

July 20, 2023

To,
The BSE Limited
P.J. Towers,
Dalal Street,
Mumbai – 400001
Maharashtra

Sub: Notice of 32nd Annual General Meeting and Annual Report for the Financial Year 2022-23

Ref: Regulation 53(2) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

Dear Sir/Madam,

Pursuant to Regulation 53(2)(a) of SEBI LODR, as amended from time to time, please find enclosed Notice of 32nd Annual General Meeting ("**AGM**") of the Shareholders of Caspian Impact Investments Private Limited ("**the Company**") and the Annual Report for the financial year 2022-23.

This is to inform you that, 32nd Annual General Meeting of Shareholders of the Company has been scheduled on Friday, August 11, 2023, at 06:00 PM (IST) through Video Conferencing/Other Audio Visual Means for Conducting the Business as stated out in the 32nd AGM notice.

The Annual Report containing the AGM Notice is being uploaded on the Company's website at <https://caspiandebt.in/downloads/>.

We request you to take the above intimation on records for appropriate dissemination.

Should you have any queries or require any clarifications, please feel free to contact the undersigned at compliance@caspian.in or alternatively at +91 40 66297100.

Thanking You,

For **Caspian Impact Investments Private Limited**

Harshita Jain
Company Secretary and Compliance Officer



32nd ANNUAL REPORT

CASPIAN IMPACT INVESTMENTS PRIVATE LIMITED

FINANCIAL YEAR 2022-23

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CHAIRMAN'S COMMUNIQUE

For almost all of us, 2022 began as a year of hope, a hope of coming back to the usual. While Omicron was hyper transmissible than any of the variants, the health outcomes were, thankfully, less damaging overall. However, the impact of two-year long pandemic has left an indelible mark on the economy with high inflation and fears of an impending slowdown.

From the business perspective, 2023 has been a year of revival where we have been able to effectively alternate between remote and in-person work providing flexibility to the employees without hindering the efficacy at work. We focussed on doing what we do best – financing high quality impact enterprises with suitable products which match their business requirements efficiently. We had highest disbursements ever in any financial year since inception at 612.9 Crs and added 37 SME clients and over 600 MSME clients. We closed the year with AUM of 598.5 Crs. Portfolio quality, always a top priority, was preserved with gross NPAs of 1.24%. With support of our investors and lenders in last 9 years we have been able to provide customized collateral free debt funding to over 235 companies and 33% of our total disbursements this year were made to women led companies. During this year we bounced back to the pre-covid levels of profitability. A great deal of credit for this goes to our resilient team, portfolio of strong companies and stress tested early warning risk management system. What makes this performance special is that we were able to achieve this profitability in rising interest rate regime which we were not able to fully pass it on to our customers.

To leverage our existing client relationships and for building granularity in the portfolio we strengthened our presence in retail and supply chain lending through partnerships. We scaled our partnership led retail lending book to 14% of the AUM.

We deepened our work and involvement in developing the ecosystem for Impact Investing- with focus on gender & Cleantech Investments. We have been committed to 2X challenge¹ for over two years and we have always exceeded the targets set for us. 51% of our customers this year meet the 2X criteria of either women led/owned businesses, employ large number of women or deliver product or services specifically catering to women. These outcomes are the result of our mainstreamed gender positive processes from sourcing to disbursement. This is also made possible by our highly diverse team where 50% of the senior leadership is women and 40% of our total staff is women. We are incredibly proud of our achievements, and we will continue to challenge ourselves to do better every year.

We continued digital journey and are automating different aspects of our processes brick by brick to ensure efficiency and speed across the organization. Our proprietary Loan Origination System has matured and has started contributing to increased responsiveness to our customers. Our loan management system is now fully operational. Our inhouse business intelligence tool Crystal@C has brought all the operational and financial information of our business and our portfolio companies together to help us build several useful dashboards for operational, financial reporting and risk

¹ The 2X Challenge was launched at the G7 Summit 2018 as a bold commitment to inspire Development Finance Institutions and the broader private sector to invest in the world's women



management at one platform. We will continue to build on the efforts and this year add a new tool for bringing retail lending portfolio system to integrate with our loan management system.

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 maximum number of impact-focused SMEs over the last nine 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 on scaling our partnership portfolio in order to be the credit asset managers of last mile companies. We have recently joined as a signatory to the Partnership for Carbon Accounting Financials which is a global group of financial institutions that are pioneering carbon accounting for the emissions from portfolio financed (also called Scope 3 emissions) becoming the first Indian financial institution to directly sign up for this. We will continue to focus on deepening gender lens within our systems and processes and we also aspire to support our portfolio companies to mainstream gender within their operations. Armed with technology, strong team and state of the art processes we will continue to serve visionary entrepreneurs responsibly.

Best,

S Viswanatha Prasad
Chairman

MANAGEMENT ANALYSIS AND REPORT

INDUSTRY 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.

This fiscal year turned out to be the year the economy was confidently moving back to normalcy. The lessons learned from the previous three waves helped the economy stave off complete lockdowns. This meant that businesses continued to function instead of coming to standstill. As a result, there was a continuous need for debt for growth as well as to recover from the impact of the pandemic.

Globally, we have seen increasing interest rates to combat inflation and fears of recession. RBI significantly hiked repo rates on multiple occasions increasing the rate from 4.40% in May'22 to 6.50% as of February'23. With this hike, the NBFC's incremental bank funding became dearer. Leading to increased cost of borrowing which NBFCs were not able to immediately pass it on to the borrowers. This led to compression in margins.

In the financial services segment, where Caspian Debt provides loans, we have seen active regulatory action. To improve financial inclusion and create level playing field for different modes of delivering microfinance, RBI issued new guidelines in April '22 which increased the income thresholds to qualify as microfinance borrowers. The key change was to remove the interest cap for MFIs across entities and required entities to ensure that loan servicing burden is not greater than 50% of the borrower's income. This required bringing a new approach to credit assessment within MFIs which was earlier dependent only on income declaration and credit bureau reports. This impacted growth of MFIs in the first few quarters of the year.

To improve the client protection for the borrowers of fin-tech platforms, RBI brought in digital lending guidelines which had to be implemented with immediate effect. This was a welcome move where digital lenders had to put in place the required policies with alacrity.

RBI also issued implemented the new scale-based regulations from October 2022, however Caspian Debt which is a systemically important NBFC with <1000Cr AUM continues to operate and report as per existing regulations.

India continues to be one of the world's fastest-growing startup ecosystems. With the rapid growth of innovation in the Indian technology landscape, it has become the third fastest growing startup hub in the world. With government support and subsidies, we have observed companies in varied sectors scaling and increasing number of start-ups getting founded by entrepreneurs from Tier 2 and 3 cities. As per Impact Investment Council (IIC) report on investing trends, about 1000 start-ups have received funding in last three years.

Funding in the Indian Start-up ecosystem changed dramatically observing drop by about 35% compared to FY 21 and this is expected to deepen further. The strongest year for Indian entrepreneurs was 2021, when the startup ecosystem received INR 3,431 billion in funding from investors through 1,584 agreements. Several macroeconomic uncertainties, the conflict between Russia and Ukraine, interest rate increases, volatile financial markets, and worries about an impending recession jinxed this momentum, and startup funding plummeted in 2022 to INR 2,043 Bn. Start-ups have had to refocus on cost reductions and improving margins leading to widespread layoff. Some sectors have seen this churn higher than others. We however see this a positive development as start-ups will now focus on building path to profitability. With equity funding squeeze, reliance on debt to increase their runway and bring in discipline of managing cashflows.

While India has one of the lowest carbon emissions in the world, it was still severely impacted by climate disasters – extremely high/low temperatures, unseasonal rains, flash floods, and even sinking cities. Such climate events affected 88% of the days in the year. According to the report by Centre for Science and Environment and Down to Earth Magazine, these climate change-induced natural disasters killed almost 3,000 people and 70,000 livestock and destroyed around 4.1 lakh houses just this year alone. They also affected 18 lakh hectares of crop area — about 1% of the total cropped area in the nation. For an agrarian country, this could spell significant social and economic consequences. The social and economic costs of climate change are rising by the day and need an immediate and urgent action.

To respond to the crisis several innovative climate tech models have emerged. The interest in this space is being propelled by India's mission to cut its emissions to net zero by 2070. Climate tech emerged as fastest growing sector as per IIC report and received one of the highest shares of capital invested. The interest in the climate tech sector in general and sustainability in particular is expected to increase in the coming years owing to the increased awareness of climate crisis among consumers and businesses along with strong push by the government. Caspian Debt has been funding this sector from 2018 and 30% of our funding till date has gone to climate smart enterprises.

According to a recent economic survey in India, the Customer Price Index appears to be returning to pre-pandemic levels. High direct tax collections, increased investment in capex by both the government and private sector, and an increase in non-food credit are directionally positive.

THE COMPANY

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 customised collateral free 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. In Financial Year 2022, the company had introduced partnership-based lending aiming at a granular book with higher margins which was expanded during this financial year.

The idea is to serve the MSMEs directly through on balance sheet lending to SMEs and indirectly through lending to other NBFCs and partnerships with fin-tech platforms.

When it comes to financing the world's most pressing issues such as fighting climate change or providing healthcare – there is no one-size-fits-all solution. It takes a variety of tools and strategies to mobilise the

necessary capital. In India, blended financing has become increasingly important in recent years due to an urgent need to address social and environmental challenges. It can help to bridge the funding gap that often exists in these areas and support the achievement of sustainable development goals.

We built two new partnerships to offer blended finance products this year. Through these partnerships, we funded companies across the healthcare, agriculture, and clean energy sectors through blended finance partnerships. We launched the first ever, results-based blended financing programme in healthcare for a portfolio of 10 companies and completed one cycle of loans for a blended finance programme for budding early-stage impact companies. We did not see any defaults. We see a further opportunity for growth in blended finance and will continue to look for new and scale existing partnerships. Our vision is to use these partnerships to support high-impact enterprises, particularly those focused on climate, healthcare, and gender equity.

We qualified as 2x flagship fund due to our past performance of meeting 2X disbursement targets for women led and women impact organizations and owing to high diversity and leadership in the Caspian team. Further, we have been selected as one of the first recipients for DFC 2X TA facility and have planned to go through a gender assessment as a first step in the first quarter of financial year 2024 supported by this TA facility. Caspian Debt happens to be the first NBFC signatory to Partnership for Carbon Accounting Financials (PCAF).

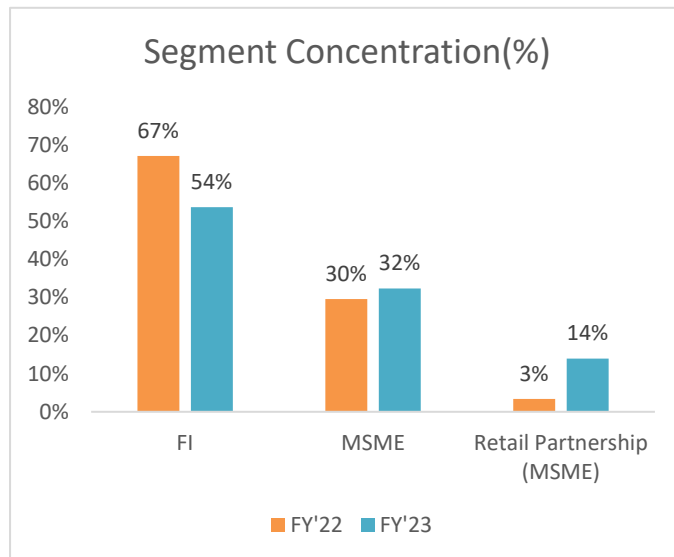
ESG Evaluation Supported by Samridhi Fund

Caspian Debt underwent an ESG evaluation this year and managed to get a near perfect score in all the parameters. The results are summarized in the table below:

Parameter	Scoring (Rated out of 5)	Comment
Environmental	4	<ul style="list-style-type: none"> •The company has overall limited direct exposure to environment related risks •Indirect risks which could arise out of its investment/lending activities have been effectively managed by adopting robust ESG due diligence process at the time of evaluating investment decision •The company ensures risky business ventures are avoided right at the early stage of investment driven by exclusion list of industries and activities •Caspian has also set-up effective monitoring mechanism to keep a check on portfolio companies' activities
Social	4	<ul style="list-style-type: none"> •The company has adopted various employee engagement tools suggest engagement with employees is taken up as priority by the management •Caspian has limited exposure to risks related to social impacts and resettlement parameters given its majority investments are channelized towards SMEs and microfinance sector. •Caspian's due diligence and exclusion process is well equipped to identify health and safety related risks at the early stage of investment decisions •Caspian has been able to demonstrate effective implementation of social inclusion practices in its own operations as well as in its investment decisions - 1/3rd of its total disbursements in FY 2021-22 are channelized towards women led enterprises
Governance	5	<ul style="list-style-type: none"> •Strong governance on business ethics related issues. Caspian has required set of policies, procedures. Moreover, the company mandates annual certification by every employee on ethics policies. •Effective risk management and controls are in place along with required board level committees for effective oversight •Board structure aligns with best practices including having independent members on the board

PORTFOLIO COMPOSITION

This year, we crossed direct 230 customers served since inception by adding 37 new companies to our portfolio. We disbursed INR 6129 Mn during the year (25% more than FY22) including about INR 1000

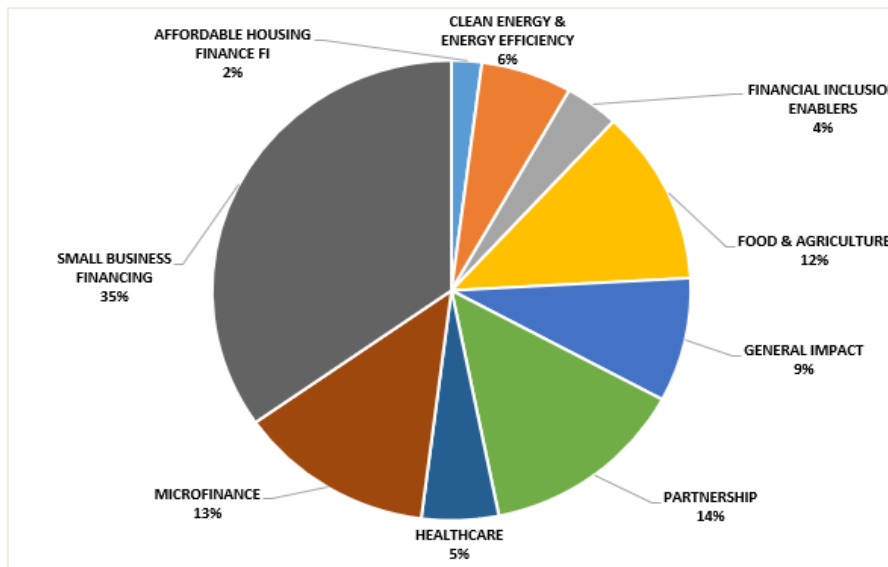


Mn+ via a digital platform partnership. During the current year, the company focused on building strategies that catered to the objective of tapping growth opportunities while maintaining asset quality. Two new product offerings were – SME retail lending through platforms that enables building a granular portfolio to reduce concentration risk, and supply chain finance, which helped us provide fast moving working capital lines to vendors of large anchors. Coupled with other standard products, these strategies helped the company reach its highest-ever

annual disbursement of INR 6129 Mn while adding 37 new direct clients across 8 high-impact sectors, bringing the portfolio outstanding to INR 5985 Mn at the close of the year. The increase in POS did not commensurate with increase in disbursement as the retail portfolio has a faster run down. It has high impact on profitability but low impact on portfolio growth. We added over 800 clients with a portfolio outstanding of INR 835Mn in our SME retail lending offering as against 265 clients in the previous fiscal year with a portfolio outstanding of INR 185 Mn demonstrating strong momentum. Our partnership lending portfolio constitutes 14% of our total portfolio.

Particulars	FY 23	FY 22	YoY
Disbursement (INR Mn)	6,129	4,894	25.3%
Portfolio Outstanding (INR Mn)	5,985	5,542	8.0%
New Clients Added	702	274	1495.5%
Active Clients at Yr End	946	118	701.7%

We continued to have a very diversified book and continue to be one of the largest lenders to corporate SMEs in impact sectors.



Apart from sector diversification, there is considerable business model diversification among the companies within the same sector. Food and Agriculture continues to be our largest non-financial institutions sector and we have been lending in this sector since 2015. Small Business Finance has been one of our earliest and largest sectors of investment among Financial Institutions and is continuously growing.

SECTORAL PERFORMANCE

FINANCIAL INSTITUTIONS:

We are lenders to financial institutions operating across microfinance, small business finance, MSMEs, and affordable housing finance sectors. The microfinance sector had restructured around 10 per cent of its loan book under the Resolution Framework 2.0 announced by the Reserve Bank of India (RBI) in the wake of the second Covid-19 wave. However, supported by a resurgence in economic activity post FY22, the sector grew by nearly 30%. This growth was at the back of rising average ticket size of disbursements, reduction in NPAs and substantial improvement in collection efficiency in the current year. MFIs are also adapting to new RBI regulations which have removed the interest rate cap and requires borrower income assessment.

Analysis of our MFI portfolio helped us recognize that increased cost of capital and availability of equity capital remained key challenges for Microfinance Institutions and smaller size entities. Most MFIS in our portfolio resumed their growth in Quarter 3 of the year after experiencing a slowdown in the first quarter. Portfolio quality improved considerably with increasing AUM and collection efficiency. However, there was a reduction in capital adequacy indicating lack of equity funding. Small Business Finance companies showed recovery in disbursements and AUM growth. Portfolio quality for SBF's remained static with no new loans being delinquent while margins declined owing to

increasing borrowing costs across NBFCs due to repo rate hikes. 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 stronger capital backing.

Some financial institutions focused on niche sectors like education, especially to affordable private schools, are now impacted by severe delinquencies due to the pandemic thus we had to accelerate their repayments creating a run-down in the portfolio.

MICRO, SMALL & MEDIUM ENTERPRISES

The MSMEs comprise the backbone of the Indian economy, contributing 30% to the GDP of the nation. Over 90% of MSMEs in India are micro enterprises which are largely credit starved, despite several NBFCs and fintech companies providing them with collateral-free loans with short turn-around time. The MSME space continued to face challenges of constrained margins and stretched cash flows making it difficult for them to cover fixed costs like salaries and clear statutory dues. The margins were stretched due to a significant increase in the price of raw materials, which raised production costs. The pandemic created several challenges as well as opportunities to pivot business models and innovate. MSMEs have now begun to recognize the potential of digitalization and branding, which are creating new paths for scale.

