact.

Board of Directors of the Company takes pleasure in presenting the 31st Annual Report of the Company, along with the Audited Financial Statements for the Financial Year ended March 31, 2022 and Statutory Audit report thereon.

1. FINANCIAL SUMMARY FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Lakhs)

Particulars	2021-22	2020-21
Gross Income	**6,885**	**5,820**
Profit before Interest, Depreciation, exceptional items and Tax	4,663	4,155
Finance Charges	4,420	3,831
Depreciation/amortization	226	95
Profit before exceptional items, tax and Prior period items	17	229
Exceptional items (net)	-	-
Profit before Tax and Prior period items	**17**	**229**
Less: Provision for Taxes	-	-
Less: Tax for earlier years (net)	-	10
Less: Deferred tax expense / (credit)	(3)	(27)
Profit after Tax	**20**	**246**
Other Comprehensive Income (net of tax)	**271**	**(126)**
Total Comprehensive Income	**291**	**120**
Paid up Equity Capital	667	667
Preference Share Capital		-
Reserves and Surplus	16,818	16,528
Net worth	17,485	17,195
Earnings per share (Face value of each share is INR 10)		
- Basic	0.3	3.73
- Diluted	0.3	3.73

2. STATE OF COMPANY AFFAIRS

Please refer Management Discussion and Analysis segment and other disclosures provided in the report.

3. 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 - Deposit Taking NBFC within the Reserve Bank of India (“**RBI**”) regulated NBFC organisational framework.

4. TRANSFER TO STATUTORY RESERVE

Pursuant to section 45(IC) of the Reserve Bank of India Act, 1934, every NBFC shall create a statutory reserve fund and at every financial year transfer therein a sum not less than 20% of its net profits before declaring any dividend Pursuant to the said requirement, the Company has transferred a sum of INR 4 Lakhs for Financial Year 2021-22.

5. DIVIDEND

Board of Directors have not recommended any dividend during the year.

6. SHARE CAPITAL

During the period under review, authorised Share Capital and the paid up capital of the company remains unchanged.

7. 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.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes 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 the report.

9. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV’S:

As on March 31, 2022, the Company does not have any Associates and JV’s. However due to IndAs transition during financial year ended March 31, 2020, Bellwether Microfinance Trust became the Subsidiary of the Company. Statement containing salient features of the financial statement of subsidiary has been disclosed in Form AOC-1 annexed as **Annexure I**. Members are also requested to refer the Consolidated Financial Statements for detailed disclosures.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to section 186(11) of the Act, the provisions related to loans made, guarantees given and securities provided do not apply to the Company. The Company makes investments or grant loans as per regulatory norms and internal policies framed in this regard to the extent 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.

11. BOARD AND ITS COMMITTEES

(i) Board of Directors

The Board Structure of the Company comprises optimum mix of Independent, Non – Executive and Executive Director. Each Board members possess unique skills sets, expertise, experience and specialisation that provides the appropriate balance to Board. As on 31st March 2022, the composition of the Board comprises of 9(Nine) Directors, details of the directors are enclosed as below:

S. No	Name of Director	Designation	DIN
1	Viswanatha Prasad Subbaraman	Additional Director (Non- Executive)	00574928
2	Narayan Ramachandran	Independent Director	01873080
3	Praseeda Kunam	Independent Director	01767987
4	Dr. Shailendra Kumar Joshi	Independent Director	01689889
5	Mahesh Kanumury	Non - Executive Director	02028993
6	Paul DiLeo	Nominee Director	00160736
7	Ranganathan Varadarajan Dilip Kumar	Nominee Director	01060651
8	Karel Gerardus Nierop	Nominee Director	07743489
9	Avishek Gupta	Managing Director	09351254
*10	Mathew Titus	Independent Director	00159636

*Ceased to be director w.e.f. 1st July 2021

During the period under review Board of Directors met 7 (Seven) times on 21st May 2021, 23rd July 2021, 20th August 2021, 08th October 2021, 12th November 2021, 11th February 2022 and 08th March 2022. Adequate notices in accordance with the provisions of Companies Act, 2013 and Secretarial Standards, issued by Institute of Company Secretaries of India were given for convening the meeting and the intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

(ii) Audit Committee

Audit Committee has been constituted by the Board of Directors in accordance with the provisions of Section 177 of the Companies Act, 2013 read with rules made therein and also in accordance with the applicable guidelines issued by the Reserve Bank of India. Terms of reference of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013, notifications and/or guidelines and other regulatory requirements as applicable to Company.

As on March 31, 2022, the Audit Committee of the Company comprises of 3 (Three) members. Composition of the Committee is enclosed below for the perusal of the members.

S. No	Name of Director	Designation	Committee
1	Narayan Ramachandran	Independent Director	Chairman
2	Praseeda Kunam	Independent Director	Member
3	Paul DiLeo	Nominee Director	Member

During the period under review Audit Committee met 5 (Five) times on 20th May 2021, 23rd July 2021, 19th August 2021, 11th November 2021 and 10th February 2022. Adequate notices in accordance with the provisions of Companies Act, 2013 and Secretarial Standards, issued by Institute of Company Secretaries of India were given for convening the meeting and the intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

During the year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors.

(iii) Asset Liability Committee ("ALCO")

The ALCO has been constituted by the Board of Directors in accordance with the regulatory requirements laid down by Reserve Bank of India. The primary objective of the Committee is ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

As on March 31, 2022, ALCO comprises of 3 (Three) members. Composition of the Committee is enclosed below for the perusal of the members.

S. No	Name of Director	Designation	Committee
1	Avishek Gupta	Managing Director	Chairman
2	Karel Gerardus Nierop	Nominee Director	Member
3	Vishwanath Muniganti	Chief Financial Officer	Member

Notes:

- Viswanatha Prasad Subbaraman ceased to be the member of the committee after 08th December 2021.
- Avishek Gupta has been appointed as the Chairman of the committee w.e.f. 09th December 2021.
- Saurabh Johri ceased to be the member of the committee after 08th December 2021.
- Vishwanath Muniganti has been appointed as the member committee w.e.f. 09th December 2021.

During the period under review, ALCO met 4 (Four) times on 20th May 2021, 19th August 2021, 11th November 2021 and 10th February 2022. Adequate notices in accordance with the applicable requirements, if any were given and the intervening gap between the meetings was within the period prescribed in this regard, if any.

(iv) Corporate Social Responsibility (CSR) Committee

CSR Committee has been constituted by the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder as amended from time to time. Terms of reference of CSR Committee are in line with the provisions of Section 135 of the Companies Act, 2013, notifications and/or guidelines and other regulatory requirements as applicable to Company.

As on March 31, 2022, the CSR Committee of the Company comprises of 3 (Three) members. Composition of the committee is enclosed below for the perusal of the members.

S. No	Name of Director	Designation	Committee
1	Dr Shailendra Kumar Joshi	Independent Director	Chairman
2	Viswanatha Prasad Subbaraman	Additional Director (Non – Executive)	Member
3	Paul DiLeo	Nominee Director	Member

During the period under review CSR Committee met 1 (one) time on 18th August 2021. Adequate notice in accordance with the provisions of Companies Act, 2013 and Secretarial Standards, issued by Institute of Company Secretaries of India were given for convening the meeting and the intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

The Company is required to spend 2% of the average net profits for the preceding three financial years as per Section 135 (5) of the Act. Details pertaining to expenditure carried out by the Company on CSR projects, details of implementing agencies and other disclosures required have been provided in the CSR Report attached as **Annexure II.**

(v) Nomination and Remuneration Committee

Nomination and Remuneration Committee has been constituted by the Board of Directors in accordance with the provisions of Section 178 of the Companies Act, 2013 read with rules made therein and also in accordance with the applicable guidelines issued by the Reserve Bank of India from time to time. Terms of reference of Nomination and Remuneration Committee are in line with the provisions of Section 178 of the Companies Act, 2013, notifications and/or guidelines and other regulatory requirements as applicable to Company.

As on March 31, 2022, the Nomination and Remuneration Committee of the Company comprises of 4 (Four) members. Composition of the committee is enclosed below for the perusal of the members.

S. No	Name of Director	Designation	Committee
1	Paul DiLeo	Nominee Director	Chairman
2	Dr. Shailendra Kumar Joshi	Independent Director	Member
3	Narayan Ramachandran	Independent Director	Member
4	Mahesh Kanumury	Non - Executive Director	Member

During the period under review Nomination and Remuneration Committee met 4 (Four) times on 20th May 2021, 19th August 2021, 08th October 2021, and 10th February, 2022. Adequate notices in accordance with the provisions of Companies Act, 2013 and Secretarial Standards, issued by Institute of Company Secretaries of India were given for convening the meeting and the intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

During the year under review, all the recommendations of the Nomination and Remuneration Committee were accepted by the Board of Directors.

(vi) Borrowings Committee

Borrowings Committee has been constituted by the Board of Directors to approve the Borrowing proposals for the company upto prescribed limit as approved by the Board.

As on March 31, 2022, Borrowings Committee comprises of 3 (Three) members. Composition of the committee is enclosed below for the perusal of the members.

S. No	Name of Director	Designation	Committee
1	Mahesh Kanumury	Non -Executive Director	Chairman
2	Dr. Shailendra Kumar Joshi	Independent Director	Member
3	Viswanatha Prasad Subbaraman	Additional Director (Non – Executive)	Member

During the period under review Borrowings Committee met 5 (Five) times on 16th July 2021, 24th September 2021, 30th November 2021, 01st February 2022 and 16th March 2022. Adequate notices in accordance with the applicable requirements, if any were given and the intervening gap, between the meetings was within the period prescribed, if any in this regard.

(vii) Risk Management Committee

The Risk Management Committee has been constituted by the Board of Directors in accordance with the regulatory requirements laid down by Reserve Bank of India. The primary objective of the Committee is to manage the integrated risk. The Committee is responsible for the duties as laid down in the Terms of Reference approved by the Board of Directors and the regulatory requirements as laid down by Reserve Bank of India from time to time.

As on March 31, 2022, Risk Management Committee comprises of 6 (Six) members. Composition of the committee is enclosed below for the perusal of the members.

S. No	Name of Director	Designation	Committee
1	Karel Nierop	Nominee Director	Chairman
2	Narayan Ramachandran	Independent Director	Member
3	Viswanatha Prasad Subbaraman	Additional Director (Non -Executive)	Member
4	Avishek Gupta	Managing Director	Member
5	Sachin Hirani	VP- Portfolio Risk Management	Member
6	Prema Jaiswal	VP- Operations	Member

During the period under review, Risk Management Committee met 4 (Four) times on 20th May 2021, 19th August 2021, 11th November 2021 and 10th February 2022. Adequate notices in accordance with the applicable requirements, if any were given and the intervening gap between the meetings was within the period prescribed in this regard, if any.

(viii) IT Strategic Committee

The IT Strategic Committee has been constituted by the Board of Directors in accordance with the regulatory requirements laid down by Reserve Bank of India. The Committee will carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance and Infrastructure.

As on March 31, 2022, the IT Strategic Committee of the Company comprises of 5 (Five) members:

S. No	Name of Director	Designation	Committee
1	Praseeda Kunam	Independent Director	Chairperson
2	Mahesh Kanumury	Non - Executive Director	Member
3	Viswanatha Prasad Subbaraman	Additional Director (Non – Executive)	Member
4	Avishek Gupta	Managing Director	Member
5	Prema Jaiswal	Chief Information Officer	Member
6	Bharath Yallambatla	Chief Technology Officer	Member
7	Sachin Hirani	Chief Risk Officer	Member

Notes:

- Mahesh Kanumury ceased to be the Chairman of the Company after w.e.f. 12th February 2022.
- Praseeda Kunam has been appointed as the Chairperson of the Company w.e.f. 12th February 2022.
- Sachin Hirani, Bharath Yallambatla and Prema Jaiswal respectively (for current designation) have been appointed as the member(s) of the committee w.e.f. 07th December 2021.
- Vandana Bhatia ceased to be the member of the committee after 07th December 2021.

During the period under review IT Strategic Committee met 2 (Two) times on 28th October 2021 and 04th March 2022. Adequate notices in accordance with the applicable requirements, if any were given and the intervening gap between the meetings was within the period prescribed, if any in this regard.

12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period year under review, following changes have occurred in Board Composition and KMP of the Company.

- Mahesh Kanumury ceased to be the Independent Director of the Company w.e.f 30th June 2022.
- Mathew Titus ceased to be the Director of the Company w.e.f. 1st July 2021.
- Dr. Shailendra Kumar Joshi has been appointed as Independent Director w.e.f. 20th August 2021.
- Praseeda Kunam has been appointed as Independent Director w.e.f. 20th August 2021.

- Mahesh Kanumury has been appointed as the Non - Executive Director w.e.f. 20th August 2021.
- Vandana Bhatia Ceased to be the Company Secretary and Compliance officer of the company w.e.f. 07th December 2021.
- Viswanatha Prasad Subbaraman ceased to be Managing Director w.e.f. 08th December 2021.
- Avishek Gupta has been appointed and designated as Managing Director w.e.f. 09th December 2021.
- Narayan Ramachandran, ceases to be the Chairman of the Board w.e.f. 09th December 2021.
- Viswanatha Prasad Subbaraman has been appointed as Additional Director (Non – Executive) and the Chairman of the Board, w.e.f. 09th December 2021.
- Saurabh Johri ceases to be the Chief Financial Officer of the Company w.e.f. 09th December 2021.
- Vishwanath Muniganti has been designated as Chief Financial Officer and Interim Compliance Officer of the Company w.e.f. 09th December 2021.

Appointment of Directors.

Nomination and Remuneration Committee reviewed the candidature of Viswanatha Prasad Subbaraman, Mahesh Kanumury and Avishek Gupta respectively on several parameters and their fit and proper assessment was carried out by the Committee. Subsequently the candidatures were recommended to Board of Directors for their approval. On the recommendation of the Nomination and Remuneration Committee, appointment of Viswanatha Prasad Subbaraman, Mr. Mahesh Kanumury and Mr. Avishek Gupta respectively as Directors of the Company have been approved by the Board of Directors.

The Board of Directors also examined their candidature and basis on their experience, skill sets, disclosures and expertise, Board of Directors are of the of the opinion that the respective candidature possess the integrity, expertise, experience and proficiency required for appointment as directors on the Board of the Company and accordingly, their appointment was approved.

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

13. DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Company has received declarations from the Independent Directors of the Company under provisions of Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence as laid down in provisions of Section 149(6) of the Companies Act, 2013. The declarations received from the Independent Directors were placed before the Board of Directors. Board of Directors have examined the veracity of declarations submitted by respective director and has taken the same on record.

14. REMUNERATION POLICY

The Nomination and Remuneration 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. Pursuant to the approval of Board of Directors, candidates are appointed as the director on the Board of the company.

Remuneration policy has been formed in accordance with the provisions of Section 178 (3) of the Companies Act, 2013, containing the salient features on appointment and remuneration. The remuneration policy is available at the website of the Company https://www.caspiandebt.in/downloads/.

15. FORMAL ANNUAL EVALUATION

As per the provisions of the Companies Act, 2013, the Nomination and Remuneration 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 inter alia but not limited to, 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.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to inform you that the audited financial statements for the year ended March 31, 2022 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.

17. RISK MANAGEMENT

The Company has formulated Risk Management Committee, the composition of the committee and other details have been provided in point 10(vii) of the report. 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 Risk Management Committee Meeting.

18. 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 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.

19. RELATED PARTY TRANSACTIONS

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

Eligible, Non -executive directors are entitled for receiving sitting fees and commission as approved by Board from time to time. Apart from receipt of sitting fees and commission payment, there are no other transaction between the 0company and Non -Executive Directors.

Policy on dealing with the related party transactions has been hosted on the website of the company and can be accessed through https://www.caspiandebt.in/downloads/

Disclosure pursuant to Schedule V of SEBI LODR

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	**Holding Company**	Not Applicable
2	**Subsidiary**	Please refer Financial Statements
3	**Holding Company**	Not Applicable

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

20. AUDITORS AND AUDITORS' REPORT

(i) Statutory Auditors

Pursuant to RBI Guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors, M/s Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad (ICAI Registration No 001076N/N500013) expressed their inability to continue as Statutory Auditor of the Company and ceased to be the Statutory Auditors of the Company w.e.f. 23rd July 2021. Pursuant to the approval of members of the Company, M/s T R Chadha & Co LLP (Firm Registration Number: 006711N/N500028) were appointed as the Statutory Auditor of the Company for a period of 3 years from conclusion of 30th Annual General Meeting till conclusion of 33rd Annual General Meeting.

(ii) Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with rules made thereunder and on the recommendation of the Audit Committee, Board of Directors approved the re-appointment of KPMG, LLP as Internal Auditor of the Company for FY 2021-22 for carrying carry out an internal audit of all its operations. 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. Jayashree S Iyer, Practising Company Secretary, was appointed to conduct the Secretarial Audit of the Company for FY2021-22. The Secretarial Audit Report for FY2021-2022 is attached as **Annexure IV.**

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

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

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURT/REGULATORS

During the period under review, No Significant Material orders have been passed by the courts/regulators.

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

<table>
<tr><td>(A)</td><td>Conservation of energy</td><td rowspan="13">The Provisions of this particular disclosure are not primarily applicable to the company hence the disclosures are either Nil or Not applicable. Company is continuously capitalising on the technology front to enhance customer experience and operational efficiency and parallelly leverage that on business level as well.</td></tr>
<tr><td>(i)</td><td>The steps taken or impact on conservation of energy;</td></tr>
<tr><td>(ii)</td><td>The steps taken by the company for utilizing alternate sources of energy;</td></tr>
<tr><td>(iii)</td><td>The capital investment on energy conservation equipment’s;</td></tr>
<tr><td>(B)</td><td>Technology absorption</td></tr>
<tr><td>(i)</td><td>the efforts made towards technology absorption;</td></tr>
<tr><td>(ii)</td><td>the benefits derived like product improvement, cost reduction, product development or import substitution;</td></tr>
<tr><td>(iii)</td><td>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):-</td></tr>
<tr><td></td><td>- the details of technology imported;</td></tr>
<tr><td></td><td>- the year of import;</td></tr>
<tr><td></td><td>- whether the technology been fully absorbed</td></tr>
<tr><td></td><td>-if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</td></tr>
<tr><td></td><td>- the expenditure incurred on Research and Development.</td></tr>
<tr><td>(C)</td><td>FOREIGN EXCHANGE</td><td></td></tr>
<tr><td>(i)</td><td>Foreign Exchange Earnings</td><td>Nil</td></tr>
<tr><td>(ii)</td><td>Foreign Exchange Outgo</td><td>Rs.18,82,84,189</td></tr>
</table>

24. DISCLOSURES

(i) Management Discussion and Analysis

Separate section covering the Management discussion and Analysis is being provided along with this report.

(ii) Annual Return

Pursuant to section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the annual return of the Company can be accessed on the Company’s website at https://www.caspiandebt.in/downloads/.

(iii) 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.

(iv) 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. Internal Complaints Committees (ICC) as prescribed under the Act 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.

(v) 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 https://www.caspiandebt.in/downloads/.

Detailed report on the initiatives taken by the company during the year has been disclosed in the CSR Report which has been enclosed as **Annexure -II** to this report.

(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, the Annual Report and other documents mandated by the provisions are being sent to the Members of the Company by email only. The said information is available for inspection. Any member interested in obtaining such information may write to the Company at compliance@caspian.in and the same will be furnished on request.

(vii) Issuance of Non- Convertible Debentures (NCD's)

During the period under review, the Company has not issued any NCD's hence the disclosure required under Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is not applicable to the Company.

(viii) Contact details of Debenture Trustees

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85
S.No. 94 & 95, Bhusari Colony (Right), Kothrud
Pune, Maharashtra – 411038, India
Phone: +912025280081
Email: dt@ctltrustee.com
Website: www.catalysttrustee.com

(**IX**) **Cost Records**

Maintenance of cost records and the provisions related to it are not applicable to the company.

(X) Compliance with Secretarial Standards

The Company has complied with the Secretarial Standards issued by Institute of Companies Secretaries of India (ICSI) on Board Meetings (SS- 1) and General Meetings (SS-2).

(XI) Disclosure on Insolvency and Bankruptcy Code 2016

There are no applications made or any proceeding pending under the Insolvency and Bankruptcy Code 2016, hence the disclosure requirements are not applicable.

(XII) Valuation – One Time Settlement

Company has not done any settlement for loans obtained from Banks or Financial Institutions; hence the disclosure requirements are not applicable.

(**XIII) Loans against security of single product - Gold Jewellery**

As your Company, does not lend loan against Jewellery, disclosures pertaining to this segment are not appliable to the Company.

25. CREDIT RATINGS

The rating agencies ICRA Limited ("**ICRA**") and Brickwork Ratings have assigned the following ratings to the Company

Facility	**ICRA**	**Brickwork Ratings**
Non - Convertible Debentures	BBB	BBB (only for NCD issued to Bank of Baroda)
Bank/Long-term facilities	BBB	NA
Short – term facilities	A2	NA

26. ACKNOWLEDGMENTS

Your directors take this opportunity to thank and acknowledge with gratitude, the contribution, co-operation and guidance received from Regulatory Authorities, Business Partners, Bankers, Members and other Stakeholders.

By Order of the Board
Caspian Impact Investments Private Limited

Sd/	**Sd/**
___________________________________	________________________________
Viswanatha Prasad Subbaraman	**Avishek Gupta,**
Additional Director	**Managing Director**
DIN – 00574928	**DIN – 09351254**

Place: Hyderabad
Date: 27st May 2022

Annexure I

FORM NO. AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Name of the subsidiary – Bellwether Microfinance Trust (Trust)
2. The date since when subsidiary was acquired – Subsidiary due to IndAs transition during financial year ended March 31, 2020
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period – March 31, 2022
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. - INR
5. Share capital – Refer Financials of Trust
6. Reserves & surplus – Refer Financials of Trust
7. Total assets – Refer Financials of Trust
8. Total Liabilities – Refer Financials of Trust
9. Investments – INR 1,42,58,969
10. Turnover – Refer Financials of Trust
11. Profit before taxation – Refer Financials of the Trust
12. Provision for taxation - Refer Financials of the Trust
13. Profit after taxation – Refer Financials of the Trust
14. Proposed Dividend - None
15. Extent of shareholding (in percentage)– 100%

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – NA

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Viswanatha Prasad Subbaraman	**Avishek Gupta**
Additional Director	**Manging Director**
DIN: 00574928	**DIN: 09351254**

Sd/-

Vishwanath Muniganti
Chief Financial Officer

V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Flat No.202 & 301, Satyam Cinema Complex
Ranjit Nagar Community Centre, New Delhi – 110008
Tel.(011) 25702691, 25704639; e-mail: newdelhi@vsa.co.in

Independent Auditors' Report

TO THE TRUSTEE OF BELLWETHER MICROFINANCE TRUST

1. **Opinion**

We have audited the financial statements of **BELLWETHER MICROFINANCE TRUST** ("Trust"), which comprise the Balance Sheet as at 31st March, 2022 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read with other notes given thereto, give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Trust as at 31st March 2022

2. **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Trust in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethic. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. **Responsibilities of management for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position of the Trust in accordance with the accounting principles generally accepted in India, including the accounting standards issued by ICAI, to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Trust's financial reporting process.

4. **Auditors' responsibility for the audit of the financial statements**

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 SAs will always detect a material misstatement when it exists. Misstatement 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

- 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, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- 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 Trust'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 Trust 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.

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.

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.

5. **Other matters**

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 have been kept by the Trust so far as appears from our examination of those books; and

c) The Balance Sheet dealt with by this report are in agreement with the books of accounts;

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Place: NEW DELHI
Dated: 25-May-2022

M.S. Balachandran
Partner (M. No: 024282)
UDIN: 22024282AJPUWQ4553

BELLWETHER MICROFINANCE TRUST

(Amount in Rupees)

BALANCE SHEET AS AT	Notes	31-Mar-2022	31-Mar-2021
SOURCE OF FUNDS:			
Corpus Fund - Initial contribution [By the Settlor of the Trust- Caspian Impact Investments Private Limited]		10,000	10,000
Capital Contribution (From Caspian Impact Investments Private Limited)	1	1,42,97,878	1,42,97,878
TOTAL		**1,43,07,878**	**1,43,07,878**
APPLICATION OF FUNDS:			
Investments	2	1,42,58,969	1,42,58,969
Current Assets, Loans and Advances			
Balance with Bank in Current Account		-	48,909
Other Recoverable		48,909	-
TOTAL		**1,43,07,878**	**1,43,07,878**

As per our report of even date
for **V. Sankar Aiyar & Co.,**
Chartered Accountants
ICAI FRN: 109208W

M.S. Balachandran
Partner
M.No. 024282

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 25 May 2022

for on behalf of the Trustee
Caspian Impact Investment Adviser Private Limited

S. Viswanatha Prasad
Managing Director
DIN: 00574928

B.V. Narasimham
Director
DIN: 00061629

BELLWETHER MICROFINANCE TRUST

(Amount in Rupees)

NOTES TO BALANCE SHEET AS ON		31-Mar-2022		31-Mar-2021
1. Capital Contribution				
(From Caspian Impact Investments Private Limited)				
Opening Balance as the *beginning of the year*		1,42,97,878		1,42,97,878
Less: Transactions during the period				
(i) Sale Proceed of Investment transferred	-		-	
(ii) Other transfer	-	-	-	-
Add: Transactions during the period				
(i) Profit on sale of Investment		-		-
Closing Balance as the end *of the year*		1,42,97,878		1,42,97,878
Total		**1,42,97,878**		**1,42,97,878**

2. Investments				
Equity Share Capital				
(Long term-Trade-Unquoted: At cost)	**Number of Shares**		**Number of Shares**	
1. Sonata Finance Private Limited	6,72,292	1,42,58,969	6,72,292	1,42,58,969
Total		**1,42,58,969**		**1,42,58,969**

As per our report of even date
for **V. Sankar Aiyar & Co.,**
Chartered Accountants
ICAI FRN: 109208W

M.S. Balachandran
Partner
M.No. 024282

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 25 May 2022

for on behalf of the Trustee
Caspian Impact Investment Adviser Private Limited

S. Viswanatha Prasad
Managing Director
DIN: 00574928

B.V. Narasimham
Director
DIN: 00061629

Audited Financial Statements for the year ended March 31, 2022

BELLWETHER MICROFINANCE TRUST

Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2022

1. The financial statements have been prepared under historical cost convention, on a going concern basis and in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India.

