

# SOCIAL PERFORMANCE REPORT

FY-2022-23





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# Foreword

Dear Friends,

It gives me immense pleasure to present to you our Social Performance Report for FY-2023. It is that time of the year when we take stock of not only our financial performance, but also evaluate our progress against our mission and purpose. As a group company of a certified B Corp, we evaluate if we balanced the interests of all the stakeholders in our business.

This year, while there was recovery from the Covid challenges, an economic slowdown and global unrest impacted our lives. Unfortunately, this slowdown affected startups' ability to secure equity financing due to the resulting risk averse stance of investors, thereby hindering their growth and expansion plans. The fundraising cycle for many startups became longer and more challenging. In this context, Caspian Debt's role became important in supporting companies who were unable to access growth capital. We onboarded 37 new enterprises through direct lending in FY22-23.



While 11 of these were financial institutions, 70% of these were SMEs i.e., 26 startups and for 50% of them, Caspian Debt was the first or the second lender. Caspian Debt provides growth capital to social enterprises that work across impact sectors such as Food and Agriculture, Clean Energy, Healthcare, Education, and ICT, etc. With its special focus on women impact enterprises, Caspian Debt is a gender lens investor with 30% of its portfolio companies as at March 31, 2023 being women-led. This is encouraging in our country where only 18% of the start-ups are founded or co-founded by women. Caspian Debt walks the talk as 40% of its employees and 50% of its senior management are women.

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. We hold ourselves accountable to our mission and systematically collect and analyze the impact data of our clients which we publish in the form of this annual report. We believe tracking social performance indicators not only helps our companies recognize their contribution to critical social and environmental problems, but it also enhances their operational oversight. At Caspian Debt, we are inspired by the contribution our portfolio companies make and we therefore strive to showcase it both internally and externally.

In this year's report we have featured the performance of our portfolio companies, as against the 2X criteria for measuring gender impact. We are humbled to see that 51% of our companies meet one or more of 2X criteria, suggesting that our investments in our internal processes from a gender perspective and collecting gender disaggregated data from our clients have paid off. This is as much of a celebration of our portfolio companies as it is Caspian's. We are also the first signatory to the Partnership for Carbon Accounting Financials (PCAF), which is a global movement to systematically track our carbon footprint. As always, we will first do this accounting for ourselves for the current year, before taking our learning to our portfolio companies and inspiring them to start reporting.

I hope you will like reading this report. Please do share your feedback.

Best wishes,

**Avishek Gupta**



## Being Caspian

Caspian Debt supports transformational enterprises that work to create social and environmental impact. We evaluate sustainability and governance standards of these businesses because we believe that long term sustainable impact can only be created by companies which are commercially viable and professionally managed. The credit needs of such enterprises are in the range of USD 0.5 Mn to 2 Mn. However, they lack the mortgage collateral or personal network that is required for them to access traditional bank funding. Retail MSME fintech lenders, banks and even venture lenders are not able to meet the funding requirements of such enterprises due to a variety of reasons. Solving this credit gap has been our focus. Our belief is that customised credit is low risk. With loans ranging from USD 140,000 to USD 2 Mn (INR 10 Mn to INR 150 Mn), our portfolio has been carefully curated, combining an equity like due diligence, custom structuring, and risk management through close monitoring and sectoral diversification. Through this process, we have been able to identify strong business models early on in various sectors like food & agriculture, clean energy, health, education, etc. and provide growth capital to these promising companies without any collateral. This is our key differentiator in the Indian impact space. We also forayed into the retail lending space – providing less than INR 2 Mn (25KUSD) and high frequency supply chain financing in partnership with two of our existing clients. We scaled this partnership to be 14% of our AUM giving us the benefit of granularity of the portfolio while leveraging our past relationships. We will continue to scale the partnership business in the coming years to become a full stack debt provider to impact MSMEs.

Over the past couple of years, we embarked upon a digital transformation exercise that not only sought to improve customer experience but also dramatically enhance our ability to use data analytics to reduce time-to-decision for credit evaluation and risk management. A mix of successes and failures gave us good insights into how we can scale our impact-focused credit delivery.

**Over the next 3 years, we plan to accelerate our technology adoption and make it easier for companies across the impact and ESG spectrum to get access to much needed credit.**





## Our Vision

With the right business acumen, deep sectoral expertise and networks in place, Caspian intends to transition from an impact focused non-banking financial company to an Impact & ESG-focused credit asset management company with the ability to originate credit assets across the returns and impact continuum through a variety of credit strategies – direct lending, blended finance, mezzanine credit, venture debt, co-lending, wholesale credit and retail assets. To be able to broaden the impact and serve our customers better, we will have multiple pooling vehicles for the funds with the intention to bring different types of capital together.

## Our Partners

This journey has been possible with the support of multiple partners whom we have been able to bring together. High quality credit portfolio and NPAs lower than the industry even during pandemic has clearly demonstrated that our approach makes commercial sense, which has helped us uphold the confidence of our commercial investors. We have also been reliable partners to the global and national DFIs and helped them achieve the development goals of their investment mandates. In addition, we have got valuable support from philanthropic partners for de-risking investments in promising but high-risk early-stage companies. Thus, our key strengths lie in understanding and assessing companies and their business models, bringing together a variety of investors with various mandates ranging from pure commercial to pure philanthropy and with their support, executing funding structures to support high potential companies. In all our business dealings, we are guided by creating 'impact that matters'.



Triodos Bank

FMO  
Entrepreneurial  
Development  
Bank

GRAYMATTERS  
CAPITAL

sidbi  
VENTURE

DFC | U.S. International  
Development  
Finance Corporation

USAID  
FROM THE AMERICAN PEOPLE

Rabobank

Michael & Susan Dell  
FOUNDATION

villgro®  
possible.