We analysed performance of 127 SMEs from different sectors in our portfolio and observed business models with varying performance. The clean energy sector despite challenges owing to higher commodity prices, a weaker rupee, and government levies on products and technologies has shown robust growth with improved profitability. The education sector observed a bounce back owing to the reopening of schools, and no recent lockdowns. The sector has observed Q-o-Q growth with similar margins; however, the lack of equity funding remained a cause of concern. The food and agriculture segment remained resilient, registering strong sales throughout the year. The healthcare companies in our portfolio falling under non-essential services, which saw revival last year commenced the first quarter of the year with strong sales growth while experienced slowdown in succeeding quarters. Profitability for these companies remains a concern. Overall, we see across the portfolio focus on improving profitability and conserving cash.

FINANCIAL PERFORMANCE

We managed to increase our POS to INR 5984Mn for FY'23 as compared to INR 5,542 Mn in FY'22 exhibiting an 8% growth on YoY Basis. In terms of disbursements, we were able to disburse loan amount of INR 6,129Mn as compared to INR 4,894 Mn in FY'22. During the financial year, we were able to bring down Gross NPA at ~1.24% as against 2.59% in the previous year. Number of active direct clients as of 31st March'23 reached 133 as against 118 in FY 22 while ~812 on retail partnership lending compared to ~225 in FY 22. The Company registered a total income of INR 845.5 Mn and a profit after tax of INR 336Mn for the year. We demonstrated significant increase in profitability this year. The

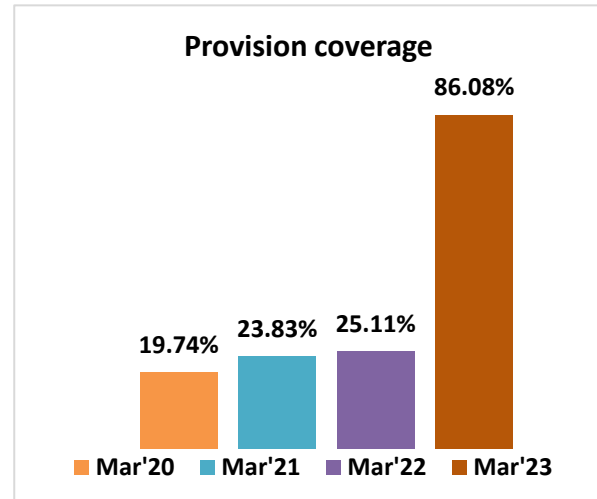
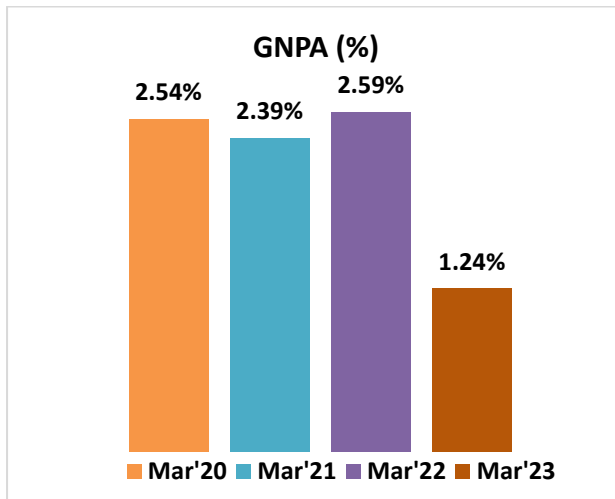
Particulars	FY 23	FY 22	YoY
Total Income (INR Mn)	845.5	677.6	24.8%
Profit Before Tax (INR Mn)	39.6	1.7	2229.4%
Profit After Tax (INR Mn)	33.6	2.0	1580.0%
GNPA	1.24%	2.59%	-
Write Off (INR Mn)	80.5	41.8	-
Net Worth (INR Mn)	1775.1	1748.5	1.5%

panic had pushed disbursements worth INR 1210 Mn to the last quarter of FY'2022, the earnings from which were booked in this financial year. Further, our retail and partnership model currently constitute 14% of our AUM, thus paving way for onboarding high-yielding portfolio companies in our books. While our AUM increased by 8%, our revenues increased by

22% and pre-provisioning profits by 358%. NIMs this year increased to 6% compared to 5% last year, bringing it to pre pandemic levels. Additionally, we were able to maintain adequate liquidity without incurring any negative carry for the year. Overall, we have been successful in achieving better results and finding the right balance between competing priorities of tapping the growth potential, monitoring the asset quality, maintaining adequate liquidity, and ensuring profitability.

PORTFOLIO QUALITY

Caspian continues to maintain excellent portfolio quality. The company had to write off loans amounting to INR 80.5 Mn but also saw a recovery of INR 47.14 Mn in this year from bad debts written off a few years back. The Provision coverage ratio has also increased year on year bringing it to 86% in the FY 23 ensuring low impact of current NPA loans and profitability next financial year.



LIQUIDITY AND SOLVENCY

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 1831 Mn was raised during the year, while adding 3 new lenders. As at the end of the financial year, the Company had outstanding debt from a diversified set of lenders i.e., public sector banks (10%), private sector banks (17%), development financial institutions (45%), and non-banking financial companies (28%). The year-end Capital Adequacy Ratio was at 35% which provides room for further leverage. Additionally, the company has maintained a positive ALM mismatch during the year, across all buckets for up to five years indicating a strong ALM position.

DIGITAL JOURNEY

Caspian Debt embarked on a digital transformation plan for FY20 by commissioning the development of a proprietary Loan Origination System (LOS) and Loan Management System (LMS). Over time, different elements of the systems have been strengthened and integrated bringing efficiencies in reducing the time to pre-due diligence to 14 days, bringing down the time taken to evaluate the deals, and bringing them to the credit committee from 60 days to 49 days. The digitalization of loan agreements has also led to a reduction in the time taken to finalize the documents from 7 days to 2 days. Integration of the client portal with the disbursement process has reduced the time to disbursement from 8 hours to 2 hours.

Moreover, we have been able to build a simplified integrated system for an entire database that is accessible to every employee. This system has significantly helped in reducing manual effort by

generating automated reports and simplifying bulk data with just a click. Improved risk management and monitoring systems with a centralized database have reduced the time taken for top-ups as well as reduced the involvement of the business team – making them focus on the new deals.

The next phase of incremental development will focus on integrating the SME retail partnership lending LMS to our current system. We also intend to bring in more integration between our accounting and loan management systems for improving efficiencies.

The impact of efficiency on financial performance has started to show results with an increase in operating income of 23%, however our operating expenses in the same period by gone up only by 16%.

KEY CHALLENGES

The year 2022 was stressful for the startup ecosystem due to lower availability of funds and a difficult geopolitical backdrop. Since markets worldwide are facing a liquidity crunch, debt financing has become an essential means of meeting working capital requirements.

Even though our portfolio companies have shown strong resilience during the covid period there have been looming fears of recession owing to job losses and inflationary conditions which can impact our clients. Our early warning system is in place to monitor stress in our portfolio early on and take the required action.

A positive development for the industry has been the proliferation of new entities that try to reduce 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. The lenders who entered the market in a bullish environment after raising bigger capital rounds, can 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 remain our ability to meet our clients' borrowing cost expectations as they grow.

Another cause of concern for us relates to the volatile repo rates which were on an increasing spree from May'2022 to February'2023. However, since only 34% of our borrowings was at a flexible rate our finance cost increased only by 10%. We have tried to address this by increasing lending rates for new loans. However, we were unable to pass on the entire rate change burden to SMEs. FI loans which constitute 54% of our book have flexible rate of return. Currently, the RBI the increase in the repo rate has been paused at 6.50 per cent as of March'23, which comes as a relief.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has adequate internal controls, and they are operating effectively. The Company has appointed a reputed 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 Finance & Treasury. The Company underwent an IT Systems audit by a reputed auditor to make sure that IT-related risks are under control.

The Audit Committee quarterly reviews the audit findings on the adequacy and effectiveness of the internal systems and controls and action taken thereon. The audits have reaffirmed the quality and adequacy of internal controls. Under the guidance of the board appointed audit committee the internal control systems is one of the key strengths of the company

COMPLIANCE

Caspian Debt maintains a strict compliance calendar and has complied with all the requirements of RBI and SEBI which are relevant to the company. Internal and External Auditors have confirmed that all the compliances requirements were met.

HUMAN RESOURCES

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. We encourage knowledge sharing through dedicated sessions as well as an internal virtual platform where people can share ideas and news relevant the sectors of interest. We ensure each team member has an opportunity to interact with interdepartmental leadership. Individual connects and leadership town halls are carried out at a 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. In addition to the respective department-wise internal training, our employees participated in 26 external training covering technical, functional, and soft skills at an individual and group level. We conducted training sessions on unconscious biases with the help of an industry expert.

We continue to build sectoral expertise within our business and risk management teams and systematically share the learning across the organisation. We continue to hire across our three office locations namely Hyderabad, Bangalore, and New Delhi. As of March 31, 2023, we have 66 employees as compared to 59 as of March 31, 2022. We strongly believe in providing equal opportunities demonstrated by 42% of the permanent employees being women. We continue to extend 6 days' work from home option each month providing flexibility to the employees while having benefits of in-person office interactions. We respect the responsibility of employees as parents of young children. We have provided additional work from home option to new parents along with 50% of the monthly childcare expense reimbursement (maximum of INR 10,000) for children up to 36 months. We are compliant with the statutory obligations applicable to us.

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. Around 98% of the employees understand how their work impacts business goals, 85% of our employees seemed to be satisfied with their professional growth and performance recognition, while 98% of the employees believed in our safe working environment.

OUTLOOK

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, and 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, the complexity of funding requirements is comparable to any large corporate firm. We specialize in analysing 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.

We aim to continue building on our strengths of evaluating loss making high impact companies, providing customised debt financing solutions and helping them scale. Going forward, we see ourselves onboarding new partners in the retail lending partnership and supply chain financing. Improving gender equity in funding outcomes and encouraging climate smart approaches will remain our horizontal focus across all forms of lending. We will continue to look for soft capital and use blended finance approaches for incentivising impact.

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 high demand globally and Caspian Debt has the networks and ability to drive that capital into appropriate opportunities. With strong digital push, diversified capital base, strong team, high impact potential Caspian Debt looks forward to larger scale and impact in the coming financial year.

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 32nd Annual Report of the Company, along with the Audited Financial Statements for the Financial Year ended March 31, 2023 and Statutory Auditors’ report thereon.

1. FINANCIAL SUMMARY FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Lakhs)

Particulars	2022-23	2021-22
Gross Income	8,462	6,785
Profit before Interest, Depreciation, exceptional items and Tax	5,511	4,663
Finance Charges	4,842	4,420
Depreciation/amortization	273	226
Profit before exceptional items, tax and Prior period items	396	17
Exceptional items (net)	-	-
Profit before Tax and Prior period items	396	17
Less: Provision for Taxes	-	-
Less: Tax for earlier years (net)	1	-
Less: Deferred tax expense / (credit)	59	(3)
Profit after Tax	336	20
Other Comprehensive Income (net of tax)	(70)	271
Total Comprehensive Income	266	291
Paid up Equity Capital	667	667
Preference Share Capital	-	-
Reserves and Surplus	17,084	16,818
Net worth	17,751	17,485
Earnings per share (Face value of each share is INR 10)		
- Basic	5.04	0.3
- Diluted	5.04	0.3

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 67 Lakhs for Financial Year 2022-23.

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 paidup 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 commitments 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, 2023, 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 statements 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 Directors. Each Board member possesses unique skills sets, expertise, experience and specialisation that provides the appropriate balance to Board. During the financial year ended March 31, 2023, the composition of the Board is enclosed as below:

S. No	Name of Director	Designation	DIN
1*	Viswanatha Prasad Subbaraman	Non- Executive Director	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	Ranganathan Varadarajan Dilip Kumar	Nominee Director	01060651
7	Karel Gerardus Nierop	Nominee Director	07743489
8	Avishek Gupta	Managing Director	09351254
9**	Paul DiLeo	Nominee Director	00160736

*Mr. Viswanatha Prasad Subbaraman was appointed as the Non- Executive Director in the Annual General Meeting of the Company held on August 9, 2022.

**Mr. Paul DiLeo was ceased to be Nominee Director w.e.f. February 14, 2023

During the year under review, Board of Directors met 5 (Five) times on May 18, 2022, May 27, 2022, August 9, 2022, November 11, 2022 and February 14, 2023. 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.

During the financial year ended March 31, 2023, the composition of the Audit 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*	RV Dilip Kumar	Nominee Director	Member
4**	Paul DiLeo	Nominee Director	Member

*Mr. RV Dilip Kumar was appointed as the Member of the Audit Committee w.e.f. February 14, 2023.

**Mr. Paul DiLeo was ceased to be Member of Audit Committee w.e.f. February 14, 2023.

During the year under review, Audit Committee met 4 (Four) times on May 26, 2022, August 8, 2022, November 10, 2022 and February 13, 2023. 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.

During the financial year ended March 31, 2023, the composition of the ALCO 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

During the year under review, ALCO met 4 (Four) times on May 26, 2022, August 8, 2022, November 10, 2022 and February 13, 2023. 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.

During the financial year ended March 31, 2023, the composition of the CSR 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	Non – Executive Director	Member
3*	Praseeda Kuman	Independent Director	Member
4**	Paul DiLeo	Nominee Director	Member

*Ms. Praseeda Kunam was appointed as the Member of Corporate Social Responsibility Committee w.e.f. February 14, 2023.

**Mr. Paul DiLeo was ceased to be Member of Corporate Social Responsibility Committee w.e.f. February 14, 2023.

During the year under review CSR Committee met 1 (one) time on August 9, 2022. 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.

During the financial year ended March 31, 2023, the composition of the Nomination and Remuneration 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	Narayan Ramachandran	Independent Director	Member
4**	Viswanatha Prasad Subbaraman	Non - Executive Director	Member
5***	Paul DiLeo	Nominee Director	Chairman

*Mr. Mahesh Kanumury was designated as the Chairman of Nomination and Remuneration Committee w.e.f. February 14, 2023.

** Mr. Viswanatha Prasad Subbaraman was appointed as the Member of Nomination and Remuneration Committee w.e.f. February 14, 2023.

***Mr. Paul DiLeo was ceased to be Chairman of Nomination and Remuneration Committee w.e.f. February 14, 2023.

During the year under review Nomination and Remuneration Committee met 4 (Four) times on May 26, 2022, August 8, 2022, November 11, 2022 and February 13, 2023. 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 by the Company.

During the financial year ended March 31, 2023, the composition of the Borrowing 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	Non – Executive Director	Member

During the year under review Borrowing Committee met 8 (Eight) times on April 29, 2022, June 24, 2022, November 25, 2022, December 15, 2022, December 21, 2022, January 27, 2023, February 22, 2023 and March 27, 2023. 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.

During the financial year ended March 31, 2023, the composition of the Risk Management 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	Non -Executive Director	Member
4	Avishek Gupta	Managing Director	Member
5	Sachin Hirani	VP- Portfolio Risk Management	Member
6	Prema Jaiswal	VP- Operations	Member

During the year under review, Risk Management Committee met 4 (Four) times on May 26, 2022, August 8, 2022, November 10, 2022 and February 13, 2023. 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.

During the financial year ended March 31, 2023, the composition of IT Strategic Committee is enclosed below for the perusal of the 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	Non -Executive Director	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

During the year under review IT Strategic Committee met 2 (Two) times on September 23, 2022 and February 13, 2023. 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.

- Viswanatha Prasad Subbaraman has been appointed as Non – Executive Director by the Shareholders in the Annual General Meeting of the Company held on August 9, 2022.
- Mr. Paul DiLeo was ceased to be Nominee Director of the Company w.e.f. February 14, 2023.
- Ms. Harshita Jain has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. November 11, 2022.
- Vishwanath Muniganti ceased to be Interim Compliance Officer of the Company w.e.f. November 11, 2022.

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, 2023 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 Company 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 the 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

The Shareholders of the Company at their 30th Annual General Meeting held on August 20, 2021 appointed M/s T R Chadha & Co LLP (Firm Registration Number: 006711N/N500028) as the Statutory Auditor of the Company for a period of 3 years starting 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 appointment of Binker Dijkar Otte ("BDO"), as Internal Auditor of the Company for FY 2022-23 for carrying 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 FY2022-23. The Secretarial Audit Report for FY2022-2023 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 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

(A)	Conservation of energy	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.
(i)	The steps taken or impact on conservation of energy;	
(ii)	The steps taken by the company for utilizing alternate sources of energy;	
(iii)	The capital investment on energy conservation equipment's;	
(B)	Technology absorption	
(i)	the efforts made towards technology absorption;	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):-	
	- the details of technology imported;	
	- the year of import;	
	- whether the technology been fully absorbed	
	-if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
	- the expenditure incurred on Research and Development.	
(C)	FOREIGN EXCHANGE	
(i)	Foreign Exchange Earnings	Nil
(ii)	Foreign Exchange Outgo	INR 22,19,15,100

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 in the form MGT-7 is made available on the website of the Company and can be accessed 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/>.

(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@caspiandebt.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 applicable 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 (ISIN - INE059K07055) (ISIN - INE059K07063)	BBB (ISIN - INE059K07055)
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/

**Viswanatha Prasad Subbaraman
Non -Executive Director and Chairman
DIN – 00574928**

Sd/

**Avishek Gupta,
Managing Director
DIN – 09351254**

**Place: Hyderabad
Date: May 19, 2023**

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, 2023
 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 Financial Statements of Trust
 6. Reserves & surplus – Refer Financials of Trust
 7. Total assets – Refer Financial Statements of Trust
 8. Total Liabilities – Refer Financial Statements of Trust
 9. Investments – INR 1, 42, 58,969
 10. Turnover – Refer Financial Statements of Trust
 11. Profit before taxation – Refer Financial Statements of the Trust
 12. Provision for taxation - Refer Financial Statements of the Trust
 13. Profit after taxation – Refer Financial Statements 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/-

Viswanatha Prasad Subbaraman
Non – Executive Director and Chairman
DIN: 00574928

Sd/-

Avishek Gupta
Manging Director
DIN: 09351254

Sd/-

Vishwanath Muniganti
Chief Financial Officer

Sd/-

Harshita Jain
Company Secretary

Place: Hyderabad
Date: May 19, 2023



V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Sarojini House (GF), 6, Bhagwan Das Road, New Delhi-110001
Tel. (011) - 44744643, 45150845 | 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, 2023 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 2023

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:



- 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)



M.S. Balachandran
Partner (M. No: 024282)
UDIN: 23024282BGVKAU2062

Place: NEW DELHI
Dated: 12 May 2023



BELLWETHER MICROFINANCE TRUST

(Amount in Rupees)

BALANCE SHEET AS AT	Notes	31-Mar-2023	31-Mar-2022
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			
Cheque in Hand		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

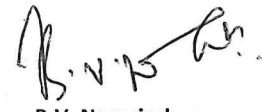


M.S. Balachandran
Partner
M.No. 024282

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

Place: New Delhi
Date: 12 May 2023



BELLWETHER MICROFINANCE TRUST

(Amount in Rupees)

NOTES TO BALANCE SHEET AS ON	31-Mar-2023	31-Mar-2022
1. Capital Contribution (From Caspian Impact Investments Private Limited) Opening Balance as the <i>beginning of the year</i>	1,42,97,878	1,42,97,878
<i>Less: Transactions during the period</i>		
(i) Sale Proceed of Investment transferred	-	-
(ii) Other transfer	-	-
<i>Add: Transactions during the period</i>		
(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 Shares (Trade-Unquoted: At cost)		
	Number of Shares	Number of Shares
	Amount in Rs.	Amount in Rs.
1. Sonata Finance Private Limited (Refer Note 5.5 of Significant Accounting Policies and Notes on Accounts)	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

Place: New Delhi
Date: 12 May 2023

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

Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2023

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,		Avg. cost of purchase as on March 31,		Break-up value as on March 31,	
		2023	2022	2023	2022	2023	2022
1	Sonata Finance (P) Ltd. #	2.54%	2.54%	21.21	21.21	130.74	115.23

Information for March 31, 2023 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. The trust has entered into agreement with Kotak Mahindra Bank Ltd dated February 10, 2023 for sale of 6,72,292 equity shares in Sonata Finance Private Limited, the sale consideration is based on per equity share price of Rs. 181.45 and total sale consideration from investment is Rs. 1219.87 Lakhs.
- 5.6. 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

Place: New Delhi

Date: 12 May 2023

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 focus 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:

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
4	Praseeda Kunam#	Member/Independent Director	0	0

*Mr. Paul Dileo has ceased to Member of the Corporate Social Responsibility w.e.f. February 14, 2023.