2. The Trust has been formed by the Settlor, Caspian Impact Investments Private Limited vide deed of Trust dated May 27, 2005.

3. The main objective of the Trust is to make investments (equity, preference shares and quasi equity instruments) in limited liability companies licensed by the Reserve Bank of India and who are primarily engaged in Microfinance activities. The Settlor has formed the Trust to channelize the contributions by itself and others to facilitate such investments.

4. Caspian Impact Investment Adviser Private Limited is the sole Trustee entrusted with the management of the Trust. At present, Caspian Impact Investments Private Limited, being the sole core contributor, is the sole beneficiary.

5. **Investments:**
   5.1. All the investments are in unlisted companies dealing in microfinance including new start-ups.
   5.2. Long-term investments are carried at cost less provision (where required), for other than temporary diminution in value.
   5.3. As per the information available with the trust, the extent of holding in the investee companies is as follows:

(Amounts in Indian Rs.)

S.No	Name of the investee company	(%) Extent of holding as on March 31, 2022	(%) Extent of holding as on March 31, 2021	Avg. cost of purchase as on March 31, 2022	Avg. cost of purchase as on March 31, 2021	Break-up value as on March 31, 2022	Break-up value as on March 31, 2021
1	Sonata Finance (P) Ltd. #	2.54%	2.54%	21.21	21.21	115.23	110.65

 # Information for March 31, 2022 is based on provisional financial statements.

   5.4. The diminution, if any, in the value of the investments can be ascertained only on the basis of audited financial statements of the companies. Pending such examination, Net Asset Value of the investee companies has not been ascertained.
   5.5. Dividend income is recognized, when the right to receive the same is established.

6. The Permanent Account Number (PAN) of the Trust under the Income Tax Act, 1961 - AAATB9848B. The Trust has filed NIL income in the Tax Return as the income belongs exclusively to the sole beneficiary, Caspian Impact Investments Private Limited.

As per our report of even date
For **V. Sankar Aiyar & Co.,**
Chartered Accountants
ICAI FRN: 109208W

M.S. Balachandran
Partner
M. No. 024282

SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 25 May2022

For and on behalf of the Trustee
For **Caspian Impact Investment Adviser Private Limited**

S. Viswanatha Prasad
Managing Director
DIN: 00574928

B.V. Narasimham
Director
DIN: 00061629

Annexure II

ANNEXURE ON CSR ACTIVITIES

1. **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.

   Overview of Projects:

   During the financial year, the Company's CSR focus has been on:
   - Promoting education to under privileged children and funding;
   - Facilitating capacity building through iPitch to support the start-up eco-system especially for social enterprises of India
   - Facilitating launch of Innocity Startup School with CIIE Co. for aspiring entrepreneurs and students across various geographies and sectors who have limited access to high quality entrepreneurship training and knowledge

2. Composition of CSR Committee as on 31st March 2022:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shailendra Joshi	Chairman/Independent Director	1	1
2	Paul DiLeo	Member/Nominee Director	1	1
3	Viswanatha Prasad Subbaraman	Member/Additional Director	1	1

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:** The Company's CSR policy, CSR Committee Composition and CSR projects approved by the Board of Directors has been uploaded in the website of the Company and can be viewed at https://www.caspiandebt.in/downloads/

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any –** NIL

6. **Average net profit of the company as per section 135(5).**

Financial Years	Net Profit after Tax
	Amount (INR)
2018-2019	8,07,70,603

2019-2020	4,60,89,028
2020-2021	2,29,06,000
Average Net Profit	4,99,21,877
2% of Average Net Profit	9,98,437
Total Amount Spent	**10,17,000**

7. **(a) Two percent of average net profit of the company as per section 135(5) :** Refer Point 6
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
   (c) Amount required to be set off for the financial year, if any: NIL
   (d) Total CSR obligation for the financial year (7a+7b-7c) : Refer Point 6

8. **<u>(a) CSR amount spent or unspent for the financial year:</u>**

Total Amount Spent for the Financial Year. (in INR.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
10,17,000	**Amount.**	**Date of transfer**	**Name of the Fund**	**Amount.**	**Date of transfer.**
	Not Applicable		**Not Applicable**		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Not Applicable												

(C) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Innocity Startup School	Clause IX - Contribution to incubators	No	PAN India		4,00,000	No	CIIE Co.	-
2.	Sponsorship of children under the Academic	Clause II - promoting education	No	Karnataka	Bangalore	5,42,000	No	Parinaam Foundation	-

	Adoption Program and toward Parinaam general pool of funds								
3.	Villgro – Ipitch Program	Clause IX - Contribution to incubators	No	PAN India		75,000	No	Villgro Innovations Foundation	-

(d) **Amount spent in Administrative Overheads:** NIL

(e) **Amount spent on Impact Assessment, if applicable:** NIL

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** INR 10,17,000

(g) **Excess amount for set off, if any:** NIL

9. (a) **Details of Unspent CSR amount for the preceding three financial years**: NIL

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)**: NIL

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**: NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Sd/-	**Sd/-**
Avishek Gupta **Managing Director** **DIN: 09351254**	**Shailendra Kumar Joshi** **Chairman CSR Committee** **DIN: 01689889**

Annexure - III

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 34 (a) of the notes to the financial statements
b)	Nature of contracts/arrangements/transactions	Refer Note 34 (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 34 of the notes to the financial statements

e)	Date(s) of approval of the Board, if any	Recurring
f)	Amount paid as advances, if any	-

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
_______________________	_______________________
Viswanatha Prasad Subbaraman	**Avishek Gupta**
Additional Director	**Managing Director**
DIN: 00574928	**DIN: 09351254**

Sd/-

____

Vishwanath Muniganti
Chief Financial Officer

JAYASHREE S IYER
COMPANY SECRETARY & INSOLVENCY PROFESSIONAL
C.P.No.21403/ IBBI/IPA-002/IP-N00741/2018-19/12211

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

[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 Board of Directors
M/s. Caspian Impact Investments Private Limited
CIN No.: U65993TG1991PTC013491
4th floor, Ventureast Plaza, Plot No.40 & 41
Financial District, Gachibowli, Hyderabad
Hyderabad 500032

I 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 my verification of the soft copy of 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 and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of COVID-19 Pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 generally complied with the provisions of Acts, Rules, Regulations, Guidelines, Standards listed hereunder subject to the reporting made hereinafter:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
(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 thereunder to the extent applicable to the Company;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent applicable to the Company;

23 Lake Area, 3rd Cross Street, Nungambakkam, Chennai 600034
Mobile: 9840908393 E-mail: jayashree2505@gmail.com

(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 (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company;

vi) Other laws, as amended from time to time, specifically applicable to the Company viz.,

- (a) Reserve Bank of India Act, 1934, Rules, Regulations, Guidelines, Circulars, Master Directions, Notifications made thereunder to the extent applicable to Systemically Important Non-Deposit taking NBFC ;
- (b) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;
- (c) Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
- (d) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;
- (e) NBFC Auditors Report Reserve Bank Directions, 1998;
- (f) Information Technology Framework for the NBFC Sector;
- (g) Liquidity Risk Management Framework for NBFCs.

I 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.

I 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 Debt Listing Agreement entered into by the Company with BSE Limited.

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

I report that there were no events or actions in pursuance of:

(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(v) 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;
(vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I 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 in advance as stipulated in the Companies Act, 2013, 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 confirmed by the Directors, the decisions of the Board were carried through by majority while there were no dissenting views recorded as part of the minutes.
(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 auditors, tax auditors and other designated professionals.
(vi) During the period under review, there has been a change in Compliance Officer and the Chief Financial Officer has been designated as Interim Compliance Officer, which was communicated to BSE vide intimation dated 12th November 2021. The Company is in the process of filling casual vacancy of Compliance Officer.

JAYASHREE S IYER
COMPANY SECRETARY & INSOLVENCY PROFESSIONAL
C.P.No.21403/ IBBI/IPA-002/IP-N00741/2018-19/12211

I further report that based on the information received, explanations given, process explained, records maintained, statutory compliance and statutory internal audit reports submitted to the Board on quarterly basis, and taken on record by the Board of Directors of the Company, in my 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.

Jayashree S Iyer
Company Secretary
FCS 10394
C P 21403
PR 1382/2021
UDIN F010394D000393821

Place : Chennai
Date : 26.05.2022

In view of the covid pandemic all the documents were examined digitally.

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

23 Lake Area, 3rd Cross Street, Nungambakkam, Chennai 600034
Mobile: 9840908393 E-mail: jayashree2505@gmail.com

JAYASHREE S IYER
COMPANY SECRETARY & INSOLVENCY PROFESSIONAL
C.P.No.21403/ IBBI/IPA-002/IP-N00741/2018-19/12211

'ANNEXURE – A'

To,
The Board of Directors
M/s. Caspian Impact Investments Private Limited
CIN No.: U65993TG1991PTC013491
4th floor, Ventureast Plaza, Plot No.40 & 41
Financial District, Gachibowli, Hyderabad
Hyderabad 500032

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of M/s Caspian Impact Investments Private Limited (the 'Company'). My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of provisions of all laws, rules, regulations, standards applicable is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
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.

Jayashree S Iyer
FCS 10394
CP 21403
Practising Company Secretary

Company Secretary
FCS 10394
C P 21403
PR 1382/2021
UDIN F010394D000393821

Place : Chennai
Date : 26.05.2022

23 Lake Area, 3rd Cross Street, Nungambakkam, Chennai 600034
Mobile: 9840908393 E-mail: jayashree2505@gmail.com

Independent Auditors' Report

To the Members of
Caspian Impact Investments Private Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of **Caspian Impact Investments Private Limited ("the Company")**, which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and standalone Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 Standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial Statements.

3. Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
a.	Impairment of Loans given Refer note 3(j) for the Accounting Policy and note 38 (A) for the related disclosure As at March 31, 2022, the company has reported Gross Loan Assets of Rs.48,347 Lakh against which an impairment of Rs.633 Lakh has been recorded. IND AS 109, Financial Instruments requires the company to provide for impairment of its financial assets using the expected credit loss (ECL) approach which involves estimates for probability of loss on the financial assets over their life, considering reasonable and supportable information about past trends, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, the company has applied three stage approach based on changes in credit quality to measure	Read and assessed the Company's accounting policies for impairment of financial instruments and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. We have evaluated the management response upon implementation of various RBI circulars and tested the implementation of requirements as per these circulars on sample basis. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions

	expected credit loss on loans which is as follows: ➢ If the loan is not credit impaired since initial recognition, then it is classified in "Stage 1". ➢ If the loan has a significant increase in credit risk initial recognition, then it is moved to "Stage 2", but the loan is not deemed to be credit impaired. ➢ If the loan is credit impaired, then it is moved to "Stage 3" i.e., the default in repayment is more than 90 days. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 Loan assets.	and tested the controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages. Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures (note no.38) included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures and also as per RBI Guidelines.

4. Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the Standalone financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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.

5. Management's Responsibility for the Standalone financial Statements

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial Statements that give a true and fair view of the standalone financial position, standalone financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. 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 Standalone financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial Statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's standalone financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 SAs 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 Standalone financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 financial 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 expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 in the Standalone financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 Standalone 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 Standalone financial Statements, including the disclosures, and whether the Standalone financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial Statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

7. Other Matter

The Standalone financial Statements also include figures of the Company for the year ended March 31, 2021, audited by the predecessor firm of statutory auditor vide its report dated May 21, 2021, in which the predecessor auditor has expressed an unmodified opinion. Accordingly, we do not express any conclusion on aforesaid standalone financial statement for the said year and have relied upon the said reports for the purpose of our report on this standalone financial statements.

8. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government 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, to the extent applicable.

ii. As required by section 143(3) of the Act, based on our audit 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 purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Standalone financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial Statements.

iii. With respect to the other matters to be included in the Auditors' 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:

a) The Company does not have any pending litigation which would impact its standalone financial position as at March 31, 2022.

b The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.

c There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

d (i) The Management has represented that, to the best of its (knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e During the year the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.

II. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

The provision of section 197 read with schedule V to the Act are not applicable to the Company. Accordingly, reporting under section 197(16) is not applicable.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No. 076650
UDIN: 22076650AJTRMO1027
Place: Mumbai
Date: May 27, 2022

Annexure A to the Independent Auditor's Report of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

i. **In respect of the Company's Property, Plant and Equipment and Intangible Assets:**

(a) **(A)** The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a program of physical verification of these Property, Plant and Equipment whereby all these assets are verified once in three years. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification;

(c) The company does not have any immovable property in the nature of "Property, plant and equipment(Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).Hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder;

ii **(a)** The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company;

(b) The Company has been sanctioned working capital limit in excess of Rs 5 crore in aggregate during the year from banks or financial institutions on the basis of security of current assets and the quarterly returns/statements filed by the company with such Banks and Financial institutions are in agreement with the books of accounts of the Company.

iii. The Company has not made investments in and provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year. However, the Company has granted secured and unsecured loans to companies, firms, Limited Liability Partnerships and to others parties during the year in respect of which;

(a) Since the Company is principally engaged in providing loans reporting under clause 3(iii)(a) of the Order is not applicable;

(b) In our opinion, the terms and conditions of the loans granted during the year are prima facie not prejudicial to the Company's interest;

(c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation except for certain cases, the summary of which are as disclosed by the management in Note 38(A)(A.2) of notes of the Financial Statements.

For the purpose of the above disclosure, the company has considered the Reserve Bank of India circular DOR.No.BP.BC/3/21.04.048/2020-21dated August 06, 2020 on Resolution Framework for COVID-19 related stress and RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (as amended time to time) wherein moratorium is to be granted to customers in relation to repayment of dues, due to which the repayment schedule of such customers has been modified to that extent;

(d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 38(A)(A.2) of notes of the Financial Statements. The total amount in Stage III (overdue for more than 90 days) amounts to Rs.1,433 Lakh with respect to 4 borrowers (7 loan accounts). The Company has generally taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans;

(e) As Company is principally engaged in providing loans, hence the reporting under clause 3(iii)(e) of the Order is not applicable;

(f) The Company has not granted any loans or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) of the Order is not applicable;

iv The Company has not granted any loans, made investments, or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company;

v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company;

vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company;

vii **(a)** The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of customs and duty of excise;

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues which were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable;

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

Name of the Statute	Nature of dues	Amount (Rs. Lakh)	Period to which the amount belongs	Forum where the dispute os pending
Income Tax Act, 1961	Income Tax	20.17	AY 2017-18	Commissioner of Income Tax (Appeals), Hyderabad
		7.04	AY 201920	

Note: Disputed dues of Rs. 27 Lakh, has been paid under protest.

viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

ix **(a)** The Company has not defaulted in the repayment of loans or other borrowings to or in the payment of interest thereon to any lender, during the year;

(b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender;

(c) Term loans availed by the Company during the year have been generally applied for the purpose for which they were obtained other than temporary deployment in liquid assets pending application.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate subsidiaries joint ventures.

(f) The company has not raised any loans during the year by pledging securities held in their subsidiaries, joint ventures or associate companies and accordingly, the provisions of clause 3 (ix) (f) of the Order is not applicable;

x **(a)** The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi **(a)** We report that no fraud by the company has been noticed or reported during the year nor have we been informed of any such case by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year;

xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;

xiv **(a)** In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports issued to the Company for the year under audit;

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 **(a)** The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration.

(b) The Company has a valid certificate of registration from Reserve Bank of India;

(c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;

(d) According to the information and explanation given to us, there is no Core Investment Company in the Group.

xvii The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii The erstwhile Statutory Auditors have resigned pursuant to RBI circular no. RBI/2021-22/25 Ref No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 /dated April 27, 2021. There has not been any issues, concerns or objections raised by the outgoing auditors, based on our communication with outgoing auditor as required under ICAI Code of Ethics;

xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;

xx As disclosed by management in note 29 (ii) of the financial statements and as verified by us, the gross amount required to be spent by company towards Corporate Social Responsibility (CSR) during the year has been duly spent during the year hence reporting under clause (xx)(a) and clause (xx)(b) of the Order is not applicable;

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No. 076650
UDIN: 22076650AJTRMO1027
Place: Mumbai
Date: May 27, 2022

Annexure B
To the Independent Auditor's Report of even date on the Standalone Financial Statements of Caspian Impact Investments Private Limited

Independent Auditor's Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act (the Act')

1. In conjunction with our audit of the standalone financial statements of Caspian Impact Investments Private Limited Company ('the Company) as at and for the year ended March 31, 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements.

3. Our responsibility is to express an opinion on the Company's Internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both applicable to an audit of Internal Financial controls with reference to financial statements. 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 internal financial controls with reference to financial statements was 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 internal financial controls system with reference to standalone financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

6. A company's internal financial control with reference to standalone financial statements 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 internal financial control with reference to financial statements 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 with reference to Standalone Financial Statements.

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Sd/-
Pramod Tilwani
(Partner)
Membership No. 076650
UDIN: 22076650AJTRMO1027
Date: May 27, 2022
Place: Mumbai

Caspian Impact Investments Private Limited

Standalone Balance Sheet as at 31 March 2022

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Financial assets			
Cash and cash equivalents	4	772	5,213
Bank balances other than cash and cash equivalents	5	678	528
Loans	6	47,714	41,587
Investments	7	9,160	4,754
Other financial assets	8	64	61
		58,388	**52,143**
Non-financial assets			
Current tax assets (net)	9	1,477	871
Deferred tax assets (net)	10	365	460
Property, Plant and Equipment	11	304	373
Intangible assets under development	12	-	808
Goodwill	12	1,327	1,327
Other intangible assets	12	738	1
Other non-financial assets	13	499	463
		4,710	**4,303**
	Total Assets	**63,098**	**56,446**
Liabilities and Equity			
Liabilities			
Financial liabilities			
Derivative liability		120	199
Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		33	75
Other payables	15		
- total outstanding dues of micro enterprises and small enterprises		10	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3	36
Debt securities	16	5,429	7,245
Borrowings (other than debt securities)	17	39,497	31,160
Lease liabilities	17	96	145
Other financial liabilities	18	310	280
		45,498	**39,140**
Non-financial liabilities			
Provisions	19	63	55
Other non-financial liabilities	20	52	56
		115	**111**
Equity			
Equity share capital	21	667	667
Other equity	22	16,818	16,528
		17,485	**17,195**
Total Liabilities and Equity		**63,098**	**56,446**

The accompanying notes form an integral part of the standalone financial statements.
This is the Balance Sheet referred to in our report of even date.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-

Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-

Avishek Gupta
Managing Director
DIN: 09351254

Sd/-

S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-

Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

Caspian Impact Investments Private Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Interest income	23	6,693	5,625
Fees and commission income	24	4	5
Total revenue from operations		**6,697**	**5,630**
Reversal of impairment on financial instruments	27	-	55
Other income	25	188	135
Total Income		**6,885**	**5,820**
Expenses			
Finance costs	26	4,420	3,831
Fees and commission expense		255	267
Impairment on financial instruments	27	323	-
Employee benefits expense	28	943	800
Depreciation and amortisation expense	11 & 12	226	95
Other expenses	29	701	598
Total Expenses		**6,868**	**5,591**
Profit before tax		**17**	**229**
Tax expense			
Current tax		-	30
MAT Credit entitlement		-	(30)
Taxes for prior years		-	10
Deferred tax benefit		(3)	(27)
		(3)	**(17)**
Profit for the year		**20**	**246**
Other Comprehensive Income (OCI)			
Items that will be reclassified to profit or loss			
Cashflow hedge reserve		(152)	(174)
Income tax impact on above		49	48
Items that will not be reclassified to profit and loss			
Remeasurement expense on defined benefit plans		(4)	-
Net changes in fair value of investment in equity shares		524	-
Income tax impact on above		(147)	-
Other Comprehensive Income		**271**	**(126)**
Total Comprehensive Income		**291**	**120**
Earnings per equity share (EPES) (of ₹ 10 each)	30		
Nominal value per equity share		10.00	10.00
- Basic and diluted EPES (in ₹)		0.30	3.73

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

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

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

Caspian Impact Investments Private Limited
Standalone Statement of Cash Flows for the year ended 31 March 2022
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities			
Profit before tax		17	229
Adjustments for:			
Depreciation and amortisation expense		226	95
Reversal of impairment of loans		(95)	(55)
Loan assets written off		418	-
Provisions no longer required, written back		(16)	(17)
Interest income on investments		(640)	(291)
Operating loss before working capital changes		**(90)**	**(39)**
Changes in			
Loans		(6,450)	(3,496)
Other financial assets		(3)	(12)
Other non-financial assets		(36)	(66)
Trade and Other payables		(65)	(109)
Effective interest rate adjustment for debt securities and borrowings		339	(878)
Other financial liabilities		(49)	235
Other non-financial liabilities		(4)	(27)
Provisions		4	12
Cash used in operating activities		**(6,354)**	**(4,380)**
Income tax (paid) / refund, net		(557)	122
Net cash used in operating activities	**A**	**(6,911)**	**(4,258)**
Cash flow from investing activities			
(Purchase) / Sale of Property, plant and equipment		(30)	8
Purchase of intangible assets		(864)	-
Change in intangible assets under development		808	(288)
Purchase of investments		(21,188)	(1,611)
Proceeds from sale of investments		16,782	323
Interest income from investments		640	291
Investment in fixed deposits		(150)	(318)
Net cash used in investing activities	**B**	**(4,002)**	**(1,595)**
Cash flow from financing activities			
Proceeds from issue of debt securities		-	7,500
Repayment of debt securities		(1,833)	(13,363)
Issue of equity share capital		-	486
Proceeds from borrowings (other than debt securities)		12,496	23,570
Repayment of borrowings (other than debt securities)		(4,877)	(5,476)
Increase / (Decrease) in loans repayable on demand, net		734	(3,850)
Principal payment of lease liabilities		(48)	(55)
Net cash generated from financing activities	**C**	**6,472**	**8,812**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	(4,441)	2,959
Cash and cash equivalents at the beginning of the year		5,213	2,254
Cash and cash equivalents at the end of the year (refer note 4)		**772**	**5,213**

This is the Standalone Statement of Cashflows referred to in our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

Caspian Impact Investments Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

A. Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2020		**65,22,981**	**652**
Add: Issued during the year	21	1,43,140	15
As at 31 March 2021		**66,66,121**	**667**
Add: Issued during the year		-	-
As at 31 March 2022		**66,66,121**	**667**

B. Other Equity

Particulars	Reserves and surplus						OCI			Total
	Reserve fund	Capital redemption reserve	Statutory reserve	Securities premium	Impairment reserve	Retained earnings	FVTOCI on equity instruments	Equity Instruments through Other Comprehensive Income	Cashflow hedge reserve	
Balance as at 1 April 2020	-	163	1,326	10,391	-	2,888	1,169	-	-	**15,937**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	**-**
Restated balance as at April 1, 2020	-	163	1,326	10,391	-	2,888	1,169	-	-	**15,937**
Profit for the year	-	-	-	-	-	246	-	-	-	**246**
Issue of equity shares	-	-	-	471	-	-	-	-	-	**471**
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	-	(126)	**(126)**
Transfer to statutory reserve	-	-	49	-	-	(49)	-	-	-	**-**
Balance as at 31 March 2021	**-**	**163**	**1,375**	**10,862**	**-**	**3,085**	**1,169**	**-**	**(126)**	**16,528**
Changes in accounting policy / prior period errors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Restated balance as at March 31, 2021	**-**	**163**	**1,375**	**10,862**	**-**	**3,085**	**1,169**	**-**	**(126)**	**16,528**
Profit for the year	-	-	-	-	-	20	-	-	-	**20**
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	373	-	(102)	**271**
Transfer to statutory reserve	-	-	4	-	-	(4)	-	-	-	**-**
Transfer to impairment reserve	-	-	-	-	39	(39)	-	-	-	**-**
Balance as at 31 March 2022	-	**163**	**1,379**	**10,862**	**39**	**3,062**	**1,542**	**-**	**(228)**	**16,818**

The accompanying notes form an integral part of the standalone financial statements.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

1 Background

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-deposit accepting non-banking financial company ("NBFC") with the Reserve Bank of India ("the RBI"). Its non-convertible debentures are listed on recognised stock exchange of India. The registered office of the Company is located at 4th floor, Ventureast Plaza, Plot no. 40 & 41 Financial District, Gachibowli, Hyderabad - 500032.

2 Basis of preparation and presentation of financial statements

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division III of Schedule III to the Companies Act, 2013. In addition, the applicable regulations of the Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.
Amounts in the financial statements are presented in Indian Rupees Lakh rounded off to nearest multiple of one lakh as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee upto two decimal places.

These standalone financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies below. The functional currency of the Company is Indian Rupee ("₹"). These standalone financial statements are presented in Indian Rupees and all the values are rounded to the nearest lakhs, except for share data and when otherwise indicated.

These standalone financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 27 May 2022.

b) Uncertainties relating to COVID-19 Pandemic

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets. The nation-wide lockdown in March 2020 led to a significant decrease in the economic activities. While easing of lockdown measures subsequently led to gradual improvement in economic activity, the second wave of COVID-19 has resulted in re-imposition of localized/regional lockdown measures in various parts of the country.