SAMIDH  
HEALTHCARE BLENDED FINANCE FACILITY



# Measuring Progress

## Direct lending

Since Inception

**238**

companies funded till date

**₹ 29,329.85 Mn**

total amount disbursed

**55%**

companies where we disbursed two or more loans

**48%**

loss making (PAT-ve) companies funded

**44%**

number of MSMEs with CII as first/second lender

During FY'23

**₹ 4,998.37 Mn**

total amount disbursed in FY-23

**37**

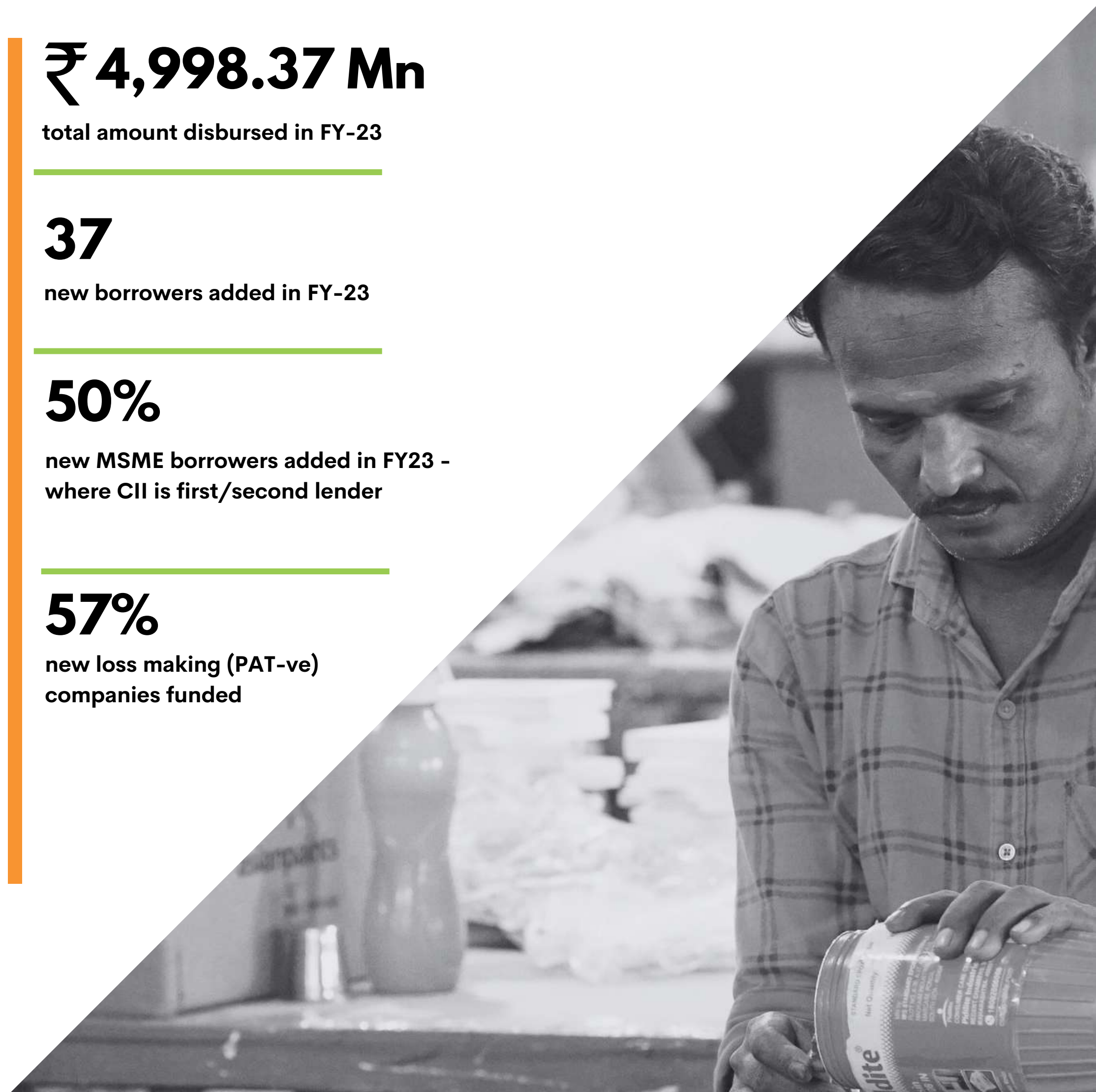
new borrowers added in FY-23

**50%**

new MSME borrowers added in FY23 - where CII is first/second lender

**57%**

new loss making (PAT-ve) companies funded



# Measuring Progress

## Retail Partnerships

Since Inception

**906**

number of companies funded till date

**₹ 1,360.95 Mn**

total amount disbursed (INR Mn)

**₹ 1,128.96 Mn**

total amount disbursed in FY-23

**669**

new borrowers added in FY-23

During FY'23





# Measuring Progress



**730,674**  
metric tonnes

CO2 emissions  
reduced by  
Clean Energy  
partners in FY-23



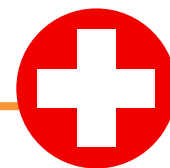
**1,463,367**

farmers reached  
by Food and  
Agri partners in  
FY-23



**4,662,907**  
farm acres

covered by food  
and Agri partners  
in FY-23



**6,500,402**

patient  
consultations by  
Healthcare  
partners in FY-23



**494,212**

students trained  
by Education  
Partners in FY-23



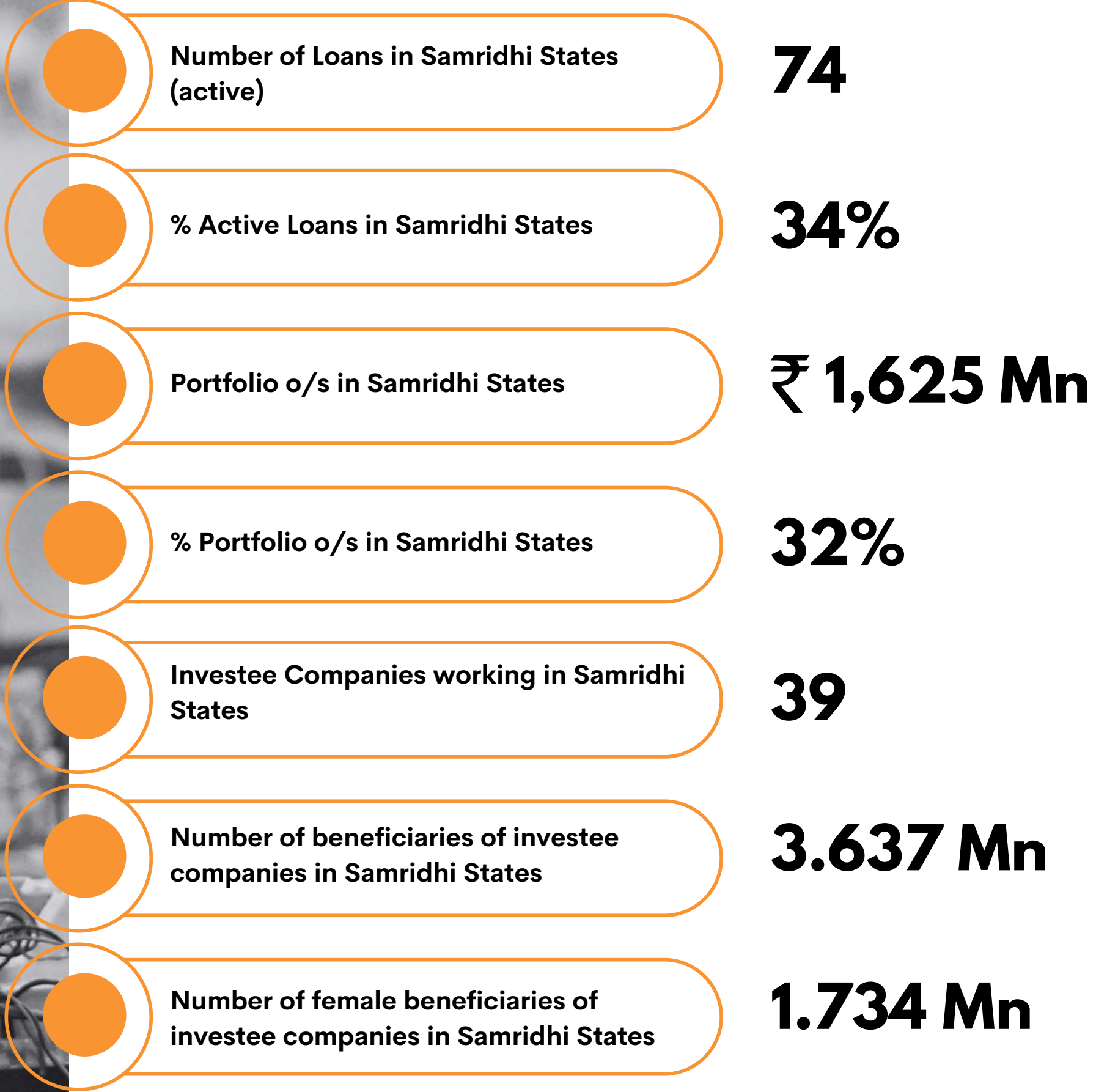
\*Self-declared numbers by our partner companies in their respective sectors for FY '23



# Measuring Progress

## Samridhi States

Samridhi<sup>1</sup> States which are classified as Low Income States. – Bihar, Uttar Pradesh, Madhya Pradesh, Odisha, Chattisgarh, Jharkhand, Rajasthan and West Bengal.



1. Samridhi Fund is an investor in Caspian Debt. It has a mandate to improve capital flows in 8 low income states in India. The data is tracked for our investment in these states.  
2. Data collated for FY 22-23, with the loan outstanding figures taken at the end of March 2023.



# GENDER LENS

**GENDER LENS IN  
BUSINESS AND  
ENTREPRENEURSHIP**





# Gender Lens in Business and Entrepreneurship

The contribution of women to India's GDP is 18 percent, one of the lowest proportions in the world, reflecting the fact that only 25 percent of India's labour force is female. More than 70 percent of the potential GDP opportunity comes from increasing women's participation in the labour force by 10 percentage points, according to McKinsey Global Institute's recent report, *The power of parity: Advancing women's equality in Asia-Pacific*.