Ms. Praseeda Kunam was appointed as Member of the Corporate Social Responsibility w.e.f. February 14, 2023.

- 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)
2019-2020	4,60,89,028
2020-2021	2,29,06,000
2021-2022	17,00,000
Average Net Profit	2,35,65,009
2% of Average Net Profit	4,71,300
Total Amount Spent	5,00,000

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. (a) CSR amount spent or unspent for the financial year:

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).		
5,00,000	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.	Sponsorship of children under the Academic Adoption Program and toward Parinaam general pool of funds	Clause II - promoting education	No	Karnataka	Bangalore	5,00,000	No	Parinaam 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 5,00,000

(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

Place: Hyderabad

Date: May 19, 2023

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/-

Viswanatha Prasad Subbaraman
Non-Executive Director and Chairman
DIN: 00574928

Sd/-

Avishek Gupta
Managing Director
DIN: 09351254

Place: Hyderabad
Date: May 19, 2023

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 2023

[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 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, 2023 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

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

- (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.

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

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.

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 F010394E000326886

Place : Chennai
Date : 18.05.2023

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
Company Secretary
FCS 10394
C P 21403
PR 1382/2021

UDIN F010394E000326886

Place : Chennai
Date : 18.05.2023

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

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



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, 2023, 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, 2023, 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.

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi – 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

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T R Chadha & Co LLP

Chartered Accountants

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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.	<p>Impairment of Loans given</p> <p>Refer note 3(j) for the Accounting Policy and note 38 (A) & (B) for the related disclosure</p> <p>As at March 31, 2023, the company has reported Gross Loan Assets of Rs.58,211 Lakh against which an impairment of Rs.906 Lakh has been recorded.</p> <p>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.</p> <p>In this process, the company has applied three stage approach based on</p>	<p>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.</p> <p>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.</p> <p>We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process.</p> <p>We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process.</p> <p>Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions</p>

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<p>changes in credit quality to measure expected credit loss on loans which is as follows:</p> <ul style="list-style-type: none">➤ 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. <p>ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 Loan assets.</p> <p>ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include:</p> <ol style="list-style-type: none">1. Estimating the behavioral life of the product2. Data inputs in relation to ECL model3. Application of the macro-economic variables on a forward-looking basis4. Determination of loan book segmentation, probability of defaults, loss given defaults and exposure at default.	<p>and tested the controls around data extraction and validation.</p> <p>Performed test of details over calculations of ECL rate computation, in relation to the completeness and accuracy of data on sample basis.</p> <p>We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.</p> <p>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 other stages.</p> <p>Assessing the appropriateness of additional provisions to calibrate the risks that are not yet fully captured by the existing model.</p> <p>We tested the arithmetical accuracy of computation of ECL provision performed by the Company.</p> <p>Obtained written representations from the management on the reasonableness of the significant assumptions used in computation of ECL provision.</p> <p>We assessed the disclosures (note no.38) included in the Ind-AS financial statements with respect to</p>
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		such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 t and as per RBI Guidelines.
(b)	Evaluation of Company's IT systems and Controls The information system is a critical component of Company's operations, enabling efficient processing of transactions, safeguarding of information, and supporting decision-making. The financial accounting and reporting systems of the Company are also fundamentally reliant on IT systems and IT controls. As such, it is important for us to evaluate the effectiveness of information system controls to ensure the correctness, integrity, availability, and confidentiality of data. We identified 'IT systems and controls' as key audit matter because of the pervasive nature of IT environment and the scale and complexity of the IT architecture.	<p>In assessing the effectiveness of information system controls, we have evaluated the extent to which the controls are properly designed and implemented to mitigate the risk of material misstatement in financial reporting.</p> <p>Our audit procedures included:</p> <ol style="list-style-type: none">Obtained an understanding of the IT control environment and IT policies during the audit period.Testing IT general controls related to User, Change Management Controls, Information Security Controls, Log management and Data backup. <p>Our audit procedures also included assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system based on reports and other financial and non-financial information generated from the system on a test check basis.</p>

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4. Information other than the Financial Statements and Auditors Report thereon

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. The other information is expected to be made available to us after the date of this auditor's report.

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. Responsibilities of Management and Those charged with governance 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.

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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.

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- 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.

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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. 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, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, 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.

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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, 2023.
- 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, 2023.
- 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, 2023.
- 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

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under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) 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.
- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. 1st April, 2023, reporting in respect of mandatory use of accounting software with requisite audit trail facility 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 provisions 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: 23076650BGUWJW8046

Place: Mumbai

Date: May 19, 2023

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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 paragraph 3 clause (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, 2023 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 paragraph 3 clause (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. (Refer note 17 of Notes forming part of the Financial Statements)

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iii. The Company has not made investments during the year, However, the Company has given guarantee in respect of loan taken by other parties and has also 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 paragraph 3 clause (iii)(a) of the Order is not applicable;
- (b)** In our opinion, the terms and conditions of the loans granted/guarantee given during the year are in normal course of business and 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 receipt 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/3/21.04.048/2020-21 dated 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.745 Lakh with respect to 6 borrowers (8 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 paragraph 3 clause (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 paragraph 3 clause(iii)(f) of the Order is not applicable;

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- 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 paragraph 3 clause (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 paragraph 3 clause (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 2023 for a period of more than six months from the date they become payable;
- (b) According to the information and explanation given to us, there are no dues which have not been deposited on account of any dispute.
- viii** As disclosed by the management in note 45(d), 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.

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T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
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- (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 funds raised on short-term basis have prima facie not 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 paragraph 3 clause (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 paragraph 3 clause (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 paragraph 3 clause (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. As regards to fraud on the company, we have been informed by the Management that they have noticed and reported two instances of fraud during the year.
- i. One Borrower Margadarshak Financial Services Ltd. has taken a term loan of Rs.11 Crores in September 2019 (Rs.6 Crores) and March 2020 (Rs.5 Crores). The borrower has submitted fabricated / inflated Stock and Book Debt Statement which is exclusively charged against the term loans. The same was detected based on the Forensic Audit Report and the account was observed as fraud in Joint Lenders Meeting (JLM) held on September 29, 2022. The outstanding loan was Rs.6.50 Crores which was written off during the quarter ended September 2022.
- ii. One Employee working in Administration department had misused the Corporate Credit Card for Rs.4.25 Lakh for personal use. However, the instances were detected immediately and the amount has been recovered from the employee.
- (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 during the year by the company

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- Xii** The Company is not a Nidhi Company and hence reporting under paragraph 3 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, hence requirement to report on paragraph 3 clause (xv) of the Order is not applicable to the Company.
- 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 paragraph 3 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** There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company.
- 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

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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 paragraph 3 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: 23076650BGUWJW8046

Place: Mumbai

Date: May 19, 2023

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Annexure B

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Caspian Impact Investment 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, 2023, 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

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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.

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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, 2023, 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: 23076650BGUWJW8046

Date: May 19, 2023

Place: Mumbai

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Caspian Impact Investments Private Limited

Standalone Balance Sheet as at 31 March 2023

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

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS:			
1 Financial assets			
(a) Cash and cash equivalents	4	2,474	772
(b) Bank balances other than cash and cash equivalents	5	529	678
(c) Derivative financial instruments		569	-
(d) Loans	6	57,305	47,714
(e) Investments	7	3,432	9,160
(f) Other financial assets	8	76	64
		64,385	58,388
2 Non-financial assets			
(a) Current tax assets (net)	9	1,787	1,477
(b) Deferred tax assets (net)	10	323	365
(c) Property, Plant and Equipment	11	209	304
(d) Intangible assets under development	12	2	-
(e) Goodwill	12	1,327	1,327
(f) Other intangible assets	12	569	738
(g) Other non-financial assets	13	495	499
		4,712	4,710
TOTAL ASSETS		69,097	63,098
LIABILITIES AND EQUITY			
Liabilities			
3 Financial liabilities			
(a) Derivative financial instruments		-	120
(b) Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		41	33
(c) Other payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		41	10
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		24	3
(d) Debt securities	16	2,027	5,429
(e) Borrowings (other than debt securities)	17	48,552	39,497
(f) Lease liabilities		40	96
(g) Other financial liabilities	18	376	310
		51,101	45,498
4 Non-financial liabilities			
(a) Provisions	19	69	63
(b) Other non-financial liabilities	20	176	52
		245	115
5 Equity			
(a) Equity share capital	21	667	667
(b) Other equity	22	17,084	16,818
		17,751	17,485
TOTAL LIABILITIES AND EQUITY		69,097	63,098

Basis of preparation and presentation of financial statements

2

Significant accounting policies and notes to the standalone financial statements.

3-49

The notes referred to above form an integral part of the Standalone Financial Statements.

This is the Standalone 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

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

Sd/-

Harshita Jain

Company Secretary

Place: Mumbai

Date: 19 May 2023

Place: Hyderabad

Date: 19 May 2023

Caspian Impact Investments Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
1 Revenue from operations			
(a) Interest income	23	8,365	6,693
(b) Fees and commission income	24	26	4
Total revenue from operations		8,391	6,697
2 Other income	25	71	88
Total income		8,462	6,785
3 Expenses			
(a) Finance costs	26	4,842	4,420
(b) Fees and commission expense		326	265
(c) Net loss on fair value changes		9	-
(d) Impairment on financial instruments	27	596	222
(e) Employee benefits expense	28	1,080	943
(f) Depreciation and amortisation expense	11 & 12	273	226
(g) Other expenses	29	940	692
Total expenses		8,066	6,768
4 Profit before tax		396	17
5 Tax expense			
(a) Current tax		76	-
(b) MAT Credit entitlement		(76)	-
(c) Taxes for prior years		1	-
(d) Deferred tax		59	(3)
		60	(3)
6 Profit for the year		336	20
7 Other Comprehensive Income (OCI)			
(a) Items that will be reclassified to profit or loss			
(i) Cashflow hedge reserve		47	(151)
(ii) Income tax impact on above		(77)	49
(b) Items that will not be reclassified to profit and loss			
(i) Remeasurement expense on defined benefit plans		(4)	(4)
(ii) Net changes in fair value of investment in equity shares		(52)	524
(iii) Income tax impact on above		16	(147)
Other Comprehensive Income		(70)	271
8 Total Comprehensive Income		266	291
9 Earnings per equity share (EPES) (face value of ₹ 10 each)	30		
Nominal value per equity share		10	10
- Basic and diluted EPES (in ₹)		5.04	0.30

Basis of preparation and presentation of financial statements 2
Significant accounting policies and notes to the standalone financial statements. 3-49

The notes referred to above 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: 19 May 2023

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

Sd/-
Harshita Jain
Company Secretary

Place: Hyderabad
Date: 19 May 2023

Caspian Impact Investments Private Limited

Standalone Statement of Cash Flows for the year ended 31 March 2023

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A Cash flow from operating activities		
Profit before tax	396	17
Adjustments for:		
Depreciation and amortisation expense	273	226
Addition/(Reversal) of impairment on financial instruments	274	(95)
Net loss on fair value changes	9	-
Loan assets written off	722	418
Provisions no longer required, written back	(1)	(16)
Interest income on investments	(304)	(640)
Operating profit (loss) before working capital changes	1,369	(90)
Adjustment for (increase) / decrease in assets		
New Loan disbursements	(61,294)	(48,936)
Collections from loan portfolio	50,636	42,387
EIR adjustments on loan portfolio	71	99
Other financial assets	(581)	(3)
Other non-financial assets	4	(36)
Adjustment for increase / (decrease) in liabilities		
Trade and Other payables	60	(65)
EIR adjustment for debt securities and borrowings	33	339
Other financial liabilities	(54)	(49)
Other non-financial liabilities	130	(4)
Provisions	4	4
Cash used in operating activities	(9,622)	(6,354)
Income tax paid (net of refund)	(403)	(557)
Net cash used in operating activities	(10,025)	(6,911)
B Cash flow from investing activities		
Purchase of Property, plant and equipment	(3)	(30)
Purchase of intangible assets	(5)	(864)
Change in intangible assets under development	(2)	808
Purchase of investments including EIR adjustment	(462)	(21,188)
Proceeds from sale of investments	6,181	16,782
Interest income from investments	304	640
Redemption of / (Investment) in fixed deposits	149	(150)
Net cash generated from / (used in) investing activities	6,162	(4,002)
C Cash flow from financing activities		
Repayment of debt securities	(3,333)	(1,833)
Proceeds from borrowings (other than debt securities)	16,850	12,496
Repayment of borrowings (other than debt securities)	(9,960)	(4,877)
Increase in loans repayable on demand, net	2,064	734
Principal payment of lease liabilities	(56)	(48)
Net cash generated from financing activities	5,565	6,472
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,702	(4,441)
Cash and cash equivalents at the beginning of the period	772	5,213
Cash and cash equivalents at the end of the year (refer note 4)	2,474	772

Statement of cash flows has been prepared under indirect method as set out in Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Sd/-
Harshita Jain
Company Secretary

Place: Mumbai
Date: 19 May 2023

Place: Hyderabad
Date: 19 May 2023

Caspian Impact Investments Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2023
(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 2021		66,66,121	667
Issued during the year		-	-
As at 31 March 2022		66,66,121	667
Issued during the year		-	-
As at 31 March 2023		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 April 1, 2021	-	163	1,375	10,862	-	3,085	1,169	-	(126)	16,528
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	-	-	-	-	-	-	-	-	-	-
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
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31 March 2022	-	163	1,379	10,862	39	3,062	1,542	-	(228)	16,818
Profit for the year	-	-	-	-	-	336	-	-	-	336
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	(40)	-	(30)	(70)
Transfer to statutory reserve	-	-	67	-	-	(67)	-	-	-	-
Balance as at 31 March 2023	-	163	1,446	10,862	39	3,331	1,502	-	(258)	17,084

Basis of preparation and presentation of financial statements. Note 2
Significant accounting policies and notes to the standalone financial statements. Note 3-49
The notes referred to above 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: 19 May 2023

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

Sd/-

Avishek Gupta
Managing Director
DIN: 09351254

Sd/-

Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 19 May 2023

Sd/-

S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-

Harshita Jain
Company Secretary

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

1 Brief Profile

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 is registered with the Reserve Bank of India ("RBI") as a Systemically important Non-deposit accepting Investment and Credit Company ("NBFC-ICC") and 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 presented in the format prescribed in Division III of Schedule III to the Companies Act, 2013 applicable for Non-Banking financial companies (NBFC's). 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.

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 ("₹") and all amounts in the standalone 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, except per share data and when otherwise indicated.

These standalone financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 19 May 2023.

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.

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

b) Use of estimates (continued)

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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 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 statement of profit and 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 statement of profit and 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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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 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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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 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.

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

4. Cash and cash equivalents

	31 March 2023	31 March 2022
Cash on hand	-	-
Balance with banks:		
In current accounts	2,273	772
In fixed deposits (with original maturity less than 3 months)	201	-
	2,474	772

5. Bank balances other than cash and cash equivalents

	31 March 2023	31 March 2022
Earmarked balance with banks against borrowings	529	678
	529	678

6. Loans

	31 March 2023	31 March 2022
At amortised cost		
Term loans	58,211	48,347
Less: Impairment loss allowance (Refer Note No. 38.A.(b))	(906)	(633)
	57,305	47,714
(A) Out of the above		
Secured*	48,383	44,870
Covered by bank/government guarantee	87	296
Unsecured, considered good	10,025	3,393
	58,495	48,559
<i>Other adjustments</i>		
Unamortized loan origination fee	55	85
Unamortized Guarantee fee	(39)	-
Unamortized loan processing fee	(519)	(477)
Interest Accrued on loan assets net off interest received in advance	219	180
	58,211	48,347
Less: Impairment loss allowance	(906)	(633)
	57,305	47,714

*The loans are secured by hypothecation of book debts and charge on movable/immovable assets. Further, the Loan assets amounting to ₹4,306 (31 March 2022: ₹ 4,420) are additionally covered by bank/government guarantee.