The pandemic has resulted in a lower loan origination and put constraints on recovery of over dues from customers during the year. Pursuant to the Reserve Bank of India ("RBI") circulars dated 27 March 2020 and 23 May 2020, the Company has granted a moratorium on payments of instalments falling due between 1 March 2020 and 31 August 2020 to the eligible borrowers. For such accounts where the moratorium is granted, the asset /stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification) which is in line with the RBI circulars on "COVID 19 Regulatory Package- Asset Classification and Provisioning" dated 17 April 2020 and "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021. Further, in accordance with the Resolution Framework for COVID-19 announced by the RBI on 6 August 2020, the Company has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The Company has recognized provisions as on 31 March 2022 towards its loan assets, based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss (ECL) method. The Company believes that it has considered all the possible impact of the known events arising out of COVID 19 pandemic in the preparation of the standalone financial statements. However, the extent to which the COVID-19 will impact the Company's operations and financial metrics will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic. The Company's capital and liquidity position is strong and would continue to be a focus area for the Company in the immediate future.

3 Summary of significant accounting policies

a) Basis of measurement

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies have been applied consistently for all the periods presented in the standalone financial statements, except where a newly issued accounting standard is adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by the management in the preparation of these standalone financial statements have been disclosed below. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

b) Use of estimates (continued)

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income taxes – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while estimating ECL:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL; and
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)

Provisions and other contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c) Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

Fees and commission income and dividend income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

d) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing cost consists of interest and other costs that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss on accrual basis as per the effective interest rate method.

e) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating 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.

f) Goodwill and other intangible assets

Goodwill

Goodwill arising on business combination is recorded at excess of the consideration paid over the fair value of the net assets taken-over and is subsequently measured at cost less accumulated impairment losses, if any.

Other intangible assets

Intangible assets mainly comprise of computer software which is initially measured at acquisition cost thereof. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Company.

Subsequent measurement (amortisation method, useful lives and residual value)

All intangible assets with finite useful life are amortised on a straight line basis over the estimated useful lives and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates useful life of intangible assets to be 5 years and 3 years for shelf products.

f) Goodwill and other intangible assets (continued)

Intangible assets under development
Expenditure incurred which are eligible for capitalisation under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

g) Property, plant and equipment (PPE)

Recognition and initial measurement
PPE are initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation method, useful lives, residual value and impairment)
Depreciation is provided using the straight-line method over their useful lives estimated by the Management which coincides with the useful lives specified in Schedule II of the Act. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. PPE are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition
An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

h) Leases
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether a contract is, or contains a lease on inception.

Where the Company is lessee
At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right- of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

a) Amortised cost

b) Financial assets at fair value through profit or loss (FVTPL)

c) Financial assets at fair value through other comprehensive income (FVTOCI)

All financial assets except for those at FVTPL or equity instruments at FVTOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Amortised cost

A financial asset is measured at amortised cost using effective interest rate (EIR), if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's loans and advances, security deposits, cash and cash equivalents, fee receivable, trade and most other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

Modification of cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original EIR. Any costs or fees incurred is adjusted against the carrying amount of the modified financial asset and amortised over the remaining term of the modified financial asset.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVTOCI

FVTOCI financial assets comprise of equity instruments measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the FVTOCI reserve within equity, except for dividend income, which is recognized in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers.

De-recognition of financial assets

De-recognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

De-recognition of financial assets other than due to substantial modification

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognises the financial asset if the financial asset is transferred and the transfer qualifies for derecognition.

i) Financial instruments (continued)

Classification and subsequent measurement of financial liabilities
Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

j) Impairment of financial assets

Loan assets
The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:
i) Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
ii) Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
iii) Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amount of outstanding exposure as on the assessment date on which ECL is computed including amount guaranteed by way of letter of credit.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs
Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

k) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

l) Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

m) Employee benefits

Short-term employee benefits
Short-term employee benefits including salaries, and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Defined contribution plan
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and national pension scheme. The Company recognises contribution payable as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
The Company has an obligation towards gratuity which is being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary and other defined parameters. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside.

The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

Leave encashment
The Company operates a long term leave encashment plan. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19, Employee Benefits.

n) Investment in subsidiary

The Company has set up Bellwether Microfinance Trust ("the Trust"), a pass through trust, with the objective of making equity 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 Company has elected to recognise its investments in subsidiary at fair value in accordance with the Ind AS 109, Financial Instruments.

o) Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or cash generating unit (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset or a CGU is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset or CGU in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

p) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

q) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, the related asset is disclosed.

r) Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

s) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind-AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationships exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

t) Cash flow statements

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

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

4. Cash and cash equivalents

	31 March 2022	31 March 2021
Cash on hand	-	-
Balance with banks:		
In current accounts	772	3,213
In fixed deposits (with original maturity less than 3 months)	-	2,000
	772	**5,213**

5. Bank balances other than cash and cash equivalents

	31 March 2022	31 March 2021
Earmarked balance with banks (fixed deposits) against borrowings	678	528
	678	**528**

6. Loans

	31 March 2022	31 March 2021
At amortised cost		
Term loans	48,347	42,315
Less: Impairment loss allowance	(633)	(728)
	47,714	**41,587**

(A) Out of the above

Secured*	44,870	40,562
Covered by bank/government guarantee	296	696
Unsecured, considered good	3,393	1,170
	48,559	**42,428**
Other adjustments		
Unamortized loan origination fee	85	132
Unamortized loan processing fee	(477)	(410)
Interest accrued on loan assets	180	165
	48,347	**42,315**
Less: Impairment loss allowance	(633)	(728)
	47,714	**41,587**

*The loans are secured by hypothecation of book debts and charge on movable/immovable assets. Further, the Loan assets amounting to INR 4,420 (31 March 2021: INR 3,767) are additionally covered by bank/government guarantee.

(B) Out of the above

Loans in India		
Others	48,347	42,315
Less: Impairment loss allowance	(633)	(728)
	47,714	**41,587**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

7. Investments

	31 March 2022	31 March 2021
Debt securities		
Measured at amortised cost		
100 (31 March 2021: 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	999	998
Nil (31 March 2021: 80) 17.23% rated, subordinated, unsecured, listed, redeemable, transferable, non-convertible debentures of ₹1,000,000 each fully paid in ESAF Small Finance Bank Limited	-	861
300,000 (31 March 2021: 300,000) 15.00% rated, subordinated, secured, unlisted, redeemable, transferable, non-convertible debentures of ₹100 each fully paid in EZ Vidya Private Limited	264	300
100 (31 March 2021: 100) 10.50% rated, subordinated, unsecured, listed, redeemable, transferable, non-convertible debentures of ₹10,00,000 each fully paid in Asirvad Microfinance Limited	1,007	1,000
95 (31 March 2021: Nil) 13.50% rated, subordinated, unsecured, listed, redeemable, taxable, non-convertible debentures of ₹10,00,000 each fully paid in Annapurna Finance Private Limited	987	-
100 (31 March 2021: Nil) 8.40% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in Avanse Financial Services Limited	1,048	-
100 (31 March 2021: Nil) 9.48% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in PNB Housing Finance Limited	1,043	-
100 (31 March 2021: Nil) 9.25% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in Ugro Capital Limited	1,045	-
6,50,000 (31 March 2021: Nil) 14.25% unrated, Unlisted, secured, redeemable, non-convertible debentures of ₹100 each fully paid in Proklean Technologies Private Limited	648	-
	7,041	**3,159**
Measured at fair value through OCI		
Equity instruments of other entities		
466,850 (31 March 2021: 466,850) equity shares of ₹10 each fully paid in Sonata Finance Private Limited	868	653
1 (31 March 2021: 1) equity shares of ₹10 each fully paid in EZ Vidya Private Limited	-	-
1 (31 March 2021: Nil) equity shares of ₹10 each fully paid in Proklean Technologies Private Limited	-	-
Compulsory Convertible Preference Shares		
4,454 (31 March 2021: 4,454) CCPS of ₹100 each, partly paid at ₹1 each in EZ Vidya Private Limited	-	-
2,245 (31 March 2021: Nil) CCPS of ₹20 each, partly paid at ₹1 each in Proklean Technologies Private Limited	-	-
	868	**653**
Investment in subsidiary		
Measured at fair value through OCI		
Bellwether Microfinance Trust	1,251	942
672,292 (31 March 2021: 672,292) equity shares of ₹10 each fully paid in Sonata Finance Private Limited		
	1,251	**942**
	9,160	**4,754**
Out of the above		
Investments in India	9,160	4,754
Investments outside India	-	-
	9,160	**4,754**
Less: Allowance for impairment	-	-
	9,160	**4,754**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

8. Other financial assets

	31 March 2022	31 March 2021
Unsecured, considered good		
Refundable advances	20	20
Security deposits	43	38
Others	1	3
	64	**61**

9. Current tax assets (net)

	31 March 2022	31 March 2021
Advance income tax (net of provision for tax)	1,477	871
	1,477	**871**

Income tax recognised in Statement of profit and loss

	31 March 2022	31 March 2021
Current tax		
In respect of current year	-	-
In respect of prior years	-	10
Deferred tax		
Deferred tax	(3)	(27)
	(3)	**(17)**

Income tax recognised in Other Comprehensive Income

	31 March 2022	31 March 2021
Deferred tax		
Cash flow hedge reserve	49	48
Remeasurement of defined employee benefits	(4)	-
	45	**48**

Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

	31 March 2022	31 March 2021
Profit before tax	17	229
Enacted income tax rate	27.82%	27.82%
Expected income tax expense	5	64
Effect of expenses / provisions not deductible in determining taxable profit	-	(205)
Effect of differential tax rate	-	(4)
Effect due to change in taxation laws	-	96
Adjustment related to tax of prior years	-	10
Others	(8)	22
Reported income tax expense	**(3)**	**(17)**

Caspian Impact Investments Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

10. Deferred tax assets (net)

	As at 1 April 2020	Charge / (Credit) to Profit and Loss	Charge / (Credit) to OCI	MAT (utilisation) / entitlement	As at 31 March 2021	Charge / (Credit) to Profit and Loss	Charge / (Credit) to OCI	MAT (utilisation) / entitlement	As at 31 March 2022
Tax effect of items constituting deferred tax assets / (liabilities)									
Property, plant and equipment	(156)	161	-	-	5	(58)	-	-	**(53)**
EIR impact on financial instruments measured at amortised cost	130	(330)	-	-	(200)	38	-	-	**(162)**
Impairment loss allowance	214	(11)	-	-	203	(27)	-	-	**176**
Provisions for employee benefits	12	3	-	-	15	3	-	-	**18**
Fair value of Equity investments	-	-	-	-	-	(147)	-	-	**(147)**
Fair value of hedging instrument	-	-	48	-	48	-	50	-	**98**
Business loss	-	203	-	-	203	48	-	-	**251**
Lease liability	7	1	-	-	8	(2)	-	-	**6**
	207	**27**	**48**	**-**	**282**	**(145)**	**50**	**-**	**187**
MAT Credit	148	-	-	30	178	-	-	-	**178**
Net deferred tax assets	**355**	**27**	**48**	**30**	**460**	**(145)**	**50**	**-**	**365**

11. Property, plant and equipment

	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Right of use asset	Total
Gross block					
As at 1 April 2020	**163**	**72**	**122**	**222**	**579**
Additions during the year	2	-	10	-	12
As at 31 March 2021	**165**	**72**	**132**	**222**	**591**
Additions during the year	-	-	30	-	30
As at 31 March 2022	**165**	**72**	**162**	**222**	**621**
Accumulated depreciation					
Upto 1 April 2020	**20**	**9**	**34**	**61**	**124**
Charge for the year	16	7	27	44	94
Upto 31 March 2021	**36**	**16**	**61**	**105**	**218**
Charge for the year	16	7	32	44	99
Upto 31 March 2022	**52**	**23**	**93**	**149**	**317**
Net block					
As at 31 March 2021	**129**	**56**	**71**	**117**	**373**
As at 31 March 2022	**113**	**49**	**69**	**73**	**304**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

12. Goodwill and other intangible assets

	Software	Goodwill
Gross block		
As at 1 April 2020	**9**	**1,327**
Additions during the year	-	-
As at 31 March 2021	**9**	**1,327**
Additions during the year	864	-
As at 31 March 2022	**873**	**1,327**
Accumulated depreciation		
Upto 1 April 2020	**7**	**-**
Charge for the year	1	-
Upto 31 March 2021	**8**	**-**
Charge for the year	127	-
Upto 31 March 2022	**135**	**-**
Net block		
As at 31 March 2021	**1**	**1,327**
As at 31 March 2022	**738**	**1,327**

Note:
The recoverable amount of goodwill has been assessed using fair value less costs of disposal. The fair value has been estimated using the price to book multiple of comparable company. Price to book multiple of comparable company of 1.76 was considered for determination of fair value. The management believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Intangible assets under development

	31 March 2022	31 March 2021
Balance at the beginning of the year	808	520
Additions		
Employee benefits expense	-	23
Other expenses till the date of capitalisation	32	265
Capitalized	(840)	-
Balance at the end of the year	**-**	**808**

13. Other non-financial assets

	31 March 2022	31 March 2021
Prepaid expenses	35	27
Balances with government authorities	452	427
Others	12	9
	499	**463**

14. Trade payables

	31 March 2022	31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	33	75
	33	**75**

Trade Payable ageing Schedule

31 March 2022	**Outstanding for following periods from due date of payments**				**Total**
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME	-	-	-	-	**-**
Others	33	-	-	-	**33**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

31 March 2021	**Outstanding for following periods from due date of payments**				**Total**
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME	-	-	-	-	**-**
Others	75	-	-	-	**75**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

15. Other payables

	31 March 2022	31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises	10	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3	36
	13	**36**

Other payables ageing Schedule

31 March 2022	Outstanding for following periods from due date of payments				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	10	-	-	-	**10**
Others	3	-	-	-	**3**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

31 March 2021	Outstanding for following periods from due date of payments				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	**-**
Others	36	-	-	-	**36**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

Based on information available with the Company, as at the reporting date, there are 5 (31 March 2021: Nil) suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

16. Debt securities

	31 March 2022	31 March 2021
At amortised cost		
Secured		
Rated, listed, redeemable, transferable Non-Convertible Debentures (NCD)	4,928	5,772
Rated, unlisted, redeemable, transferable Non-Convertible Debentures (NCD)	501	1,473
	5,429	**7,245**
Out of above		
Debt securities in India	5,429	7,245
	5,429	**7,245**

Nature of security

NCDs 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.

Terms of repayment

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable in instalments (quarterly)				
0 - 1 Years	10.56% - 11.50%	1,333	10.56% - 11.50%	1,833
1 - 3 Years	10.56% - 11.50%	417	10.56% - 11.50%	1,750
Repayable on maturity (bullet)				
0 - 1 Years	10.50%	2,000	10.50%	-
1 - 3 Years	11.50%	1,500	10.50% - 11.50%	3,500
		5,250		**7,083**
Interest accrued, but not due on debt securities		216		239
Impact of EIR		(37)		(77)
		5,429		**7,245**

Non Convertible Debentures - Secured - Instrument Wise Details

Description of security	Coupon/ Yield	31 March 2022	31 March 2021
10.56% Secured Rated, Listed, Redeemable Non-Convertible Debentures. Maturity Date - 30/07/2023 (INE059K07055)	10.56%	1,250	2,083
11.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Maturity Date - 31/07/2023 (INE059K07063)	11.50%	1,500	1,500
10.50% Secured Senior Rated, Listed, Redeemable Non-Convertible Debentures - Maturity Date - 18/05/2022 (INE059K07071)	10.50%	2,000	2,000
11.50% Caspian Impact Investments Private Limited 2022. Secured Senior Rated, Unlisted, Redeemable Non-Convertible Debentures - Maturity Date - 08/09/2022 (INE059K07089)	11.50%	500	1,500
		5,250	**7,083**

17. Borrowings (other than Debt securities)

At amortised cost

	31 March 2022	31 March 2021
a) Term loans		
i. Secured		
- from Banks	6,221	7,777
- from Others	8,439	3,647
- from External Commercial Borrowings (ECB)	17,033	12,685
	31,693	**24,109**
ii. Unsecured		
- from External Commercial Borrowings (ECB)	5,509	5,462
	5,509	**5,462**
b) Loans repayable on demand		
i. Secured		
- Cash credit facilities and working capital demand loan from Banks	2,295	1,589
	2,295	**1,589**
	39,497	**31,160**
Out of the above		
Borrowings in India	16,955	13,013
Borrowings outside India	22,542	18,147
	39,497	**31,160**

Notes:

a) Term loans from banks, financial institutions and ECBs are secured by way of hypothecation / charge on certain specified loans receivable of the Company. Additionally fixed deposits amounting to ₹678 (31 March 2021: ₹528) have been lien marked towards term loans from banks and financial institutions.

b) Cash credit facilities from banks are secured by way of exclusive charge on unencumbered loan receivables which are standard.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

A) Terms of repayment of borrowings

a) Details of term loans from banks (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on maturity (bullet)				
Maturing within 1 year	11.25%	1,500	-	-
Maturing between 1 to 3 years	-	-	11.25%	1,500
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.50%-11.15%	1,183	9.14%-11.15%	1,412
Maturing between 1 to 3 years	9.00%-11.15%	248	9.65%-11.15%	998
ii. Quarterly instalments				
Maturing within 1 year	10.50%-11.50%	1,667	11.50%	1,334
Maturing between 1 to 3 years	10.50%-11.50%	1,666	11.50%	2,583
		6,264		**7,827**
Less: Impact of EIR		(44)		(65)
Add: Interest accrued but not due on borrowings		1		15
		6,221		**7,777**

b) Details of term loans from others (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.75%-11.50%	2,524	11.25%	445
Maturing between 1 to 3 years	9.75%-11.50%	3,814	11.25%	1,055
ii. Quarterly instalments				
Maturing within 1 year	11.25%-12.40%	1,260	11.25%-12.40%	1,398
Maturing between 1 to 3 years	11.25%-12.40%	873	11.25%-12.40%	760
		8,471		**3,658**
Less: Impact of EIR		(65)		(23)
Add: Interest accrued but not due on borrowings		33		12
		8,439		**3,647**

c) Details of ECB (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on maturity (bullet)				
Maturing between 1 to 3 years	9.59% - 9.65%	7,598	9.59% - 9.65%	7,368
Maturing between 5 to 10 years	9.58% - 10.00%	9,300	10.00%	5,499
		16,898		**12,867**
Less: Impact of EIR		(445)		(465)
Add: Interest accrued but not due on borrowings		580		283
		17,033		**12,685**

d) Details of ECB (Unsecured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on maturity (bullet)				
Maturing between 5 to 10 years	9.45%	5,726	9.45%	5,726
		5,726		**5,726**
Less: Impact of EIR		(380)		(426)
Add: Interest accrued but not due on borrowings		163		162
		5,509		**5,462**

e) Details of cash credit facilities from banks (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on demand				
Maturing within 1 year	9.65%-10.00%	2,345	10.00%-10.15%	1,611
		2,345		**1,611**
Less: Unamortised finance cost		(50)		(22)
		2,295		**1,589**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

17. Borrowings (other than Debt securities) (continued)

B) Lease liabilities

	31 March 2022	31 March 2021
Lease liabilities	96	145
	96	**145**

The movement in lease liabilities is as follows

	31 March 2022	31 March 2021
Opening balance	145	186
Additions during the year	-	-
Finance cost accrued during the year	12	17
Payment of lease liabilities	(61)	(58)
Closing balance	**96**	**145**

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

	31 March 2022	31 March 2021
Less than one year	64	61
One to three years	41	105
	105	**166**

The following are the amounts recognised in the statement of profit or loss:

	31 March 2022	31 March 2021
Depreciation expense of right-of-use assets	44	44
Interest expense on lease liabilities	12	17
Total amount recognized in profit or loss	**56**	**61**

C) Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than Debt securities)	Total
As at 1 April 2020	**13,317**	**17,637**	**30,954**
Cash flows:			
Proceeds	7,500	23,570	31,070
Repayment	(13,363)	(9,381)	(22,744)
Interest paid during the year	(1,615)	(1,739)	(3,354)
Non cash:			
Interest accrued during the year	1,383	2,169	3,552
Amortisation of upfront fees	23	(923)	(900)
Forex loss/(gain) on ECB	-	(28)	(28)
As at 31 March 2021	**7,245**	**31,305**	**38,550**
Cash flows:			
Proceeds	-	13,230	13,230
Repayment	(1,833)	(4,925)	(6,758)
Interest paid during the year	(686)	(3,961)	(4,647)
Non cash:			
Interest accrued during the year	663	3,479	4,142
Amortisation of upfront fees	40	234	274
Forex loss/(gain) on ECB	-	231	231
As at 31 March 2022	**5,429**	**39,593**	**45,022**

18. Other financial liabilities

	31 March 2022	31 March 2021
Expenses payable	300	278
Advance received from customers	10	2
	310	**280**

19. Provisions

	31 March 2022	31 March 2021
Provision for employee benefits		
- Leave encashment	43	40
- Gratuity	20	15
	63	**55**

20. Other non-financial liabilities

	31 March 2022	31 March 2021
Statutory dues payable	52	56
	52	**56**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

21. Equity Share Capital

	31 March 2022		31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised share capital				
Equity shares of ₹10 each	75,00,000	750	75,00,000	750
Preference shares of ₹10 each	4,10,00,000	4,100	4,10,00,000	4,100
	4,85,00,000	**4,850**	**4,85,00,000**	**4,850**
Issued, Subscribed and Fully paid up				
Equity shares of ₹10 each	66,66,121	667	66,66,121	667
	66,66,121	**667**	**66,66,121**	**667**

(a) Reconciliation of share capital

	31 March 2022		31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹10 each				
Balance at the beginning of the year	66,66,121	667	65,22,981	652
Add: Issued during the year	-	-	1,43,140	15
Balance at the end of the year	**66,66,121**	**667**	**66,66,121**	**667**

(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

	31 March 2022		31 March 2021	
	Number of Shares	%	Number of Shares	%
Equity shares of ₹ 10 each				
Gray Ghost Microfinance Fund, LLC	15,04,663	22.57%	15,04,663	22.57%
SIDBI Trustee Company Limited A/c Samridhi Fund	13,35,871	20.04%	13,35,871	20.04%
Stichting Hivos-Triodos Fonds	11,44,979	17.18%	11,44,979	17.18%
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	8,51,074	12.77%	8,51,074	12.77%
Caspian Impact Investment Adviser Private Limited	8,95,164	13.43%	8,95,164	13.43%
Prasad Family Private Trust	3,46,113	5.19%	3,42,580	5.14%

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.

(d) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment

(e)

Promoter name	Shares held by promoters at the end of the year 31 March 2022		
	No. of Shares	% of total shares	% Change during the year
Caspian Impact Investment Adviser Private Limited	8,95,164	13.43%	0.00%
Prasad Family Private Trust	3,46,113	5.19%	0.05%

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

22. Other equity

	31 March 2022	31 March 2021
Reserve fund	-	-
Statutory reserve	1,379	1,375
Securities premium	10,862	10,862
Capital redemption reserve	163	163
Impairment reserve	39	-
Retained earnings	3,062	3,085
Other comprehensive income		
FVTOCI on equity instruments	1,542	1,169
Cashflow hedge reserve	(228)	(126)
	16,818	**16,528**

Statutory reserve

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45IC of Reserve Bank of India Act 1934.

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Act.

Capital redemption reserve

The Company has recognised capital redemption reserve on buy back of shares in accordance with the provisions of the Act.

Impairment reserve

The impairment allowances under Ind AS 109 made by the Company is lower than the total provision required under IRACP (including standard asset provisioning) as at 31 March 2022 and accordingly, Rs. 39 has been transferred to impairment reserve.

Other comprehensive income

Reserve represents changes in fair valuations of equity instruments and derivative contracts measured at FVOCI.