Moreover, according to *10X Women Entrepreneurs in India 2023 Report*,<sup>3</sup> women founders show similar odds of success compared to male founders. However, despite equal capabilities, gender equity remains a distant goal in the Indian start-up ecosystem. Only 18% of the startups in the ecosystem have female founders. The inequity faced by women founders is reflected in the low-ticket size of deals they receive. Disparity in ticket size caused women founders to face an investment loss of ~ USD 3.7Bn (INR 303 Bn) over past 3 years. It is also observed that women-founded startups may take longer to get ready to Series A as compared to their male counterparts.

At Caspian Debt, we recognise the challenges faced by women founders and the socio-cultural barriers that hinder and delay funding to women led startups or offer them a lower ticket size. Hence, as a gender lens investor, we had committed 30% of the DFC funding to Caspian Debt to women led or women impact businesses. We have always exceeded the commitment as we set target of 30% of our entire disbursements for women led and women impact businesses. We believe investing in women impact and women led businesses makes business sense while promoting gender equity. We have also demonstrated effective implementation of Gender lens in our operations as well as in our investment decisions.



2. *The power of parity: Advancing women's equality in India, 2018* | McKinsey.

3. *Creating 10x Women Entrepreneurship in India 2023 Report* | Zinnov



# Gender Lens in Business and Entrepreneurship

- Strong networks with incubators, accelerators and entrepreneur networks catering to women entrepreneurs helped us reach out to 200 women entrepreneurs through various outreach programs.
- Each Loan Proposal is identified at the time of evaluating the application as whether it is a women impact.
- We seek gender de-segregated data at the time of evaluation as well as during monitoring for - Founders, Board members, Senior Management, Total staff, Customers (where available)
- We seek data on HR policies of companies being evaluated:



Whether there are policies in place for protection of employees at work (safety, anti-harassment)



Whether there is a written non-discrimination policy (including gender)



Whether the company has maternity and paternity policies. In case the company doesn't have a policy in place and does not intend to have one instituted, we do not lend to them.



Our loan agreements do not require guarantee from male spouse of family members or any declaration of family approval for accessing loans. This is especially beneficial for women entrepreneurs.



Caspian prioritizes qualitative elements of the gender lens approach, such as facilitating paternity leave, offering flexible and remote working option, and providing child-care allowance for families with children under 3 years of age.

In a conscious endeavour to foster equity, the company actively participates in a range of training programs, including those centred around gender-smart investing and addressing unconscious bias.

This commitment is further reflected in the company's workforce, where women make up 40% of the total employees and hold 50% of the senior management positions.

# 2X Challenge

The 2X Challenge is a global commitment launched toward the development finance institutions (DFIs) of the G7 countries to unlock resources to fund projects and initiatives that seek to address the barriers and challenges that women face in accessing capital and scaling their businesses.

The name '2X' reflects the goal of doubling the amount of capital available for investment in women-owned and women-led businesses across sectors such as agriculture, financial inclusion, energy, education, and healthcare, recognizing the potential of these sectors to drive economic growth and improve the well-being of women and their communities.

To qualify for the 2X Challenge, an investment must meet at least one of the following criteria:

## 2X Criteria



		Threshold		
Direct Criteria	1	Entrepreneurship		
		1A. Share of women ownership	51%	
		OR		
	2	Leadership		
		1B. Business founded by a woman	Y/N	
		-----		
	3	Employment		
			2A. Share of women in senior management	30%
OR				
4	Consumption			
		2B. Share of women on the Board or IC	30%	
		-----		
Indirect	5	Investments through Financial Intermediaries (FIs)		
			3A. Share of women in the workforce	30 - 50%*
			AND	
	6	Investment in Women's Enterprise		
			3B. One "quality" indicator beyond compliance	Y/N
			-----	
	7	Investment in Women's Enterprise		
			4. Product or service specifically or disproportionately benefits women	Y/N
-----				
8	Investment in Women's Enterprise			
		5A. On-Lending facilities: Percent of the Investor/FI loan proceeds or percent of FI's portfolio supporting businesses that meet direct criteria	30%	
		OR		
9	Investment in Women's Enterprise			
		5B. Funds: Percent of portfolio companies that meet the direct criteria	30%	
		-----		

\*sector-specific thresholds

### Sector-Specific Thresholds

3.A Women in the Workforce*		
Grp.	Sector	%
Low	Infrastructure, Power, Telecoms	30%
Mid	Financial Services, Manufacturing	40%
	– Heavy, Agribusiness & Food,	
	Professional Services	
High	Healthcare, Education, Consumer Services, Manufacturing – Light <sup>3</sup>	50%

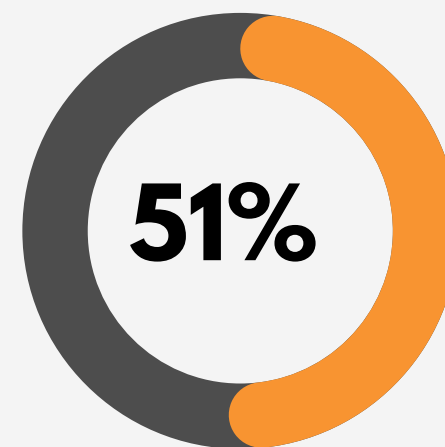
\*Room for judgement: Investees in unique sectors or geographies may require case-by-case consideration.

In FY-23, Caspian Debt fulfilled the requirements of the 2X fund status by surpassing the indirect criteria requirement by 170%, with over 50% of our companies\* meeting the 2X criteria.

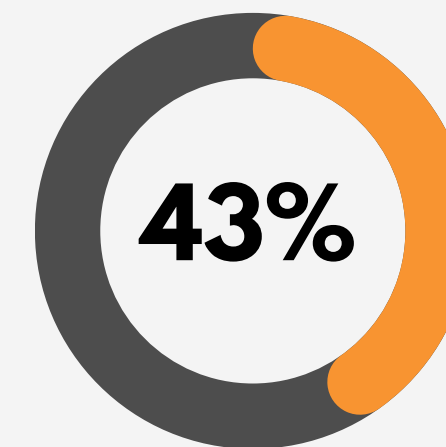


# 2X Challenge

## Caspian Debt Portfolio



% of active companies in FY 23 that are qualifying for 2X

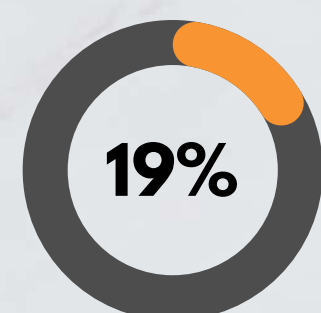


% of our total disbursement since inception\* to 2X companies

### Entrepreneurship

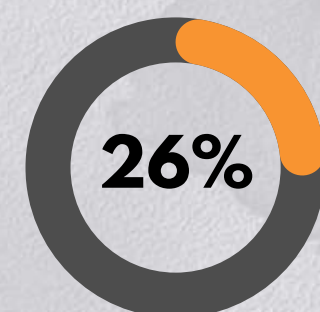


% Clients with women founder/co-founder\*\*

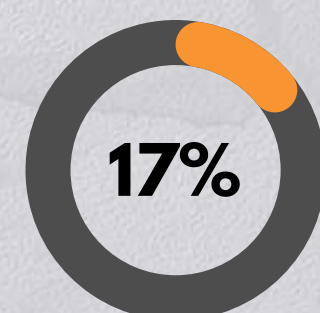


% Amount disbursed towards clients with women founder/co-founder

### Leadership

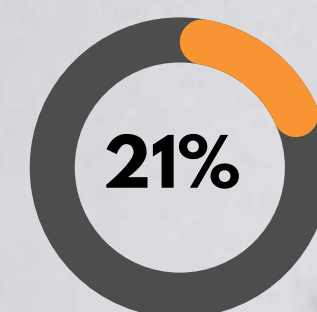


% Clients with share of women on the Board >30%

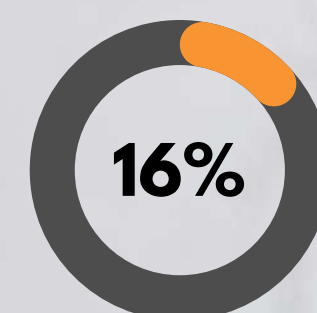


% Amount disbursed towards clients with share of women on the Board >30%

### Consumption



% Clients whose product or service specifically or disproportionately benefit women