(B) Out of the above

Loans in India		
Public sector	-	-
Others	58,211	48,347
Less: Impairment loss allowance	(906)	(633)
	57,305	47,714
	57,305	47,714
Loans outside India	-	-
	57,305	47,714

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

7. Investments

	31 March 2023	31 March 2022
Debt securities		
Measured at amortised cost		
Nil (31 March 2022: 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
300,000 (31 March 2022: 300,000) 15.00% rated, subordinated, secured, unlisted, redeemable, transferable, non-convertible debentures of ₹100 each fully paid in EZ Vidya Private Limited	113	264
Nil (31 March 2022: 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
70 (31 March 2022: 95) 13.50% rated, subordinated, unsecured, listed, redeemable, taxable, non-convertible debentures of ₹10,00,000 each fully paid in Annapurna Finance Private Limited	710	987
Nil (31 March 2022: 100) 8.40% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in Avanse Financial Services Limited	-	1,048
Nil (31 March 2022: 100) 9.48% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in PNB Housing Finance Limited	-	1,043
Nil (31 March 2022: 100) 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 2022: 6,50,000) 14.25% unrated, Unlisted, secured, redeemable, non-convertible debentures of ₹100 each fully paid in Proklean Technologies Private Limited	541	648
	1,364	7,041
Measured at fair value through OCI		
Equity instruments of other entities		
466,850 (31 March 2022: 466,850) equity shares of ₹10 each fully paid in Sonata Finance Private Limited	847	868
1 (31 March 2022: 1) equity shares of ₹10 each fully paid in EZ Vidya Private Limited	-	-
1 (31 March 2022: 1) equity shares of ₹10 each fully paid in Proklean Technologies Private Limited	-	-
Compulsory Convertible Preference Shares		
4,454 (31 March 2022: 4,454) CCPS of ₹100 each, partly paid at ₹1 each in EZ Vidya Private Limited	-	-
2,245 (31 March 2022: 2,245) CCPS of ₹20 each, partly paid at ₹1 each in Proklean Technologies Private Limited	-	-
	847	868
Investment in subsidiary		
Measured at fair value through OCI		
Bellwether Microfinance Trust	1,221	1,251
672,292 (31 March 2022: 672,292) equity shares of ₹10 each fully paid in Sonata Finance Private Limited	-	-
	1,221	1,251
	3,432	9,160
The company alongwith other shareholders of Sonata Finance Private Limited has entered into agreement dated February 10, 2023, with Kotak Mahindra Bank Limited for sale of investment in Sonata Finance Private Ltd at a sale consideration of Rs.181.45 per share.		
Out of the above		
Investments in India	3,432	9,160
Investments outside India	-	-
	3,432	9,160
Less: Allowance for impairment	-	-
	3,432	9,160

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

8. Other financial assets

Unsecured, considered good

Refundable advances
Security deposits
Other Receivables

	31 March 2023	31 March 2022
	20	20
	44	43
	12	1
	76	64

9. Current tax assets (net)

Advance income tax (net of provision for tax)

	31 March 2023	31 March 2022
	1,787	1,477
	1,787	1,477

Income tax recognised in Statement of profit and loss

Current tax

In respect of current year
In respect of prior years

	31 March 2023	31 March 2022
	-	-
	1	-

Deferred tax

Deferred tax

	31 March 2023	31 March 2022
	59	(3)
	60	(3)

Income tax recognised in Other Comprehensive Income

Deferred tax

Cash flow hedge reserve
Remeasurement of defined employee benefits

	31 March 2023	31 March 2022
	(77)	49
	(4)	(4)
	(81)	45

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

Profit before tax
Enacted income tax rate
Expected income tax expense
Effect of expenses / provisions not deductible in determining taxable profit
Effect of differential tax rate
Effect due to change in taxation laws
Adjustment related to tax of prior years
Others
Reported income tax expense

	31 March 2023	31 March 2022
	396	17
	27.82%	27.82%
	110	5
	347	-
	-	-
	-	-
	1	-
	(398)	(8)
	60	(3)

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

10. Deferred tax assets (net)

	As at 1 April 2021	Charge/ (Credit) to Profit and Loss	Charge/ (Credit) to OCI	MAT (utilisation)/ entitlement	As at 31 March 2022	Charge/ (Credit) to Profit and Loss	Charge/ (Credit) to OCI	MAT (utilisation) / entitlement	As at 31 March 2023
Tax effect of items constituting deferred tax assets/ (liabilities)									
Property, plant and equipment	5	(58)	-	-	(53)	(6)	-	-	(59)
EIR impact on financial instruments measured at amortised cost	(200)	38	-	-	(162)	103	-	-	(59)
Impairment loss allowance	203	(27)	-	-	176	76	-	-	252
Provisions for employee benefits	15	3	-	-	18	1	-	-	19
Fair value of Equity investments	-	(147)	-	-	(147)	16	-	-	(131)
Fair value of hedging instrument	48	-	50	-	98	-	(78)	-	20
Business loss	203	48	-	-	251	(251)	-	-	-
Other Provisions	-	-	-	-	-	24	-	-	24
Lease liability	8	(2)	-	-	6	(3)	-	-	3
	282	(145)	50	-	187	(40)	(78)	-	69
MAT Credit	178	-	-	-	178	-	-	76	254
Net deferred tax assets	460	(145)	50	-	365	(40)	(78)	76	323

11. Property, plant and equipment

	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Right of use asset	Total
As at 1 April 2021	165	72	132	222	591
Additions during the year	-	-	30	-	30
As at 31 March 2022	165	72	162	222	621
Additions during the year	-	1	5	-	6
Disposals during the year	-	-	3	-	3
As at 31 March 2023	165	73	164	222	624
As at 1 April 2021	36	16	61	105	218
Charge for the year	16	7	32	44	99
As at 31 March 2022	52	23	93	149	317
Charge for the year	16	7	33	44	100
Disposals during the year	-	-	2	-	2
As at 31 March 2023	68	30	124	193	415
Net block					
As at 31 March 2022	113	49	69	73	304
As at 31 March 2023	97	43	40	29	209

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 2021	9	1,327
Additions during the year	864	-
As at 31 March 2022	873	1,327
Additions during the year	5	-
As at 31 March 2023	878	1,327
Accumulated Amortization		
Upto 1 April 2021	8	-
Charge for the year	127	-
As at 31 March 2022	135	-
Charge for the year	174	-
As at 31 March 2023	309	-
Net block		
As at 31 March 2022	738	1,327
As at 31 March 2023	569	1,327
Intangible assets under development		
	31 March 2023	31 March 2022
Balance at the beginning of the year	-	808
Additions		
Other expenses till the date of capitalisation	2	32
Capitalized	-	(840)
Balance at the end of the year	2	-

Intangible assets under development ageing schedule as at 31 March 2023

Projects in progress	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Database for Quick Loans	2	-	-	-	2

13. Other non-financial assets

	31 March 2023	31 March 2022
Prepaid expenses	41	35
Balances with government authorities	448	452
Others	6	12
	495	499

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

14. Trade payables

- (i) total outstanding dues of micro enterprises and small enterprises
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises less than one year

	31 March 2023	31 March 2022
(i)	-	-
(ii)	41	33
	41	33

Based on information available with the Company, as at the reporting date, Trade Payables includes ₹ Nil (Previous Years: ₹ Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act.

Trade Payable ageing Schedule

31 March 2023	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
MSME	-	-	-	-	-
Others	41	-	-	-	41
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

31 March 2022	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
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.

15. Other payables

- (i) total outstanding dues of micro enterprises and small enterprises
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises less than one year

	31 March 2023	31 March 2022
(i)	41	10
(ii)	24	3
	65	13

Based on information available with the Company, as at the reporting date, Other Payables includes ₹ 41 (Previous Years: ₹ 10) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act.

Other payables ageing Schedule

31 March 2023	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
MSME	41	-	-	-	41
Others	24	-	-	-	24
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

31 March 2022	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
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.

Caspian Impact Investments Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

16. Debt securities

	31 March 2023	31 March 2022
At amortised cost		
Secured		
Rated, listed, redeemable, transferable Non-Convertible Debentures (NCD)	2,027	4,928
Rated, unlisted, redeemable, transferable Non-Convertible Debentures (NCD)	-	501
	2,027	5,429
Out of above		
Debt securities in India	2,027	5,429
Debt securities outside India	-	-
	2,027	5,429

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 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable in instalments (quarterly)				
0 - 1 Years	10.56% - 11.50%	417	10.56% - 11.50%	1,333
1 - 3 Years	10.56% - 11.50%	-	10.56% - 11.50%	417
Repayable on maturity (bullet)				
0 - 1 Years	11.50%	1,500	10.50%	2,000
1 - 3 Years	11.50%	-	11.50%	1,500
		1,917		5,250
Interest accrued, but not due on debt securities		122		216
Impact of EIR		(12)		(37)
		2,027		5,429

Non Convertible Debentures - Secured - Instrument Wise Details

Description of security	Coupon/ Yield	31 March 2023	31 March 2022
10.56% Secured Rated, Listed, Redeemable Non-Convertible Debentures. Maturity Date - 30/07/2023 (INE059K07055)	10.56%	417	1,250
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
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
		1,917	5,250

17. Borrowings (other than Debt securities)
At amortised cost

	31 March 2023	31 March 2022
a) Term loans		
i. Secured		
from Banks	6,974	6,221
from Others	13,920	8,439
from External Commercial Borrowings (ECB)	17,695	17,033
	38,589	31,693
ii. Unsecured		
from External Commercial Borrowings (ECB)	5,556	5,509
	5,556	5,509
b) Loans repayable on demand		
i. Secured		
Cash credit facilities and working capital demand loan from Banks	4,407	2,295
	4,407	2,295
	48,552	39,497
Out of the above		
Borrowings in India	25,301	16,955
Borrowings outside India	23,251	22,542
	48,552	39,497

Notes:

- 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 ₹ 529 (31 March 2022: ₹678) have been lien marked towards term loans from banks and financial institutions.
- Cash credit facilities from banks are secured by way of exclusive charge on loan receivables which are standard.
- As at March 31, 2023, the company has undrawn committed borrowing facilities of ₹144 (31 March 2022: ₹704)

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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

A) Terms of repayment of borrowings

a) Details of term loans from banks (Secured)

	31 March 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable on maturity (bullet)				
Maturing within 1 year	11.25%	-	11.25%	1,500
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.00%-12.85%	1,448	9.00%-11.15%	1,183
Maturing between 1 to 3 years	9.00%-12.85%	691	9.00%-11.15%	248
ii. Quarterly instalments				
Maturing within 1 year	10.60%-11.90%	2,748	10.50%-11.50%	1,667
Maturing between 1 to 3 years	10.60%-11.90%	2,125	10.50%-11.50%	1,666
		7,012		6,264
Less: Impact of EIR		(56)		(44)
Add: Interest accrued but not due on borrowings		18		1
		6,974		6,221

b) Details of term loans from others (Secured)

	31 March 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.75%-12.10%	5,570	9.75%-11.50%	2,524
Maturing between 1 to 3 years	9.75%-12.10%	4,574	9.75%-11.50%	3,814
ii. Quarterly instalments				
Maturing within 1 year	11.25%-12.40%	1,936	11.25%-12.40%	1,260
Maturing between 1 to 3 years	11.25%-12.40%	1,889	11.25%-12.40%	873
		13,969		8,471
Less: Impact of EIR		(94)		(65)
Add: Interest accrued but not due on borrowings		45		33
		13,920		8,439

c) Details of ECB (Secured)

	31 March 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable on maturity (bullet)				
Maturing within 1 year	9.59% - 9.65%	8,241	-	-
Maturing between 1 to 3 years	9.59% - 9.65%	-	9.59% - 9.65%	7,598
Maturing between 3 to 5 years	10.00%	5,499	-	-
Maturing between 5 to 10 years	9.58%	3,800	9.58% - 10.00%	9,300
		17,540		16,898
Less: Impact of EIR		(333)		(445)
Add: Interest accrued but not due on borrowings		488		580
		17,695		17,033

d) Details of ECB (Unsecured)

	31 March 2023		31 March 2022	
	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		(333)		(380)
Add: Interest accrued but not due on borrowings		163		163
		5,556		5,509

e) Cash credit facilities from banks (Secured)

From the Balance Sheet date	31-Mar-23		31-Mar-22	
	Interest range	Amount	Interest range	Amount
Repayable on demand				
Maturing within 1 year	9.50%-11.85%	4,409	9.65%-10.00%	2,345
Total		4,409		2,345
Add: Interest accrued but not due on borrowings		1		-
Less: Unamortised finance cost		(3)		(50)
Total amortised cost		4,407		2,295

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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

B) Lease liabilities

	31 March 2023	31 March 2022
Lease liabilities	40	96
	40	96

The movement in lease liabilities during the year ended 31 March 2023 and 31 March 2022 is as follows:

	31 March 2023	31 March 2022
Opening balance	96	145
Additions during the year	-	-
Finance cost accrued during the year	7	12
Payment of lease liabilities	(63)	(61)
Closing balance	40	96

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

	31 March 2023	31 March 2022
Less than one year	41	64
One to three years	-	41
	41	105

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

	31 March 2023	31 March 2022
Depreciation expense of right-of-use assets	44	44
Interest expense on lease liabilities	7	12
Total amount recognized in profit or loss	51	56

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 01 April 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
Cash flows:			
Proceeds	-	18,915	18,915
Repayment	(3,333)	(10,669)	(14,002)
Interest paid during the year	(585)	(5,712)	(6,297)
Non cash:			
Interest Accrued During the year	491	5,658	6,149
Amortisation of upfront fees	25	165	190
Forex loss/(gain) on ECB	-	642	642
As at 31 March 2023	2,027	48,592	50,619

18. Other financial liabilities

	31 March 2023	31 March 2022
Expenses payable	359	300
Other	17	10
	376	310

19. Provisions

	31 March 2023	31 March 2022
Provision for employee benefits		
Leave encashment	45	43
Gratuity	24	20
	69	63

20. Other non-financial liabilities

	31 March 2023	31 March 2022
Statutory dues payable	89	52
Others	87	-
	176	52

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

21. Equity Share Capital

	31 March 2023		31 March 2022	
	Number	Amount	Number	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 2023		31 March 2022	
	Number	Amount	Number	Amount
Equity shares of ₹10 each				
Balance at the beginning of the period	66,66,121	667	66,66,121	667
Add: Issued during the period	-	-	-	-
Balance at the end of the period	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 2023		31 March 2022	
	Number	%	Number	%
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	9,02,569	13.54%	8,95,164	13.43%
Prasad Family Private Trust	3,46,113	5.19%	3,46,113	5.19%

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) Shareholding of Promoters

Promoter name	Shares held by promoters at the end of the year 31 March 2023		
	No. of Shares	% of total shares	% Change during the year
Caspian Impact Investment Adviser Private Limited	9,02,569	13.54%	0.11%
Prasad Family Private Trust	3,46,113	5.19%	0.00%

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%

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

22. Other equity

	31 March 2023	31 March 2022
Reserve fund	-	-
Statutory reserve	1,446	1,379
Securities premium	10,862	10,862
Capital redemption reserve	163	163
Impairment reserve	39	39
Retained earnings	3,331	3,062
Other comprehensive income	-	-
FVTOCI on equity instruments	1,502	1,542
Cashflow hedge reserve	(258)	(228)
	17,084	16,818

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.

Retained earnings

Retained earnings represents the cumulative surplus in Profit and Loss Account net of appropriations.

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, ₹ 39 has been transferred to impairment reserve.

Other comprehensive income

Reserve represents changes in fair valuations of equity instruments, derivative contracts measured at FVOCI and Remeasurement gain/loss on defined benefit plans

23. Interest income

	Year ended 31 March 2023	Year ended 31 March 2022
On financial instruments measured at amortised cost		
Interest income on loans	8,005	5,929
Interest income on fixed deposits with banks	56	124
Interest income on investments	304	640
	8,365	6,693

24. Fees and commission income

	Year ended 31 March 2023	Year ended 31 March 2022
Consultancy and guarantee fees	26	4
	26	4

25. Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Provision no longer required, written back	1	16
Interest income on income tax refunds	70	-
Profit on sale of Investment	-	67
Others	-	5
	71	88

26. Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
On financial liabilities measured at amortised cost		
Interest expense on debt securities	322	700
Interest expense on borrowings	4,314	3,559
Other borrowing costs	206	161
	4,842	4,420

27. Impairment / (reversal of impairment) on financial instruments**On financial instruments measured at amortised cost**

	Year ended 31 March 2023	Year ended 31 March 2022
Impairment of loans	274	(95)
Bad debts written off	794	418
Bad debts recovered	(472)	(101)
	596	222

Movement in impairment loss allowance

Balance at beginning of the year	633	728
Add: Impairment of loans	1,094	354
Less: Reversal of impairment provision	(821)	(449)
Balance at end of the period	906	633

28. Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	981	859
Contribution to provident fund and other funds	57	50
Gratuity expense	15	11
Staff welfare expenses	27	23
	1,080	943

29. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	36	24
Power & fuel	13	7
Rates and taxes	114	14
Office maintenance	37	33
Postage and telecommunications	18	16
Meeting expenses	11	3
Printing & stationery	4	3
Business development expenses	20	17
Directors sitting fee and remuneration	64	28
Payment to auditors (refer note (i) below)	35	31
Legal and professional charges	223	237
Insurance	22	19
Contribution towards corporate social responsibility (refer note (ii) below)	5	10
Technology expenses	267	194
Membership fee	-	26
Bank charges	5	9
Travel, boarding and conveyance expense	65	18
Miscellaneous expenses	1	3
	940	692

(i) Details of payments to auditors

	Year ended 31 March 2023	Year ended 31 March 2022
As auditor		
- Statutory audit fee	18	19
- Tax audit fee	2	-
- Limited review fee	13	9
- Certification fees	2	3
- Reimbursement of expenses	-	-
	35	31

(ii) Corporate social responsibility (CSR)

	Year ended 31 March 2023	Year ended 31 March 2022
Amount required to be spent	5	10
Amount spent during the year on purposes other than construction/acquisition of any asset	5	10
Unspent amount if any	-	-

Nature of CSR activities,

Financial support to 52 underprivileged children as a part of the Academic Adoption Program through Parinaam Foundation

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

30. Earnings per equity share (EPES)

	31 March 2023	31 March 2022
a) Profit attributable to equity shareholders	336	20
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	66,66,121
Add: Effect of potential dilutive shares	-	-
Weighted average number of equity shares considered for diluted EPES	66,66,121	66,66,121
c) Earnings per equity share (EPES)		
Basic (₹)	5.04	0.30
Diluted (₹)	5.04	0.30

31. There are no contingent liabilities outstanding as at the reporting date. (31 March 2022: ₹ Nil)

32. Commitments

	31 March 2023	31 March 2022
Capital commitments (Net of capital advances)	2	-
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	97
Outstanding corporate guarantee	93	267
	237	409

33. Retirement and other employee benefits

a) Defined contribution plan

For the period ended 31 March 2023, amount recognised as an expense towards contribution to provident fund aggregates to ₹56.47 (31 March 2022: ₹49.64) and towards employee state insurance scheme aggregates to ₹0.08 (31 March 2022: ₹0.07).