23. Interest income

	Year ended 31 March 2022	Year ended 31 March 2021
On financial instruments measured at amortised cost		
Interest income on loans	5,929	5,092
Interest income on fixed deposits with banks	124	242
Interest income on investments	640	291
	6,693	**5,625**

24. Fees and commission income

	Year ended 31 March 2022	Year ended 31 March 2021
Consultancy and guarantee fees	4	5
	4	**5**

25. Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Provision no longer required, written back	16	17
Interest income on income tax refunds	-	44
Bad debts recovered	101	74
Profit on sale of Investment	67	-
Others	4	-
	188	**135**

26. Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
On financial liabilities measured at amortised cost		
Interest expense on debt securities	700	1,496
Interest expense on borrowings	3,559	2,176
Other borrowing costs	161	159
	4,420	**3,831**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

27. Impairment / (reversal of impairment) on financial instruments

	Year ended 31 March 2022	Year ended 31 March 2021
On financial instruments measured at amortised cost		
Reversal of impairment on financial instruments	-	55
	-	**55**
Impairment of loans	(95)	-
Bad debts written off	418	
	323	**-**
Movement in impairment loss allowance		
Balance at beginning of the year	728	783
Add: Impairment of loans	354	-
Less: Reversal of impairment provision	(449)	(55)
Balance at end of the year	**633**	**728**

28. Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	859	738
Contribution to provident fund and other funds	50	40
Gratuity expense	11	12
Staff welfare expenses	23	10
	943	**800**

29. Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	24	2
Power & fuel	7	7
Rates and taxes	14	30
Office maintenance	33	32
Postage and telecommunications	16	12
Meeting expenses	3	3
Printing & stationery	3	2
Business development expenses	17	12
Directors sitting fee and remuneration	28	54
Payment to auditors (refer note (i) below)	31	28
Legal and professional charges	246	271
Insurance	19	13
Contribution towards corporate social responsibility (refer note (ii) below)	10	16
Technology expenses	194	78
Membership fee	26	15
Bank charges	9	9
Travel, boarding and conveyance expense	18	6
Miscellaneous expenses	3	8
	701	**598**

(i) Details of payments to auditor

	Year ended 31 March 2022	Year ended 31 March 2021
- Auditor	19	17
- Limited review fee	9	4
-Tax matters	-	1
- For other services - certification fees	3	6
	31	**28**

(ii) Corporate social responsibility (CSR)

	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent	10	16
Amount spent during the year on puposes other than construction/acquisition of any asset	10	16
Unspent amount if any	-	-

Nature of CSR activities,

(i) Financial support to 51 underprivileged children as a part of the Academic Adoption Program (Parinaam Foundation)
(ii) Organise Online Start-up School targeted at entrepreneurs or aspiring entrepreneurs from Tier 2, 3 towns in India (Oasis/CIIECO)
(iii) capacity building and grant support to social enterprises working in high impact sectors (Villgro)

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

30. Earnings per equity share ("EPES")

		31 March 2022	31 March 2021
a)	Profit attributable to equity shareholders	20	246
b)	**Weighted average number of equity shares for basic and diluted EPES computation**		
	Weighted average number of equity shares considered for basic EPES	66,66,121	66,02,590
	Add: Effect of potential dilutive shares	-	-
	Weighted average number of equity shares considered for diluted EPES	**66,66,121**	**66,02,590**
c)	**Earnings per equity share (EPES)**		
	Basic (₹)	0.30	3.73
	Diluted (₹)	0.30	3.73

31. There are no contingent liabilities outstanding as at the reporting date (31 March 2021: ₹Nil).

32. Commitments

	31 March 2022	31 March 2021
Capital commitments (net of capital advances)	-	44
Uncalled amount of partly paid up CCPS in EZ Vidya Private Limited	45	45
Uncalled amount of partly paid up CCPS in Proklean Technologies Private Limited	97	-
Outstanding corporate guarantee	267	415

33. Retirement and other employee benefits

a) Defined contribution plan

For the year ended 31 March 2022, amount recognised as an expense towards contribution to provident fund aggregates to ₹49.64 (31 March 2021: ₹40) and towards employee state insurance scheme aggregates to ₹0.07 (31 March 2021: ₹0).

b) Defined benefit plan

(i) The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of completed service, subject to payment ceiling of ₹20. The Company makes contribution to fund managed by insurer which is funded defined benefit plan for qualifying employees.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss/OCI and amounts recognized in the balance sheet for defined benefit plans/obligations:

	Present value of obligations	Fair value of plan assets	Net amount
As at 1 April 2020	**26**	**(5)**	**21**
Interest cost/(gain)	1	-	1
Current service cost	11	-	11
Total amount recognised in statement of profit and loss	**12**	**-**	**12**
Remeasurements			
Actuarial loss on obligation	-	-	-
Total amount recognised in other comprehensive income	**-**	**-**	**-**
Contribution to plan assets	-	(10)	(10)
Acquisition/Business Combination/Divestiture	-	(8)	(8)
As at 31 March 2021	**38**	**(23)**	**15**
Interest cost/(gain)	1	-	1
Current service cost	15	-	15
Total amount recognised in statement of profit and loss	**16**	**-**	**16**
Remeasurements			
Actuarial loss on obligation	5	-	5
Total amount recognised in other comprehensive income	**5**	**-**	**5**
Contribution to plan assets	-	(16)	(16)
Acquisition/Business Combination/Divestiture	-	-	-
As at 31 March 2022	**59**	**(39)**	**20**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

33. Employee benefits (continued)

The net liability disclosed above relates to funded plan are as follows :

	31 March 2022	31 March 2021
Present value of obligations	59	38
Fair value of plan assets	(39)	(23)
Deficit of funded plan	**20**	**15**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	31 March 2022	31 March 2021
Retirement age	60 years	60 years
Future Salary rise	7.00%	10.00%
Discount rate	6.90%	6.57%
Attrition rate	18.35%	15.00%
Mortality table	IALM (2012-14) Ultimate	

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long term plans of growth and industry standards.

Sensitivity analysis

	Changes in assumption	31 March 2022		31 March 2021	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Future Salary rise	1.00%	2	(2)	2	(2)
Discount rate	1.00%	(2)	3	-	3

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the standalone balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The Company aims to eliminate the deficit in gratuity plan over the subsequent years. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly. The expected future cash flows in respect of gratuity were as follows:

	31 March 2022	31 March 2021
Expected total contribution	20	15
Expected future benefit payments in the following years		
1st following year	5	3
2nd following year	6	4
3rd following year	7	4
4th following year	7	5
5th following year	7	5
Sum of 6th to 10th following year	24	22

(ii) The Company provides for accumulation of compensated absence for its employees. The employees can carry forward a portion of the unutilized compensated absences and utilize it in future periods or receive cash in lieu thereof as per the Company’s policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

34. 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 ("CIIAPL")	Entity in which a Director has control
SIDBI Trustee Company Limited A/c Samridhi Fund	Shareholder having significant influence
Key Management Personnel	
S. Viswanatha Prasad	Managing Director (up to 08 December 2021) Additional Director (w.e.f. 09 December 2021)
Saurabh Kumar Johri	Chief Financial Officer (resigned on 09 December 2021)
Avishek Gupta	Managing Director (w.e.f. 09 December 2021)
Vishwanath Muniganti	Chief Financial Officer (w.e.f. 09 December 2021)
Directors	
Mahesh Kanumury	Non executive Director
Paul Dileo	Nominee Director
Mathew Titus	Independent Director (retired on 01 July 2021)
Narayan Ramachandran	Independent Director
Praseeda Kunam	Independent Director
Shailendra Kumar Joshi	Independent Director

(b) Transactions with related parties

	31 March 2022	31 March 2021
CIIAPL		
Investment advisory fee	255	267
Investment in equity shares	-	431
Demerger settlement amount paid	-	67
S. Viswanatha Prasad		
Short term and post retirmenent benefits*	-	-
Sitting fees and remuneration	2	-
Saurabh Kumar Johri		
Investment in equity shares	-	25
Short term and post retirmenent benefits*	-	-
Avishek Gupta		
Investment in equity shares	-	25
Salary and post retirmenent benefits*	20	-
Vishwanath Muniganti		
Salary and post retirmenent benefits*	11	-
Sitting fees and remuneration to directors		
Mahesh Kanumury	6	12
Klaas Hanco Halbertsma	-	2
Paul Dileo	5	7
Mathew Titus	1	10
Narayan Ramachandran	5	11
Suvalaxmi Chakraborty	-	11
Praseeda Kunam	5	1
Shailendra Kumar Joshi	5	1

*Short term and post retirement benefits doesn't include expenses incurred towards investment advisory services received from CIIAPL. Short term and post retirement benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.

(c) Balances receivable/(payable):

	31 March 2022	31 March 2021
Caspian Impact Investment Adviser Private Limited	(33)	(75)
SIDBI Trustee Company Limited A/c Samridhi Fund	20	20

35. 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 Ind AS 108 on 'Segment Reporting'. The Company does not have any reportable geographical segment.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

36. Capital management

The capital management objectives of the Company are:
- to ensure the ability to continue as a going concern
- to provide an adequate return to the shareholders

The Company monitors capital on the basis of the risk weighted assets as prescribed by the Reserve Bank of India (RBI).

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes have been made to the objectives, policies and processes from the previous years.

Gearing Ratio	**31 March 2022**	**31 March 2021**
Debt securities	5,429	7,245
Borrowings (other than debt securities)	39,497	31,160
Net debt	**44,926**	**38,405**
Total equity	**17,485**	**17,195**
Net debt to equity ratio	**2.57**	**2.23**

37. Financial instruments and fair value disclosures

The carrying value and fair value of financial assets and liabilities are as follows:

	Fair value through profit and loss	**Amortised cost**	**Fair value through OCI**	**Total**	**Fair value**
As at 31 March 2022					
Financial assets					
Cash and cash equivalents	-	772	-	772	772
Bank balances other than above	-	678	-	678	678
Loans	-	47,714	-	47,714	47,714
Investments	-	7,041	2,119	9,160	9,160
Other financial assets	-	64	-	64	64
	-	**56,269**	**2,119**	**58,388**	**58,388**
Financial liabilities					
Derivative financial Instruments	-	-	120	120	120
Trade payables	-	33	-	33	33
Other payables	-	3	-	3	3
Debt securities	-	5,429	-	5,429	5,429
Borrowings (other than debt securities)	-	39,497	-	39,497	39,497
Lease liabilities	-	96	-	96	96
Other financial liabilities	-	310	-	310	310
	-	**45,368**	**120**	**45,488**	**45,488**
As at 31 March 2021					
Financial assets					
Cash and cash equivalents	-	5,213	-	5,213	5,213
Bank balances other than above	-	528	-	528	528
Loans	-	41,587	-	41,587	41,587
Investments	-	3,159	1,595	4,754	4,754
Other financial assets	-	61	-	61	61
	-	**50,548**	**1,595**	**52,143**	**52,143**
Financial liabilities					
Derivative financial Instruments	-	-	199	199	199
Trade payables	-	75	-	75	75
Other payables	-	36	-	36	36
Debt securities	-	7,245	-	7,245	7,245
Borrowings (other than debt securities)	-	31,160	-	31,160	31,160
Lease liabilities	-	145	-	145	145
Other financial liabilities	-	280	-	280	280
	-	**38,941**	**199**	**39,140**	**39,140**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

37. Financial instruments and fair value disclosures (continued)

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each period end.

Financial assets and financial liabilities measured at fair value are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:
• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
• Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis.

Financial assets measured at FVTOCI

	Level 1	Level 2	Level 3	Total
As at 31 March 2022	-	-	2,119	2,119
As at 31 March 2021	-	-	1,595	1,595

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March 2022 and 31 March 2021:

	Unlisted equity securities	Total
As at 1 April 2020	**1,595**	**1,595**
Gains recognized in other comprehensive income	-	-
Disposals during the year	-	-
As at 31 March 2021	**1,595**	**1,595**
Gains recognized in other comprehensive income	524	**524**
Disposals during the year	-	-
As at 31 March 2022	**2,119**	**2,119**

There are no financial liabilities measured at fair value on recurring basis. There were no transfers between the 3 levels in the reporting periods.

The fair value of the level 3 instruments has been estimated using the price to book multiple of comparable company method and sale price observable in the market. The valuation requires management to make certain assumptions about the comparable company model inputs, including discount rate for lack of marketability, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of the fair value for these level 3 instruments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

Significant unobservable inputs*	Assumption made	Sensitivity of the inputs
Discount for lack of marketability (DFLM)	20%	5% increase/ (decrease) in the DFLM would result in (decrease) / increase in fair value by (₹9.3) /₹9.3 as on 31 March 2022 and (₹19.4) /₹19.4 as on 31 March 2021

*keeping all other inputs constant.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans, investments and other financial assets	Ageing analysis	Credit risk analysis, diversification of customers/asset base, credit limits, collateral and static pool analysis.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sufficient cash, CC and OD limits, committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Pass on the interest rate increase/ decrease to customers.
Market Risk - security price	Investments measured at fair value	Sensitivity analysis	Portfolio diversification, exposure limits/ limits on equity exposure.

The Board has the overall responsibility of risk management. There are two committees of the Board which take care of managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, and an Asset Liability Committee (ALCO).

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, loan assets, investments and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Credit risk management policy provides for identification and assessment of credit risk, assessment and management of portfolio credit risk, and risk monitoring and control. The issues relating to the establishment of exposure limits for various categories, for example, based on product specific, industry and rating are also covered. The policy also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals.

The risk parameters are same for all financial assets for all periods presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are overdue. A default on a financial asset is when the counterparty fails to make contractual payments. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

i) Low credit risk on financial reporting date
ii) Moderate credit risk
iii) High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis for categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets	12 month expected credit loss
Moderate credit risk	Loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

Financial assets that expose the entity to credit risk*

	Low credit risk		Moderate credit risk		High credit risk	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Cash and cash equivalents	772	5,213	-	-	-	-
Bank balances other than above	678	528	-	-	-	-
Loans	45,820	39,302	1,094	850	1,433	2,163
Investments	9,160	4,754	-	-	-	-
Other financial assets	64	61	-	-	-	-

* Represent gross carrying values of financial assets, without deduction for expected credit losses

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A) Credit risk (continued)

a) Credit risk management (continued)

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts with different banks in the country.

Loans and investment measured at amortised cost

Credit risk related to borrower's are mitigated by considering collateral's from borrower's. The Company closely monitors the credit-worthiness of the borrower's and issuer of debt securities through internal systems. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes security deposits, refundable advances and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Expected credit losses

i) Expected credit losses for financial assets other than loans and investments measured at amortised cost

Company provides for expected credit losses on financial assets other than loans and investments measured at amortised cost by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed further:

	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March 2022				
Cash and cash equivalents	772	0%	-	772
Bank balances other than above	678	0%	-	678
Other financial assets	64	0%	-	64
As at 31 March 2021				
Cash and cash equivalents	5,213	0%	-	5,213
Bank balances other than above	528	0%	-	528
Other financial assets	61	0%	-	61

ii) Expected credit loss for loans and investments measured at amortised cost

Credit risk

Credit risk is the probable risk of loss resulting from a borrower's / issuer's failure to repay a loan / debt securities or meet contractual obligations. It arises principally from the Company's loans and advances to customers, and investment in debt securities. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure, which are as follows:

Credit default risk: The risk of loss arising from a debtor being unlikely to pay its loan obligations in full is more than 90 days past due on any material credit obligation.

Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations.

A1 Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".

- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.

- If a financial instrument is credit impaired, it is moved to "Stage 3".

- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months.

Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A) Credit risk (continued)

b) Expected credit losses (continued)

A1.1 Significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when a set of portfolio experiences difficulties due to certain macro-economic factors.

A1.2 Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one of the following criteria:

Quantitative criteria:

The borrower / issuer is more than 90 days past due on its contractual payments.

Qualitative criteria:

The borrower / issuer meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- Inability to continue with his business on account of permanent incapacitation.
- Policy changes from the Government including instances such as demonetisation and introduction of new tax legislation such as 'Goods and Services Tax (GST).

A1.3 Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of security or other credit support.

Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event (as defined in the previous step) occurring in future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a particular time horizon. It is done by performing vintage analysis over the historical data of default to assess how default rates change over time, and compute the risk of default in the next 12 months and the entire lifetime of the loan.

Loss given default (LGD) computation model

LGD is the credit loss that will be incurred if the borrower defaults. It is calculated as the difference between the present value (using the EIR of the loan) of the amount that the entity expects to receive after the default event occurs and the contractual amounts due. Accordingly, the type of loan facility (secured/unsecured, type of security, guarantee etc.) are important considerations while grouping loan assets into categories while determining LGD rates. All the alternative recovery options, including monetizing the security, debt restructuring etc. are considered while determining the expected credit losses after default. External costs of monetizing the collateral are also considered (if applicable).

A.2 Credit risk exposure for loans

	ECL Staging		
	Stage 1	**Stage 2**	**Stage 3**
As at 31 March 2022			
Gross carrying amount of loan assets	45,820	1,094	1,433
Gross carrying amount	**45,820**	**1,094**	**1,433**
Less: impairment allowance	(188)	(85)	(360)
Carrying amount	**45,632**	**1,009**	**1,073**
As at 31 March 2021			
Gross carrying amount of loan assets	39,302	850	2,163
Gross carrying amount	**39,302**	**850**	**2,163**
Less: impairment allowance	(180)	(46)	(502)
Carrying amount	**39,122**	**804**	**1,661**

As at 31 March 2022, loans amounting to ₹1,027 (31 March 2021: ₹Nil) is included in Stage 2 with days past due ('DPD') less than thirty days but are transferred to Stage 2 on account of significant increase in credit risk since initial recognition on account of COVID-19 pandemic and consequent impact on their economic activity.

As at 31 March 2022, loans amounting to ₹Nil (31 March 2021: ₹1072) is included in Stage 3 with DPD less than 90 days but are transferred to Stage 3 on account of credit impaired on account of COVID-19 pandemic and consequent impact on their economic activity.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A) Credit risk (continued)

b) Expected credit losses (continued)

Credit risk exposure for investments

	Stage 1	
	31 March 2022	**31 March 2021**
Gross carrying amount	9,160	4,754
Loss allowance	-	-
Carrying amount	**9,160**	**4,754**

A.3 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the period due to these factors:

	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	**Lifetime ECL**	**Lifetime ECL**	
Loss allowance loans				
Balance as at 1 April 2020	**144**	**149**	**490**	**783**
Transfer to 12 months ECL	1	(11)	-	(10)
Transfer to life time ECL not credit impaired	(4)	62	-	58
Transfer to Lifetime ECL credit impaired	-	(21)	81	60
Net remeasurement of loss allowance	2	(11)	(48)	(57)
New financial assets originated or purchased	157	-	-	157
Financial assets that have been derecognised/ repaid	(120)	(122)	(21)	(263)
Balance as at 31 March 2021	**180**	**46**	**502**	**728**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(8)	8	-	-
Transfer to Lifetime ECL credit impaired	-	(46)	46	-
Net remeasurement of loss allowance	(57)	69	148	160
New financial assets originated or purchased	123	8	4	135
Financial assets that have been derecognised/ repaid	(50)	-	(340)	(390)
Balance as at 31 March 2022	**188**	**85**	**360**	**633**

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	**Lifetime ECL**	**Lifetime ECL**	
Loans and advances to customers at amortised cost				
Balance as at 1 April 2020	**34,673**	**2,225**	**1,921**	**38,819**
Transfer to 12 months ECL	158	(158)	-	-
Transfer to life time ECL not credit impaired	(929)	929	-	-
Transfer to Lifetime ECL credit impaired	-	(319)	319	-
New financial assets originated or purchased	34,160	-	-	34,160
Financial assets that have been derecognised/ repaid	(28,760)	(1,827)	(77)	(30,664)
Balance as at 31 March 2021	**39,302**	**850**	**2,163**	**42,315**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(994)	994	-	-
Transfer to Lifetime ECL credit impaired	-	(758)	758	-
New financial assets originated or purchased	29,609	100	20	29,729
Financial assets that have been derecognised/ repaid	(22,097)	(92)	(1,508)	(23,697)
Balance as at 31 March 2022	**45,820**	**1,094**	**1,433**	**48,347**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A.4 Concentration of credit risk

The maximum credit exposure to any individual client or counterparty as of 31 March 2022 was ₹1,971 (31 March 2021: ₹ 1,666)

A.5 Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

The outstanding contractual amounts of such assets written off during the year ended 31 March 2022 was ₹ 418 (31 March 2021: ₹ Nil). The Company still seeks to recover amounts it is legally owed in full, but have been written off due to no reasonable expectation of full recovery.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

Maturities of financial liabilities

The tables below analyse the financial liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

31 March 2022	**Less than 1 year**	**1-3 year**	**3-5 year**	**More than 5 years**	**Total**
Trade payables	33	-	-	-	33
Other payables	13	-	-	-	13
Interest accrued on borrowings	993	-	-	-	993
Debt securities	3,333	1,917	-	-	5,250
Borrowings (other than debt securities)	10,479	14,199	-	15,026	39,704
Lease liabilities	57	40	-		96
Other financial liabilities	310	-	-	-	310
	15,218	**16,156**	**-**	**15,026**	**46,400**

31 March 2021	**Less than 1 year**	**1-3 year**	**3-5 year**	**More than 5 years**	**Total**
Trade payables	75	-	-	-	75
Other payables	36	-	-	-	36
Interest accrued on borrowings	711	-	-	-	711
Debt securities	1,833	5,250	-	-	7,083
Borrowings (other than debt securities)	6,212	14,273	-	11,225	31,710
Lease liabilities	49	96	-		145
Other financial liabilities	280	-	-	-	280
	9,196	**19,619**	**-**	**11,225**	**40,040**

C) Market Risk

(i) Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings (FCB). The Company's borrowings in foreign currency are governed by the RBI guidelines (RBI/FED/2018-19/67 dated 26 March 2019, as amended) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved interest rate risk and currency risk hedging policy.

The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

	31 March 2022	**31 March 2021**
Hedged		
ECB denominated in USD	7,598	7,368
Unhedged		
Other payables in USD	1	6

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

(i) Foreign currency risk (continued)

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Impact of hedge on the Balance Sheet as at

	31 March 2022	**31 March 2021**
	INR USD CCIRS	**INR USD CCIRS**
Notional amount	**7,395**	**7,368**
Carrying amount of hedging instrument asset	-	-
Carrying amount of hedging instrument liability	120	199

(ii) Interest rate risk

a) Loans and borrowings

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. The Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	31 March 2022		**31 March 2021**	
	Loans	**Borrowings**	**Loans**	**Borrowings**
Variable rate	3,929	6,052	5,968	4,021
Fixed rate	44,630	38,902	36,460	34,772
	48,559	**44,954**	**42,428**	**38,793**

Sensitivity analysis

	31 March 2022		**31 March 2021**	
	Loans	**Borrowings**	**Loans**	**Borrowings**
Interest sensitivity*				
Interest rates – increase by 100 basis points	39.29	60.52	59.68	40.21
Interest rates – decrease by 100 basis points	(39.29)	(60.52)	(59.68)	(40.21)

* Holding all other variables constant

b) Other assets

The Company's investments in fixed deposits and debt securities yield returns at fixed rate of interest and therefore are not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment in securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹2,119 (31 March 2021: ₹1,595). Sensitivity analyses of these investments have been provided in note 37.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

39. The table below shows contractual maturity profile of carrying value of assets and liabilities:

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	772	-	772	5,213	-	5,213
Bank balances other than cash and cash equivalents	412	266	678	-	528	528
Loans	27,091	20,623	47,714	25,337	16,250	41,587
Investments	3,260	5,900	9,160	861	3,893	4,754
Other financial assets	-	64	64	-	61	61
	31,535	**26,853**	**58,388**	**31,411**	**20,732**	**52,143**
Non-financial assets						
Current tax assets (net)	-	1,477	1,477	-	871	871
Deferred tax assets (net)	-	365	365	-	460	460
Property, plant and equipment	-	304	304	-	373	373
Intangible assets under development	-	-	-	-	808	808
Goodwill	-	1,327	1,327	-	1,327	1,327
Other intangible assets	-	738	738	-	1	1
Other non-financial assets	47	452	499	36	427	463
	47	**4,663**	**4,710**	**36**	**4,267**	**4,303**
Liabilities and Equity						
Liabilities						
Financial liabilities						
Derivative liability	-	120	120	-	199	199
Trade payables	33	-	33	75	-	75
Other payables	13	-	3	36	-	36
Debt securities	3,526	1,903	5,429	2,052	5,193	7,245
Borrowings (other than debt securities)	10,997	28,500	39,497	6,483	24,677	31,160
Lease liabilities	56	40	96	49	96	145
Other financial liabilities	310	-	310	280	-	280
	14,935	**30,563**	**45,488**	**8,975**	**30,165**	**39,140**
Non-financial liabilities						
Provisions	14	49	63	6	49	55
Other non-financial liabilities	52	-	52	-	56	56
	66	**49**	**115**	**6**	**105**	**111**

Classification of assets & liabilities under maturity buckets is based on estimates, assumptions and derived from MIS prepared by the company.

40. Disclosures in terms of RBI/2019-20/88DOR.NBFC(PD)CC.No.102/03.10.001/2019-20 dated 04 November 2019 have been given below:

i) Funding concentration based on significant counterparty on borrowings

	31 March 2022	31 March 2021
Number of significant counterparties	17	14
Amount of borrowed funds from significant counterparties	44,927	38,216
Percentage of total deposits	NA	NA
Percentage of total liabilities	98%	97%

Notes:

i) A "Significant counterparty"is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

ii) Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

ii) Top 20 large deposits - Not applicable

iii) Top 10 borrowings

	31 March 2022	31 March 2021
Amount of borrowed funds from top ten significant counterparties	39,706	34,672
% of total borrowings	88%	90%

iv) Funding Concentration based on significant instrument / product

	31 March 2022		31 March 2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Non convertible debentures	5,429	11.90%	7,245	18.46%
Term loans	14,660	32.14%	11,424	29.10%
External commercial borrowings	22,542	49.42%	18,147	46.23%
CC/OD/WCDL Limit	2,295	5.03%	1,589	4.05%

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

40. Disclosures in terms of RBI/2019-20/88DOR.NBFC(PD)CC.No.102/03.10.001/2019-20 dated 04 November 2019 have been given below: (continued)

v) Stock ratios percentage

	31 March 2022	31 March 2021
Commercial papers as a % of total liabilities	NA	NA
Commercial papers as a % of total assets	NA	NA
Commercial papers as a % of public fund	NA	NA
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	NA
Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	NA
Non-convertible debentures (original maturity of less than one year) as a % of public fund	NA	NA
Other short-term liabilities as % of total liabilities	32.89%	22.88%
Other short-term liabilities as % of total assets	23.77%	15.91%
Other short-term liabilities as % of public fund	33.39%	23.38%

vi) Institutional set-up for Liquidity Risk Management

The Board of directors shall have the overall responsibility for management of liquidity risk and shall decide the strategy, policies and procedures of the Company to manage liquidity risk in accordance with the liquidity risk tolerance decided by it. The Risk Management Committee, which reports to the Board of directors shall be responsible for evaluating the overall risks faced by the Company including liquidity risk. The Asset Liability Management Committee ('ALCO") shall be responsible for ensuring adherence to the risk tolerance set by the Board of directors as well as implementing the liquidity risk management strategy of the Company. The ALCO shall meet every quarter to review and/or decide on the following:

- maturity profile and mix of incremental assets and liabilities
- sale of assets as a source of funding
- structure, responsibilities and controls for managing liquidity risk, and
- liquidity position of the Company

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

41. Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended from time to time) issued by the RBI

A Capital to Risk Asset Ratio ('CRAR')

	31 March 2022	31 March 2021
CRAR (percent)	29.37%	44.62%
CRAR – Tier I Capital (percent)	19.58%	30.33%
CRAR – Tier II Capital (percent)	9.79%	14.29%
Amount of subordinated debt raised as Tier-II capital	5,726	5,726
Amount raised by issue of perpetual debt instruments	-	-

The year on year variance in the ratios is less than 25%.