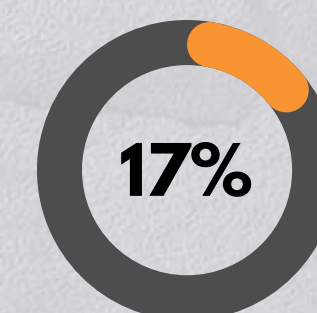


% Amount disbursed towards clients whose product or service specifically or disproportionately benefit women

### Employment



% Clients with share of women in workforce >30%



% Amount disbursed towards clients with share of Women in Workforce >30%

Through its emphasis on collecting and analyzing gender-disaggregated data, Caspian Debt can provide reports on the portfolio companies that fulfill the 2X criteria. We are confident that constant monitoring and transparent sharing of this information will facilitate the identification of 2X-qualified investments and encourage greater funding for companies that demonstrate a robust gender lens.<sup>4</sup>

\* Since inception data considered for companies which were active at any point during FY '23 - 154 companies

\*\* For active portfolio companies as at Mar-23

4. The 2X parameters pertain to the 154 portfolio companies that were active during FY 23



# Incentivizing Impact

**BLENDED  
FINANCE  
STRUCTURES**





## Blended Finance Structures

Blended finance is the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries. It attracts commercial capital towards companies that contribute to sustainable development, by de-risking the investments while providing financial returns to commercial investors. This innovative approach helps enlarge the total amount of resources available to bridge the SDG financing gap and support the implementation of Sustainable Development Goals.<sup>5</sup>

In India, blended financing has become increasingly important in recent years to address social and environmental challenges while also improving flow of capital to riskier and evolving sectors.

We launched the first ever, result-based blended financing programme in healthcare for a portfolio of 8 companies and completed one cycle of loans for a blended finance programme for early-stage impact companies.

An innovative product with commitment of INR 20Mn to incentives impact was launched by Caspian Debt in partnership with SAMRIDHI. Caspian Debt (acting as risk investor) provides loans to the borrowers/healthcare enterprises in the pool, using which the enterprise will work to achieve pre-agreed social impact outcomes. SAMRIDH,<sup>6</sup> the outcome payer sets specific pre-agreed measurable impact outcomes to be tracked for at least 6 months within the duration of the proposed facility and reimburse a fixed percentage of the interest cost as an incentive to the borrower/healthcare enterprise through Caspian Debt. This product has several advantages – it enables health care SMEs to borrow at market rate and incentivizes the impact target. The companies get the benefit of reduced cost of funding. The project only pays for the impact achieved and hence it works as an excellent example of blended finance in practice. Out of INR 20 Mn, we have already disbursed INR 11.6 Mn to 8 companies who have benefitted from this model for and provided affordable healthcare in rural areas.

5. Blended Finance – OECD

6. SAMRIDH Healthcare Blended Finance Facility, aims to leverage a \$100+ million fund to allow social and market-based health solutions to be introduced and scaled rapidly with a focus on health infrastructure, strengthen capacities of health care providers, and increase access to financial resources for innovators and manufacturers.



# IMPACT STORIES

**ACTION  
SPEAKS**





# AQUAEXCHANGE: Technological Interventions help Increase Shrimp Cultivation Tenfold

Aquaexchange Agritech provides full stack services to aquaculture farmers through affordable IoT solutions. The company facilitates, crop finance, input procurement and post-harvest services while helping farmers reduce the farming expenses. They are working with more than 500,000 farmers in Andhra Pradesh and Telangana regions and using technology to reduce risks of aquaculture and improve their incomes. Caspian Debt partnered with Aquaexchange in 2022. We were the second debt funding partner to the company and have since then provided funding of INR 70 Mn.

## Challenge

Srikanth is a resident of Ramapuram where shrimp cultivation is predominantly practiced. Like many other farmers, Srikanth raised shrimps in a small farm of about four acres. He would mostly stay put on the farm keeping an eye on the shrimps. Unseasonal rain and other contaminations would usually damage the crop leaving him in heavy debts. Changing climatic conditions made it hard to figure out appropriate use of manure or inputs for raising healthy shrimps. He learned of the technological interventions provided by Aquaexchange and leased a few farm equipment for a season.

## Intervention

IoT devices like Powermon, Starters and Aquabot from Aquaexchange help the farmers in accurately measuring the size variation of the shrimp, ensuring the quality of seed, maintaining of the alkalinity in the pond, and tracking the farm activities through a mobile phone application. Srikanth and other farmers are given timely information on different aspects of shrimp cultivation. These alerts to farmers reduces the risk of contamination and crop loss. The alerts on mobile phones help farmers in managing their farming remotely, and do not require their round-the-clock presence at the pond anymore. This has made it easier for farmers like Srikanth to increase the area under shrimp farming and has improved their quality of life. While he was able to cultivate approximately four acres previously, he is now able to cultivate shrimp in about 200 acres and plans on expanding to another 300 acres with the same amount of effort.

"We thank Caspian Debt for the support in terms of scaling the solution. At a time when we were supporting farmers in about 2,000 – 5000 acres, with Caspian's help, we have now scaled up to supporting farmers in 35,000 acres. Caspian Debt was also the first believers of our model. The adoption of technology at Caspian throughout the process helped us skip the relentless paperwork and focus on the right aspects of the business which is helping farmers."

**Mr. Pavan Kosaraju**

Co-founder & CEO

Aqua Exchange Agritech Pvt Ltd





## CHARGEUP: Addressing the Drudgery of Last Mile Mobility

Chargeup provides battery-swapping services for two and three-wheeled Electric Vehicles. Chargeup is building a driver-first platform, with solutions around the lives of drivers who are the backbone of last-mile mobility services, a one-of-its-kind in India. The startup generates revenue through swapping and charging service of batteries, and networking. The company has operations in seven cities with 300+ Chargeup stations (120 pin codes) and 3000+ drivers. Chargeup also helps drivers with access to credit which has a direct impact on their livelihoods. Caspian Debt partnered with Chargeup in 2022 and were the second debt funding partner to the company. Since then, we have provided funding of INR 50Mn. The startup also reports saving 92,911 tonnes of CO2 emissions.

### Challenge

With unwavering determination, Goutam moved to Delhi from West Bengal, hoping for a brighter future. He rented an electric rickshaw, embracing the hope that this new endeavor would bring prosperity to his family. For an entire year, he worked tirelessly, facing the ups and downs of the commuting requirements of the city, striving to earn enough to create a better life. During this challenging period, Goutam encountered a significant hurdle that threatened his high earnings: the recurring expense of replacing the lead acid battery in his electric rickshaw every six months. Each time, this unexpected cost ate into his hard-earned savings.

### Intervention

It was during this time of despair that Goutam met a fellow rickshaw driver, a friend who had discovered a solution that would change everything - Chargeup and their revolutionary lithium-ion batteries. Eager to explore this newfound hope, Goutam approached Chargeup in 2020. Chargeup not only introduced him to the world of lithium-ion batteries but also unveiled a groundbreaking concept - battery swapping, thus saving his time on waiting for the charging of battery. Battery swapping is a major relief for auto rickshaw drivers (battery rickshaw) who tend to make one-time, large, and up-front payments (for buying new batteries). These drivers can instead use batteries in the capex light model, therefore, having to make small payments as per usage of batteries and not an upfront one-time capex.

The impact of Chargeup was astounding. Goutam was able to save enough funds within just six months to purchase a brand-new electric rickshaw. Motivated by this newfound success, he poured his heart and soul into the work, and within a year, he expanded his fleet, and operated a thriving business of his own. Today, Goutam's annual earnings exceed 3.5 lakh rupees, a remarkable achievement that has transformed his life and the lives of his family.