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 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
Interest cost/(gain)	2	-	2
Current service cost	13	-	13
Total amount recognised in statement of profit and loss	15	-	15
Remeasurements			
Actuarial loss on obligation	4	-	4
Total amount recognised in other comprehensive income	4	-	4
Contribution to plan assets	-	(15)	(15)
Acquisition/Business Combination/Divestiture	-	-	-
As at 31 March 2023	78	(54)	24

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

33. Retirement and other employee benefits (continued)

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

	31 March 2023	31 March 2022
Present value of obligations	78	59
Fair value of plan assets	(54)	(39)
Deficit of funded plan	24	20

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

	31 March 2023	31 March 2022
Retirement age	60 years	60 years
Salary Escalation Rate	11.00%	7.00%
Discount rate	7.26%	6.90%
Attrition rate	32.79%	18.35%
Mortality table	IALM (2012-14) Ultimate	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 2023		31 March 2022	
		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)	2	(2)	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 2023	31 March 2022
Expected total contribution	24	20
Expected future benefit payments in the following years		
1st following year	12	5
2nd following year	13	6
3rd following year	12	7
4th following year	10	7
5th following year	8	7
Sum of 6th to 10th following year	20	24

- (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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

34. Disclosure of related parties/related party transactions pursuant to Ind AS 24 "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	
Avishek Gupta	Managing Director
Vishwanath Muniganti	Chief Financial Officer
Harshita Jain	Company Secretary
Directors	
Viswanatha Prasad Subbaraman	Non - Executive Director & Chairman
Mahesh Kanumury	Non - Executive Director
Paul Dileo	Nominee Director (Withdrawn on 14 February 2023)
Narayan Ramachandran	Independent Director
Praseeda Kunam	Independent Director
Shailendra Kumar Joshi	Independent Director
Karel Gerardus Nierop	Nominee Director
Ranganathan Varadarajan Dilip Kumar	Nominee Director

(b) Transactions with related parties

	31 March 2023	31 March 2022
CIIAPL		
Investment advisory fee	159	255
S. Viswanatha Prasad		
Sitting fees and remuneration	12	2
Avishek Gupta		
Salary and post other benefits*	87	20
Vishwanath Muniganti		
Salary and post other benefits*	35	11
Harshita Jain		
Salary and post other benefits*	2	-
Sitting fees and remuneration to directors		
Mahesh Kanumury	11	6
Paul Dileo	10	5
Mathew Titus #	-	1
Narayan Ramachandran	11	5
Praseeda Kunam	10	5
Shailendra Kumar Joshi	11	5

* Short term and post retirement benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.

Independent Director retired on 01 July 2021

(c) Balances receivable/(payable):

	31 March 2023	31 March 2022
Caspian Impact Investment Adviser Private Limited	(41)	(33)
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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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.

	31 March 2023	31 March 2022
Gearing Ratio		
Debt securities	2,027	5,429
Borrowings (other than debt securities)	48,552	39,497
Net debt	50,579	44,926
Total equity	17,751	17,485
Net debt to equity ratio	2.85	2.57

37. Financial instruments and fair value disclosures

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

	Fair Value Hierarchy	Fair value through profit and loss	Amortised cost	Fair value through OCI	Total	Fair value
As at 31 March 2023						
Financial assets						
Cash and cash equivalents		-	2,474	-	2,474	2,474
Bank balances other than above		-	529	-	529	529
Derivative financial Instruments	Level 1	-	-	569	569	569
Loans		-	57,305	-	57,305	57,305
Investments	Level 2	-	1,365	2,067	3,432	3,432
Other financial assets		-	76	-	76	76
		-	61,749	2,636	64,385	64,385
Financial liabilities						
Trade payables		-	41	-	41	41
Other payables		-	65	-	65	65
Debt securities		-	2,027	-	2,027	2,027
Borrowings (other than debt securities)		-	48,552	-	48,552	48,552
Lease liabilities		-	40	-	40	40
Other financial liabilities		-	376	-	376	376
		-	51,101	-	51,101	51,101
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	Level 3	-	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	Level 1	-	-	120	120	120
Trade payables		-	33	-	33	33
Other payables		-	13	-	13	13
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
		-	45,378	120	45,498	45,498

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.

Caspian Impact Investments Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

37. Financial instruments and fair value disclosures (Continued)

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.

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 2023 and 31 March 2022:

	Unlisted equity securities	Total
As at 1 April 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
Loss recognized in other comprehensive income	52	52
Disposals during the year	-	-
Transferred to Level-2	2,067	2,067
As at 31 March 2023	-	-

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.

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, Derivative financial Instruments, 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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Cash and cash equivalents	2,474	772	-	-	-	-
Bank balances other than above	529	678	-	-	-	-
Derivative financial Instruments	569	-	-	-	-	-
Loans	56,679	45,820	787	1,094	745	1,433
Investments	3,432	9,160	-	-	-	-
Other financial assets	76	64	-	-	-	-

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

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
31 March 2023				
Cash and cash equivalents	2,474	0%	-	2,474
Bank balances other than above	529	0%	-	529
Derivative financial Instruments	569	0%	-	569
Other financial assets	76	0%	-	76
31 March 2022				
Cash and cash equivalents	772	0%	-	772
Bank balances other than above	678	0%	-	678
Other financial assets	64	0%	-	64

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.

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 unlikelihood 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
31 March 2023			
Gross carrying amount of loan assets	56,679	787	745
Gross carrying amount	56,679	787	745
Less: impairment allowance	(203)	(41)	(662)
Carrying amount	56,476	746	83
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 2023, loans amounting to ₹677 (31 March 2022: ₹1,027) 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 .

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

A) Credit risk (continued)

b) Expected credit losses (continued)

A.3 Credit risk exposure for investments

	Stage 1	
	31 March 2023	31 March 2022
Gross carrying amount	3,432	9,160
Loss allowance	-	-
Carrying amount	3,432	9,160

A.4 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 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
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(2)	2	-	-
Transfer to Lifetime ECL credit impaired	(28)	(234)	262	-
Net remeasurement of loss allowance	(7)	199	258	450
New financial assets originated or purchased	113	3	19	135
Financial assets that have been derecognised/ repaid	(61)	(14)	(237)	(312)
Balance as at 31 March 2023	203	41	662	906

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 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
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(53)	53	-	-
Transfer to Lifetime ECL credit impaired	(57)	(234)	291	-
New financial assets originated or purchased	35,100	58	72	35,230
Financial assets that have been derecognised/ repaid	(24,131)	(184)	(1,051)	(25,366)
Balance as at 31 March 2023	56,679	787	745	58,211

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

A) Credit risk (continued)

b) Expected credit losses (continued)

A.5 Concentration of credit risk

The maximum credit exposure to any individual client or counterparty as of 31 March 2023 was ₹1,867 (31 March 2022: ₹ 1,971)

A.6 Write off policy

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

The outstanding contractual amounts of such assets written off during the period ended 31 March 2023 was ₹ 794 (31 March 2022: ₹ 418). The Company still seeks to recover amounts it is legally owed in full, but have been written off due to no reasonable expectation of 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 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	41	-	-	-	41
Other payables	65	-	-	-	65
Interest accrued on borrowings	836	-	-	-	836
Debt securities	1,917	-	-	-	1,917
Borrowings (other than debt securities)	24,352	9,279	5,499	9,526	48,656
Lease liabilities	40	-	-	-	40
Other financial liabilities	376	-	-	-	376
	27,627	9,279	5,499	9,526	51,931

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	-	-	97
Other financial liabilities	310	-	-	-	310
	15,218	16,156	-	15,026	46,400

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 its ECB exposure (Principal and Coupon). The Company hedges its entire USD 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 2023	31 March 2022
Hedged		
ECB denominated in USD	8,241	7,598
Unhedged		
Other payables in USD	3	1

38 Disclosure pursuant to Ind AS 107 "Financial Instruments - Disclosures" : Financial risk management (continued)**C) Market Risk (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 2023	31 March 2022
	INR USD CCIRS	INR USD CCIRS
Notional amount	7,395	7,395
Carrying amount of hedging instrument asset	569	-
Carrying amount of hedging instrument liability	-	120

(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 2023		31 March 2022	
	Loans	Borrowings	Loans	Borrowings
Variable rate	18,376	12,563	3,929	6,052
Fixed rate	40,119	38,010	44,630	38,902
	58,495	50,573	48,559	44,954

Sensitivity analysis

	31 March 2023		31 March 2022	
	Loans	Borrowings	Loans	Borrowings
Interest sensitivity*				
Interest rates - increase by 100 basis points	184	126	39	61
Interest rates - decrease by 100 basis points	(184)	(126)	(39)	(61)

* 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 ₹2,067 (31 March 2022: ₹2,119).

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

	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,474	-	2,474	772	-	772
Bank balances other than cash and cash equivalents	306	223	529	412	266	678
Derivative financial Instruments	569	-	569	-	-	-
Loans	36,289	21,016	57,305	27,091	20,623	47,714
Investments	1,184	2,248	3,432	3,260	5,900	9,160
Other financial assets	56	20	76	-	64	64
	40,878	23,507	64,385	31,535	26,853	58,388
Non-financial assets						
Current tax assets (net)	-	1,787	1,787	-	1,477	1,477
Deferred tax assets (net)	-	323	323	-	365	365
Property, plant and equipment	-	209	209	-	304	304
Intangible assets under development	-	2	2	-	-	0
Goodwill	-	1,327	1,327	-	1,327	1,327
Other intangible assets	-	569	569	-	738	738
Other non-financial assets	47	448	495	47	452	499
	47	4,665	4,712	47	4,663	4,710
Liabilities and Equity						
Liabilities						
Financial liabilities						
Derivative financial Instruments	-	-	-	-	120	120
Trade payables	41	-	41	33	-	33
Other payables	65	-	65	13	-	13
Debt securities	2,027	-	2,027	3,526	1,903	5,429
Borrowings (other than debt securities)	24,624	23,928	48,552	10,997	28,500	39,497
Lease liabilities	40	-	40	56	40	96
Other financial liabilities	376	-	376	310	-	310
	27,173	23,928	51,101	14,935	30,563	45,498
Non-financial liabilities						
Provisions	-	69	69	14	49	63
Other non-financial liabilities	-	176	176	52	-	52
	-	245	245	66	49	115

Classification of assets & liability 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 Deposits

Not Applicable as the Company is a Non-Deposit Taking NBFC

ii) Funding concentration based on significant counterparty on borrowings

	31 March 2023	31 March 2022
Number of significant counterparties	14	17
Amount of borrowed funds from significant counterparties	49,600	44,927
Percentage of total deposits	NA	NA
Percentage of total liabilities	97%	98%

Notes:

a) 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.

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

iii) Top 20 large deposits - Not applicable

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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)

iv) Top 10 borrowings

	31 March 2023	31 March 2022
Amount of borrowed funds from top ten significant counterparties	45,862	39,706
% of total borrowings	91%	88%

v) Funding Concentration based on significant instrument / product

	31 March 2023		31 March 2022	
	Amount	% of total liabilities	Amount	% of total liabilities
Non convertible debentures	2,027	3.95%	5,429	11.90%
Term loans	20,894	40.69%	14,660	32.14%
External commercial borrowings	23,251	45.28%	22,542	49.42%
CC/OD/WCDL Limit	4,407	8.58%	2,295	5.03%

Note:

Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1%

vi) Stock ratios percentage

	31 March 2023	31 March 2022
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	52.92%	32.89%
Other short-term liabilities as % of total assets	39.33%	23.77%
Other short-term liabilities as % of public fund	53.72%	33.39%

vii) 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

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 by time to time) issued by the RBI

A Capital to Risk Asset Ratio ('CRAR')

	31 March 2023	31 March 2022
CRAR (percent)	35.30%	37.21%
CRAR - Tier I Capital (percent)	24.23%	25.19%
CRAR - Tier II Capital (percent)	11.07%	12.02%
Amount of subordinated debt raised as Tier-II capital	5,726	5,726
Amount raised by issue of perpetual debt instruments	-	-

B Investments

	31 March 2023	31 March 2022
Value of Investments		
(i) Gross value of investments		
(a) In India	3,432	9,160
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	3,432	9,160
(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 period	-	-
(iv) Closing Balance	-	-

C Derivatives

(i) Forward Rate Agreement / Interest Rate Swap

	31 March 2023	31 March 2022
(a) The notional principal of swap agreements	7,395	7,395
(b) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(c) Collateral required by the applicable NBFC upon entering into swaps	-	-
(d) Concentration of credit risk arising from the swaps	-	-
(e) The fair value of the swap book	569	(120)

(ii) The Company has not traded in exchange traded interest rate derivative during the year ended 31 March 2023. (31 March 2022 : Nil)

(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 2023	31 March 2022
(1) Derivatives (notional principal amount) for hedging	7,395	7,395
(2) Marked to market positions		
(a) Asset	569	-
(b) Liability	-	120
(3) Credit exposure	-	-
(4) Unhedged exposures	-	-

D Disclosures relating to Securitisation

(i) Outstanding amount of securitised assets as per books of the SPVs

The Company has not entered into securitisation transactions during the year ended 31 March 2023 (31 March 2022 : Nil)

(ii) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

The Company has not sold financial assets to securitisation/reconstruction companies for asset reconstruction during the year ended 31 March 2023 (31 March 2022 : Nil)

(iii) Assignment

The Company has not undertaken any assignment transactions during the current year.

(iv) Details of non-performing financial assets purchased / sold

The Company has not purchased / sold non-performing financial assets in the current year.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 by time to time) issued by the RBI (continued)

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

	31 March 2023			
	Assets		Liabilities	
	Advances	Investments	Borrowings	Foreign currency liabilities
1 day to 7 days	-	-	288	-
8 day to 14 days	411	-	-	-
15 day to 30/31 days (one month)	2,984	40	712	-
Over 1 month to 2 months	4,220	40	785	-
Over 2 months upto 3 months	3,225	40	1,216	-
Over 3 months to 6 months	8,555	861	4,682	-
Over 6 months to 1 year	17,085	200	11,150	7,443
Over 1 year to 3 years	20,746	2,284	9,312	-
Over 3 years to 5 years	888	-	5,499	-
Over 5 years	381	-	9,526	-
	58,495	3,465	43,170	7,443
	31 March 2022			
	Assets		Liabilities	
	Advances	Investments	Borrowings	Foreign currency liabilities
1 day to 7 days	66	-	215	-
8 day to 14 days	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	-
	48,558	7,405	37,608	7,443

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

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

(b) Commercial real estate lending secured by mortgages on commercial real estates

(c) Investments in Mortgage Backed Securities and other securitised exposures

(i) Residential

(ii) Commercial real estate

Indirect Exposure

Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies

	31 March 2023	31 March 2022
	-	-
	-	-
	-	-
	-	-
	1,221	2,382

(ii) Exposure to capital market

The Company does not have any capital market exposure as at 31 March 2023. (31 March 2022 : Nil)

(iii) Details of financing of Parent Company Products

The Company does not have any financing of Parent Company products during the current year (31 March 2022 : Nil)

(iv) Details of Single Borrower Limit / Group Borrower Limit exceeded

The Company has not exceeded the prudential exposure limits during the current year

(v) The Company has not granted loan against gold or jewellery

(vi) 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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 by time to time) issued by the RBI (continued)

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
- (c) Securities and Exchange Board of India (SEBI)

H Disclosure of penalties imposed by RBI and other regulators

There were no penalties imposed on the Company by RBI or any other regulator during the current financial year and preceding financial year

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/Positive	Nil
Non-Convertible Debentures	Brickwork Ratings	BBB/Stable	Nil
Bank/Long-term facilities	ICRA Limited ("ICRA")	BBB/Positive	Nil
Short-term facilities	ICRA Limited ("ICRA")	A2	Nil

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 2023	31 March 2022
Provision for income tax	60	-
Provision for compensated absences	6	7
Provision for Standard Assets	-	-
Provision towards NPA	274	-
Provision for gratuity	15	11

L Draw down from reserves

There has been no draw down from reserves during the period ended 31 March 2023. (31 March 2022 : Nil)

M Concentration of advances, exposures and NPAs

i. Concentration of advances

	31 March 2023	31 March 2022
Total advances to twenty largest borrowers	22,387	26,722
Percentage of advances to twenty largest borrowers to total advances of the NBFC	38.27%	48.22%

ii. Concentration of exposures

	31 March 2023	31 March 2022
Total exposures to twenty largest borrowers/customers	22,476	26,722
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	38.28%	47.99%

iii. Concentration of exposures

	31 March 2023	31 March 2022
Total exposures to top four NPA accounts	656	1,433

iv. Sector-wise NPAs

	% of gross NPAs to total advances in that sector	
	31 March 2023	31 March 2022
Agriculture & allied activities	-	-
MSME	0.12%	-
Corporate borrowers	-	-
Services	1.12%	2.59%
Unsecured personal loans	-	-
Auto Loans	-	-
Other personal loans	-	-

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 by time to time) issued by the RBI (continued)

M Concentration of advances, exposures and NPAs (continued)

v. Movement of NPAs

	31 March 2023	31 March 2022
a) Net NPAs to Net Advances (%)	0.14%	1.94%
b) Movement of NPAs (Gross)		
Opening balance	1,433	2,163
Additions during the year	363	778
Reductions during the year	(257)	(1,090)
Write-off during the year	(794)	(418)
Closing balance	745	1,433
c) Movement of Net NPAs		
Opening balance	1,072	1,661
Additions during the year	-	580
Reductions during the year	(989)	(1,169)
Closing balance	83	1,072
d) Movement of provisions for NPAs (excluding provision on standard assets)		
Opening balance	360	502
Provisions made during the year	539	198
Write-off during the year	(237)	(96)
Write-back of excess provisions	-	(244)
Closing balance	662	360

vi. Overseas assets

The Company does not have any overseas assets as at 31 March 2023. (31 March 2022 : Nil)

vii. Off-balance sheet SPVs sponsored

The Company does not have any off-balance sheet SPVs sponsored as at 31 March 2023. (31 March 2022 : Nil)

N Disclosure of Customer complaints

	31 March 2023	31 March 2022
Complaints received by the NBFC from its customers		
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	2	-
No. of complaints redressed during the year	2	-
No. of complaints Rejected during the year	-	-
No. of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
No. of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
No. of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
No. of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
No. of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
No. of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received from customers

Grounds of complaints, (i.e.complaints relating to)	No. of complaints pending at the beginning of the year	No. of complaints received during the year	Increase/decrease (%) in the No.of complaints received over the previous year	No.of complaints pending at the end of the year	Of 5, No.of complaints pending beyond 30 days
1	2	3	4	5	6
FY 2022-23					
Loans and Advances	-	1	100%	-	-
Others	-	1	100%	-	-
FY 2021-22					
	-	-	-	-	-

O Net Profit or loss for the period, prior period items and change in accounting policies

There are no such material items which requires disclosures in the Note to Accounts in terms of relevant accounting standards

P Revenue Recognition

Refer Note no. 3-C under Summary of Significant Accounting Policies

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 2023						
Performing Assets						
Standard	Stage 1	56,679	203	56,476	233	(30)
	Stage 2	787	41	746	71	(30)
		57,466	244	57,222	304	(60)
Non-Performing Assets (NPA)						
Substandard	Stage 3	465	382	83	47	335
		465	382	83	47	335
Doubtful asset	Up to 1 year	280	280	-	280	-
	1 to 3 years	-	-	-	-	-
	More than 3 years	-	-	-	-	-
		280	280	-	280	-
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	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
		-	-	-	-	-
Total	Stage 1	56,679	203	56,476	233	(30)
	Stage 2	787	41	746	71	(30)
	Stage 3	745	662	83	327	335
		58,211	906	57,305	631	275
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	248	685	181	67
		933	248	685	181	67
Doubtful asset	Up to 1 year	-	-	-	-	-
	1 to 3 years	500	112	388	175	(63)
	More than 3 years	-	-	-	-	-
		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
Total	Stage 1	46,087	188	45,899	213	(25)
	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)

Notes:

1) Refer note 38(A)(b)(A.2) 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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

42. Additional RBI disclosure (continued)

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

S No.	Type of Restructuring Asset Classification Details	Under MSME Debt Restructuring Mechanism			Others			Total			
		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 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
2	Fresh restructuring during the year	No. of borrowers	-	-	-	1	-	1	1	-	1
		Amount outstanding	-	-	-	25	-	25	25	-	25
		Provision thereon	-	-	-	2	-	2	2	-	2
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	2	-	2	1	-	1	3	-	3
		Amount outstanding	120	-	120	195	-	195	315	-	315
		Provision thereon	96	-	96	180	-	180	276	-	276
6	Write-offs / settlements / recoveries of restructured accounts during the year #	No. of borrowers	-	-	-	-	-	-	-	-	-
		Amount outstanding	167	-	167	-	-	-	167	-	167
		Provision thereon	28	-	28	-	-	-	28	-	28
7	Restructured Accounts as on 31 March 2023	No. of borrowers	9	-	9	2	-	2	11	-	11
		Amount outstanding	772	-	772	220	-	220	992	-	992
		Provision thereon	154	-	154	197	-	197	351	-	351
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	275
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

* 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.