B Investments

	31 March 2022	31 March 2021
Value of Investments		
(i) Gross value of investments		
(a) In India	9,160	4,754
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	9,160	4,754
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing Balance	-	-

C Derivatives

(i) Forward Rate Agreement / Interest Rate Swap

	31 March 2022	31 March 2021
1. The notional principal of swap agreements	7,395	7,368
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3. Collateral required by the applicable NBFC upon entering into swaps	-	-
4. Concentration of credit risk arising from the swaps	-	-
5. The fair value of the swap book	(120)	(199)

(ii) The Company has not traded in exchange traded interest rate derivative during the year ended 31 March 2022 (Nil: 31 March 2021).

(iii) Disclosures on risk exposure in derivatives

Qualitative disclosure

Details for qualitative disclosure are part of accounting policy as per financial statements. (refer note no. 2s)

Quantitative disclosure

	31 March 2022	31 March 2021
1. Derivatives (notional principal amount) for hedging	7,395	7,368
2. Marked to market positions		
(a) Asset	-	-
(b) Liability	120	199
3. Credit exposure	-	-
4. Unhedged exposures	-	-

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

E Asset Liability Management maturity pattern of certain items of assets and liabilities

	31 March 2022			
	Assets		Liabilities	
	Advances	Investments	Borrowings	Foreign currency liabilities
1 day to 7days	66	-	215	-
8 day to 14days	40	-	-	-
15 day to 30/31 days (one month)	1,750	13	591	-
Over 1 month to 2 months	2,636	13	2,422	-
Over 2 months upto 3 months	3,617	13	925	-
Over 3 months to 6 months	6,814	1,038	3,784	-
Over 6 months to 1 year	12,274	2,183	5,931	-
Over 1 year to 3 years	19,235	3,718	8,560	7,443
Over 3 years to 5 years	2,126	-	-	-
Over 5 years	-	427	15,180	-
	48,559	**7,405**	**37,608**	**7,443**

	31 March 2021			
	Assets		Liabilities	
	Advances	Investments	Borrowings	Foreign currency liabilities
1 day to 7days	47	-	180	-
8 day to 14days	148	-	-	-
15 day to 30/31 days (one month)	2,361	-	1,586	-
Over 1 month to 2 months	3,193	-	155	-
Over 2 months upto 3 months	2,817	-	155	-
Over 3 months to 6 months	7,558	-	2,747	-
Over 6 months to 1 year	9,659	861	3,211	-
Over 1 year to 3 years	15,095	2,298	12,166	7,368
Over 3 years to 5 years	1,231	-	-	-
Over 5 years	319	427	11,225	-
	42,428	**3,586**	**31,425**	**7,368**

The above cash flows are based on the actual net principal outstanding.
Classification of assets & liabilities under maturity buckets is based on estimates, assumptions and derived from MIS prepared by the company.

F Exposures

(i) Exposure to real estate sector

	31 March 2022	31 March 2021
Direct Exposure		
(a) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	319
(b) Commercial real estate lending secured by mortgages on commercial real estates	-	-
(c) Investments in Mortgage Backed Securities and other securitised exposures	-	-

(ii) Exposure to capital market
The Company does not have any capital market exposure as at 31 March 2022 (Nil: 31 March 2021).

(iii) Details of financing of Parent Company Products
The Company does not have any financing of Parent Company products during the current year (Nil: 31 March 2021).

(iv) Details of Single Borrower Limit / Group Borrower Limit exceeded
The Company has not exceeded the prudential exposure limits during the current year

(v) Unsecured Advances
Refer note 6 for unsecured advances. The Company has not given any advances against the rights, licenses, authorisations, etc., during the current year.

G Registration obtained from other financial sector regulators
The Company is registered with the following other financial sector regulators:
(a) Ministry of Corporate Affairs (MCA)
(b) Reserve Bank of India

H Disclosure of penalties imposed by RBI and other regulators
There were no penalties imposed on the Company by RBI or any other regulator.

I Ratings assigned by credit rating agencies and migration of ratings during the period

Instrument	Date of rating	Ratings assigned	Migration in ratings during the year
Non-Convertible Debentures	ICRA Limited ("ICRA")	BBB/Stable	Nil
Non-Convertible Debentures	Brickwork Ratings	BBB/Stable	Nil
Bank/Long-term facilities	ICRA Limited ("ICRA")	BBB/Stable	Nil
Short-term facilities	ICRA Limited ("ICRA")	A2	Nil

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

J Related party transactions including remuneration of Directors
Refer note 34 for details on related party transactions.

K Provisions and contingencies (shown under the head expenditure in statement of profit and loss)

	31 March 2022	31 March 2021
Provision for income tax	-	40
Provision for compensated absences	7	18
Provision for gratuity	11	12

L Draw down from reserves
There has been no draw down from reserves during the period ended 31 March 2022 (Nil: 31 March 2021).

M Concentration of advances, exposures and NPAs

	31 March 2022	31 March 2021
i. Concentration of advances		
Total advances to twenty largest borrowers	26,722	23,527
Percentage of advances to twenty largest borrowers to total advances of the NBFC	48.22%	51.57%
ii. Concentration of exposures		
Total exposures to twenty largest borrowers/customers	26,722	23,527
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	47.99%	51.01%
iii. Concentration of NPA		
Total exposures to top four NPA accounts	1,433	1,091

iv. Sector-wise NPAs

	% of gross NPAs to total advances in that sector	
	31 March 2022	**31 March 2021**
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	2.59%	2.42%
Unsecured personal loans	-	-
Others	-	-

v. Movement of NPAs

	31 March 2022	31 March 2021
a) Net NPAs to Net Advances (%)	1.94%	1.87%
b) Movement of NPAs (Gross)		
Opening balance	2,163	1,921
Additions during the year	778	319
Reductions during the year	(1,090)	(77)
Write-off during the year	(418)	-
Closing balance	**1,433**	**2,163**
c) Movement of Net NPAs		
Opening balance	1,661	1,431
Additions during the year	580	286
Reductions during the year	(1,169)	(56)
Closing balance	**1,073**	**1,661**
d) Movement of provisions for NPAs (excluding provision on standard assets)		
Opening balance	502	490
Provisions made during the year	198	33
Write-off during the year	(96)	-
Write-back of excess provisions	(244)	(21)
Closing balance	**360**	**502**

vi. Overseas assets
The Company does not have any overseas assets as at 31 March 2022 (Nil: 31 March 2021).

vii. Off-balance sheet SPVs sponsored
The Company does not have any off-balance sheet SPVs sponsored as at 31 March 2022 (Nil: 31 March 2021).

N Customer complaints
No customer complaints have been received / pending during the period ended 31 March 2022 (Nil: 31 March 2021).

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

42. Additional RBI disclosure

(a) Disclosures as per RBI Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. 13 March 2020 for comparison between Income Recognition, Asset Classification and Provisioning (IRACP) norms and Ind AS 109

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
For 31 March 2022						
Performing Assets						
Standard	Stage 1	45,820	186	45,634	213	(27)
	Stage 2	1,094	85	1,009	103	(18)
		46,914	**271**	**46,643**	**316**	**(45)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	933	247.76	685	181	67
		933	**248**	**685**	**181**	**67**
Doubtful asset						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	500	112	388	175	(63)
More than 3 years	Stage 3	-	-	-	-	-
		500	**112**	**388**	**175**	**(63)**
Loss asset	Stage 3	-	-	-	-	-
		-	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	267	2	265	-	2
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
		267	**2**	**265**	**-**	**2**
	Stage 1	**46,087**	**188**	**45,898**	**213**	**(25)**
Total	**Stage 2**	**1,094**	**85**	**1,009**	**103**	**(18)**
	Stage 3	**1,433**	**360**	**1,073**	**356**	**4**
		48,614	**633**	**47,981**	**672**	**(39)**
For 31 March 2021						
Performing Assets						
Standard	Stage 1	39,302	177	39,125	184	(7)
	Stage 2	850	46	804	13	33
	Stage 3	1,072	242	830	111	131
		41,224	**465**	**40,759**	**308**	**157**
Non-Performing Assets (NPA)						
Substandard	Stage 3	197	59	138	30	29
		197	**59**	**138**	**30**	**29**
Doubtful asset						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	894	201	693	211	(10)
More than 3 years	Stage 3	-	-	-	-	-
		894	**201**	**693**	**211**	**(10)**
Loss asset	Stage 3	-	-	-	-	-
		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	415	3	412	-	3
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
		415	**3**	**412**	**-**	**3**
	Stage 1	**39,717**	**180**	**39,537**	**184**	**(4)**
Total	**Stage 2**	**850**	**46**	**804**	**13**	**33**
	Stage 3	**2,163**	**502**	**1,661**	**352**	**150**
		42,730	728	42,002	549	179

Notes:
1) Refer note 38(A)(b)(A.3) for stage classification

(b) The impairment allowances under Ind AS 109 made by the Company lower than the total provision required under IRACP (including standard asset provisioning) as at 31 March 2022 and accordingly, ₹39 has been transferred to impairment reserve.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

(c) Derivative financial Instruments

	31 March 2022			31 March 2021		
	Notional amounts	**Fair Value - Assets**	**Fair Value - Liabilities**	**Notional amounts**	**Fair Value - Assets**	**Fair Value - Liabilities**
Part I						
(i) Currency derivatives:						
-Spot and forwards	-	-	-	-	-	-
-Currency Futures	-	-	-	-	-	-
-Currency swaps	7,395	7,367	7,487	7,395	7,616	7,815
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Subtotal (i)	**7,395**	**7,367**	**7,487**	**7,395**	**7,616**	**7,815**
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Futures	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Subtotal (ii)	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Otherderivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (v)	**7,395**	**7,367**	**7,487**	**7,395**	**7,616**	**7,815**
Part II Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Currency derivatives	-	-	-	-	-	-
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives	7,395	7,367	7,487	7,395	7,616	7,815
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Subtotal (ii)	7,395	7,367	7,487	7,395	7,616	7,815
(iii) Net investment hedging:	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+ (ii)+(iii)+(iv)	**7,395**	**7,367**	**7,487**	**7,395**	**7,616**	**7,815**

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

(d) Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

S No.	Type of Restructuring		Under MSME Debt Restructuring Mechanism			Others			Total		
	Asset Classification Details		Low credit risk & SICR	Credit-Impaired	Total	Low credit risk & SICR	Credit-Impaired	Total	Low credit risk & SICR	Credit-Impaired	Total
1	Restructured Accounts as on 1 April 2021	No. of borrowers	5	-	5	-	1	1	5	1	6
		Amount outstanding	463	-	463	-	1,072	1,072	463	1,072	1,535
		Provision thereon	33	-	33	-	242	242	33	242	274
2	Fresh restructuring during the year	No. of borrowers	8	-	8	1	-	1	9	-	9
		Amount outstanding	832	-	832	195	-	195	1,027	-	1,027
		Provision thereon	66	-	66	15	-	15	81	-	81
3	Upgradations to restructured assets during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY.	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
5	Downgradations of restructures accounts during the year	No. of borrowers	1	-	1	-	-	-	1	-	1
		Amount outstanding	107	-	107	-	-	-	107	-	107
		Provision thereon	21	-	21	-	-	-	21	-	21
6	Write-offs / settlements /recoveries of restructured accounts during the year #	No. of borrowers	4	-	4	-	1	1	4	1	5
		Amount outstanding	356	-	356	-	1,072	1,072	356	1,072	1,428
		Provision thereon	12	-	12	-	242	242	12	242	254
7	Restructured Accounts as on 31 March 2022	No. of borrowers	9	-	9	1	-	1	10	-	10
		Amount outstanding	939	-	939	195	-	195	1,134	-	1,134
		Provision thereon	87	-	87	15	-	15	102	-	102

1	Restructured Accounts as on 1 April 2020	No. of borrowers	-	-	-	-	1	1	-	1	1
		Amount outstanding	-	-	-	-	1,000	1,000	-	1,000	1,000
		Provision thereon	-	-	-	-	242	242	-	242	242
2	Fresh restructuring during the year	No. of borrowers	5	-	5	-	-	-	5	-	5
		Amount outstanding	463	-	463	-	-	-	463	-	463
		Provision thereon	33	-	33	-	-	-	33	-	33
3	Upgradations to restructured assets during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
5	Downgradations of restructures accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
6	Write-offs / settlements /recoveries of restructured accounts during the year #	No. of borrowers	-	-	-	-	1	1	-	1	1
		Amount outstanding	-	-	-	-	72	72	-	72	72
		Provision thereon	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on 31 March 2021	No. of borrowers	5	-	5	-	1	1	5	1	6
		Amount outstanding	463	-	463	-	1,072	1,072	463	1,072	1,535
		Provision thereon	33	-	33	-	242	242	33	242	274

*** Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).**
 # Includes interest on interest charged during the moratorium period capitalised.

(e) Disclosures as required by the Master Direction -Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016

There were no instances of fraud reported during the year ended 31 March 2022 (Nil: 31 March 2021).

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

(f) Details of resolution plan implemented under the resolution framework for COVID 19 related stress as per RBI Circular dated August 6, 2020 and May 05, 2021 are as given below;

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. September 30, 2021	Of(A), aggregate debt that slipped into NPA during the half year end March 31, 2022	Of(A), amount paid by the borrowers during the half year end March 31, 2022	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half year i.e. March 31, 2022
Personal				
Corporate persons	986.37	107.49	46.87	832.00
- of which MSMEs	-			
Others	-			
Total	**986.37**	**107.49**	**46.87**	**832.00**

(g) Disclosure pursuant to RBI notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:

(a) The Company has not transferred or acquired, any loans not in default during the year ended March 31, 2022 and March 31, 2021.
(b) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2022 and March 31, 2021.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

43. Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company as required by RBI Master Direction – Non-Banking Financial Company – Systemically Important Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Liabilities side :	Amount outstanding	Amount overdue
a. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures (other than falling within the meaning of public deposits)		
Secured	5,429	-
Unsecured	-	-
(b) Deferred credits	-	-
(c) Term loans (secured)	14,660	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public Deposits	-	-
(g) Cash credit facilities and working capital demand loan from Banks	2,295	-
(h) Lease liability	96	-
(i) External Commercial Borrowings (ECB)		
Secured	17,033	-
Unsecured	5,509	-
	45,022	**-**

Assets side:	Amount outstanding
b. Break-up of loans and advances:	
(a) Secured	44,870
(b) Unsecured	3,689
	48,559
c. 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	-
d. Break-up 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 (please specify)	-
2. Unquoted	
(i) Shares :	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Long term investments	
1. Quoted	
(i) Shares :	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	6,129
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted	
(i) Shares :	
(a) Equity	868
(b) Preference	-
(ii) Debentures and Bonds	912
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Trust)	1,251

e. Borrower group-wise classification of assets financed as in (b) and (c)

Category	Amount outstanding		
	Secured	**Unsecured**	**Total**
1 Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	44,870	3,689	48,559
	44,870	**3,689**	**48,559**

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

Category	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**
1 Related Parties		
(a) Subsidiaries	143	1,251
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	7,325	7,909

g. Other information

Particulars	**31 March 2022**
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	1,433
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	1,073
iii) Assets acquired in satisfaction of debt	-

44. Additional information

a) **Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charge creation or satisfaction pending registration with Registrar of Companies (ROC) beyond the statutory period.

b) The Company has neither traded nor invested in crypto currency or virtual currency during the financial year

c) The Company does not possess any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

d) There is no surrender or disclosure of income separately on account of search or survey under Income Tax since all transactions are recorded in the books

e) The Company has not been declared as wilful defaulter by any Bank or Financial Institution or other lender

f) The Compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rule, 2017 is not applicable as the Company is registered as non banking financial company with Reserve Bank India.

g) The Compnay does not have any transactions with struck off companies during the financial year March 31, 2022 and March 31, 2021

h) The company is not a Core Investment Company (CIC).

i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

j) The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are: (a) repayable on demand or, (b) without specifying any terms or period for repayment.

45. Details of Borrowing:

(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) The Company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2022 and March 31, 2021

(c) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

46. Utilization of Borrowed Funds and Share Premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

47. Comparatives

Previous year's amounts have been regrouped/ reclassified wherever necessary to conform to the current year's presentation.

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

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May 2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May 2022

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
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Email: mumbai@trchadha.com

Independent Auditors' Report

To the Members of Caspian Impact Investments Private Limited

Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of **Caspian Impact Investments Private Limited ("the Holding Company") and Bellwether Microfinance Trust ("the subsidiary") (the holding company and the subsidiary together referred to as "Group")**; which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated financial Statements* section of our report. We are independent of the Group 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 Consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial Statements.

3. Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
a.	Impairment of Loans given Refer note 3(j) for the Accounting Policy and note 38 (A) for the related disclosure As at March 31, 2022, the Group has reported Gross Loan Assets of Rs.48,347 Lakh against which an impairment of Rs.633 Lakh has been recorded. IND AS 109, Financial Instruments requires the Group to provide for impairment of its financial assets using the expected credit loss (ECL) approach which involves estimates for probability of loss on the financial assets over their life, considering reasonable and supportable information about past trends, current conditions and forecasts of future economic conditions which could impact the credit quality of the Group's financial assets. In this process, the Group has applied three stage approach based on changes	Read and assessed the Group's accounting policies for impairment of financial instruments and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. We have evaluated the management response upon implementation of various RBI circulars and tested the implementation of requirements as per these circulars on sample basis. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions

	in credit quality to measure expected credit loss on loans which is as follows: ➢ If the loan is not credit impaired since initial recognition, then it is classified in "Stage 1". ➢ If the loan has a significant increase in credit risk initial recognition, then it is moved to "Stage 2", but the loan is not deemed to be credit impaired. ➢ If the loan is credit impaired, then it is moved to "Stage 3" i.e., the default in repayment is more than 90 days. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 Loan assets.	and tested the controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages. Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures (note no.38) included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures and also as per RBI Guidelines.

4. Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the Consolidated financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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.

5. Responsibility of Management and those charged with Governance for the Consolidated financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial Statements that give a true and fair view of the consolidated state of affairs and financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Management and Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the consolidated financial statement. Further, in terms of the provision of the Act, the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, Management and respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of each Company or Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Management and Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those respective Board of Directors included in the Group are also responsible for overseeing the Group's financial reporting process of each company or entity.

6. Auditor's Responsibilities for the Audit of the Consolidated financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 SAs 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 Consolidated financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated 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 financial 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 expressing our opinion on whether the Holding Company and its subsidiary companies which is company incorporated in India, if any, has internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Consolidated financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 Group'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 Consolidated 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 Consolidated financial Statements, including the disclosures, and whether the Consolidated financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial Statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

7. Other Matter

a. The Consolidated financial Statement also includes figures of the Group for the year ended March 31, 2021, audited by the predecessor firm of statutory auditor vide its report dated May 21, 2021, in which the predecessor auditor has expressed an unmodified opinion. Accordingly, we do not express any conclusion on aforesaid consolidated financial statement for the said year and have relied upon the said reports for the purpose of our report on this consolidated financial statement.

b. We did not audit the financial statements and other financial information of a subsidiary whose financial statements include total assets of Rs. 143 Lakh as on March 31, 2022. Our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub – sections (3) of section 143 of the act, in so far as it relates to its aforesaid subsidiary is based solely on the report of such other auditors.

Our above opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management, to the extent applicable.

8. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government 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, to the extent applicable.

ii. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on Separate financial statements and other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a) We / the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial Statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, and taken on record by the Board of Directors of the Holding Company under the Act, none of the directors of the Holding Company are disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial Statements of the Holding Company and its subsidiary, covered under the Act and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to Consolidated financial Statement.

iii. With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'other matter' paragraph:

a) The Group does not have any pending litigation which would impact its consolidated financial position as at March 31, 2022.

b The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.

c There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2022.

d (i) Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its Subsidiary, covered under the Act, incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its Subsidiary, covered under the Act, incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiary incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

II. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

The provision of section 197 read with schedule V to the Act are not applicable to the Holding Company. Accordingly, reporting under section 197(16) is not applicable.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No. 076650
UDIN: 22076650AJTSNX9686
Place: Mumbai
Date: May 27, 2022

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

Annexure A to the Independent Auditor's Report of even date

The annexure referred to in Independent Auditors' Report to the member of the Caspian Impact Investments Private Limited ("the Company") on the consolidated financial statements for the year ended March 31, 2022, we report that;

(xxi) According to the information and explanations given to us, subsidiary is not a Company, accordingly, reporting under Companies Auditor's Report Order 2020 is not applicable.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No. 076650
UDIN: 22076650AJTSNX9686
Place: Mumbai
Date: May 27, 2022

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi – 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ❖ HYDERABAD❖AHMEDABAD❖BENGALURU❖CHENNAI❖GURGAON❖PUNE❖TIRUPATI❖VADODARA

Annexure B to the Independent Auditor's Report of even date

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. Opinion

We have audited the internal financial controls with reference to consolidated financial statement of Caspian Impact Investments Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which are companies incorporated in India, as of March 31, 2022, in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

In our opinion, the Holding Company has in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI').

2. Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the 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.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(1 0) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, 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 internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statement and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statement of the Holding Company and its subsidiary as aforesaid.

4. Meaning of Internal financial controls with reference to consolidated financial statement

A company's internal financial controls with reference to consolidated financial statement 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 internal financial controls with reference to consolidated financial statement 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

5. Inherent Limitations of Internal financial controls with reference to consolidated financial statement

Because of the inherent limitations of internal financial controls with reference to consolidated financial statement, 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 internal financial controls with reference to consolidated financial statement to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No. 076650
UDIN: 22076650AJTSNX9686
Place: Mumbai
Date: May 27, 2022

Caspian Impact Investments Private Limited

Standalone Balance Sheet as at 31 March 2022

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Financial assets			
Cash and cash equivalents	4	772	5,213
Bank balances other than cash and cash equivalents	5	678	528
Loans	6	47,714	41,587
Investments	7	9,160	4,754
Other financial assets	8	64	61
		58,388	**52,143**
Non-financial assets			
Current tax assets (net)	9	1,477	871
Deferred tax assets (net)	10	365	460
Property, Plant and Equipment	11	304	373
Intangible assets under development	12	-	808
Goodwill	12	1,327	1,327
Other intangible assets	12	738	1
Other non-financial assets	13	499	463
		4,710	**4,303**
	Total Assets	**63,098**	**56,446**
Liabilities and Equity			
Liabilities			
Financial liabilities			
Derivative liability		120	199
Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		33	75
Other payables	15		
- total outstanding dues of micro enterprises and small enterprises		10	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3	36
Debt securities	16	5,429	7,245
Borrowings (other than debt securities)	17	39,497	31,160
Lease liabilities	17	96	145
Other financial liabilities	18	310	280
		45,498	**39,140**
Non-financial liabilities			
Provisions	19	63	55
Other non-financial liabilities	20	52	56
		115	**111**
Equity			
Equity share capital	21	667	667
Other equity	22	16,818	16,528
		17,485	**17,195**
	Total Liabilities and Equity	**63,098**	**56,446**

The accompanying notes form an integral part of the standalone financial statements.
This is the Balance Sheet referred to in our report of even date.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-

Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-

Avishek Gupta
Managing Director
DIN: 09351254

Sd/-

S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-

Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

Caspian Impact Investments Private Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Interest income	23	6,693	5,625
Fees and commission income	24	4	5
Total revenue from operations		**6,697**	**5,630**
Reversal of impairment on financial instruments	27	-	55
Other income	25	188	135
Total Income		**6,885**	**5,820**
Expenses			
Finance costs	26	4,420	3,831
Fees and commission expense		255	267
Impairment on financial instruments	27	323	-
Employee benefits expense	28	943	800
Depreciation and amortisation expense	11 & 12	226	95
Other expenses	29	701	598
Total Expenses		**6,868**	**5,591**
Profit before tax		**17**	**229**
Tax expense			
Current tax		-	30
MAT Credit entitlement		-	(30)
Taxes for prior years		-	10
Deferred tax benefit		(3)	(27)
		(3)	**(17)**
Profit for the year		**20**	**246**
Other Comprehensive Income (OCI)			
Items that will be reclassified to profit or loss			
Cashflow hedge reserve		(152)	(174)
Income tax impact on above		49	48
Items that will not be reclassified to profit and loss			
Remeasurement expense on defined benefit plans		(4)	-
Net changes in fair value of investment in equity shares		524	-
Income tax impact on above		(147)	-
Other Comprehensive Income		**271**	**(126)**
Total Comprehensive Income		**291**	**120**
Earnings per equity share (EPES) (of ₹ 10 each)	30		
Nominal value per equity share		10.00	10.00
- Basic and diluted EPES (in ₹)		0.30	3.73

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

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

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

Caspian Impact Investments Private Limited
Standalone Statement of Cash Flows for the year ended 31 March 2022
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities			
Profit before tax		17	229
Adjustments for:			
Depreciation and amortisation expense		226	95
Reversal of impairment of loans		(95)	(55)
Loan assets written off		418	-
Provisions no longer required, written back		(16)	(17)
Interest income on investments		(640)	(291)
Operating loss before working capital changes		**(90)**	**(39)**
Changes in			
Loans		(6,450)	(3,496)
Other financial assets		(3)	(12)
Other non-financial assets		(36)	(66)
Trade and Other payables		(65)	(109)
Effective interest rate adjustment for debt securities and borrowings		339	(878)
Other financial liabilities		(49)	235
Other non-financial liabilities		(4)	(27)
Provisions		4	12
Cash used in operating activities		**(6,354)**	**(4,380)**
Income tax (paid) / refund, net		(557)	122
Net cash used in operating activities	**A**	**(6,911)**	**(4,258)**
Cash flow from investing activities			
(Purchase) / Sale of Property, plant and equipment		(30)	8
Purchase of intangible assets		(864)	-
Change in intangible assets under development		808	(288)
Purchase of investments		(21,188)	(1,611)
Proceeds from sale of investments		16,782	323
Interest income from investments		640	291
Investment in fixed deposits		(150)	(318)
Net cash used in investing activities	**B**	**(4,002)**	**(1,595)**
Cash flow from financing activities			
Proceeds from issue of debt securities		-	7,500
Repayment of debt securities		(1,833)	(13,363)
Issue of equity share capital		-	486
Proceeds from borrowings (other than debt securities)		12,496	23,570
Repayment of borrowings (other than debt securities)		(4,877)	(5,476)
Increase / (Decrease) in loans repayable on demand, net		734	(3,850)
Principal payment of lease liabilities		(48)	(55)
Net cash generated from financing activities	**C**	**6,472**	**8,812**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	(4,441)	2,959
Cash and cash equivalents at the beginning of the year		5,213	2,254
Cash and cash equivalents at the end of the year (refer note 4)		**772**	**5,213**

This is the Standalone Statement of Cashflows referred to in our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

Caspian Impact Investments Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

A. Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2020		**65,22,981**	**652**
Add: Issued during the year	21	1,43,140	15
As at 31 March 2021		**66,66,121**	**667**
Add: Issued during the year		-	-
As at 31 March 2022		**66,66,121**	**667**

B. Other Equity

Particulars	Reserves and surplus						OCI			Total
	Reserve fund	Capital redemption reserve	Statutory reserve	Securities premium	Impairment reserve	Retained earnings	FVTOCI on equity instruments	Equity Instruments through Other Comprehensive Income	Cashflow hedge reserve	
Balance as at 1 April 2020	-	163	1,326	10,391	-	2,888	1,169	-	-	**15,937**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	**-**
Restated balance as at April 1, 2020	-	163	1,326	10,391	-	2,888	1,169	-	-	**15,937**
Profit for the year	-	-	-	-	-	246	-	-	-	**246**
Issue of equity shares	-	-	-	471	-	-	-	-	-	**471**
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	-	(126)	**(126)**
Transfer to statutory reserve	-	-	49	-	-	(49)	-	-	-	**-**
Balance as at 31 March 2021	**-**	**163**	**1,375**	**10,862**	**-**	**3,085**	**1,169**	**-**	**(126)**	**16,528**
Changes in accounting policy / prior period errors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Restated balance as at March 31, 2021	**-**	**163**	**1,375**	**10,862**	**-**	**3,085**	**1,169**	**-**	**(126)**	**16,528**
Profit for the year	-	-	-	-	-	20	-	-	-	**20**
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	373	-	(102)	**271**
Transfer to statutory reserve	-	-	4	-	-	(4)	-	-	-	**-**
Transfer to impairment reserve	-	-	-	-	39	(39)	-	-	-	**-**
Balance as at 31 March 2022	-	**163**	**1,379**	**10,862**	**39**	**3,062**	**1,542**	**-**	**(228)**	**16,818**

The accompanying notes form an integral part of the standalone financial statements.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May2022

1 Background

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-deposit accepting non-banking financial company ("NBFC") with the Reserve Bank of India ("the RBI"). Its non-convertible debentures are listed on recognised stock exchange of India. The registered office of the Company is located at 4th floor, Ventureast Plaza, Plot no. 40 & 41 Financial District, Gachibowli, Hyderabad - 500032.