"Access to efficient and long-term capital assistance is critical for any long-term business to survive. Caspian's mandate towards sustainability opened new doors through their investment to procure more assets for us. This helped us venture into more cities and provide livelihood opportunities and accessibility to the drivers."

**Mr. Varun Goenka**  
CEO & Co-founder  
Chargeup





## KREEDO: Transforming the Delivery of Early Learning to the Uncatered

Kreedo is an early education service provider with play-based learning at its core, working with more than 3 Lakh children in 2200+ schools. They believe providing access to the right kind of early education to all children in India will give them a level playing field. They partner with affordable private schools and preschools to transform the way they deliver early learning. Their vision is to democratize quality early education and ensure high learning outcomes in every school that partners with them. More than 50% of the workforce of the company is women – this not only helps them mirror the market but also contribute to women's workforce participation. We partnered with Kreedo, a women-led company in 2022 and provided them with a debt funding of INR 20 Mn.

### Background

Sheetal, the owner of Markandeya School has often received complaints from parents of children in grade 5 having fundamental learning disabilities like not understanding something as basic as subtraction, inability to read simple sentences, struggling to grasp the place value system, and difficulty in communicating. Most times this is because there is a massive gap in terms of learning in the foundational stage because of which the child struggles throughout the learning journey, and often results in children dropping off after a certain stage or losing interest in studies. This gap is much higher for the children from low-income families.

### Intervention

Markandeya School under the leadership of Sheetal adopted the Kreedo early learning program. Sheetal found the method very revolutionary and extremely effective and considers it a multi modal approach. Teachers in her school are applying many interesting resources and tools to teach in both online and offline modes. Kreedo's learning outcomes have been benchmarked to be 50% better than the market-based platforms on an independent assessment done by FSG (a Michael Porter founded Boston based social consulting firm). The investment in this program paid dividends and brought learning outcomes which were not possible to achieve in the last twenty years of running the school.

"It was a pleasure dealing with the team at Caspian on the entire transaction. What stood out was the quick understanding of what a business like ours needs and quickly structuring a product that works perfectly for us. We have also been extremely pleased with the professionalism of the team and the intent to make the entire process as smooth as possible with quick and relevant feedback."

**Mridula Shridhar**

Co-Founder

Kreedo Early Childhood Solutions





## KRIMANSHI: Boosting Cattle Health and Milk Production through Dairy Feed and Advisory

Krimanshi manufactures complete nutritional solutions ranging from feeds to supplements for cattle, to support better animal health and productivity while reducing the input costs, making livestock rearing sustainable and profitable. Krimanshi serves cattle nutrition solutions to over 10,000 livestock farmers helping them rear healthier productive herds. We partnered with Krimanshi in 2022 and provided them with a debt funding of INR 5 Mn.

### Background

Rohit is a resident of Pratapgarh, Uttar Pradesh and is engaged in cattle breeding and milk production with Red Sindhi indigenous cattle breed. He owns over 40 cattle comprising 25 adults and the rest calves and heifers on the farm. Just like other farmers, he believed in conventional feeding of animals by getting loose raw materials from the market and mixing them as per the formula suggested by a local veterinary doctor. He would mostly spend time in managing the proper mixing ratio at farm, getting additional supplements, and managing the overall animal health and productivity. Due to the lack of quality assurance in raw material, he faced inconsistent animal productivity and breeding cycles.

### Intervention

A wide range of balanced nutrition feed from Krimanshi has made it easier for Rohit to devise different feeding strategies for its breeding and rearing programs. On the one hand, he is specifically targeting the growth of calves and heifers by providing balanced nutrition to reach first pregnancy and on the other, he has put his adult cattle on a different feed mixture for better health during pregnancy and for better milk yield. He has seen a considerable rise in milk production from 12 litres to 22 litres. The notable increase in production was experienced within five days of starting the Krimanshi feed. Krimanshi is helping Rohit and many other dairy farmers achieve better milk yields, body condition score, shinier coats, and higher reproductive success.

"We thank Caspian Debt for supporting us in a time of need to start expanding with newer product variants targeting newer areas in and around Rajasthan. Caspian Debt was one of the first believers of our model and the onboarding and disbursal process has been fast and hassle-free. "

**Nikhil Bohra**  
Founder & CEO  
Krimanshi





## GRAM VAANI: Breaking Barriers to help Rural Women make Informed Decisions

Gram Vaani's innovative approach is centered around community media and communication platforms that give a voice to the often unheard. It started in 2009 with the intent of reversing the flow of information, i.e., to make it bottom-up instead of top-down. Using simple technologies and social context to design tools, they enable individuals in rural areas to share their stories, ideas and concerns. Gram Vaani has been able to impact communities with more than 3 million lives touched through 46+ district and partner platforms covering 20+ Indian States. Caspian Debt partnered with Gram Vaani in 2018 and since then has provided debt funding of INR 46 Mn. We were the second debt funding partner to join their impact journey.

### Challenge

Anju often faced difficulties leaving her house because of social stigma and lack of access to information and facilities. She hesitated and had trouble going to the bank or the market. However, ever since she started listening to *Meri Aawaz Meri Pehchaan*, a new, free, voice-based media platform to help create a safe space for women's interaction and education, her life has seen significant changes.

She now confidently goes out alone to the bank and market, manages her own work, and even delegates tasks to other women. Recently, she helped her grandmother receive an old-age pension as well. Anju believes that *Meri Aawaz Meri Pehchaan* has greatly contributed to her progress, and she wishes to continue benefiting herself and other women through it. She feels a sense of achievement when women receive their dues and finds it fulfilling to work with them.