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

The Company has reported two fraud instances amounting to Rs. 650.35 lakhs (Net of recovery) during year ended March 31, 2023 (during the year ended March 31, 2022: Nil).

Caspian Impact Investments Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

42. Additional RBI disclosure (continued)

(E) Details of resolution plan implemented under the resolution framework for COVID 19 related stress as per RBI Circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) are as given below:

31 March 2023

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at September 30, 2022#(A)	Of(A), aggregate debt that slipped into NPA during the half year ended March 31, 2023	Of(A), amount written off during the half year ended March 31, 2023	Of(A), amount paid by the borrowers during the half year ended March 31, 2023	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2023#
Personal	-	-	-	-	-
Corporate Persons*	807	39	-	116	691
- of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	807	39	-	116	691

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

(F)

- (a) The Company has not transferred or acquired, any loans not in default during the year ended March 31, 2023 and March 31, 2022.
(b) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2023 and March 31, 2022.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

42. Additional RBI disclosure (continued)

(G) Disclosures as required under Circular DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): Revised Regulatory Framework for NBFCs

Loans to Directors, Senior Officers and relatives of Directors

	31 March 2023	31 March 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

(H) Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): Revised Regulatory Framework for NBFCs

1 Exposure

1.1 Exposure to Real Estate

Refer Note No. 41-F(i)

1.2 Exposure to Capital Market

Refer Note No. 41-F(ii)

1.3 Sectoral Exposure

Sector	31 March 2023			31 March 2022		
	Total Exposure	Gross NPA	% of Gross NPA to Total Exposure	Total Exposure	Gross NPA	% of Gross NPA to Total Exposure
1. Agriculture and Allied Activities	7,354	-	-	7,554	-	-
2. Industry	9,579	72	0.75%	4,184	-	-
2.1 MSME	8,358	72	0.86%	1,802	-	-
2.2 Real Estate	1,221	-	-	2,382	-	-
2.3 Others	-	-	-	-	-	-
3. Services	43,009	673	1.56%	43,843	1,432	3.27%
3.1 Financial Services	30,901	195	0.63%	34,791	650	1.87%
3.1 Health Care	3,112	-	0.00%	1,870	154	8.24%
3.2 Clean Energy & Energy Efficiency	3,685	157	4.26%	3,265	128	3.92%
3.3 Others	5,311	321	6.04%	3,917	500	12.76%
4. Personal Loans	-	-	-	-	-	-
5. Others	-	-	-	-	-	-
Total	59,942	745	1.24%	55,581	1,432	2.58%

Note: Total Exposure Includes on balance sheet and off-balance sheet exposure of loans and investments

1.4 Intra Group Exposure

The company does not have any Intra Group Exposure during the current year & previous year

1.5 Unhedged Foreign Currency Exposure

Refer Note No. 38-C(i)

42. Additional RBI disclosure (continued)

(H) Disclosures as required under circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Scale Based Regulation (SBR): Revised Regulatory Framework for NBFCs (continued)

2 Related Party Disclosure

For FY 2022-23

Nature of transaction	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personne		Relatives of Key Management personnel		Others*		Total	
	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	20	20	20	20
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fee and commissiom	-	-	-	-	-	-	-	-	-	-	159		159	-

For FY 2021-22

Nature of transaction	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personne		Relatives of Key Management personnel		Others*		Total	
	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max	As on date / for the year	Max
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	20	20	20	20
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fee and commissiom	-	-	-	-	-	-	-	-	-	-	225		225	-

3 Disclosure of Complaints

Refer Note No. 41-N

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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	2,027	-
Unsecured	-	-
(b) Deferred credits	-	-
(c) Term loans (secured)	20,894	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public Deposits	-	-
(g) Cash credit facilities and working capital demand loan from Banks	4,407	-
(h) Lease liability	40	-
(i) External Commercial Borrowings (ECB)		
Secured	17,695	-
Unsecured	5,556	-
	50,619	-

Assets side:	Amount outstanding
b. Break-up of loans and advances:	
(a) Secured	48,383
(b) Unsecured	10,112
	58,495
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)	-

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 (continued)

Long term investments	
1. Quoted	
(i) Shares :	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	710
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted	
(i) Shares :	
(a) Equity	847
(b) Preference	-
(ii) Debentures and Bonds	654
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Trust)	1,221

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

Category	Amount (standard assets net of provisions)		
	Secured	Unsecured	Total
1 Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	48,383	10,112	58,495
Total	48,383	10,112	58,495

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	1,221
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	1,648	2,211
Total	1,791	3,432

g. Other information

Particulars	31 March 2023
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	745
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	83
iii) Assets acquired in satisfaction of debt	-

44 Derivative financial Instruments

	31 March 2023			31 March 2022		
	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	7,597	7,028	7,395	7,367	7,487
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Subtotal (i)	7,395	7,597	7,028	7,395	7,367	7,487
(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) Other derivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (v)	7,395	7,597	7,028	7,395	7,367	7,487
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	7,597	7,028	7,395	7,367	7,487
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Subtotal (ii)	7,395	7,597	7,028	7,395	7,367	7,487
(iii) Net investment hedging:	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+ (ii)+(iii)+(iv)	7,395	7,597	7,028	7,395	7,367	7,487

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

45 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 Company does not have any transactions with companies struck off by the Registrar of Companies ('RoC') under section 248 of the Act, or under section 560 of the Companies Act, 1956.
- 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.

46 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, 2023 and March 31, 2022.
- 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.
- d) The Company has not defaulted in repayment of borrowings including debt securites and interest thereon for the year ended March 31, 2023 and March 31, 2022

47 Utilisation of Borrowed funds and share premium

- a) 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;
- b) 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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

48 Accounting Standards Issued But Not Yet Effective

New standards or amendments to the existing standards and other pronouncements: Recent pronouncements: Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 - Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, on its financial statements for period starting from April 1, 2023

49 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: 19 May 2023

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

Sd/-

Avishek Gupta

Managing Director

DIN: 09351254

Sd/-

Vishwanath Muniganti

Chief Financial Officer

Place: Hyderabad

Date: 19 May 2023

Sd/-

S. Viswanatha Prasad

Director

DIN: 00574928

Sd/-

Harshita Jain

Company Secretary

T R Chadha & Co LLP

Chartered Accountants

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Off. Ganpatrao Kadam Marg
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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, 2023, 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, 2023, 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.

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi – 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

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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.	<p>Impairment of Loans given</p> <p>Refer note 3(j) for the Accounting Policy and note 38 (A) & (B) for the related disclosure</p> <p>As at March 31, 2023, the Group has reported Gross Loan Assets of Rs.58,211 Lakh against which an impairment of Rs.906 Lakh has been recorded.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process.</p> <p>We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process.</p> <p>Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions</p>

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<p>In this process, the Group has applied three stage approach based on changes in credit quality to measure expected credit loss on loans which is as follows:</p> <ul style="list-style-type: none">➤ 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. <p>ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 Loan assets.</p> <p>ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include:</p> <ol style="list-style-type: none">1. Estimating the behavioral life of the product2. Data inputs in relation to ECL model3. Application of the macro-economic variables on a forward-looking basis4. Determination of loan book segmentation, probability of defaults, loss given defaults and	<p>and tested the controls around data extraction and validation.</p> <p>Performed test of details over calculations of ECL rate computation, in relation to the completeness and accuracy of data on sample basis.</p> <p>We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.</p> <p>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 other stages.</p> <p>Assessing the appropriateness of additional provisions to calibrate the risks that are not yet fully captured by the existing model.</p> <p>We tested the arithmetical accuracy of computation of ECL provision performed by the Group.</p> <p>Obtained written representations from the management on the reasonableness of the significant assumptions used in computation of ECL provision.</p> <p>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</p>
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	exposure at default.	Ind AS 109 and Ind AS 107 t and as per RBI Guidelines.
(b)	<p>Evaluation of Group's IT systems and Controls</p> <p>The information system is a critical component of Group's operations, enabling efficient processing of transactions, safeguarding of information, and supporting decision-making. The financial accounting and reporting systems of the Group are also fundamentally reliant on IT systems and IT controls.</p> <p>As such, it is important for us to evaluate the effectiveness of information system controls to ensure the correctness, integrity, availability, and confidentiality of data. We identified 'IT systems and controls' as key audit matter because of the pervasive nature of IT environment and the scale and complexity of the IT architecture.</p>	<p>In assessing the effectiveness of information system controls, we have evaluated the extent to which the controls are properly designed and implemented to mitigate the risk of material misstatement in financial reporting.</p> <p>Our audit procedures included:</p> <ol style="list-style-type: none">Obtained an understanding of the IT control environment and IT policies during the audit period.Testing IT general controls related to User, Change Management Controls, Information Security Controls, Log management and Data backup. <p>Our audit procedures also included assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system based on reports and other financial and non-financial information generated from the system on a test check basis.</p>

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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 Holding'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

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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 Group 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.

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- 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 which is 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.

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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. 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, 2023. 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.

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- 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, 2023, 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, 2023, 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

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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, 2023.
- 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, 2023.
- 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, 2023.
- 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 (i) and (ii) above, contain any material misstatement.

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- e During the year the Holding Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.
- f As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the holding company only w.e.f. 1st April, 2023, reporting in respect of mandatory use of accounting software with requisite audit trail facility 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 provisions of section 197 read with schedule V to the Act are not applicable to the Group. 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: 23076650BGUWJX1544

Place: Mumbai

Date: May 19, 2023

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

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 Holding Company") on the consolidated financial statements for the year ended March 31, 2023, 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: 23076650BGUWJX1544

Place: Mumbai

Date: May 19, 2023

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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, 2023, 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, 2023, 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 Group's business, including adherence to the Holding 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

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prescribed under Section 143(10) 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 Group'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 Group'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 Group; (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 Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

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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: 23076650BGUWJX1544

Place: Mumbai

Date: May 19, 2023

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi – 110001
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Caspian Impact Investments Private Limited
Consolidated Balance Sheet as at 31 March 2023

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

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS:			
1 Financial assets			
(a) Cash and cash equivalents	4	2,474	772
(b) Bank balances other than cash and cash equivalents	5	529	678
(c) Derivative financial instruments		569	-
(d) Loans	6	57,305	47,714
(e) Investments	7	3,432	9,160
(f) Other financial assets	8	76	64
		64,385	58,388
2 Non-financial assets			
(a) Current tax assets (net)	9	1,787	1,477
(b) Deferred tax assets (net)	10	323	365
(c) Property, Plant and Equipment	11	209	304
(d) Intangible assets under development	12	2	-
(e) Goodwill	12	1,327	1,327
(f) Other intangible assets	12	569	738
(g) Other non-financial assets	13	495	499
		4,712	4,710
TOTAL ASSETS		69,097	63,098
LIABILITIES AND EQUITY			
Liabilities			
3 Financial liabilities			
(a) Derivative financial instruments		-	120
(b) Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		41	33
(c) Other payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		41	10
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		24	3
(d) Debt securities	16	2,027	5,429
(e) Borrowings (other than debt securities)	17	48,552	39,497
(f) Lease liabilities		40	96
(g) Other financial liabilities	18	376	310
		51,101	45,498
4 Non-financial liabilities			
(a) Provisions	19	69	63
(b) Other non-financial liabilities	20	176	52
		245	115
5 Equity			
(a) Equity share capital	21	667	667
(b) Other equity	22	17,084	16,818
		17,751	17,485
TOTAL LIABILITIES AND EQUITY		69,097	63,098

Basis of preparation and presentation of financial statements

2

Significant accounting policies and notes to the consolidated financial statements.

3-46

The notes referred to above form an integral part of the consolidated financial statements.

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

For T R Chadha & Co LLP

Chartered Accountants

Firm Registration No.: 006711N/N500028

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

Sd/-

Pramod Tilwani

Partner

Membership No.: 076650

Sd/-

Avishek Gupta

Managing Director

DIN: 09351254

Sd/-

S. Viswanatha Prasad

Director

DIN: 00574928

Sd/-

Vishwanath Muniganti

Chief Financial Officer

Sd/-

Harshita Jain

Company Secretary

Place: Mumbai

Date: 19 May 2023

Place: Hyderabad

Date: 19 May 2023

Caspian Impact Investments Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
1 Revenue from operations			
(a) Interest income	23	8,365	6,693
(b) Fees and commission income	24	26	4
Total revenue from operations		8,391	6,697
2 Other income	25	71	88
Total income		8,462	6,785
3 Expenses			
(a) Finance costs	26	4,842	4,420
(b) Fees and commission expense		326	265
(c) Net loss on fair value changes		9	-
(d) Impairment on financial instruments	27	596	222
(e) Employee benefits expense	28	1,080	943
(f) Depreciation and amortisation expense	11 & 12	273	226
(g) Other expenses	29	940	692
Total expenses		8,066	6,768
4 Profit before tax		396	17
5 Tax expense			
(a) Current tax		76	-
(b) MAT Credit entitlement		(76)	-
(c) Taxes for prior years		1	-
(d) Deferred tax		59	(3)
		60	(3)
6 Profit for the year		336	20
7 Other Comprehensive Income (OCI)			
(a) Items that will be reclassified to profit or loss			
(i) Cashflow hedge reserve		47	(151)
(ii) Income tax impact on above		(77)	49
(b) Items that will not be reclassified to profit and loss			
(i) Remeasurement expense on defined benefit plans		(4)	(4)
(ii) Net changes in fair value of investment in equity shares		(52)	524
(iii) Income tax impact on above		16	(147)
Other Comprehensive Income		(70)	271
8 Total Comprehensive Income		266	291
9 Earnings per equity share (EPES) (face value of ₹ 10 each)	30		
Nominal value per equity share		10	10
- Basic and diluted EPES (in ₹)		5.04	0.30

Basis of preparation and presentation of financial statements 2

Significant accounting policies and notes to the consolidated financial statements. 3-46

The notes referred to above form an integral part of the consolidated financial statements.

This is the Consolidated 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

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

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Sd/-
Harshita Jain
Company Secretary

Place: Mumbai
Date: 19 May 2023

Place: Hyderabad
Date: 19 May 2023

Caspian Impact Investments Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2023
(All amounts in ₹ Lakhs, except per share data and when otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A Cash flow from operating activities		
Profit before tax	396	17
Adjustments for:		
Depreciation and amortisation expense	273	226
Addition/(Reversal) of impairment on financial instruments	274	(95)
Net loss on fair value changes	9	-
Loan assets written off	722	418
Provisions no longer required, written back	(1)	(16)
Interest income on investments	(304)	(640)
Operating profit (loss) before working capital changes	1,369	(90)
Adjustment for (increase)/ decrease in assets		
New Loan disbursements	(61,294)	(48,936)
Collections from loan portfolio	50,636	42,387
EIR adjustments on loan portfolio	71	99
Other financial assets	(581)	(3)
Other non-financial assets	4	(36)
Adjustment for increase / (decrease) in liabilities		
Trade and Other payables	60	(65)
EIR adjustment for debt securities and borrowings	33	339
Other financial liabilities	(54)	(49)
Other non-financial liabilities	130	(4)
Provisions	4	4
Cash used in operating activities	(9,622)	(6,354)
Income tax paid (net of refund)	(403)	(557)
Net cash used in operating activities	(10,025)	(6,911)
B Cash flow from investing activities		
Purchase of Property, plant and equipment	(3)	(30)
Purchase of intangible assets	(5)	(864)
Change in intangible assets under development	(2)	808
Purchase of investments including EIR adjustment	(462)	(21,188)
Proceeds from sale of investments	6,181	16,782
Interest income from investments	304	640
Redemption of / (Investment) in fixed deposits	149	(150)
Net cash generated from / (used in) investing activities	6,162	(4,002)
C Cash flow from financing activities		
Repayment of debt securities	(3,333)	(1,833)
Proceeds from borrowings (other than debt securities)	16,850	12,496
Repayment of borrowings (other than debt securities)	(9,960)	(4,877)
Increase in loans repayable on demand, net	2,064	734
Principal payment of lease liabilities	(56)	(48)
Net cash generated from financing activities	5,565	6,472
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,702	(4,441)
Cash and cash equivalents at the beginning of the period	772	5,213
Cash and cash equivalents at the end of the year (refer note 4)	2,474	772

Statement of cash flows has been prepared under indirect method as set out in Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended.
This is the Consolidated Statement of Cash Flows referred to in our report of even date.

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

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

Sd/-
Pramod Tilwani
Partner
Membership No.: 076650

Sd/-
Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Sd/-
Harshita Jain
Company Secretary

Place: Mumbai
Date: 19 May 2023

Place: Hyderabad
Date: 19 May 2023

Caspian Impact Investments Private Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
(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 2021		66,66,121	667
Issued during the year		-	-
As at 31 March 2022		66,66,121	667
Issued during the year		-	-
As at 31 March 2023		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 April 1, 2021	-	163	1,375	10,862	-	3,085	1,169	-	(126)	16,528
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	-	-	-	-	-	-	-	-	-	-
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
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31 March 2022	-	163	1,379	10,862	39	3,062	1,542	-	(228)	16,818
Profit for the year	-	-	-	-	-	336	-	-	-	336
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	(40)	-	(30)	(70)
Transfer to statutory reserve	-	-	67	-	-	(67)	-	-	-	-
Balance as at 31 March 2023	-	163	1,446	10,862	39	3,331	1,502	-	(258)	17,084

Basis of preparation and presentation of financial statements. Note 2
Significant accounting policies and notes to the consolidated financial statements. Note 3-46
The notes referred to above form an integral part of the consolidated financial statements.