2 Basis of preparation and presentation of financial statements

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division III of Schedule III to the Companies Act, 2013. In addition, the applicable regulations of the Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.
Amounts in the financial statements are presented in Indian Rupees Lakh rounded off to nearest multiple of one lakh as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee upto two decimal places.

These standalone financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies below. The functional currency of the Company is Indian Rupee ("₹"). These standalone financial statements are presented in Indian Rupees and all the values are rounded to the nearest lakhs, except for share data and when otherwise indicated.

These standalone financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 27 May 2022.

b) Uncertainties relating to COVID-19 Pandemic

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets. The nation-wide lockdown in March 2020 led to a significant decrease in the economic activities. While easing of lockdown measures subsequently led to gradual improvement in economic activity, the second wave of COVID-19 has resulted in re-imposition of localized/regional lockdown measures in various parts of the country.

The pandemic has resulted in a lower loan origination and put constraints on recovery of over dues from customers during the year. Pursuant to the Reserve Bank of India ("RBI") circulars dated 27 March 2020 and 23 May 2020, the Company has granted a moratorium on payments of instalments falling due between 1 March 2020 and 31 August 2020 to the eligible borrowers. For such accounts where the moratorium is granted, the asset /stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification) which is in line with the RBI circulars on "COVID 19 Regulatory Package- Asset Classification and Provisioning" dated 17 April 2020 and "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021. Further, in accordance with the Resolution Framework for COVID-19 announced by the RBI on 6 August 2020, the Company has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The Company has recognized provisions as on 31 March 2022 towards its loan assets, based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss (ECL) method. The Company believes that it has considered all the possible impact of the known events arising out of COVID 19 pandemic in the preparation of the standalone financial statements. However, the extent to which the COVID-19 will impact the Company's operations and financial metrics will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic. The Company's capital and liquidity position is strong and would continue to be a focus area for the Company in the immediate future.

3 Summary of significant accounting policies

a) Basis of measurement

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies have been applied consistently for all the periods presented in the standalone financial statements, except where a newly issued accounting standard is adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by the management in the preparation of these standalone financial statements have been disclosed below. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

b) Use of estimates (continued)

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income taxes – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while estimating ECL:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL; and
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)

Provisions and other contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c) Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

Fees and commission income and dividend income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

d) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing cost consists of interest and other costs that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss on accrual basis as per the effective interest rate method.

e) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating 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.

f) Goodwill and other intangible assets

Goodwill

Goodwill arising on business combination is recorded at excess of the consideration paid over the fair value of the net assets taken-over and is subsequently measured at cost less accumulated impairment losses, if any.

Other intangible assets

Intangible assets mainly comprise of computer software which is initially measured at acquisition cost thereof. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Company.

Subsequent measurement (amortisation method, useful lives and residual value)

All intangible assets with finite useful life are amortised on a straight line basis over the estimated useful lives and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates useful life of intangible assets to be 5 years and 3 years for shelf products.

f) Goodwill and other intangible assets (continued)

Intangible assets under development
Expenditure incurred which are eligible for capitalisation under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

g) Property, plant and equipment (PPE)

Recognition and initial measurement
PPE are initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation method, useful lives, residual value and impairment)
Depreciation is provided using the straight-line method over their useful lives estimated by the Management which coincides with the useful lives specified in Schedule II of the Act. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. PPE are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition
An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

h) Leases
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether a contract is, or contains a lease on inception.

Where the Company is lessee
At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right- of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

a) Amortised cost

b) Financial assets at fair value through profit or loss (FVTPL)

c) Financial assets at fair value through other comprehensive income (FVTOCI)

All financial assets except for those at FVTPL or equity instruments at FVTOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Amortised cost

A financial asset is measured at amortised cost using effective interest rate (EIR), if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's loans and advances, security deposits, cash and cash equivalents, fee receivable, trade and most other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

Modification of cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original EIR. Any costs or fees incurred is adjusted against the carrying amount of the modified financial asset and amortised over the remaining term of the modified financial asset.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVTOCI

FVTOCI financial assets comprise of equity instruments measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the FVTOCI reserve within equity, except for dividend income, which is recognized in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers.

De-recognition of financial assets

De-recognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

De-recognition of financial assets other than due to substantial modification

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognises the financial asset if the financial asset is transferred and the transfer qualifies for derecognition.

i) Financial instruments (continued)

Classification and subsequent measurement of financial liabilities
Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

j) Impairment of financial assets

Loan assets
The Company follows a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:
i) Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
ii) Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
iii) Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amount of outstanding exposure as on the assessment date on which ECL is computed including amount guaranteed by way of letter of credit.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs
Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

k) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

l) Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

m) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and national pension scheme. The Company recognises contribution payable as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Company has an obligation towards gratuity which is being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary and other defined parameters. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside.

The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

Leave encashment

The Company operates a long term leave encashment plan. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19, Employee Benefits.

n) Investment in subsidiary

The Company has set up Bellwether Microfinance Trust ("the Trust"), a pass through trust, with the objective of making equity 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 Company has elected to recognise its investments in subsidiary at fair value in accordance with the Ind AS 109, Financial Instruments.

o) Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or cash generating unit (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset or a CGU is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset or CGU in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

p) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

q) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

• Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or

• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, the related asset is disclosed.

r) Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or

• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

s) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind-AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationships exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

t) Cash flow statements

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

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

4. Cash and cash equivalents

	31 March 2022	31 March 2021
Cash on hand	-	-
Balance with banks:		
In current accounts	772	3,213
In fixed deposits (with original maturity less than 3 months)	-	2,000
	772	**5,213**

5. Bank balances other than cash and cash equivalents

	31 March 2022	31 March 2021
Earmarked balance with banks (fixed deposits) against borrowings	678	528
	678	**528**

6. Loans

	31 March 2022	31 March 2021
At amortised cost		
Term loans	48,347	42,315
Less: Impairment loss allowance	(633)	(728)
	47,714	**41,587**

(A) Out of the above

	31 March 2022	31 March 2021
Secured*	44,870	40,562
Covered by bank/government guarantee	296	696
Unsecured, considered good	3,393	1,170
	48,559	**42,428**
Other adjustments		
Unamortized loan origination fee	85	132
Unamortized loan processing fee	(477)	(410)
Interest accrued on loan assets	180	165
	48,347	**42,315**
Less: Impairment loss allowance	(633)	(728)
	47,714	**41,587**

*The loans are secured by hypothecation of book debts and charge on movable/immovable assets. Further, the Loan assets amounting to INR 4,420 (31 March 2021: INR 3,767) are additionally covered by bank/government guarantee.

(B) Out of the above

	31 March 2022	31 March 2021
Loans in India		
Others	48,347	42,315
Less: Impairment loss allowance	(633)	(728)
	47,714	**41,587**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

7. Investments

	31 March 2022	31 March 2021
Debt securities		
Measured at amortised cost		
100 (31 March 2021: 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	999	998
Nil (31 March 2021: 80) 17.23% rated, subordinated, unsecured, listed, redeemable, transferable, non-convertible debentures of ₹1,000,000 each fully paid in ESAF Small Finance Bank Limited	-	861
300,000 (31 March 2021: 300,000) 15.00% rated, subordinated, secured, unlisted, redeemable, transferable, non-convertible debentures of ₹100 each fully paid in EZ Vidya Private Limited	264	300
100 (31 March 2021: 100) 10.50% rated, subordinated, unsecured, listed, redeemable, transferable, non-convertible debentures of ₹10,00,000 each fully paid in Asirvad Microfinance Limited	1,007	1,000
95 (31 March 2021: Nil) 13.50% rated, subordinated, unsecured, listed, redeemable, taxable, non-convertible debentures of ₹10,00,000 each fully paid in Annapurna Finance Private Limited	987	-
100 (31 March 2021: Nil) 8.40% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in Avanse Financial Services Limited	1,048	-
100 (31 March 2021: Nil) 9.48% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in PNB Housing Finance Limited	1,043	-
100 (31 March 2021: Nil) 9.25% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in Ugro Capital Limited	1,045	-
6,50,000 (31 March 2021: Nil) 14.25% unrated, Unlisted, secured, redeemable, non-convertible debentures of ₹100 each fully paid in Proklean Technologies Private Limited	648	-
	7,041	**3,159**
Measured at fair value through OCI		
Equity instruments of other entities		
466,850 (31 March 2021: 466,850) equity shares of ₹10 each fully paid in Sonata Finance Private Limited	868	653
1 (31 March 2021: 1) equity shares of ₹10 each fully paid in EZ Vidya Private Limited	-	-
1 (31 March 2021: Nil) equity shares of ₹10 each fully paid in Proklean Technologies Private Limited	-	-
Compulsory Convertible Preference Shares		
4,454 (31 March 2021: 4,454) CCPS of ₹100 each, partly paid at ₹1 each in EZ Vidya Private Limited	-	-
2,245 (31 March 2021: Nil) CCPS of ₹20 each, partly paid at ₹1 each in Proklean Technologies Private Limited	-	-
	868	**653**
Investment in subsidiary		
Measured at fair value through OCI		
Bellwether Microfinance Trust	1,251	942
672,292 (31 March 2021: 672,292) equity shares of ₹10 each fully paid in Sonata Finance Private Limited		
	1,251	**942**
	9,160	**4,754**
Out of the above		
Investments in India	9,160	4,754
Investments outside India	-	-
	9,160	**4,754**
Less: Allowance for impairment	-	-
	9,160	**4,754**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

8. Other financial assets

	31 March 2022	31 March 2021
Unsecured, considered good		
Refundable advances	20	20
Security deposits	43	38
Others	1	3
	64	**61**

9. Current tax assets (net)

	31 March 2022	31 March 2021
Advance income tax (net of provision for tax)	1,477	871
	1,477	**871**

Income tax recognised in Statement of profit and loss

	31 March 2022	31 March 2021
Current tax		
In respect of current year	-	-
In respect of prior years	-	10
Deferred tax		
Deferred tax	(3)	(27)
	(3)	**(17)**

Income tax recognised in Other Comprehensive Income

	31 March 2022	31 March 2021
Deferred tax		
Cash flow hedge reserve	49	48
Remeasurement of defined employee benefits	(4)	-
	45	**48**

Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

	31 March 2022	31 March 2021
Profit before tax	17	229
Enacted income tax rate	27.82%	27.82%
Expected income tax expense	5	64
Effect of expenses / provisions not deductible in determining taxable profit	-	(205)
Effect of differential tax rate	-	(4)
Effect due to change in taxation laws	-	96
Adjustment related to tax of prior years	-	10
Others	(8)	22
Reported income tax expense	**(3)**	**(17)**

Caspian Impact Investments Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

10. Deferred tax assets (net)

	As at 1 April 2020	Charge / (Credit) to Profit and Loss	Charge / (Credit) to OCI	MAT (utilisation) / entitlement	As at 31 March 2021	Charge / (Credit) to Profit and Loss	Charge / (Credit) to OCI	MAT (utilisation) / entitlement	As at 31 March 2022
Tax effect of items constituting deferred tax assets / (liabilities)									
Property, plant and equipment	(156)	161	-	-	5	(58)	-	-	**(53)**
EIR impact on financial instruments measured at amortised cost	130	(330)	-	-	(200)	38	-	-	**(162)**
Impairment loss allowance	214	(11)	-	-	203	(27)	-	-	**176**
Provisions for employee benefits	12	3	-	-	15	3	-	-	**18**
Fair value of Equity investments	-	-	-	-	-	(147)	-	-	**(147)**
Fair value of hedging instrument	-	-	48	-	48	-	50	-	**98**
Business loss	-	203	-	-	203	48	-	-	**251**
Lease liability	7	1	-	-	8	(2)	-	-	**6**
	207	**27**	**48**	**-**	**282**	**(145)**	**50**	**-**	**187**
MAT Credit	148	-	-	30	178	-	-	-	**178**
Net deferred tax assets	**355**	**27**	**48**	**30**	**460**	**(145)**	**50**	**-**	**365**

11. Property, plant and equipment

	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Right of use asset	Total
Gross block					
As at 1 April 2020	**163**	**72**	**122**	**222**	**579**
Additions during the year	2	-	10	-	12
As at 31 March 2021	**165**	**72**	**132**	**222**	**591**
Additions during the year	-	-	30	-	30
As at 31 March 2022	**165**	**72**	**162**	**222**	**621**
Accumulated depreciation					
Upto 1 April 2020	**20**	**9**	**34**	**61**	**124**
Charge for the year	16	7	27	44	94
Upto 31 March 2021	**36**	**16**	**61**	**105**	**218**
Charge for the year	16	7	32	44	99
Upto 31 March 2022	**52**	**23**	**93**	**149**	**317**
Net block					
As at 31 March 2021	**129**	**56**	**71**	**117**	**373**
As at 31 March 2022	**113**	**49**	**69**	**73**	**304**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

12. Goodwill and other intangible assets

	Software	Goodwill
Gross block		
As at 1 April 2020	**9**	**1,327**
Additions during the year	-	-
As at 31 March 2021	**9**	**1,327**
Additions during the year	864	-
As at 31 March 2022	**873**	**1,327**
Accumulated depreciation		
Upto 1 April 2020	**7**	**-**
Charge for the year	1	-
Upto 31 March 2021	**8**	**-**
Charge for the year	127	-
Upto 31 March 2022	**135**	**-**
Net block		
As at 31 March 2021	**1**	**1,327**
As at 31 March 2022	**738**	**1,327**

Note:
The recoverable amount of goodwill has been assessed using fair value less costs of disposal. The fair value has been estimated using the price to book multiple of comparable company. Price to book multiple of comparable company of 1.76 was considered for determination of fair value. The management believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Intangible assets under development

	31 March 2022	31 March 2021
Balance at the beginning of the year	808	520
Additions		
Employee benefits expense	-	23
Other expenses till the date of capitalisation	32	265
Capitalized	(840)	-
Balance at the end of the year	**-**	**808**

13. Other non-financial assets

	31 March 2022	31 March 2021
Prepaid expenses	35	27
Balances with government authorities	452	427
Others	12	9
	499	**463**

14. Trade payables

	31 March 2022	31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	33	75
	33	**75**

Trade Payable ageing Schedule

31 March 2022	Outstanding for following periods from due date of payments				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	**-**
Others	33	-	-	-	**33**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

31 March 2021	Outstanding for following periods from due date of payments				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	**-**
Others	75	-	-	-	**75**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

15. Other payables

	31 March 2022	31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises	10	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3	36
	13	**36**

Other payables ageing Schedule

31 March 2022	**Outstanding for following periods from due date of payments**				**Total**
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME	10	-	-	-	**10**
Others	3	-	-	-	**3**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

31 March 2021	**Outstanding for following periods from due date of payments**				**Total**
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME	-	-	-	-	**-**
Others	36	-	-	-	**36**
Disputed dues- MSME	-	-	-	-	**-**
Disputed dues- Others	-	-	-	-	**-**

Note: Where no due date of payment specified, ageing of the trade payables is determined from the date of transaction till the reporting date.

Based on information available with the Company, as at the reporting date, there are 5 (31 March 2021: Nil) suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

16. Debt securities

	31 March 2022	31 March 2021
At amortised cost		
Secured		
Rated, listed, redeemable, transferable Non-Convertible Debentures (NCD)	4,928	5,772
Rated, unlisted, redeemable, transferable Non-Convertible Debentures (NCD)	501	1,473
	5,429	**7,245**
Out of above		
Debt securities in India	5,429	7,245
	5,429	**7,245**

Nature of security

NCDs 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.

Terms of repayment

	31 March 2022		31 March 2021	
	Interest range	Amount	Interest range	Amount
Repayable in instalments (quarterly)				
0 - 1 Years	10.56% - 11.50%	1,333	10.56% - 11.50%	1,833
1 - 3 Years	10.56% - 11.50%	417	10.56% - 11.50%	1,750
Repayable on maturity (bullet)				
0 - 1 Years	10.50%	2,000	10.50%	-
1 - 3 Years	11.50%	1,500	10.50% - 11.50%	3,500
		5,250		**7,083**
Interest accrued, but not due on debt securities		216		239
Impact of EIR		(37)		(77)
		5,429		**7,245**

Non Convertible Debentures - Secured - Instrument Wise Details

Description of security	Coupon/ Yield	31 March 2022	31 March 2021
10.56% Secured Rated, Listed, Redeemable Non-Convertible Debentures. Maturity Date - 30/07/2023 (INE059K07055)	10.56%	1,250	2,083
11.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Maturity Date - 31/07/2023 (INE059K07063)	11.50%	1,500	1,500
10.50% Secured Senior Rated, Listed, Redeemable Non-Convertible Debentures - Maturity Date - 18/05/2022 (INE059K07071)	10.50%	2,000	2,000
11.50% Caspian Impact Investments Private Limited 2022. Secured Senior Rated, Unlisted, Redeemable Non-Convertible Debentures - Maturity Date - 08/09/2022 (INE059K07089)	11.50%	500	1,500
		5,250	**7,083**

17. Borrowings (other than Debt securities)

At amortised cost

	31 March 2022	31 March 2021
a) Term loans		
i. Secured		
- from Banks	6,221	7,777
- from Others	8,439	3,647
- from External Commercial Borrowings (ECB)	17,033	12,685
	31,693	**24,109**
ii. Unsecured		
- from External Commercial Borrowings (ECB)	5,509	5,462
	5,509	**5,462**
b) Loans repayable on demand		
i. Secured		
- Cash credit facilities and working capital demand loan from Banks	2,295	1,589
	2,295	**1,589**
	39,497	**31,160**
Out of the above		
Borrowings in India	16,955	13,013
Borrowings outside India	22,542	18,147
	39,497	**31,160**

Notes:

a) Term loans from banks, financial institutions and ECBs are secured by way of hypothecation / charge on certain specified loans receivable of the Company. Additionally fixed deposits amounting to ₹678 (31 March 2021: ₹528) have been lien marked towards term loans from banks and financial institutions.

b) Cash credit facilities from banks are secured by way of exclusive charge on unencumbered loan receivables which are standard.

Caspian Impact Investments Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

A) Terms of repayment of borrowings

a) Details of term loans from banks (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on maturity (bullet)				
Maturing within 1 year	11.25%	1,500	-	-
Maturing between 1 to 3 years	-	-	11.25%	1,500
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.50%-11.15%	1,183	9.14%-11.15%	1,412
Maturing between 1 to 3 years	9.00%-11.15%	248	9.65%-11.15%	998
ii. Quarterly instalments				
Maturing within 1 year	10.50%-11.50%	1,667	11.50%	1,334
Maturing between 1 to 3 years	10.50%-11.50%	1,666	11.50%	2,583
		6,264		**7,827**
Less: Impact of EIR		(44)		(65)
Add: Interest accrued but not due on borrowings		1		15
		6,221		**7,777**

b) Details of term loans from others (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.75%-11.50%	2,524	11.25%	445
Maturing between 1 to 3 years	9.75%-11.50%	3,814	11.25%	1,055
ii. Quarterly instalments				
Maturing within 1 year	11.25%-12.40%	1,260	11.25%-12.40%	1,398
Maturing between 1 to 3 years	11.25%-12.40%	873	11.25%-12.40%	760
		8,471		**3,658**
Less: Impact of EIR		(65)		(23)
Add: Interest accrued but not due on borrowings		33		12
		8,439		**3,647**

c) Details of ECB (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on maturity (bullet)				
Maturing between 1 to 3 years	9.59% - 9.65%	7,598	9.59% - 9.65%	7,368
Maturing between 5 to 10 years	9.58% - 10.00%	9,300	10.00%	5,499
		16,898		**12,867**
Less: Impact of EIR		(445)		(465)
Add: Interest accrued but not due on borrowings		580		283
		17,033		**12,685**

d) Details of ECB (Unsecured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on maturity (bullet)				
Maturing between 5 to 10 years	9.45%	5,726	9.45%	5,726
		5,726		**5,726**
Less: Impact of EIR		(380)		(426)
Add: Interest accrued but not due on borrowings		163		162
		5,509		**5,462**

e) Details of cash credit facilities from banks (Secured)

	31 March 2022		31 March 2021	
	Interest range	**Amount**	**Interest range**	**Amount**
Repayable on demand				
Maturing within 1 year	9.65%-10.00%	2,345	10.00%-10.15%	1,611
		2,345		**1,611**
Less: Unamortised finance cost		(50)		(22)
		2,295		**1,589**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

17. Borrowings (other than Debt securities) (continued)

B) Lease liabilities

	31 March 2022	31 March 2021
Lease liabilities	96	145
	96	**145**

The movement in lease liabilities is as follows

	31 March 2022	31 March 2021
Opening balance	145	186
Additions during the year	-	-
Finance cost accrued during the year	12	17
Payment of lease liabilities	(61)	(58)
Closing balance	**96**	**145**

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

	31 March 2022	31 March 2021
Less than one year	64	61
One to three years	41	105
	105	**166**

The following are the amounts recognised in the statement of profit or loss:

	31 March 2022	31 March 2021
Depreciation expense of right-of-use assets	44	44
Interest expense on lease liabilities	12	17
Total amount recognized in profit or loss	**56**	**61**

C) Reconciliation of liabilities arising from financing activities
The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than Debt securities)	Total
As at 1 April 2020	**13,317**	**17,637**	**30,954**
Cash flows:			
Proceeds	7,500	23,570	31,070
Repayment	(13,363)	(9,381)	(22,744)
Interest paid during the year	(1,615)	(1,739)	(3,354)
Non cash:			
Interest accrued during the year	1,383	2,169	3,552
Amortisation of upfront fees	23	(923)	(900)
Forex loss/(gain) on ECB	-	(28)	(28)
As at 31 March 2021	**7,245**	**31,305**	**38,550**
Cash flows:			
Proceeds	-	13,230	13,230
Repayment	(1,833)	(4,925)	(6,758)
Interest paid during the year	(686)	(3,961)	(4,647)
Non cash:			
Interest accrued during the year	663	3,479	4,142
Amortisation of upfront fees	40	234	274
Forex loss/(gain) on ECB	-	231	231
As at 31 March 2022	**5,429**	**39,593**	**45,022**

18. Other financial liabilities

	31 March 2022	31 March 2021
Expenses payable	300	278
Advance received from customers	10	2
	310	**280**

19. Provisions

	31 March 2022	31 March 2021
Provision for employee benefits		
- Leave encashment	43	40
- Gratuity	20	15
	63	**55**

20. Other non-financial liabilities

	31 March 2022	31 March 2021
Statutory dues payable	52	56
	52	**56**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

21. Equity Share Capital

	31 March 2022		31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised share capital				
Equity shares of ₹10 each	75,00,000	750	75,00,000	750
Preference shares of ₹10 each	4,10,00,000	4,100	4,10,00,000	4,100
	4,85,00,000	**4,850**	**4,85,00,000**	**4,850**
Issued, Subscribed and Fully paid up				
Equity shares of ₹10 each	66,66,121	667	66,66,121	667
	66,66,121	**667**	**66,66,121**	**667**

(a) Reconciliation of share capital

	31 March 2022		31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹10 each				
Balance at the beginning of the year	66,66,121	667	65,22,981	652
Add: Issued during the year	-	-	1,43,140	15
Balance at the end of the year	**66,66,121**	**667**	**66,66,121**	**667**

(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

	31 March 2022		31 March 2021	
	Number of Shares	%	Number of Shares	%
Equity shares of ₹ 10 each				
Gray Ghost Microfinance Fund, LLC	15,04,663	22.57%	15,04,663	22.57%
SIDBI Trustee Company Limited A/c Samridhi Fund	13,35,871	20.04%	13,35,871	20.04%
Stichting Hivos-Triodos Fonds	11,44,979	17.18%	11,44,979	17.18%
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	8,51,074	12.77%	8,51,074	12.77%
Caspian Impact Investment Adviser Private Limited	8,95,164	13.43%	8,95,164	13.43%
Prasad Family Private Trust	3,46,113	5.19%	3,42,580	5.14%

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.