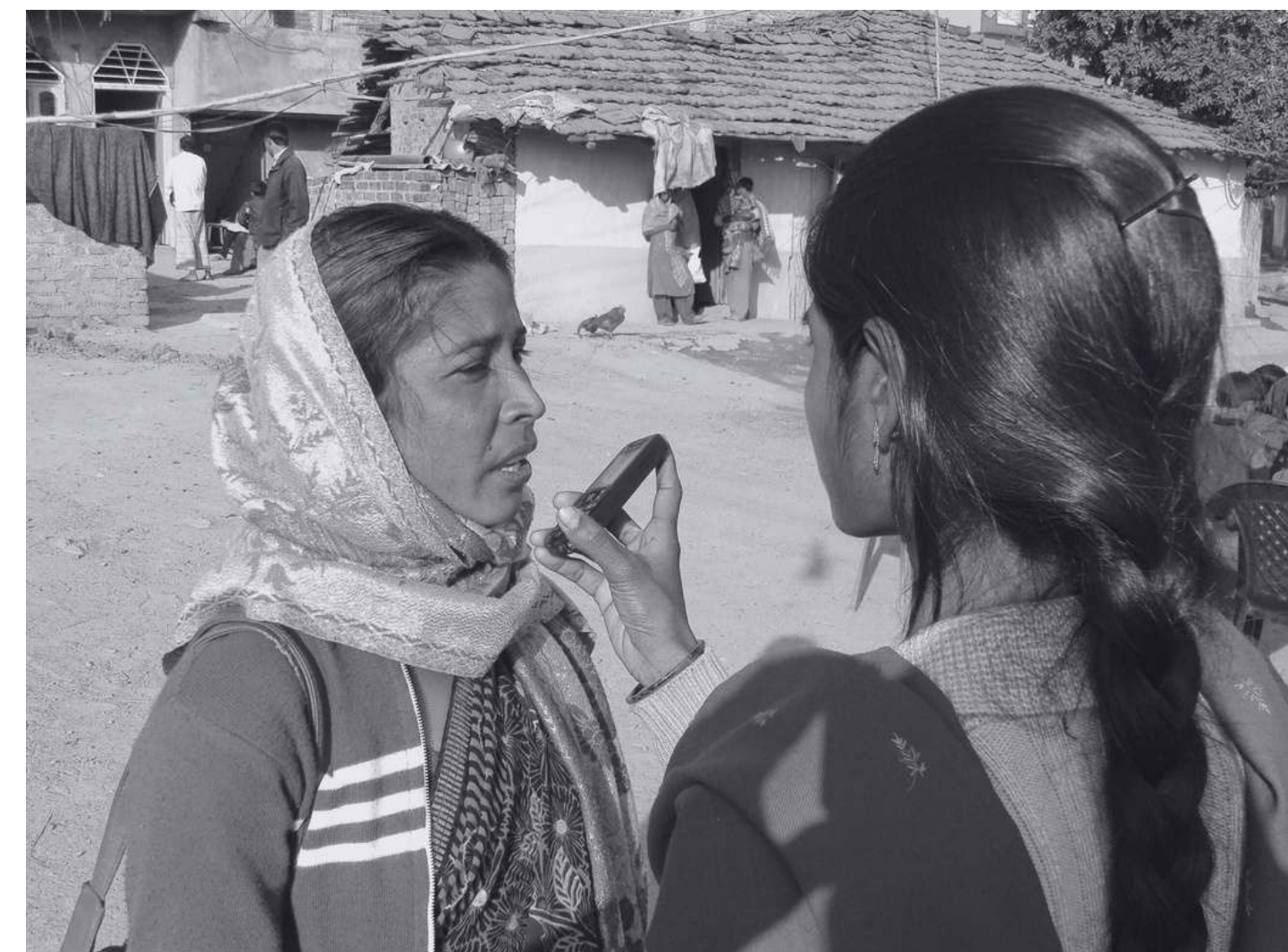
### Intervention

Interactive Voice Response System (IVRS) programs like *Meri Aawaz Meri Pehchaan*, *Mera Paisa Meri Taqat* in collaboration with Jeevika & Amazon have made life easy for Anju and thousands of other women in Bihar. Anju and other women have been participating in discussions on financial independence, maternity care, and skill development for improving livelihoods. A bottom-up approach to IVRS technology and voice as a medium have revolutionized the technology and reduced risks. Most importantly, the effort of Gram Vaani has helped many women in the remotest of places to make informed decisions, thus not succumbing to social pressures. The IVRS has played its key role in facilitating financial inclusion among women.

"Caspian has been instrumental in providing extensive organizational support to Gram Vaani. Their collaboration has led to enhanced operational efficiency and streamlined processes. Caspian's expertise in technology integration and strategic planning has empowered Gram Vaani to expand its reach and impact. Through their partnership, Caspian has facilitated the implementation of innovative solutions, enabling Gram Vaani to better serve its beneficiaries and achieve its mission."

### Vijay Sai Pratap

Co-Founder & CEO  
Gram Vaani





## RAHEJA SOLAR: Value Addition through Food Processing

Raheja Solar Food Processing Pvt. Ltd (RSFP) provides a unique, sustainable and easy to use solution for the drying of fruits and vegetables from the farm in order to increase the shelf life of the fresh produce organically and reducing the wastage of produce which cannot be sold or transported for better market linkages. RSFP has provided solutions for reducing food waste to about 30,000 farmers. It has help them in value addition to farm produce and finding market linkages for dried fruits and vegetables. Raheja Solar is operational across India, but its major presence is in Uttar Pradesh, Maharashtra, Madhya Pradesh, Telangana, Andhra Pradesh, Arunachal Pradesh, and Odisha. Caspian Debt provided debt funding of INR 1.5 Mn to RSFP in 2022.

### Background

P. Kumari Gomango, resident of a remote village Sindhiva in Gajapati district of Odisha is a hardworking young woman with six members in her family. Her family owns a land of about 1.5 acres on which they grow pineapples and bananas. Due to the extreme remoteness of the location, she was only able to sell her farm produce in the local market. The rest of the produce used to spoil as she could not transport it to the nearby market in a timely manner and lacked access to storage facilities.

### Intervention

In partnership with an FPO, Raheja Solar Food Processing installed a solar dehydration unit in the village that facilitated the processing of the farm produce of pineapple and bananas that were not sold in the market. In this solar dryer unit, the products are dehydrated using solar energy while retaining the natural color and nutrition of the dried product. As a result, the wastage which is usually around 30% of the total produce is reduced to zero and the local villagers now have the opportunity of making additional revenues. This has cut down the wastage of produce for not only Kumari Gomango, but also for the other farmers of her village. Installation of the dryer unit in the village has added up to 50% extra income in almost every household in the village.

"We are grateful to be a part of the Caspian Debt's amazing portfolio. We joined them last year, as one of their youngest portfolio companies and it also motivates us to work harder to leverage the opportunity. The Caspian team has been the prime promoter of our solution among their stakeholders, and gives us immense exposure in the market, by being a small enterprise. The financial support from Caspian helped us grow at double the speed as before."

### Varun Raheja

Co-Founder & CEO

Raheja Solar Food Processing Pvt. Ltd





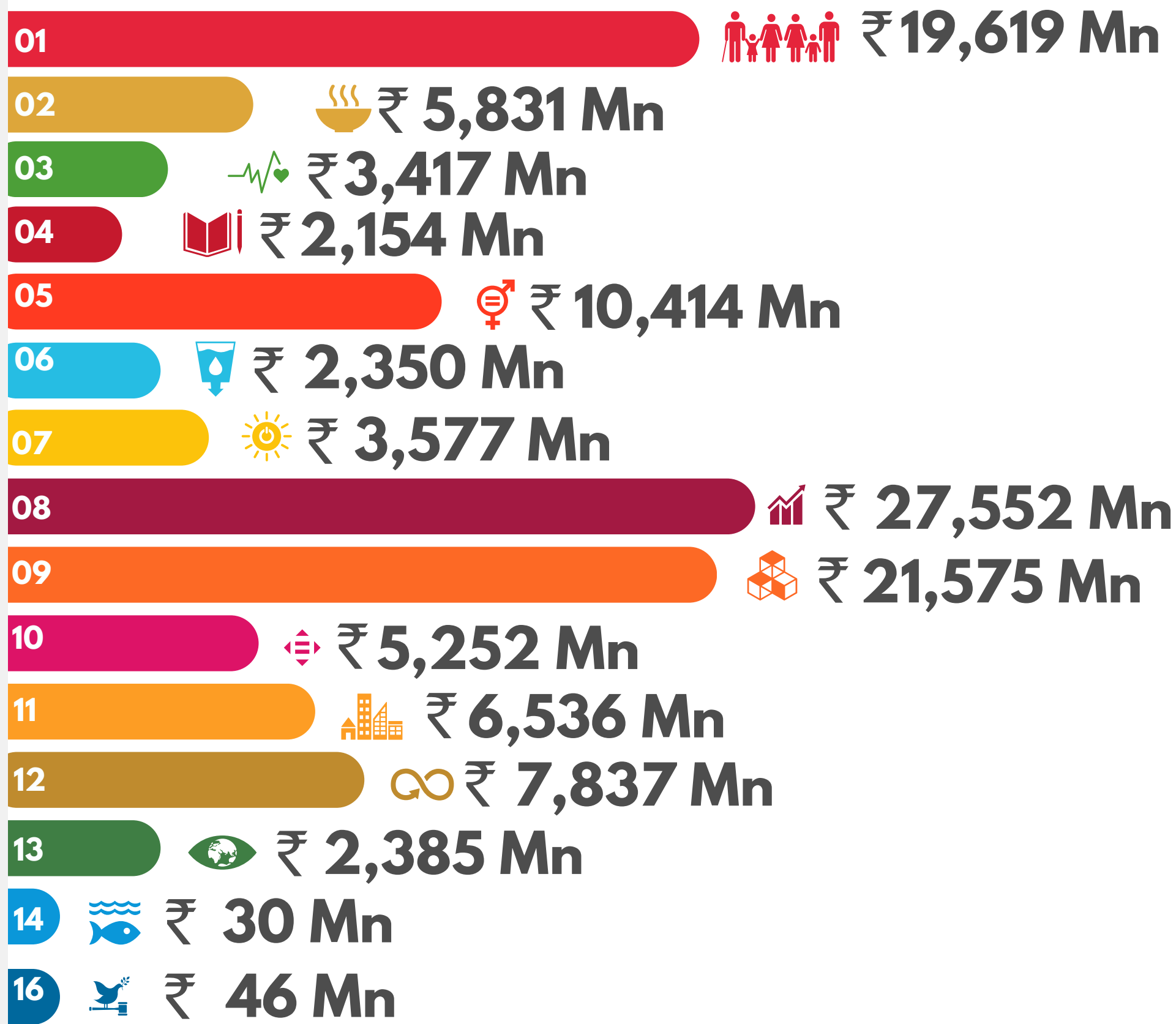
# SDG IMPACT







Total funding towards each SDG since inception (Figures in INR (Million))