This is the Consolidated 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/-

Sd/-

Pramod Tilwani
Partner
Membership No.: 076650

Place: Mumbai
Date: 19 May 2023

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

Sd/-

Avishek Gupta
Managing Director
DIN: 09351254

Sd/-
Vishwanath Muniganti
Chief Financial Officer

Place: Hyderabad
Date: 19 May 2023

Sd/-

S. Viswanatha Prasad
Director
DIN: 00574928

Sd/-
Harshita Jain
Company Secretary

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

1 Brief Profile

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 is registered with the Reserve Bank of India ("RBI") as a Systemically important Non-deposit accepting Investment and Credit Company ("NBFC-ICC") and 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. The Parent Company together with its subsidiary (hereinafter collectively referred to as the 'Group') is engaged in making investments in the form of equity and debt in social impact sectors including micro finance, small business financing, affordable housing, food and agriculture, business correspondents, healthcare and clean energy.

2 Basis of preparation and presentation of financial statements

a) Statement of compliance

These Consolidated 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 presented in the format prescribed in Division III of Schedule III to the Companies Act, 2013 applicable for Non-Banking financial companies (NBFCs). 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.

The Group has uniformly applied the accounting policies for the periods presented in these consolidated financial statements.

These Consolidated 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 Group is Indian Rupee ("₹"). These Consolidated 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 Consolidated financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 19 May 2023.

b) Basis of preparation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary. Subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March. When the end of the reporting period of the Parent Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent Company to enable the Parent Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill or capital reserve.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

b) Basis of preparation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- b) Derecognises the carrying amount of any non-controlling interests
- c) Derecognises the cumulative translation differences recorded in equity
- d) Recognises the fair value of the consideration received
- e) Recognises the fair value of any investment retained
- f) Recognises any surplus or deficit in the statement of profit and loss
- g) Reclassifies the parent's share of components previously recognised in OCI to the statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Parent Company has set up Bellwether Microfinance Trust ("the Trust") with the objective of making equity investments in companies, ventures or enterprises engaged in the activities that are in line with the Group's objectives. The Parent Company is the sole contributor and beneficiary of the Trust.

Entity included in the consolidated financial statements is as under:

Name of the entity	Relationship	Country of incorporation
Bellwether Microfinance Trust ("the Trust")	Subsidiary	India

3 Summary of significant accounting policies**a) Basis of measurement**

The Consolidated 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 Consolidated 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 Consolidated 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.

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 Group 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 Group 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.

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 re-measurement 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.

i) Financial instruments (continued)

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that 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 statement of profit and 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 statement of profit and 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 Group 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 Group also derecognises the financial asset if the financial asset is transferred and the transfer qualifies for derecognition.

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.

j) Impairment of financial assets (continued)

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. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

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 Consolidated 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 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) 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.

o) 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.

p) 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.

q) Fair value measurement

The Group 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 Consolidated 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 Consolidated 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.

r) 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 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.

s) 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 Group are segregated.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

	31 March 2023	31 March 2022
4. Cash and cash equivalents		
Cash on hand	-	-
Balance with banks:		
In current accounts	2,273	772
In fixed deposits (with original maturity less than 3 months)	201	-
	2,474	772
5. Bank balances other than cash and cash equivalents		
Earmarked balance with banks against borrowings	529	678
	529	678
6. Loans		
At amortised cost		
Term loans	58,211	48,347
Less: Impairment loss allowance (Refer Note No. 38.A.(b))	(906)	(633)
	57,305	47,714
(A) Out of the above		
Secured*	48,383	44,870
Covered by bank/government guarantee	87	296
Unsecured, considered good	10,025	3,393
	58,495	48,559
<i>Other adjustments</i>		
Unamortized loan origination fee	55	85
Unamortized Guarantee fee	(39)	-
Unamortized loan processing fee	(519)	(477)
Interest Accrued on loan assets net off interest received in advance	219	180
	58,211	48,347
Less: Impairment loss allowance	(906)	(633)
	57,305	47,714
*The loans are secured by hypothecation of book debts and charge on movable/immovable assets. Further, the Loan assets amounting to ₹4,306 (31 March 2022: ₹ 4,420) are additionally covered by bank/government guarantee.		
(B) Out of the above		
Loans in India		
Public sector	-	-
Others	58,211	48,347
Less: Impairment loss allowance	(906)	(633)
	57,305	47,714
	57,305	47,714
Loans outside India	-	-
	57,305	47,714

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

7. Investments

	31 March 2023	31 March 2022
Debt securities		
Measured at amortised cost		
Nil (31 March 2022: 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
300,000 (31 March 2022: 300,000) 15.00% rated, subordinated, secured, unlisted, redeemable, transferable, non-convertible debentures of ₹100 each fully paid in EZ Vidya Private Limited	113	264
Nil (31 March 2022: 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
70 (31 March 2022: 95) 13.50% rated, subordinated, unsecured, listed, redeemable, taxable, non-convertible debentures of ₹10,00,000 each fully paid in Annapurna Finance Private Limited	710	987
Nil (31 March 2022: 100) 8.40% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in Avanse Financial Services Limited	-	1,048
Nil (31 March 2022: 100) 9.48% rated, secured, listed, redeemable, non-convertible debentures of ₹10,00,000 each fully paid in PNB Housing Finance Limited	-	1,043
Nil (31 March 2022: 100) 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 2022: 6,50,000) 14.25% unrated, Unlisted, secured, redeemable, non-convertible debentures of ₹100 each fully paid in Proklean Technologies Private Limited	541	648
	1,364	7,041
Measured at fair value through OCI		
Equity instruments of other entities		
11,39,142 (31 March 2022: 11,39,142) equity shares of ₹10 each fully paid in Sonata Finance Private Limited	2,068	868
1 (31 March 2022: 1) equity shares of ₹10 each fully paid in EZ Vidya Private Limited	-	-
1 (31 March 2022: 1) equity shares of ₹10 each fully paid in Proklean Technologies Private Limited	-	-
Compulsory Convertible Preference Shares		
4,454 (31 March 2022: 4,454) CCPS of ₹100 each, partly paid at ₹1 each in EZ Vidya Private Limited	-	-
2,245 (31 March 2022: 2,245) CCPS of ₹20 each, partly paid at ₹1 each in Proklean Technologies Private Limited	-	-
	2,068	868
	3,432	9,160
The company alongwith other shareholders of Sonata Finance Private Limited has entered into agreement dated February 10, 2023, with Kotak Mahindra Bank Limited for sale of investment in Sonata Finance Private Ltd at a sale consideration of Rs.181.45 per share.		
Out of the above		
Investments in India	3,432	9,160
Investments outside India	-	-
	3,432	9,160
Less: Allowance for impairment	-	-
	3,432	9,160

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

8. Other financial assets

Unsecured, considered good

Refundable advances
Security deposits
Other Receivables

	31 March 2023	31 March 2022
	20	20
	44	43
	12	1
	76	64

9. Current tax assets (net)

Advance income tax (net of provision for tax)

	31 March 2023	31 March 2022
	1,787	1,477
	1,787	1,477

Income tax recognised in Statement of profit and loss

Current tax

In respect of current year
In respect of prior years

	31 March 2023	31 March 2022
	-	-
	1	-

Deferred tax

Deferred tax

	59	(3)
	60	(3)

Income tax recognised in Other Comprehensive Income

Deferred tax

Cash flow hedge reserve
Remeasurement of defined employee benefits

	31 March 2023	31 March 2022
	(77)	49
	(4)	(4)
	(81)	45

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

Profit before tax
Enacted income tax rate
Expected income tax expense
Effect of expenses / provisions not deductible in determining taxable profit
Effect of differential tax rate
Effect due to change in taxation laws
Adjustment related to tax of prior years
Others
Reported income tax expense

	31 March 2023	31 March 2022
	396	17
	27.82%	27.82%
	110	5
	347	-
	-	-
	-	-
	1	-
	(398)	(8)
	60	(3)

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

10. Deferred tax assets (net)

	As at 1 April 2021	Charge/ (Credit) to Profit and Loss	Charge/ (Credit) to OCI	MAT (utilisation)/ entitlement	As at 31 March 2022	Charge/ (Credit) to Profit and Loss	Charge/ (Credit) to OCI	MAT (utilisation) / entitlement	As at 31 March 2023
Tax effect of items constituting deferred tax assets/ (liabilities)									
Property, plant and equipment	5	(58)	-	-	(53)	(6)	-	-	(59)
EIR impact on financial instruments measured at amortised cost	(200)	38	-	-	(162)	103	-	-	(59)
Impairment loss allowance	203	(27)	-	-	176	76	-	-	252
Provisions for employee benefits	15	3	-	-	18	1	-	-	19
Fair value of Equity investments	-	(147)	-	-	(147)	16	-	-	(131)
Fair value of hedging instrument	48	-	50	-	98	-	(78)	-	20
Business loss	203	48	-	-	251	(251)	-	-	-
Other Provisions	-	-	-	-	-	24	-	-	24
Lease liability	8	(2)	-	-	6	(3)	-	-	3
	282	(145)	50	-	187	(40)	(78)	-	69
MAT Credit	178	-	-	-	178	-	-	76	254
Net deferred tax assets	460	(145)	50	-	365	(40)	(78)	76	323

11. Property, plant and equipment

	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Right of use asset	Total
As at 1 April 2021	165	72	132	222	591
Additions during the year	-	-	30	-	30
As at 31 March 2022	165	72	162	222	621
Additions during the year	-	1	5	-	6
Disposals during the year	-	-	3	-	3
As at 31 March 2023	165	73	164	222	624
As at 1 April 2021	36	16	61	105	218
Charge for the year	16	7	32	44	99
As at 31 March 2022	52	23	93	149	317
Charge for the year	16	7	33	44	100
Disposals during the year	-	-	2	-	2
As at 31 March 2023	68	30	124	193	415
Net block					
As at 31 March 2022	113	49	69	73	304
As at 31 March 2023	97	43	40	29	209

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 2021	9	1,327
Additions during the year	864	-
As at 31 March 2022	873	1,327
Additions during the year	5	-
As at 31 March 2023	878	1,327
Accumulated Amortization		
Upto 1 April 2021	8	-
Charge for the year	127	-
As at 31 March 2022	135	-
Charge for the year	174	-
As at 31 March 2023	309	-
Net block		
As at 31 March 2022	738	1,327
As at 31 March 2023	569	1,327
Intangible assets under development		
	31 March 2023	31 March 2022
Balance at the beginning of the year	-	808
Additions		
Other expenses till the date of capitalisation	2	32
Capitalized	-	(840)
Balance at the end of the year	2	-

Intangible assets under development ageing schedule as at 31 March 2023

Projects in progress	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Database for Quick Loans	2	-	-	-	2

13. Other non-financial assets

	31 March 2023	31 March 2022
Prepaid expenses	41	35
Balances with government authorities	448	452
Others	6	12
	495	499

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

14. Trade payables

- (i) total outstanding dues of micro enterprises and small enterprises
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises less than one year

	31 March 2023	31 March 2022
	-	-
	41	33
	41	33

Based on information available with the Group, as at the reporting date, Trade Payables includes ₹ Nil (Previous Years: ₹ Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act.

Trade Payable ageing Schedule

31 March 2023	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
MSME	-	-	-	-	-
Others	41	-	-	-	41
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

31 March 2022	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
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.

15. Other payables

- (i) total outstanding dues of micro enterprises and small enterprises
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises less than one year

	31 March 2023	31 March 2022
	41	10
	24	3
	65	13

Based on information available with the Group, as at the reporting date, Other Payables includes ₹ 41 (Previous Years: ₹ 10) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act.

Other payables ageing Schedule

31 March 2023	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
MSME	41	-	-	-	41
Others	24	-	-	-	24
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

31 March 2022	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
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.

Caspian Impact Investments Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

16. Debt securities

	31 March 2023	31 March 2022
At amortised cost		
Secured		
Rated, listed, redeemable, transferable Non-Convertible Debentures (NCD)	2,027	4,928
Rated, unlisted, redeemable, transferable Non-Convertible Debentures (NCD)	-	501
	2,027	5,429
Out of above		
Debt securities in India	2,027	5,429
Debt securities outside India	-	-
	2,027	5,429

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 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable in instalments (quarterly)				
0 - 1 Years	10.56% - 11.50%	417	10.56% - 11.50%	1,333
1 - 3 Years	10.56% - 11.50%	-	10.56% - 11.50%	417
Repayable on maturity (bullet)				
0 - 1 Years	11.50%	1,500	10.50%	2,000
1 - 3 Years	11.50%	-	11.50%	1,500
		1,917		5,250
Interest accrued, but not due on debt securities		122		216
Impact of EIR		(12)		(37)
		2,027		5,429

Non Convertible Debentures - Secured - Instrument Wise Details

Description of security	Coupon/ Yield	31 March 2023	31 March 2022
10.56% Secured Rated, Listed, Redeemable Non-Convertible Debentures. Maturity Date - 30/07/2023 (INE059K07055)	10.56%	417	1,250
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
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
		1,917	5,250

17. Borrowings (other than Debt securities)
At amortised cost

	31 March 2023	31 March 2022
a) Term loans		
i. Secured		
from Banks	6,974	6,221
from Others	13,920	8,439
from External Commercial Borrowings (ECB)	17,695	17,033
	38,589	31,693
ii. Unsecured		
from External Commercial Borrowings (ECB)	5,556	5,509
	5,556	5,509
b) Loans repayable on demand		
i. Secured		
Cash credit facilities and working capital demand loan from Banks	4,407	2,295
	4,407	2,295
	48,552	39,497
Out of the above		
Borrowings in India	25,301	16,955
Borrowings outside India	23,251	22,542
	48,552	39,497

Notes:

- 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 ₹ 529 (31 March 2022: ₹678) have been lien marked towards term loans from banks and financial institutions.
- Cash credit facilities from banks are secured by way of exclusive charge on loan receivables which are standard.
- As at March 31, 2023, the company has undrawn committed borrowing facilities of ₹144 (31 March 2022: ₹704)

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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

A) Terms of repayment of borrowings

a) Details of term loans from banks (Secured)

	31 March 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable on maturity (bullet)				
Maturing within 1 year	11.25%	-	11.25%	1,500
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.00%-12.85%	1,448	9.00%-11.15%	1,183
Maturing between 1 to 3 years	9.00%-12.85%	691	9.00%-11.15%	248
ii. Quarterly instalments				
Maturing within 1 year	10.60%-11.90%	2,748	10.50%-11.50%	1,667
Maturing between 1 to 3 years	10.60%-11.90%	2,125	10.50%-11.50%	1,666
		7,012		6,264
Less: Impact of EIR		(56)		(44)
Add: Interest accrued but not due on borrowings		18		1
		6,974		6,221

b) Details of term loans from others (Secured)

	31 March 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable in instalments				
i. Monthly instalments				
Maturing within 1 year	9.75%-12.10%	5,570	9.75%-11.50%	2,524
Maturing between 1 to 3 years	9.75%-12.10%	4,574	9.75%-11.50%	3,814
ii. Quarterly instalments				
Maturing within 1 year	11.25%-12.40%	1,936	11.25%-12.40%	1,260
Maturing between 1 to 3 years	11.25%-12.40%	1,889	11.25%-12.40%	873
		13,969		8,471
Less: Impact of EIR		(94)		(65)
Add: Interest accrued but not due on borrowings		45		33
		13,920		8,439

c) Details of ECB (Secured)

	31 March 2023		31 March 2022	
	Interest range	Amount	Interest range	Amount
Repayable on maturity (bullet)				
Maturing within 1 year	9.59% - 9.65%	8,241	-	-
Maturing between 1 to 3 years	9.59% - 9.65%	-	9.59% - 9.65%	7,598
Maturing between 3 to 5 years	10.00%	5,499	-	-
Maturing between 5 to 10 years	9.58%	3,800	9.58% - 10.00%	9,300
		17,540		16,898
Less: Impact of EIR		(333)		(445)
Add: Interest accrued but not due on borrowings		488		580
		17,695		17,033

d) Details of ECB (Unsecured)

	31 March 2023		31 March 2022	
	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		(333)		(380)
Add: Interest accrued but not due on borrowings		163		163
		5,556		5,509

e) Cash credit facilities from banks (Secured)

From the Balance Sheet date	31-Mar-23		31-Mar-22	
	Interest range	Amount	Interest range	Amount
Repayable on demand				
Maturing within 1 year	9.50%-11.85%	4,409	9.65%-10.00%	2,345
Total		4,409		2,345
Add: Interest accrued but not due on borrowings		1		-
Less: Unamortised finance cost		(3)		(50)
Total amortised cost		4,407		2,295

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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

B) Lease liabilities

	31 March 2023	31 March 2022
Lease liabilities	40	96
	40	96

The movement in lease liabilities during the year ended 31 March 2023 and 31 March 2022 is as follows:

	31 March 2023	31 March 2022
Opening balance	96	145
Additions during the year	-	-
Finance cost accrued during the year	7	12
Payment of lease liabilities	(63)	(61)
Closing balance	40	96

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

	31 March 2023	31 March 2022
Less than one year	41	64
One to three years	-	41
	41	105

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

	31 March 2023	31 March 2022
Depreciation expense of right-of-use assets	44	44
Interest expense on lease liabilities	7	12
Total amount recognized in profit or loss	51	56

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 01 April 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
Cash flows:			
Proceeds	-	18,915	18,915
Repayment	(3,333)	(10,669)	(14,002)
Interest paid during the year	(585)	(5,712)	(6,297)
Non cash:			
Interest Accrued During the year	491	5,658	6,149
Amortisation of upfront fees	25	165	190
Forex loss/(gain) on ECB	-	642	642
As at 31 March 2023	2,027	48,592	50,619

18. Other financial liabilities

	31 March 2023	31 March 2022
Expenses payable	359	300
Other	17	10
	376	310

19. Provisions

	31 March 2023	31 March 2022
Provision for employee benefits		
Leave encashment	45	43
Gratuity	24	20
	69	63

20. Other non-financial liabilities

	31 March 2023	31 March 2022
Statutory dues payable	89	52
Others	87	-
	176	52

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

21. Equity Share Capital

	31 March 2023		31 March 2022	
	Number	Amount	Number	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 2023		31 March 2022	
	Number	Amount	Number	Amount
Equity shares of ₹10 each				
Balance at the beginning of the period	66,66,121	667	66,66,121	667
Add: Issued during the period	-	-	-	-
Balance at the end of the period	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 2023		31 March 2022	
	Number	%	Number	%
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	9,02,569	13.54%	8,95,164	13.43%
Prasad Family Private Trust	3,46,113	5.19%	3,46,113	5.19%

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) Shareholding of Promoters

Promoter name	Shares held by promoters at the end of the year 31 March 2023		
	No. of Shares	% of total shares	% Change during the year
Caspian Impact Investment Adviser Private Limited	9,02,569	13.54%	0.11%
Prasad Family Private Trust	3,46,113	5.19%	0.00%

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%

Sd/-

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

22. Other equity

	31 March 2023	31 March 2022
Reserve fund	-	-
Statutory reserve	1,446	1,379
Securities premium	10,862	10,862
Capital redemption reserve	163	163
Impairment reserve	39	39
Retained earnings	3,331	3,062
Other comprehensive income	-	-
FVTOCI on equity instruments	1,502	1,542
Cashflow hedge reserve	(258)	(228)
	17,084	16,818

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 451C 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, ₹ 39 has been transferred to impairment reserve.