(d) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment

(e)

Promoter name	Shares held by promoters at the end of the year 31 March 2022		
	No. of Shares	% of total shares	% Change during the year
Caspian Impact Investment Adviser Private Limited	8,95,164	13.43%	0.00%
Prasad Family Private Trust	3,46,113	5.19%	0.05%

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

22. Other equity

	31 March 2022	31 March 2021
Reserve fund	-	-
Statutory reserve	1,379	1,375
Securities premium	10,862	10,862
Capital redemption reserve	163	163
Impairment reserve	39	-
Retained earnings	3,062	3,085
Other comprehensive income		
FVTOCI on equity instruments	1,542	1,169
Cashflow hedge reserve	(228)	(126)
	16,818	**16,528**

Statutory reserve

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45IC of Reserve Bank of India Act 1934.

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Act.

Capital redemption reserve

The Company has recognised capital redemption reserve on buy back of shares in accordance with the provisions of the Act.

Impairment reserve

The impairment allowances under Ind AS 109 made by the Company is lower than the total provision required under IRACP (including standard asset provisioning) as at 31 March 2022 and accordingly, Rs. 39 has been transferred to impairment reserve.

Other comprehensive income

Reserve represents changes in fair valuations of equity instruments and derivative contracts measured at FVOCI.

23. Interest income

	Year ended 31 March 2022	Year ended 31 March 2021
On financial instruments measured at amortised cost		
Interest income on loans	5,929	5,092
Interest income on fixed deposits with banks	124	242
Interest income on investments	640	291
	6,693	**5,625**

24. Fees and commission income

	Year ended 31 March 2022	Year ended 31 March 2021
Consultancy and guarantee fees	4	5
	4	**5**

25. Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Provision no longer required, written back	16	17
Interest income on income tax refunds	-	44
Bad debts recovered	101	74
Profit on sale of Investment	67	-
Others	4	-
	188	**135**

26. Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
On financial liabilities measured at amortised cost		
Interest expense on debt securities	700	1,496
Interest expense on borrowings	3,559	2,176
Other borrowing costs	161	159
	4,420	**3,831**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

27. Impairment / (reversal of impairment) on financial instruments

	Year ended 31 March 2022	Year ended 31 March 2021
On financial instruments measured at amortised cost		
Reversal of impairment on financial instruments	-	55
	-	**55**
Impairment of loans	(95)	-
Bad debts written off	418	
	323	**-**
Movement in impairment loss allowance		
Balance at beginning of the year	728	783
Add: Impairment of loans	354	-
Less: Reversal of impairment provision	(449)	(55)
Balance at end of the year	**633**	**728**

28. Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	859	738
Contribution to provident fund and other funds	50	40
Gratuity expense	11	12
Staff welfare expenses	23	10
	943	**800**

29. Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	24	2
Power & fuel	7	7
Rates and taxes	14	30
Office maintenance	33	32
Postage and telecommunications	16	12
Meeting expenses	3	3
Printing & stationery	3	2
Business development expenses	17	12
Directors sitting fee and remuneration	28	54
Payment to auditors (refer note (i) below)	31	28
Legal and professional charges	246	271
Insurance	19	13
Contribution towards corporate social responsibility (refer note (ii) below)	10	16
Technology expenses	194	78
Membership fee	26	15
Bank charges	9	9
Travel, boarding and conveyance expense	18	6
Miscellaneous expenses	3	8
	701	**598**

(i) Details of payments to auditor

	Year ended 31 March 2022	Year ended 31 March 2021
- Auditor	19	17
- Limited review fee	9	4
-Tax matters	-	1
- For other services - certification fees	3	6
	31	**28**

(ii) Corporate social responsibility (CSR)

	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent	10	16
Amount spent during the year on puposes other than construction/acquisition of any asset	10	16
Unspent amount if any	-	-

Nature of CSR activities,

(i) Financial support to 51 underprivileged children as a part of the Academic Adoption Program (Parinaam Foundation)
(ii) Organise Online Start-up School targeted at entrepreneurs or aspiring entrepreneurs from Tier 2, 3 towns in India (Oasis/CIIECO)
(iii) capacity building and grant support to social enterprises working in high impact sectors (Villgro)

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

30. Earnings per equity share ("EPES")

		31 March 2022	31 March 2021
a)	Profit attributable to equity shareholders	20	246
b)	**Weighted average number of equity shares for basic and diluted EPES computation**		
	Weighted average number of equity shares considered for basic EPES	66,66,121	66,02,590
	Add: Effect of potential dilutive shares	-	-
	Weighted average number of equity shares considered for diluted EPES	**66,66,121**	**66,02,590**
c)	**Earnings per equity share (EPES)**		
	Basic (₹)	0.30	3.73
	Diluted (₹)	0.30	3.73

31. There are no contingent liabilities outstanding as at the reporting date (31 March 2021: ₹Nil).

32. Commitments

	31 March 2022	31 March 2021
Capital commitments (net of capital advances)	-	44
Uncalled amount of partly paid up CCPS in EZ Vidya Private Limited	45	45
Uncalled amount of partly paid up CCPS in Proklean Technologies Private Limited	97	-
Outstanding corporate guarantee	267	415

33. Retirement and other employee benefits

a) Defined contribution plan

For the year ended 31 March 2022, amount recognised as an expense towards contribution to provident fund aggregates to ₹49.64 (31 March 2021: ₹40) and towards employee state insurance scheme aggregates to ₹0.07 (31 March 2021: ₹0).

b) Defined benefit plan

(i) The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of completed service, subject to payment ceiling of ₹20. The Company makes contribution to fund managed by insurer which is funded defined benefit plan for qualifying employees.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss/OCI and amounts recognized in the balance sheet for defined benefit plans/obligations:

	Present value of obligations	Fair value of plan assets	Net amount
As at 1 April 2020	**26**	**(5)**	**21**
Interest cost/(gain)	1	-	1
Current service cost	11	-	11
Total amount recognised in statement of profit and loss	**12**	**-**	**12**
Remeasurements			
Actuarial loss on obligation	-	-	-
Total amount recognised in other comprehensive income	**-**	**-**	**-**
Contribution to plan assets	-	(10)	(10)
Acquisition/Business Combination/Divestiture	-	(8)	(8)
As at 31 March 2021	**38**	**(23)**	**15**
Interest cost/(gain)	1	-	1
Current service cost	15	-	15
Total amount recognised in statement of profit and loss	**16**	**-**	**16**
Remeasurements			
Actuarial loss on obligation	5	-	5
Total amount recognised in other comprehensive income	**5**	**-**	**5**
Contribution to plan assets	-	(16)	(16)
Acquisition/Business Combination/Divestiture	-	-	-
As at 31 March 2022	**59**	**(39)**	**20**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

33. Employee benefits (continued)

The net liability disclosed above relates to funded plan are as follows :

	31 March 2022	31 March 2021
Present value of obligations	59	38
Fair value of plan assets	(39)	(23)
Deficit of funded plan	**20**	**15**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	31 March 2022	31 March 2021
Retirement age	60 years	60 years
Future Salary rise	7.00%	10.00%
Discount rate	6.90%	6.57%
Attrition rate	18.35%	15.00%
Mortality table	IALM (2012-14) Ultimate	

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long term plans of growth and industry standards.

Sensitivity analysis

	Changes in assumption	31 March 2022		31 March 2021	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Future Salary rise	1.00%	2	(2)	2	(2)
Discount rate	1.00%	(2)	3	-	3

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the standalone balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The Company aims to eliminate the deficit in gratuity plan over the subsequent years. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly. The expected future cash flows in respect of gratuity were as follows:

	31 March 2022	31 March 2021
Expected total contribution	20	15
Expected future benefit payments in the following years		
1st following year	5	3
2nd following year	6	4
3rd following year	7	4
4th following year	7	5
5th following year	7	5
Sum of 6th to 10th following year	24	22

(ii) The Company provides for accumulation of compensated absence for its employees. The employees can carry forward a portion of the unutilized compensated absences and utilize it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

34. 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 ("CIIAPL")	Entity in which a Director has control
SIDBI Trustee Company Limited A/c Samridhi Fund	Shareholder having significant influence
Key Management Personnel	
S. Viswanatha Prasad	Managing Director (up to 08 December 2021) Additional Director (w.e.f. 09 December 2021)
Saurabh Kumar Johri	Chief Financial Officer (resigned on 09 December 2021)
Avishek Gupta	Managing Director (w.e.f. 09 December 2021)
Vishwanath Muniganti	Chief Financial Officer (w.e.f. 09 December 2021)
Directors	
Mahesh Kanumury	Non executive Director
Paul Dileo	Nominee Director
Mathew Titus	Independent Director (retired on 01 July 2021)
Narayan Ramachandran	Independent Director
Praseeda Kunam	Independent Director
Shailendra Kumar Joshi	Independent Director

(b) Transactions with related parties

	31 March 2022	31 March 2021
CIIAPL		
Investment advisory fee	255	267
Investment in equity shares	-	431
Demerger settlement amount paid	-	67
S. Viswanatha Prasad		
Short term and post retirmenent benefits*	-	-
Sitting fees and remuneration	2	-
Saurabh Kumar Johri		
Investment in equity shares	-	25
Short term and post retirmenent benefits*	-	-
Avishek Gupta		
Investment in equity shares	-	25
Salary and post retirmenent benefits*	20	-
Vishwanath Muniganti		
Salary and post retirmenent benefits*	11	-
Sitting fees and remuneration to directors		
Mahesh Kanumury	6	12
Klaas Hanco Halbertsma	-	2
Paul Dileo	5	7
Mathew Titus	1	10
Narayan Ramachandran	5	11
Suvalaxmi Chakraborty	-	11
Praseeda Kunam	5	1
Shailendra Kumar Joshi	5	1

*Short term and post retirement benefits doesn't include expenses incurred towards investment advisory services received from CIIAPL. Short term and post retirement benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.

(c) Balances receivable/(payable):

	31 March 2022	31 March 2021
Caspian Impact Investment Adviser Private Limited	(33)	(75)
SIDBI Trustee Company Limited A/c Samridhi Fund	20	20

35. 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 Ind AS 108 on 'Segment Reporting'. The Company does not have any reportable geographical segment.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

36. Capital management

The capital management objectives of the Company are:
- to ensure the ability to continue as a going concern
- to provide an adequate return to the shareholders

The Company monitors capital on the basis of the risk weighted assets as prescribed by the Reserve Bank of India (RBI).

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes have been made to the objectives, policies and processes from the previous years.

Gearing Ratio	**31 March 2022**	**31 March 2021**
Debt securities	5,429	7,245
Borrowings (other than debt securities)	39,497	31,160
Net debt	**44,926**	**38,405**
Total equity	**17,485**	**17,195**
Net debt to equity ratio	**2.57**	**2.23**

37. Financial instruments and fair value disclosures

The carrying value and fair value of financial assets and liabilities are as follows:

	Fair value through profit and loss	**Amortised cost**	**Fair value through OCI**	**Total**	**Fair value**
As at 31 March 2022					
Financial assets					
Cash and cash equivalents	-	772	-	772	772
Bank balances other than above	-	678	-	678	678
Loans	-	47,714	-	47,714	47,714
Investments	-	7,041	2,119	9,160	9,160
Other financial assets	-	64	-	64	64
	-	**56,269**	**2,119**	**58,388**	**58,388**
Financial liabilities					
Derivative financial Instruments	-	-	120	120	120
Trade payables	-	33	-	33	33
Other payables	-	3	-	3	3
Debt securities	-	5,429	-	5,429	5,429
Borrowings (other than debt securities)	-	39,497	-	39,497	39,497
Lease liabilities	-	96	-	96	96
Other financial liabilities	-	310	-	310	310
	-	**45,368**	**120**	**45,488**	**45,488**
As at 31 March 2021					
Financial assets					
Cash and cash equivalents	-	5,213	-	5,213	5,213
Bank balances other than above	-	528	-	528	528
Loans	-	41,587	-	41,587	41,587
Investments	-	3,159	1,595	4,754	4,754
Other financial assets	-	61	-	61	61
	-	**50,548**	**1,595**	**52,143**	**52,143**
Financial liabilities					
Derivative financial Instruments	-	-	199	199	199
Trade payables	-	75	-	75	75
Other payables	-	36	-	36	36
Debt securities	-	7,245	-	7,245	7,245
Borrowings (other than debt securities)	-	31,160	-	31,160	31,160
Lease liabilities	-	145	-	145	145
Other financial liabilities	-	280	-	280	280
	-	**38,941**	**199**	**39,140**	**39,140**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

37. Financial instruments and fair value disclosures (continued)

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each period end.

Financial assets and financial liabilities measured at fair value are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:
• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
• Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis.

Financial assets measured at FVTOCI

	Level 1	Level 2	Level 3	Total
As at 31 March 2022	-	-	2,119	2,119
As at 31 March 2021	-	-	1,595	1,595

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March 2022 and 31 March 2021:

	Unlisted equity securities	Total
As at 1 April 2020	**1,595**	**1,595**
Gains recognized in other comprehensive income	-	-
Disposals during the year	-	-
As at 31 March 2021	**1,595**	**1,595**
Gains recognized in other comprehensive income	524	**524**
Disposals during the year	-	-
As at 31 March 2022	**2,119**	**2,119**

There are no financial liabilities measured at fair value on recurring basis. There were no transfers between the 3 levels in the reporting periods.

The fair value of the level 3 instruments has been estimated using the price to book multiple of comparable company method and sale price observable in the market. The valuation requires management to make certain assumptions about the comparable company model inputs, including discount rate for lack of marketability, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of the fair value for these level 3 instruments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

Significant unobservable inputs*	Assumption made	Sensitivity of the inputs
Discount for lack of marketability (DFLM)	20%	5% increase/ (decrease) in the DFLM would result in (decrease) / increase in fair value by (₹9.3) /₹9.3 as on 31 March 2022 and (₹19.4) /₹19.4 as on 31 March 2021

*keeping all other inputs constant.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans, investments and other financial assets	Ageing analysis	Credit risk analysis, diversification of customers/asset base, credit limits, collateral and static pool analysis.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sufficient cash, CC and OD limits, committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Pass on the interest rate increase/ decrease to customers.
Market Risk - security price	Investments measured at fair value	Sensitivity analysis	Portfolio diversification, exposure limits/ limits on equity exposure.

The Board has the overall responsibility of risk management. There are two committees of the Board which take care of managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, and an Asset Liability Committee (ALCO).

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, loan assets, investments and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Credit risk management policy provides for identification and assessment of credit risk, assessment and management of portfolio credit risk, and risk monitoring and control. The issues relating to the establishment of exposure limits for various categories, for example, based on product specific, industry and rating are also covered. The policy also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals.

The risk parameters are same for all financial assets for all periods presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are overdue. A default on a financial asset is when the counterparty fails to make contractual payments. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

i) Low credit risk on financial reporting date
ii) Moderate credit risk
iii) High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis for categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets	12 month expected credit loss
Moderate credit risk	Loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

Financial assets that expose the entity to credit risk*

	Low credit risk		Moderate credit risk		High credit risk	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**	**31 March 2022**	**31 March 2021**
Cash and cash equivalents	772	5,213	-	-	-	-
Bank balances other than above	678	528	-	-	-	-
Loans	45,820	39,302	1,094	850	1,433	2,163
Investments	9,160	4,754	-	-	-	-
Other financial assets	64	61	-	-	-	-

* Represent gross carrying values of financial assets, without deduction for expected credit losses

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A) Credit risk (continued)

a) Credit risk management (continued)

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts with different banks in the country.

Loans and investment measured at amortised cost

Credit risk related to borrower's are mitigated by considering collateral's from borrower's. The Company closely monitors the credit-worthiness of the borrower's and issuer of debt securities through internal systems. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes security deposits, refundable advances and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Expected credit losses

i) Expected credit losses for financial assets other than loans and investments measured at amortised cost

Company provides for expected credit losses on financial assets other than loans and investments measured at amortised cost by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed further:

	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March 2022				
Cash and cash equivalents	772	0%	-	772
Bank balances other than above	678	0%	-	678
Other financial assets	64	0%	-	64
As at 31 March 2021				
Cash and cash equivalents	5,213	0%	-	5,213
Bank balances other than above	528	0%	-	528
Other financial assets	61	0%	-	61

ii) Expected credit loss for loans and investments measured at amortised cost

Credit risk

Credit risk is the probable risk of loss resulting from a borrower's / issuer's failure to repay a loan / debt securities or meet contractual obligations. It arises principally from the Company's loans and advances to customers, and investment in debt securities. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure, which are as follows:

Credit default risk: The risk of loss arising from a debtor being unlikely to pay its loan obligations in full is more than 90 days past due on any material credit obligation.

Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations.

A1 Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".

- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.

- If a financial instrument is credit impaired, it is moved to "Stage 3".

- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months.

Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A) Credit risk (continued)

b) Expected credit losses (continued)

A1.1 Significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when a set of portfolio experiences difficulties due to certain macro-economic factors.

A1.2 Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one of the following criteria:

Quantitative criteria:

The borrower / issuer is more than 90 days past due on its contractual payments.

Qualitative criteria:

The borrower / issuer meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- Inability to continue with his business on account of permanent incapacitation.
- Policy changes from the Government including instances such as demonetisation and introduction of new tax legislation such as 'Goods and Services Tax (GST).

A1.3 Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of security or other credit support.

Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event (as defined in the previous step) occurring in future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a particular time horizon. It is done by performing vintage analysis over the historical data of default to assess how default rates change over time, and compute the risk of default in the next 12 months and the entire lifetime of the loan.

Loss given default (LGD) computation model

LGD is the credit loss that will be incurred if the borrower defaults. It is calculated as the difference between the present value (using the EIR of the loan) of the amount that the entity expects to receive after the default event occurs and the contractual amounts due. Accordingly, the type of loan facility (secured/unsecured, type of security, guarantee etc.) are important considerations while grouping loan assets into categories while determining LGD rates. All the alternative recovery options, including monetizing the security, debt restructuring etc. are considered while determining the expected credit losses after default. External costs of monetizing the collateral are also considered (if applicable).

A.2 Credit risk exposure for loans

	ECL Staging		
	Stage 1	**Stage 2**	**Stage 3**
As at 31 March 2022			
Gross carrying amount of loan assets	45,820	1,094	1,433
Gross carrying amount	**45,820**	**1,094**	**1,433**
Less: impairment allowance	(188)	(85)	(360)
Carrying amount	**45,632**	**1,009**	**1,073**
As at 31 March 2021			
Gross carrying amount of loan assets	39,302	850	2,163
Gross carrying amount	**39,302**	**850**	**2,163**
Less: impairment allowance	(180)	(46)	(502)
Carrying amount	**39,122**	**804**	**1,661**

As at 31 March 2022, loans amounting to ₹1,027 (31 March 2021: ₹Nil) is included in Stage 2 with days past due ('DPD') less than thirty days but are transferred to Stage 2 on account of significant increase in credit risk since initial recognition on account of COVID-19 pandemic and consequent impact on their economic activity.

As at 31 March 2022, loans amounting to ₹Nil (31 March 2021: ₹1072) is included in Stage 3 with DPD less than 90 days but are transferred to Stage 3 on account of credit impaired on account of COVID-19 pandemic and consequent impact on their economic activity.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A) Credit risk (continued)

b) Expected credit losses (continued)

Credit risk exposure for investments

	Stage 1	
	31 March 2022	31 March 2021
Gross carrying amount	9,160	4,754
Loss allowance	-	-
Carrying amount	**9,160**	**4,754**

A.3 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the period due to these factors:

	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loss allowance loans				
Balance as at 1 April 2020	**144**	**149**	**490**	**783**
Transfer to 12 months ECL	1	(11)	-	(10)
Transfer to life time ECL not credit impaired	(4)	62	-	58
Transfer to Lifetime ECL credit impaired	-	(21)	81	60
Net remeasurement of loss allowance	2	(11)	(48)	(57)
New financial assets originated or purchased	157	-	-	157
Financial assets that have been derecognised/ repaid	(120)	(122)	(21)	(263)
Balance as at 31 March 2021	**180**	**46**	**502**	**728**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(8)	8	-	-
Transfer to Lifetime ECL credit impaired	-	(46)	46	-
Net remeasurement of loss allowance	(57)	69	148	160
New financial assets originated or purchased	123	8	4	135
Financial assets that have been derecognised/ repaid	(50)	-	(340)	(390)
Balance as at 31 March 2022	**188**	**85**	**360**	**633**

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loans and advances to customers at amortised cost				
Balance as at 1 April 2020	**34,673**	**2,225**	**1,921**	**38,819**
Transfer to 12 months ECL	158	(158)	-	-
Transfer to life time ECL not credit impaired	(929)	929	-	-
Transfer to Lifetime ECL credit impaired	-	(319)	319	-
New financial assets originated or purchased	34,160	-	-	34,160
Financial assets that have been derecognised/ repaid	(28,760)	(1,827)	(77)	(30,664)
Balance as at 31 March 2021	**39,302**	**850**	**2,163**	**42,315**
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(994)	994	-	-
Transfer to Lifetime ECL credit impaired	-	(758)	758	-
New financial assets originated or purchased	29,609	100	20	29,729
Financial assets that have been derecognised/ repaid	(22,097)	(92)	(1,508)	(23,697)
Balance as at 31 March 2022	**45,820**	**1,094**	**1,433**	**48,347**

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

A.4 Concentration of credit risk

The maximum credit exposure to any individual client or counterparty as of 31 March 2022 was ₹1,971 (31 March 2021: ₹ 1,666)

A.5 Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

The outstanding contractual amounts of such assets written off during the year ended 31 March 2022 was ₹ 418 (31 March 2021: ₹ Nil). The Company still seeks to recover amounts it is legally owed in full, but have been written off due to no reasonable expectation of full recovery.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

Maturities of financial liabilities

The tables below analyse the financial liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	33	-	-	-	33
Other payables	13	-	-	-	13
Interest accrued on borrowings	993	-	-	-	993
Debt securities	3,333	1,917	-	-	5,250
Borrowings (other than debt securities)	10,479	14,199	-	15,026	39,704
Lease liabilities	57	40	-		96
Other financial liabilities	310	-	-	-	310
	15,218	**16,156**	**-**	**15,026**	**46,400**

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	75	-	-	-	75
Other payables	36	-	-	-	36
Interest accrued on borrowings	711	-	-	-	711
Debt securities	1,833	5,250	-	-	7,083
Borrowings (other than debt securities)	6,212	14,273	-	11,225	31,710
Lease liabilities	49	96	-		145
Other financial liabilities	280	-	-	-	280
	9,196	**19,619**	**-**	**11,225**	**40,040**

C) Market Risk

(i) Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings (FCB). The Company's borrowings in foreign currency are governed by the RBI guidelines (RBI/FED/2018-19/67 dated 26 March 2019, as amended) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved interest rate risk and currency risk hedging policy.

The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

	31 March 2022	31 March 2021
Hedged		
ECB denominated in USD	7,598	7,368
Unhedged		
Other payables in USD	1	6

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

38. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management (continued)

(i) Foreign currency risk (continued)

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Impact of hedge on the Balance Sheet as at

	31 March 2022	31 March 2021
	INR USD CCIRS	INR USD CCIRS
Notional amount	**7,395**	**7,368**
Carrying amount of hedging instrument asset	-	-
Carrying amount of hedging instrument liability	120	199

(ii) Interest rate risk

a) Loans and borrowings

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. The Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	31 March 2022		31 March 2021	
	Loans	Borrowings	Loans	Borrowings
Variable rate	3,929	6,052	5,968	4,021
Fixed rate	44,630	38,902	36,460	34,772
	48,559	**44,954**	**42,428**	**38,793**

Sensitivity analysis

	31 March 2022		31 March 2021	
	Loans	Borrowings	Loans	Borrowings
Interest sensitivity*				
Interest rates – increase by 100 basis points	39.29	60.52	59.68	40.21
Interest rates – decrease by 100 basis points	(39.29)	(60.52)	(59.68)	(40.21)

* Holding all other variables constant

b) Other assets

The Company's investments in fixed deposits and debt securities yield returns at fixed rate of interest and therefore are not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment in securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹2,119 (31 March 2021: ₹1,595). Sensitivity analyses of these investments have been provided in note 37.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

39. The table below shows contractual maturity profile of carrying value of assets and liabilities:

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	772	-	772	5,213	-	5,213
Bank balances other than cash and cash equivalents	412	266	678	-	528	528
Loans	27,091	20,623	47,714	25,337	16,250	41,587
Investments	3,260	5,900	9,160	861	3,893	4,754
Other financial assets	-	64	64	-	61	61
	31,535	**26,853**	**58,388**	**31,411**	**20,732**	**52,143**
Non-financial assets						
Current tax assets (net)	-	1,477	1,477	-	871	871
Deferred tax assets (net)	-	365	365	-	460	460
Property, plant and equipment	-	304	304	-	373	373
Intangible assets under development	-	-	-	-	808	808
Goodwill	-	1,327	1,327	-	1,327	1,327
Other intangible assets	-	738	738	-	1	1
Other non-financial assets	47	452	499	36	427	463
	47	**4,663**	**4,710**	**36**	**4,267**	**4,303**
Liabilities and Equity						
Liabilities						
Financial liabilities						
Derivative liability	-	120	120	-	199	199
Trade payables	33	-	33	75	-	75
Other payables	13	-	3	36	-	36
Debt securities	3,526	1,903	5,429	2,052	5,193	7,245
Borrowings (other than debt securities)	10,997	28,500	39,497	6,483	24,677	31,160
Lease liabilities	56	40	96	49	96	145
Other financial liabilities	310	-	310	280	-	280
	14,935	**30,563**	**45,488**	**8,975**	**30,165**	**39,140**
Non-financial liabilities						
Provisions	14	49	63	6	49	55
Other non-financial liabilities	52	-	52	-	56	56
	66	**49**	**115**	**6**	**105**	**111**

Classification of assets & liabilities under maturity buckets is based on estimates, assumptions and derived from MIS prepared by the company.