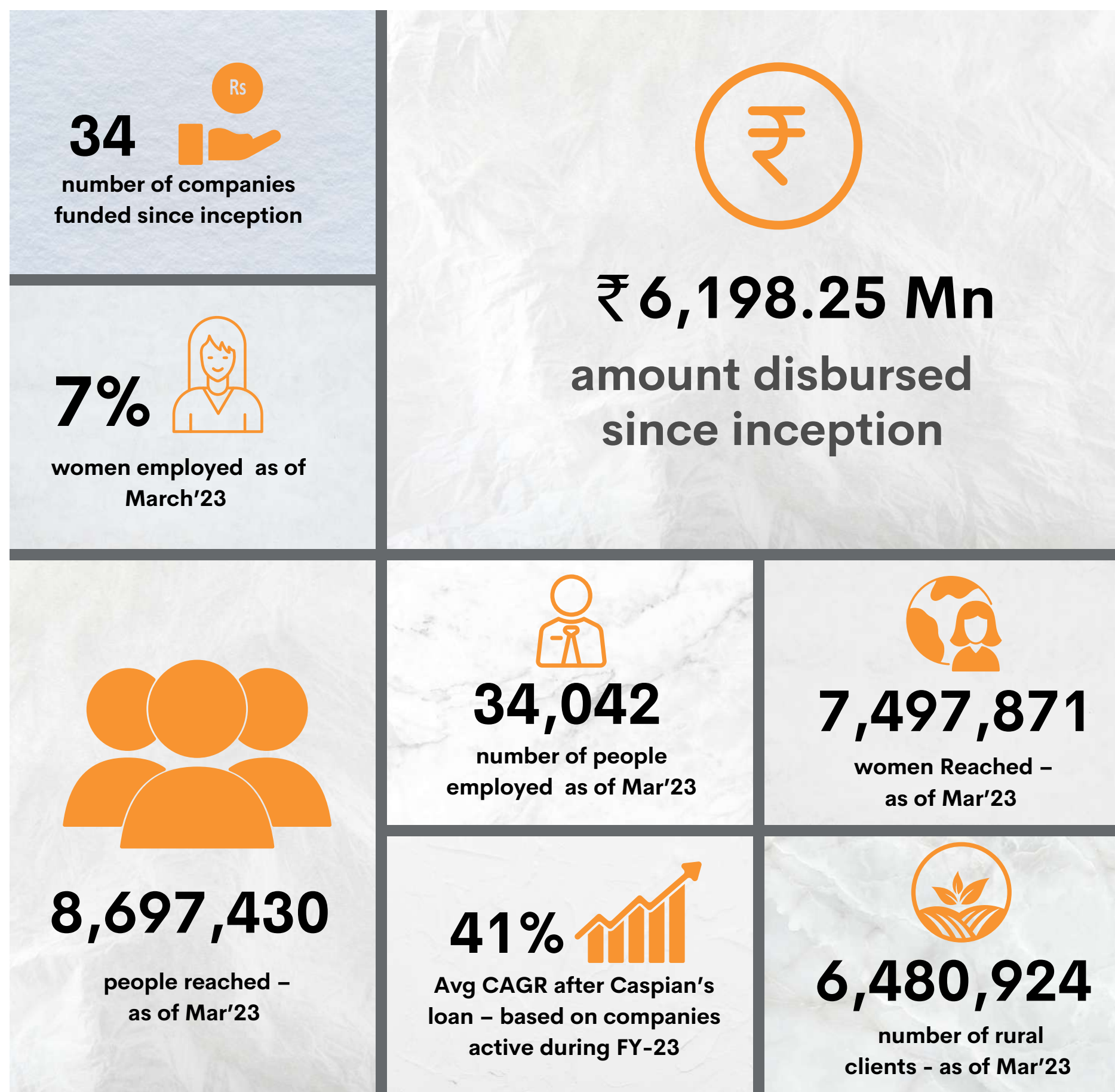
# SECTOR HIGHLIGHTS





# Financial Institutions

## Microfinance



Caspian Debt has been investing in MFIs since 2013, contributing to financial inclusion of the underserved, including women. Recent trends in the microfinance industry indicate a shift in market share, with MFIs surpassing banks in growth rate and market dominance. The microfinance sector recently received new regulations from RBI which has created level playing field for all operators by removing interest rate cap and limiting household indebtedness.

Our MFI portfolio has witnessed substantial growth, with a 62% increase in Assets Under Management (AUM) in FY23. The portfolio companies have shown improved portfolio quality. Caspian Debt's portfolio companies are well-capitalized, exceeding regulatory limits, and have maintained healthy profitability, with a Net Interest Margin (NIM) of 11% as of March '23.

These positive trends also reflect a recovery from the pandemic and demonstrate resilience and commitment of the MFIs to financial inclusion. They have also responded well to the new regulations.

By supporting MFIs, Caspian Debt has played a pivotal role in promoting access to finance and empowering women. The strong portfolio performance and industry trends position us well for continued growth and impact in the microfinance sector.

Data available for 17 companies



# Financial Institutions

## Small Business Financing

Since 2013, Caspian Debt has been supporting financial institutions catering to a variety of SMEs like retailers, manufacturers, farmers, EV suppliers, lightweight commercial vehicles operators, and educational institutions. SMEs are key contributors to the country's economic activity as an important source of employment, growth, and innovation.

New Digital lending guidelines by RBI<sup>7</sup> went into effect from December 1, 2022. which tightened norms on involvement of third parties or lending apps by allowing repayment/disbursements to be done by regulated entities only. It also addressed concerns regarding data privacy, loan recovery practices, and the charging of hidden fees. Despite more stringent lending norms, the MSME sector as a whole saw growth in credit supply till Q2 FY 2023 (Sep '22) as per the SIDBI MSME report Mar 2023.<sup>8</sup>