Retained earnings

Retained earnings represents the cumulative surplus in Profit and Loss Account net of appropriations.

Other comprehensive income

Reserve represents changes in fair valuations of equity instruments, derivative contracts measured at FVOCI and Remeasurement gain/loss on defined benefit plans

23. Interest income

	Year ended 31 March 2023	Year ended 31 March 2022
On financial instruments measured at amortised cost		
Interest income on loans	8,005	5,929
Interest income on fixed deposits with banks	56	124
Interest income on investments	304	640
	8,365	6,693

24. Fees and commission income

	Year ended 31 March 2023	Year ended 31 March 2022
Consultancy and guarantee fees	26	4
	26	4

25. Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Provision no longer required, written back	1	16
Interest income on income tax refunds	70	-
Profit on sale of Investment	-	67
Others	-	5
	71	88

26. Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
On financial liabilities measured at amortised cost		
Interest expense on debt securities	322	700
Interest expense on borrowings	4,314	3,559
Other borrowing costs	206	161
	4,842	4,420

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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

	Year ended 31 March 2023	Year ended 31 March 2022
On financial instruments measured at amortised cost		
Impairment of loans	274	(95)
Bad debts written off	794	418
Bad debts recovered	(472)	(101)
	596	222
Movement in impairment loss allowance		
Balance at beginning of the year	633	728
Add: Impairment of loans	1,094	354
Less: Reversal of impairment provision	(821)	(449)
Balance at end of the period	906	633

28. Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	981	859
Contribution to provident fund and other funds	57	50
Gratuity expense	15	11
Staff welfare expenses	27	23
	1,080	943

29. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	36	24
Power & fuel	13	7
Rates and taxes	114	14
Office maintenance	37	33
Postage and telecommunications	18	16
Meeting expenses	11	3
Printing & stationery	4	3
Business development expenses	20	17
Directors sitting fee and remuneration	64	28
Payment to auditors (refer note (i) below)	35	31
Legal and professional charges	223	237
Insurance	22	19
Contribution towards corporate social responsibility (refer note (ii) below)	5	10
Technology expenses	267	194
Membership fee	-	26
Bank charges	5	9
Travel, boarding and conveyance expense	65	18
Miscellaneous expenses	1	3
	940	692

(i) Details of payments to auditors

	Year ended 31 March 2023	Year ended 31 March 2022
As auditor		
- Statutory audit fee	18	19
- Tax audit fee	2	-
- Limited review fee	13	9
- Certification fees	2	3
- Reimbursement of expenses	-	-
	35	31

(ii) Corporate social responsibility (CSR)

	Year ended 31 March 2023	Year ended 31 March 2022
Amount required to be spent	5	10
Amount spent during the year on purposes other than construction/acquisition of any asset	5	10
Unspent amount if any	-	-

Nature of CSR activities,

Financial support to 52 underprivileged children as a part of the Academic Adoption Program through Parinaam Foundation

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

30. Earnings per equity share (EPES)

	31 March 2023	31 March 2022
a) Profit attributable to equity shareholders	336	20
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	66,66,121
Add: Effect of potential dilutive shares	-	-
Weighted average number of equity shares considered for diluted EPES	66,66,121	66,66,121
c) Earnings per equity share (EPES)		
Basic (₹)	5.04	0.30
Diluted (₹)	5.04	0.30

31. There are no contingent liabilities outstanding as at the reporting date. (31 March 2022: ₹ Nil)

32. Commitments

	31 March 2023	31 March 2022
Capital commitments (Net of capital advances)	2	-
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	97
Outstanding corporate guarantee	93	267
	237	409

33. Retirement and other employee benefits

a) Defined contribution plan

For the period ended 31 March 2023, amount recognised as an expense towards contribution to provident fund aggregates to ₹56.47 (31 March 2022: ₹49.64) and towards employee state insurance scheme aggregates to ₹0.08 (31 March 2022: ₹0.07).

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 2021	38	#VALUE!	23
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	#VALUE!	28
Interest cost/(gain)	2	-	2
Current service cost	13	-	13
Total amount recognised in statement of profit and loss	15	-	15
Remeasurements			
Actuarial loss on obligation	4	-	4
Total amount recognised in other comprehensive income	4	-	4
Contribution to plan assets	-	(15)	(15)
Acquisition/Business Combination/Divestiture	-	-	-
As at 31 March 2023	78	#VALUE!	32

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

33. Retirement and other employee benefits (continued)

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

	31 March 2023	31 March 2022
Present value of obligations	78	59
Fair value of plan assets	#VALUE!	#VALUE!
Deficit of funded plan	#VALUE!	#VALUE!

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

	31 March 2023	31 March 2022
Retirement age	60 years	60 years
Salary Escalation Rate	11.00%	7.00%
Discount rate	7.26%	6.90%
Attrition rate	32.79%	18.35%
Mortality table	IALM (2012-14) Ultimate	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 2023		31 March 2022	
		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)	2	(2)	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 Consolidated 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 2023	31 March 2022
Expected total contribution	#VALUE!	#VALUE!
Expected future benefit payments in the following years		
1st following year	12	5
2nd following year	13	6
3rd following year	12	7
4th following year	10	7
5th following year	8	7
Sum of 6th to 10th following year	20	24

- (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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

34. Disclosure of related parties/related party transactions pursuant to Ind AS 24 "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	
Avishek Gupta	Managing Director
Vishwanath Muniganti	Chief Financial Officer
Harshita Jain	Company Secretary
Directors	
Viswanatha Prasad Subbaraman	Non - Executive Director & Chairman
Mahesh Kanumury	Non - Executive Director
Paul Dileo	Nominee Director (Withdrawn on 14 February 2023)
Narayan Ramachandran	Independent Director
Praseeda Kunam	Independent Director
Shailendra Kumar Joshi	Independent Director
Karel Gerardus Nierop	Nominee Director
Ranganathan Varadarajan Dilip Kumar	Nominee Director

(b) Transactions with related parties

	31 March 2023	31 March 2022
CIIAPL		
Investment advisory fee	159	255
S. Viswanatha Prasad		
Sitting fees and remuneration	12	2
Avishek Gupta		
Salary and post other benefits*	87	20
Vishwanath Muniganti		
Salary and post other benefits*	35	11
Harshita Jain		
Salary and post other benefits*	2	-
Sitting fees and remuneration to directors		
Mahesh Kanumury	11	6
Paul Dileo	10	5
Mathew Titus #	-	1
Narayan Ramachandran	11	5
Praseeda Kunam	10	5
Shailendra Kumar Joshi	11	5

* Short term and post retirement benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.

Independent Director retired on 01 July 2021

(c) Balances receivable/(payable):

	31 March 2023	31 March 2022
Caspian Impact Investment Adviser Private Limited	(41)	(33)
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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 2023	31 March 2022
Debt securities	2,027	5,429
Borrowings (other than debt securities)	48,552	39,497
Net debt	50,579	44,926
Total equity	17,751	17,485
Net debt to equity ratio	2.85	2.57

37. Financial instruments and fair value disclosures

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

	Fair Value Hierarchy	Fair value through profit and loss	Amortised cost	Fair value through OCI	Total	Fair value
As at 31 March 2023						
Financial assets						
Cash and cash equivalents		-	2,474	-	2,474	2,474
Bank balances other than above		-	529	-	529	529
Derivative financial Instruments	Level 1	-	-	569	569	569
Loans		-	57,305	-	57,305	57,305
Investments	Level 2	-	144	3,288	3,432	3,432
Other financial assets		-	76	-	76	76
		-	60,528	3,857	64,385	64,385
Financial liabilities						
Derivative financial Instruments		-	-	-	-	-
Trade payables		-	41	-	41	41
Other payables		-	65	-	65	65
Debt securities		-	2,027	-	2,027	2,027
Borrowings (other than debt securities)		-	48,552	-	48,552	48,552
Lease liabilities		-	40	-	40	40
Other financial liabilities		-	376	-	376	376
		-	51,101	-	51,101	51,101
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	Level 3	-	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	Level 1	-	-	120	120	120
Trade payables		-	33	-	33	33
Other payables		-	13	-	13	13
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
		-	45,378	120	45,498	45,498

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.

37. Financial instruments and fair value disclosures (Continued)

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.

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 2023 and 31 March 2022:

	Unlisted equity securities	Total
As at 1 April 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
Loss recognized in other comprehensive income	-1,169	-1,169
Disposals during the year	-	-
Transferred to Level-2	3,288	3,288
As at 31 March 2023	-	-

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.

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, Derivative financial	12 month expected credit loss
Moderate credit risk	Loans and other financial assets	Life time expected credit loss or 12
High credit risk	Loans and other financial assets	Life time expected credit loss fully

Financial assets that expose the entity to credit risk*

	Low credit risk		Moderate credit risk		High credit risk	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Cash and cash equivalents	2,474	772	-	-	-	-
Bank balances other than above	529	678	-	-	-	-
Derivative financial Instruments	569	-	-	-	-	-
Loans	56,679	45,820	787	1,094	745	1,433
Investments	3,432	9,160	-	-	-	-
Other financial assets	76	64	-	-	-	-

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

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

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

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
31 March 2023			Sd/-	
Cash and cash equivalents	2,474	0%	-	2,474
Bank balances other than above	529	0%	-	529
Derivative financial Instruments	569	0%	-	569
Other financial assets	76	0%	-	76
31 March 2022				
Cash and cash equivalents	772	0%	-	772
Bank balances other than above	678	0%	-	678
Other financial assets	64	0%	-	64

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.

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 unlikelihood 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
31 March 2023			
Gross carrying amount of loan assets	56,679	787	745
Gross carrying amount	56,679	787	745
Less: impairment allowance	(203)	(41)	(662)
Carrying amount	56,476	746	83
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 2023, loans amounting to ₹677 (31 March 2022: ₹1,027) 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 .

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

A) Credit risk (continued)

b) Expected credit losses (continued)

A.3 Credit risk exposure for investments

	Stage 1	
	31 March 2023	31 March 2022
Gross carrying amount	3,432	9,160
Loss allowance	-	-
Carrying amount	3,432	9,160

A.4 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 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
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(2)	2	-	-
Transfer to Lifetime ECL credit impaired	(28)	(234)	262	-
Net remeasurement of loss allowance	(7)	199	258	450
New financial assets originated or purchased	113	3	19	135
Financial assets that have been derecognised/ repaid	(61)	(14)	(237)	(312)
Balance as at 31 March 2023	203	41	662	906

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 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
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	(53)	53	-	-
Transfer to Lifetime ECL credit impaired	(57)	(234)	291	-
New financial assets originated or purchased	35,100	58	72	35,230
Financial assets that have been derecognised/ repaid	(24,131)	(184)	(1,051)	(25,366)
Balance as at 31 March 2023	56,679	787	745	58,211

38 Disclosure pursuant to Ind AS 107 "Financial Instruments - Disclosures" : Financial risk management (continued)**A) Credit risk (continued)****b) Expected credit losses (continued)****A.5 Concentration of credit risk**

The maximum credit exposure to any individual client or counterparty as of 31 March 2023 was ₹1,867 (31 March 2022: ₹ 1,971)

A.6 Write off policy

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

The outstanding contractual amounts of such assets written off during the period ended 31 March 2023 was ₹ 794 (31 March 2022: ₹ 418). The Company still seeks to recover amounts it is legally owed in full, but have been written off due to no reasonable expectation of 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 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payables	41	-	-	-	41
Other payables	65	-	-	-	65
Interest accrued on borrowings	836	-	-	-	836
Debt securities	1,917	-	-	-	1,917
Borrowings (other than debt securities)	24,352	9,279	5,499	9,526	48,656
Lease liabilities	40	-	-	-	40
Other financial liabilities	376	-	-	-	376
	27,627	9,279	5,499	9,526	51,931

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	-	-	97
Other financial liabilities	310	-	-	-	310
	15,218	16,156	-	15,026	46,400

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 its ECB exposure (Principal and Coupon). The Company hedges its entire USD 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 2023	31 March 2022
Hedged		
ECB denominated in USD	8,241	7,598
Unhedged		
Other payables in USD	3	1

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

C) Market Risk (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 2023	31 March 2022
	INR USD CCIRS	INR USD CCIRS
Notional amount	7,395	7,395
Carrying amount of hedging instrument asset	569	-
Carrying amount of hedging instrument liability	-	120

(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 2023		31 March 2022	
	Loans	Borrowings	Loans	Borrowings
Variable rate	18,376	12,563	3,929	6,052
Fixed rate	40,119	38,010	44,630	38,902
	58,495	50,573	48,559	44,954

Sensitivity analysis

	31 March 2023		31 March 2022	
	Loans	Borrowings	Loans	Borrowings
Interest sensitivity*				
Interest rates - increase by 100 basis points	184	126	39	61
Interest rates - decrease by 100 basis points	(184)	(126)	(39)	(61)

* 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 ₹2,067 (31 March 2022: ₹2,119).

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(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 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,474	-	2,474	772	-	772
Bank balances other than cash and cash equivalents	306	223	529	412	266	678
Derivative financial Instruments	569	-	569	-	-	-
Loans	36,289	21,016	57,305	27,091	20,623	47,714
Investments	1,184	2,248	3,432	3,260	5,900	9,160
Other financial assets	56	20	76	-	64	64
	40,878	23,507	64,385	31,535	26,853	58,388
Non-financial assets						
Current tax assets (net)	-	1,787	1,787	-	1,477	1,477
Deferred tax assets (net)	-	323	323	-	365	365
Property, plant and equipment	-	209	209	-	304	304
Intangible assets under development	-	2	2	-	-	0
Goodwill	-	1,327	1,327	-	1,327	1,327
Other intangible assets	-	569	569	-	738	738
Other non-financial assets	47	448	495	47	452	499
	47	4,665	4,712	47	4,663	4,710
Liabilities and Equity						
Liabilities						
Financial liabilities						
Derivative financial Instruments	-	-	-	-	120	120
Trade payables	41	-	41	33	-	33
Other payables	65	-	65	13	-	13
Debt securities	2,027	-	2,027	3,526	1,903	5,429
Borrowings (other than debt securities)	24,624	23,928	48,552	10,997	28,500	39,497
Lease liabilities	40	-	40	56	40	96
Other financial liabilities	376	-	376	310	-	310
	27,173	23,928	51,101	14,935	30,563	45,498
Non-financial liabilities						
Provisions	-	69	69	14	49	63
Other non-financial liabilities	-	176	176	52	-	52
	-	245	245	66	49	115

Classification of assets & liability under maturit buckets is absed on estimates, assumptions and derived from MIS prepared by the company

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

40 Additional disclosure as required under the Schedule III to the Companies Act, 2013:

Name of the entity	As at		For the year ended					
			31 March 2023					
	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent company Caspian Impact Investments Private Limited	100.00%	17,751	100.00%	336	100.00%	(70)	100.00%	266
Subsidiary Bellwether Microfinance Trust	6.88%	1,221	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Total	106.88%	18,972	100.00%	336	100.00%	(70)	100.00%	266
Consolidation adjustments	(6.88%)	(1,221)	-	-	-	-	-	-
Net amount	100.00%	17,751	100.00%	336	100.00%	(70)	100.00%	266

Name of the entity	As at		For the year ended					
			31 March 2022					
	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent company Caspian Impact Investments Private Limited	100.00%	17,485	100.00%	20	100.00%	271	100.00%	291
Subsidiary Bellwether Microfinance Trust	7.15%	1,251	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Total	107.15%	18,736	100.00%	20	100.00%	271	100.00%	291
Consolidation adjustments	(7.15%)	(1,251)	-	-	-	-	-	-
Net amount	100.00%	17,485	100.00%	20	100.00%	271	100.00%	291

41 Derivative financial Instruments

	31 March 2023			31 March 2022		
	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	7,597	7,028	7,395	7,367	7,487
-Options purchased	-	-	-	-	-	-
-Options sold (written)	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Subtotal (i)	7,395	7,597	7,028	7,395	7,367	7,487
(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) Other derivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (v)	7,395	7,597	7,028	7,395	7,367	7,487
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	7,597	7,028	7,395	7,367	7,487
- Interest rate derivatives	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
- Equity linked derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Subtotal (ii)	7,395	7,597	7,028	7,395	7,367	7,487
(iii) Net investment hedging:	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+ (ii)+(iii)+(iv)	7,395	7,597	7,028	7,395	7,367	7,487

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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

42 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 Group has neither traded nor invested in crypto currency or virtual currency during the financial year.
- c) The Group does not possess any benami property, where any proceeding has been initiated or pending against the Group 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 Group 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 Group does not have any transactions with companies struck off by the Registrar of Companies ('RoC') under section 248 of the Act, or under section 560 of the Companies Act, 1956.
- h) There are no Core Investment Companies (CICs) in the group.
- i) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- j) The Group 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.

43 Details of Borrowing:

- a) The quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.
- b) The Group has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2023 and March 31, 2022.
- c) The Group 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.
- d) The Group has not defaulted in repayment of borrowings including debt securites and interest thereon for the year ended March 31, 2023 and March 31, 2022

44 Utilisation of Borrowed funds and share premium

- a) The Group 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Group 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 Group 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.

Caspian Impact Investments Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

45 Accounting Standards Issued But Not Yet Effective

New standards or amendments to the existing standards and other pronouncements: Recent pronouncements: Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 - Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, on its financial statements for period starting from April 1, 2023

46 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: 19 May 2023

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

Sd/-

Avishek Gupta

Managing Director

DIN: 09351254

Sd/-

Vishwanath Muniganti

Chief Financial Officer

Place: Hyderabad

Date: 19 May 2023

Sd/-

S. Viswanatha Prasad

Director

DIN: 00574928

Sd/-

Harshita Jain

Company Secretary

NOTICE

Notice is hereby given that the 32nd 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 Friday, August 11, 2023 at 6:00 p.m. (IST) to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the report of the Board of Director’s (‘Board’) and Statutory Auditors thereon**

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

“**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, 2023 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.”

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

**Dated: 19.05.2023
Place: Hyderabad**

**Harshita Jain
Company Secretary and Compliance Officer
ACS:58528**

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/ebook/dms/getdocument?doc=MjMxNjg0MTE1&docCategory=Circulars&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@caspiandebt.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@caspiandebt.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@caspiandebt.in. On receipt of such request the information would be furnished in accordance with applicable laws.