40. Disclosures in terms of RBI/2019-20/88DOR.NBFC(PD)CC.No.102/03.10.001/2019-20 dated 04 November 2019 have been given below:

i) Funding concentration based on significant counterparty on borrowings

	31 March 2022	31 March 2021
Number of significant counterparties	17	14
Amount of borrowed funds from significant counterparties	44,927	38,216
Percentage of total deposits	NA	NA
Percentage of total liabilities	98%	97%

Notes:

i) A "Significant counterparty"is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

ii) Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

ii) Top 20 large deposits - Not applicable

iii) Top 10 borrowings

	31 March 2022	31 March 2021
Amount of borrowed funds from top ten significant counterparties	39,706	34,672
% of total borrowings	88%	90%

iv) Funding Concentration based on significant instrument / product

	31 March 2022		31 March 2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Non convertible debentures	5,429	11.90%	7,245	18.46%
Term loans	14,660	32.14%	11,424	29.10%
External commercial borrowings	22,542	49.42%	18,147	46.23%
CC/OD/WCDL Limit	2,295	5.03%	1,589	4.05%

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

40. Disclosures in terms of RBI/2019-20/88DOR.NBFC(PD)CC.No.102/03.10.001/2019-20 dated 04 November 2019 have been given below: (continued)

v) Stock ratios percentage

	31 March 2022	31 March 2021
Commercial papers as a % of total liabilities	NA	NA
Commercial papers as a % of total assets	NA	NA
Commercial papers as a % of public fund	NA	NA
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	NA
Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	NA
Non-convertible debentures (original maturity of less than one year) as a % of public fund	NA	NA
Other short-term liabilities as % of total liabilities	32.89%	22.88%
Other short-term liabilities as % of total assets	23.77%	15.91%
Other short-term liabilities as % of public fund	33.39%	23.38%

vi) Institutional set-up for Liquidity Risk Management

The Board of directors shall have the overall responsibility for management of liquidity risk and shall decide the strategy, policies and procedures of the Company to manage liquidity risk in accordance with the liquidity risk tolerance decided by it. The Risk Management Committee, which reports to the Board of directors shall be responsible for evaluating the overall risks faced by the Company including liquidity risk. The Asset Liability Management Committee ('ALCO") shall be responsible for ensuring adherence to the risk tolerance set by the Board of directors as well as implementing the liquidity risk management strategy of the Company. The ALCO shall meet every quarter to review and/or decide on the following:

- maturity profile and mix of incremental assets and liabilities
- sale of assets as a source of funding
- structure, responsibilities and controls for managing liquidity risk, and
- liquidity position of the Company

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

41. Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended from time to time) issued by the RBI

A Capital to Risk Asset Ratio ('CRAR')

	31 March 2022	31 March 2021
CRAR (percent)	29.37%	44.62%
CRAR – Tier I Capital (percent)	19.58%	30.33%
CRAR – Tier II Capital (percent)	9.79%	14.29%
Amount of subordinated debt raised as Tier-II capital	5,726	5,726
Amount raised by issue of perpetual debt instruments	-	-

The year on year variance in the ratios is less than 25%.

B Investments

	31 March 2022	31 March 2021
Value of Investments		
(i) Gross value of investments		
(a) In India	9,160	4,754
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	9,160	4,754
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing Balance	-	-

C Derivatives

(i) Forward Rate Agreement / Interest Rate Swap

	31 March 2022	31 March 2021
1. The notional principal of swap agreements	7,395	7,368
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
3. Collateral required by the applicable NBFC upon entering into swaps	-	-
4. Concentration of credit risk arising from the swaps	-	-
5. The fair value of the swap book	(120)	(199)

(ii) The Company has not traded in exchange traded interest rate derivative during the year ended 31 March 2022 (Nil: 31 March 2021).

(iii) Disclosures on risk exposure in derivatives

Qualitative disclosure

Details for qualitative disclosure are part of accounting policy as per financial statements. (refer note no. 2s)

Quantitative disclosure

	31 March 2022	31 March 2021
1. Derivatives (notional principal amount) for hedging	7,395	7,368
2. Marked to market positions		
(a) Asset	-	-
(b) Liability	120	199
3. Credit exposure	-	-
4. Unhedged exposures	-	-

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

E Asset Liability Management maturity pattern of certain items of assets and liabilities

	31 March 2022			
	Assets		Liabilities	
	Advances	Investments	Borrowings	Foreign currency liabilities
1 day to 7days	66	-	215	-
8 day to 14days	40	-	-	-
15 day to 30/31 days (one month)	1,750	13	591	-
Over 1 month to 2 months	2,636	13	2,422	-
Over 2 months upto 3 months	3,617	13	925	-
Over 3 months to 6 months	6,814	1,038	3,784	-
Over 6 months to 1 year	12,274	2,183	5,931	-
Over 1 year to 3 years	19,235	3,718	8,560	7,443
Over 3 years to 5 years	2,126	-	-	-
Over 5 years	-	427	15,180	-
	48,559	**7,405**	**37,608**	**7,443**

	31 March 2021			
	Assets		Liabilities	
	Advances	Investments	Borrowings	Foreign currency liabilities
1 day to 7days	47	-	180	-
8 day to 14days	148	-	-	-
15 day to 30/31 days (one month)	2,361	-	1,586	-
Over 1 month to 2 months	3,193	-	155	-
Over 2 months upto 3 months	2,817	-	155	-
Over 3 months to 6 months	7,558	-	2,747	-
Over 6 months to 1 year	9,659	861	3,211	-
Over 1 year to 3 years	15,095	2,298	12,166	7,368
Over 3 years to 5 years	1,231	-	-	-
Over 5 years	319	427	11,225	-
	42,428	**3,586**	**31,425**	**7,368**

The above cash flows are based on the actual net principal outstanding.
Classification of assets & liabilities under maturity buckets is based on estimates, assumptions and derived from MIS prepared by the company.

F Exposures

(i) Exposure to real estate sector

	31 March 2022	31 March 2021
Direct Exposure		
(a) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	319
(b) Commercial real estate lending secured by mortgages on commercial real estates	-	-
(c) Investments in Mortgage Backed Securities and other securitised exposures	-	-

(ii) Exposure to capital market
The Company does not have any capital market exposure as at 31 March 2022 (Nil: 31 March 2021).

(iii) Details of financing of Parent Company Products
The Company does not have any financing of Parent Company products during the current year (Nil: 31 March 2021).

(iv) Details of Single Borrower Limit / Group Borrower Limit exceeded
The Company has not exceeded the prudential exposure limits during the current year

(v) Unsecured Advances
Refer note 6 for unsecured advances. The Company has not given any advances against the rights, licenses, authorisations, etc., during the current year.

G Registration obtained from other financial sector regulators
The Company is registered with the following other financial sector regulators:
(a) Ministry of Corporate Affairs (MCA)
(b) Reserve Bank of India

H Disclosure of penalties imposed by RBI and other regulators
There were no penalties imposed on the Company by RBI or any other regulator.

I Ratings assigned by credit rating agencies and migration of ratings during the period

Instrument	Date of rating	Ratings assigned	Migration in ratings during the year
Non-Convertible Debentures	ICRA Limited (“ICRA”)	BBB/Stable	Nil
Non-Convertible Debentures	Brickwork Ratings	BBB/Stable	Nil
Bank/Long-term facilities	ICRA Limited (“ICRA”)	BBB/Stable	Nil
Short-term facilities	ICRA Limited (“ICRA”)	A2	Nil

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

J Related party transactions including remuneration of Directors
Refer note 34 for details on related party transactions.

K Provisions and contingencies (shown under the head expenditure in statement of profit and loss)

	31 March 2022	31 March 2021
Provision for income tax	-	40
Provision for compensated absences	7	18
Provision for gratuity	11	12

L Draw down from reserves
There has been no draw down from reserves during the period ended 31 March 2022 (Nil: 31 March 2021).

M Concentration of advances, exposures and NPAs

	31 March 2022	31 March 2021
i. Concentration of advances		
Total advances to twenty largest borrowers	26,722	23,527
Percentage of advances to twenty largest borrowers to total advances of the NBFC	48.22%	51.57%
ii. Concentration of exposures		
Total exposures to twenty largest borrowers/customers	26,722	23,527
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	47.99%	51.01%
iii. Concentration of NPA		
Total exposures to top four NPA accounts	1,433	1,091

iv. Sector-wise NPAs

	% of gross NPAs to total advances in that sector	
	31 March 2022	31 March 2021
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	2.59%	2.42%
Unsecured personal loans	-	-
Others	-	-

v. Movement of NPAs

	31 March 2022	31 March 2021
a) Net NPAs to Net Advances (%)	1.94%	1.87%
b) Movement of NPAs (Gross)		
Opening balance	2,163	1,921
Additions during the year	778	319
Reductions during the year	(1,090)	(77)
Write-off during the year	(418)	-
Closing balance	**1,433**	**2,163**
c) Movement of Net NPAs		
Opening balance	1,661	1,431
Additions during the year	580	286
Reductions during the year	(1,169)	(56)
Closing balance	**1,073**	**1,661**
d) Movement of provisions for NPAs (excluding provision on standard assets)		
Opening balance	502	490
Provisions made during the year	198	33
Write-off during the year	(96)	-
Write-back of excess provisions	(244)	(21)
Closing balance	**360**	**502**

vi. Overseas assets
The Company does not have any overseas assets as at 31 March 2022 (Nil: 31 March 2021).

vii. Off-balance sheet SPVs sponsored
The Company does not have any off-balance sheet SPVs sponsored as at 31 March 2022 (Nil: 31 March 2021).

N Customer complaints
No customer complaints have been received / pending during the period ended 31 March 2022 (Nil: 31 March 2021).

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

42. Additional RBI disclosure

(a) Disclosures as per RBI Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. 13 March 2020 for comparison between Income Recognition, Asset Classification and Provisioning (IRACP) norms and Ind AS 109

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
For 31 March 2022						
Performing Assets						
Standard	Stage 1	45,820	186	45,634	213	(27)
	Stage 2	1,094	85	1,009	103	(18)
		46,914	**271**	**46,643**	**316**	**(45)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	933	247.76	685	181	67
		933	**248**	**685**	**181**	**67**
Doubtful asset						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	500	112	388	175	(63)
More than 3 years	Stage 3	-	-	-	-	-
		500	**112**	**388**	**175**	**(63)**
Loss asset	Stage 3	-	-	-	-	-
		-	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	267	2	265	-	2
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
		267	**2**	**265**	**-**	**2**
	Stage 1	**46,087**	**188**	**45,898**	**213**	**(25)**
Total	**Stage 2**	**1,094**	**85**	**1,009**	**103**	**(18)**
	Stage 3	**1,433**	**360**	**1,073**	**356**	**4**
		48,614	**633**	**47,981**	**672**	**(39)**
For 31 March 2021						
Performing Assets						
Standard	Stage 1	39,302	177	39,125	184	(7)
	Stage 2	850	46	804	13	33
	Stage 3	1,072	242	830	111	131
		41,224	**465**	**40,759**	**308**	**157**
Non-Performing Assets (NPA)						
Substandard	Stage 3	197	59	138	30	29
		197	**59**	**138**	**30**	**29**
Doubtful asset						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	894	201	693	211	(10)
More than 3 years	Stage 3	-	-	-	-	-
		894	**201**	**693**	**211**	**(10)**
Loss asset	Stage 3	-	-	-	-	-
		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	415	3	412	-	3
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
		415	**3**	**412**	**-**	**3**
	Stage 1	**39,717**	**180**	**39,537**	**184**	**(4)**
Total	**Stage 2**	**850**	**46**	**804**	**13**	**33**
	Stage 3	**2,163**	**502**	**1,661**	**352**	**150**
		42,730	**728**	**42,002**	**549**	**179**

Notes:
1) Refer note 38(A)(b)(A.3) for stage classification

(b) The impairment allowances under Ind AS 109 made by the Company lower than the total provision required under IRACP (including standard asset provisioning) as at 31 March 2022 and accordingly, ₹39 has been transferred to impairment reserve.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

(c) Derivative financial Instruments

	31 March 2022			31 March 2021		
	Notional amounts	**Fair Value - Assets**	**Fair Value - Liabilities**	**Notional amounts**	**Fair Value - Assets**	**Fair Value - Liabilities**
Part I						
(i) Currency derivatives:						
-Spot and forwards	-	-	-	-	-	-
-Currency Futures	-	-	-	-	-	-
-Currency swaps	7,395	7,367	7,487	7,395	7,616	7,815
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Subtotal (i)	**7,395**	**7,367**	**7,487**	**7,395**	**7,616**	**7,815**
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Futures	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Subtotal (ii)	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Otherderivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (v)	**7,395**	**7,367**	**7,487**	**7,395**	**7,616**	**7,815**
Part II Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Currency derivatives	-	-	-	-	-	-
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives	7,395	7,367	7,487	7,395	7,616	7,815
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Subtotal (ii)	7,395	7,367	7,487	7,395	7,616	7,815
(iii) Net investment hedging:	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+ (ii)+(iii)+(iv)	**7,395**	**7,367**	**7,487**	**7,395**	**7,616**	**7,815**

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

(d) Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

S No.	Type of Restructuring		Under MSME Debt Restructuring Mechanism			Others			Total		
	Asset Classification Details		Low credit risk & SICR	Credit-Impaired	Total	Low credit risk & SICR	Credit-Impaired	Total	Low credit risk & SICR	Credit-Impaired	Total
1	Restructured Accounts as on 1 April 2021	No. of borrowers	5	-	5	-	1	1	5	1	6
		Amount outstanding	463	-	463	-	1,072	1,072	463	1,072	1,535
		Provision thereon	33	-	33	-	242	242	33	242	274
2	Fresh restructuring during the year	No. of borrowers	8	-	8	1	-	1	9	-	9
		Amount outstanding	832	-	832	195	-	195	1,027	-	1,027
		Provision thereon	66	-	66	15	-	15	81	-	81
3	Upgradations to restructured assets during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY.	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
5	Downgradations of restructures accounts during the year	No. of borrowers	1	-	1	-	-	-	1	-	1
		Amount outstanding	107	-	107	-	-	-	107	-	107
		Provision thereon	21	-	21	-	-	-	21	-	21
6	Write-offs / settlements /recoveries of restructured accounts during the year #	No. of borrowers	4	-	4	-	1	1	4	1	5
		Amount outstanding	356	-	356	-	1,072	1,072	356	1,072	1,428
		Provision thereon	12	-	12	-	242	242	12	242	254
7	Restructured Accounts as on 31 March 2022	No. of borrowers	9	-	9	1	-	1	10	-	10
		Amount outstanding	939	-	939	195	-	195	1,134	-	1,134
		Provision thereon	87	-	87	15	-	15	102	-	102

1	Restructured Accounts as on 1 April 2020	No. of borrowers	-	-	-	-	1	1	-	1	1
		Amount outstanding	-	-	-	-	1,000	1,000	-	1,000	1,000
		Provision thereon	-	-	-	-	242	242	-	242	242
2	Fresh restructuring during the year	No. of borrowers	5	-	5	-	-	-	5	-	5
		Amount outstanding	463	-	463	-	-	-	463	-	463
		Provision thereon	33	-	33	-	-	-	33	-	33
3	Upgradations to restructured assets during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
5	Downgradations of restructures accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-
6	Write-offs / settlements /recoveries of restructured accounts during the year #	No. of borrowers	-	-	-	-	1	1	-	1	1
		Amount outstanding	-	-	-	-	72	72	-	72	72
		Provision thereon	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on 31 March 2021	No. of borrowers	5	-	5	-	1	1	5	1	6
		Amount outstanding	463	-	463	-	1,072	1,072	463	1,072	1,535
		Provision thereon	33	-	33	-	242	242	33	242	274

*** Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).**
 # Includes interest on interest charged during the moratorium period capitalised.

(e) Disclosures as required by the Master Direction -Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016

There were no instances of fraud reported during the year ended 31 March 2022 (Nil: 31 March 2021).

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

(f) Details of resolution plan implemented under the resolution framework for COVID 19 related stress as per RBI Circular dated August 6, 2020 and May 05, 2021 are as given below;

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. September 30, 2021	Of(A), aggregate debt that slipped into NPA during the half year end March 31, 2022	Of(A), amount paid by the borrowers during the half year end March 31, 2022	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half year i.e. March 31, 2022
Personal				
Corporate persons	986.37	107.49	46.87	832.00
- of which MSMEs	-			
Others	-			
Total	**986.37**	**107.49**	**46.87**	**832.00**

(g) Disclosure pursuant to RBI notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:

(a) The Company has not transferred or acquired, any loans not in default during the year ended March 31, 2022 and March 31, 2021.
(b) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2022 and March 31, 2021.

(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

43. Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company as required by RBI Master Direction – Non-Banking Financial Company – Systemically Important Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Liabilities side :	**Amount outstanding**	**Amount overdue**
a. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures (other than falling within the meaning of public deposits)		
Secured	5,429	-
Unsecured	-	-
(b) Deferred credits	-	-
(c) Term loans (secured)	14,660	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public Deposits	-	-
(g) Cash credit facilities and working capital demand loan from Banks	2,295	-
(h) Lease liability	96	-
(i) External Commercial Borrowings (ECB)		
Secured	17,033	-
Unsecured	5,509	-
	45,022	**-**

Assets side:	**Amount outstanding**
b. Break-up of loans and advances:	
(a) Secured	44,870
(b) Unsecured	3,689
	48,559
c. 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	-
d. Break-up 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 (please specify)	-
2. Unquoted	
(i) Shares :	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Long term investments	
1. Quoted	
(i) Shares :	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	6,129
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted	
(i) Shares :	
(a) Equity	868
(b) Preference	-
(ii) Debentures and Bonds	912
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Trust)	1,251

e. Borrower group-wise classification of assets financed as in (b) and (c)

Category	**Amount outstanding**		
	Secured	**Unsecured**	**Total**
1 Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	44,870	3,689	48,559
	44,870	**3,689**	**48,559**

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

Category	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**
1 Related Parties		
(a) Subsidiaries	143	1,251
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	7,325	7,909

g. Other information

Particulars	**31 March 2022**
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	1,433
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	1,073
iii) Assets acquired in satisfaction of debt	-

44. Additional information

a) **Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charge creation or satisfaction pending registration with Registrar of Companies (ROC) beyond the statutory period.

b) The Company has neither traded nor invested in crypto currency or virtual currency during the financial year

c) The Company does not possess any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

d) There is no surrender or disclosure of income separately on account of search or survey under Income Tax since all transactions are recorded in the books

e) The Company has not been declared as wilful defaulter by any Bank or Financial Institution or other lender

f) The Compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rule, 2017 is not applicable as the Company is registered as non banking financial company with Reserve Bank India.

g) The Compnay does not have any transactions with struck off companies during the financial year March 31, 2022 and March 31, 2021

h) The company is not a Core Investment Company (CIC).

i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

j) The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are: (a) repayable on demand or, (b) without specifying any terms or period for repayment.

45. Details of Borrowing:

(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) The Company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2022 and March 31, 2021

(c) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

46. Utilization of Borrowed Funds and Share Premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

47. Comparatives

Previous year’s amounts have been regrouped/ reclassified wherever necessary to conform to the current year’s presentation.

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

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No.: 006711N/N500028

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 27 May 2022

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 27 May 2022

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Shareholders of Caspian Impact Investments Private Limited ("**the Company**") will be held through Video Conferencing ("VC")/ Other Audio-Visual Means ("**OAVM**") on Tuesday, August 9, 2022 at 3:00 p.m. (IST) to transact the following business:

ORDINARY BUSINESS:

1. **<u>To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the report of the Board of Director's ('Board') and Statutory Auditors thereon</u>**

   To pass with or without modification the following resolution as **<u>Ordinary Resolution</u>**:

   "**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Audited Standalone and Consolidated Financial Statements of the Company for the Financial year ended March 31, 2022 along with Notes to Financial Statements and the Reports of Auditors' and Board thereon as placed before the members be and are hereby considered, approved and adopted."

SPECIAL BUSINESS

2. **<u>To appoint Mr. Viswanatha Prasad Subbaraman (DIN: 00574928) as Non - Executive Director</u>**

   To pass with or without modification the following resolution as **<u>Ordinary Resolution</u>**:

   "**RESOLVED THAT** pursuant to provisions of Section 152, 161, and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder of the Companies Act, 2013 ("**Act**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Article of Association of the Company and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Viswanatha Prasad Subbaraman (DIN: 00574928) who was appointed as Additional Director (Non -Executive) of the Company and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a director of the Company, be and is hereby appointed as Non-Executive Director of the Company and for his service he shall be entitled for payout in form of sitting fees, commission, or any other mode as permitted under regulatory guidelines, as may be approved and amended by Board from time to time.

RESOLVED FURTHER THAT any Director or Chief Financial Officer of the Company be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution including but not limited to filing e-forms with Registrar of Companies and to do all things incidental and ancillary thereto."

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Dated: 27.05.2022
Place: Hyderabad

Notes:

1. Meeting is being organized through Video Conferencing in accordance with the MCA Circular issued in this regard as amended from time to time. Members can refer the link for their perusal https://www.mca.gov.in/bin/dms/getdocument?mds=ArgX2%252B%252BijiObjlpD2nMcUA%253D%253D&type=open

   Members are requested to join the meeting with the Meeting link shared with the email of AGM Notice. In case of any assistance, shareholders may reach out at compliance@caspian.in..

2. In terms of the MCA circulars, the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall be sent only by email to the entitled persons. Members may submit their questions, if any at compliance@caspian.in till 48 hours before the date of the Annual General Meeting. Questions received after the above period would be responded and addressed during the meeting only.

3. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for appointment of proxy. Accordingly, the facility for appointment of proxies by the Members under section 105 of the Companies Act, 2013 will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Shareholder intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution/other documents to the Company, authorizing their representative to attend and vote on their behalf at the Meeting.

5. The members desiring to inspect the documents referred to in this Notice and other statutory registers may provide their request by writing an email to compliance@caspian.in. On receipt of such request the information would be furnished in accordance with applicable laws.

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

Item No.2

Mr. Viswanatha Prasad Subbaraman (DIN: 00574928) completed his tenure as the Managing Director of the Company on 08th December 2021 and subsequently, on the recommendation of Nomination and Remuneration Committee, Board of Directors appointed him as Additional Director (Non-Executive) w.e.f. 09th December 2021. Nomination and Remuneration Committee reviewed the candidature on several parameters and his fit and proper assessment was carried out by the Nomination and Remuneration Committee.

Nomination and Remuneration Committee also considered his valuable contribution as the Managing Director of the Company. Pursuant to his appointment as Additional Director (Non-Executive), he is entitled to hold office till the date of ensuing Annual General Meeting. Considering his vast experience and pivotal role played as Managing Director of the Company, Board of Directors are of the opinion that his appointment as Director would be beneficial.

Accordingly, the Board recommends the proposed resolution set out at Item No. 2 for the approval of members by way of Ordinary resolution.

None of the Directors (except Mr. Viswanatha Prasad Subbaraman) and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, (except to the extent of their shareholding in the company) in the resolution no 2 as set out in the Notice.

Brief Profile and other Information of Directors Being appointed /re-Appointed/as set out in this Notice, in terms of the Secretarial Standard on General Meetings (SS-2) Issued by the Institute of the Company Secretaries of India.

Particular	**Item No.2 – Viswanatha Prasad Subbaraman**
Age	56 Years
Qualifications	Masters in Management Studies
Experience	Prasad is the Chairman of Caspian Debt. Prasad founded Caspian, now seen as leader in Impact Investing in India. With over Rs 1,200 Crores under management, Caspian has created and managed multiple funds, which have made pioneering investments that have created market leaders of global quality and scale. Caspian combines innovative financing and management techniques in a social development paradigm to unlock the value in this sector. It provides a wide range of financial services built on flexibility, innovation and speed to its partners. As Founder and a pioneer investor in the Social Impact space, Prasad led the investments in and served on the boards of the top three MFIs that were granted Small Finance Bank licenses. Prasad established long term partnerships with world renowned institutions to deepen Caspian's Impact investing agenda. Having played a key role in the industry's achievements in the Financial Inclusion space over the last decade, Prasad is now excited about exploring how those lessons can be replicated and amplified in other sectors.
Date of first appointment on the Board	25/03/2005
Terms and conditions of appointment	Appointment as Non – Executive Director
Details of remuneration sought to be paid	➢ 50,000 for every Board Meeting attended ➢ 20,000 for every Committee Meeting attended ➢ Commission of INR 6,00,000 p.a.
Remuneration last drawn	For appointment as Additional Director, he is drawing sitting fees of INR 50,000 for each Board Meeting and INR 20,000 for each committee meeting respectively and commission payment of INR 6,00,000 per annum. For his appointment as Managing Director, Remuneration structure was in accordance with the terms of appointment and as approved by Board from time to time.
Shareholding in the company	Nil
Relationship with other Directors, Manager and KMP	None
Number of Meetings of the Board attended (Post Appointment as Additional Director and till 31st March	2

2022)	
Other Directorships	➢ Caspian Impact Investment Adviser Private Limited ➢ Equitas Holdings Limited ➢ Finreach Solutions Private Limited
Membership/ Chairmanship of Other Committees	**Caspian Caspian Impact Investment Adviser Private Limited** - CSR Committee (Member) **Equitas Holdings Limited** – Audit Committee (Chairman)

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

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Dated: 27.05.2022
Place: Hyderabad