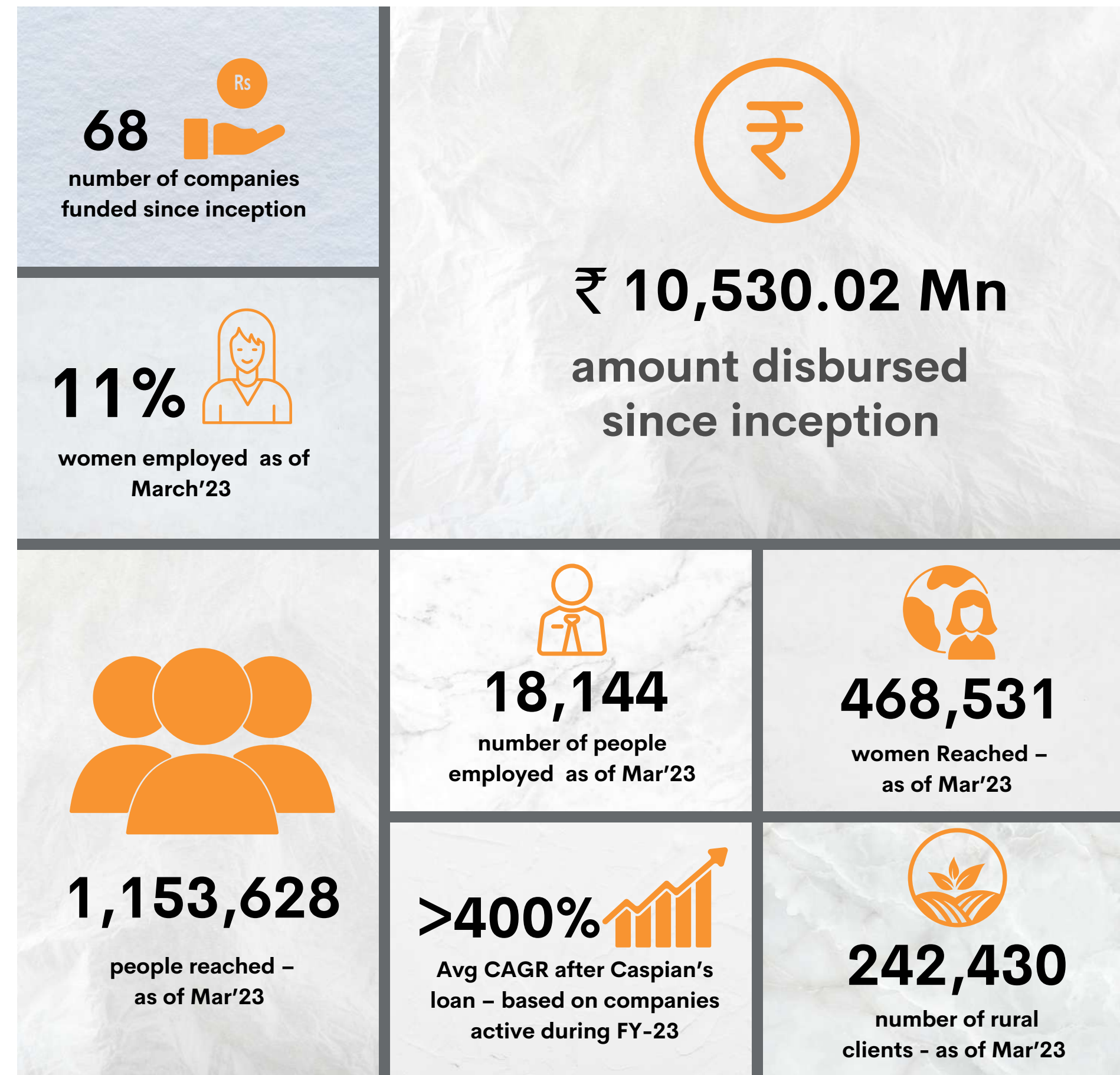
In Caspian's SBF companies for FY 2023, portfolio growth continued to be positive with an 80% increase in assets in Mar '23 compared to the previous year along with a stable portfolio quality (NPAs declining from 2.9% of AUM to 2.7%). However, interest margins declined on average during the second half of the year from 14.6% in Sep '22 to 14.11% in Dec' 22 due to increased borrowing costs post RBI rate hikes. Within the SBF sector, School finance sector has been slow to recover from the losses occurred on account of Covid-19 pandemic with median asset growth at -30%. However, disbursements have increased compared to FY 2022.

Caspian Debt intends to continuously support its clients to open new financing pathways for SMEs.

7. [GUIDELINESDIGITALENDINGD5C35A71D8124A0E92AEB940A7D25BB3.PDF \(rbi.org.in\)](#)

8. [MSME Report March 2023 Web \(sidbi.in\)](#)

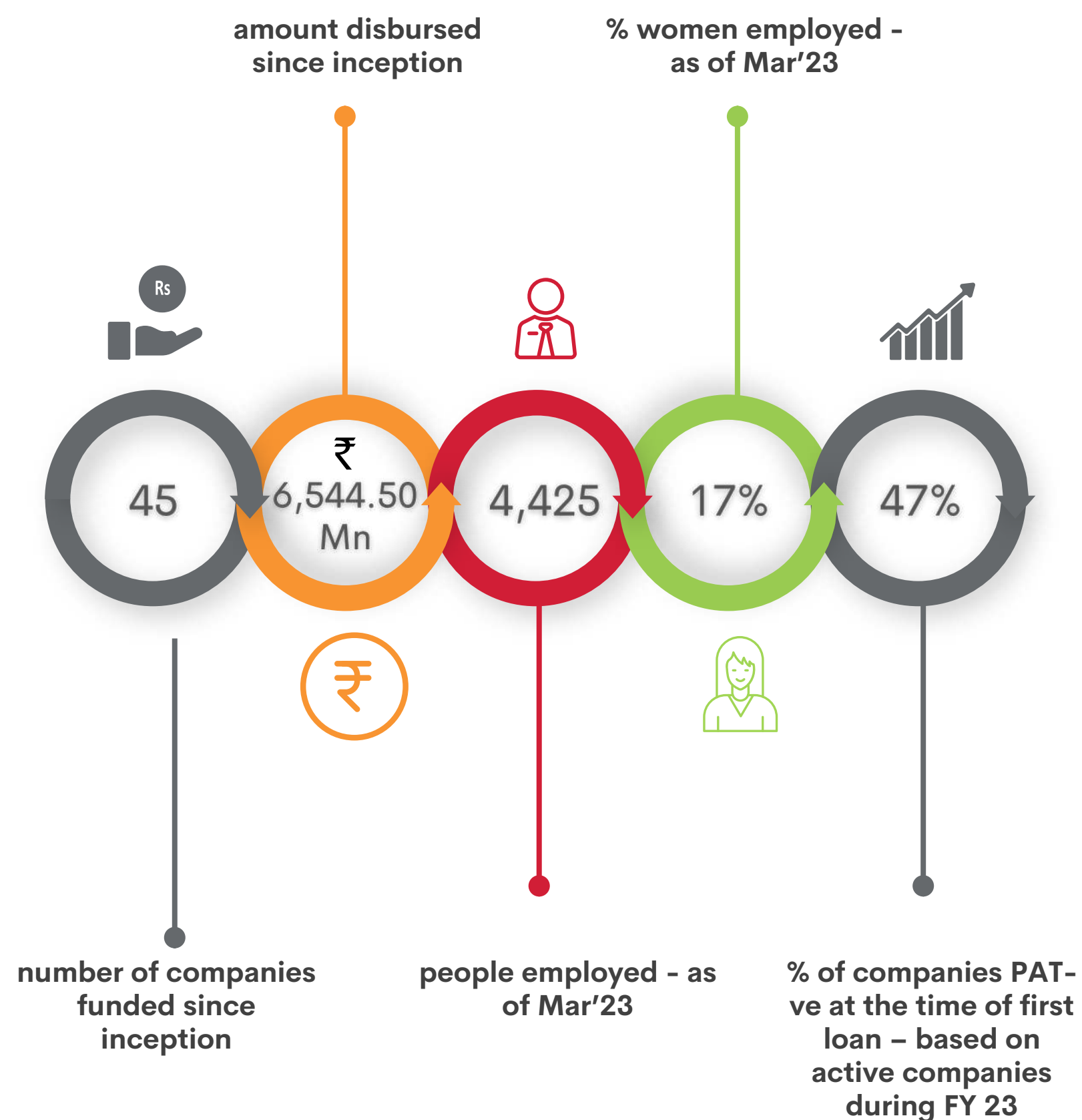
Data available for 43 companies.





# Micro, Small and Medium Enterprises

## Food and Agriculture



Since 2015, Food and Agriculture has been a focus sector for Caspian Debt and we have supported companies across the agricultural value chain who promote sustainable agriculture, bring efficiency in supply chain, and ensure food security. Our investee companies have reached out to more than 1.4 million farmers till date, which covered over 4.6 Mn acres in farmland.

Our portfolio witnessed Y-o-Y sales growth of 54% in FY-2023 as agriculture & allied business catered to the demand for harvested crops in Q4 FY-2023 despite unseasonal rain. Market linkage companies especially stood out and registered strong growth. Along with the seasonal impact in this sector, margins improved across the sector towards the end of FY 2023 as many companies became EBITDA positive. Apart from that, currently 53% of our F&A portfolio is EBITDA negative early-stage companies where we are helping their journey to profitability.

F&A was one of our first focus sectors in non-FIs and continues to be a significant area of impact for Caspian Debt.

Data available for 32 active companies.



# Micro, Small and Medium Enterprises

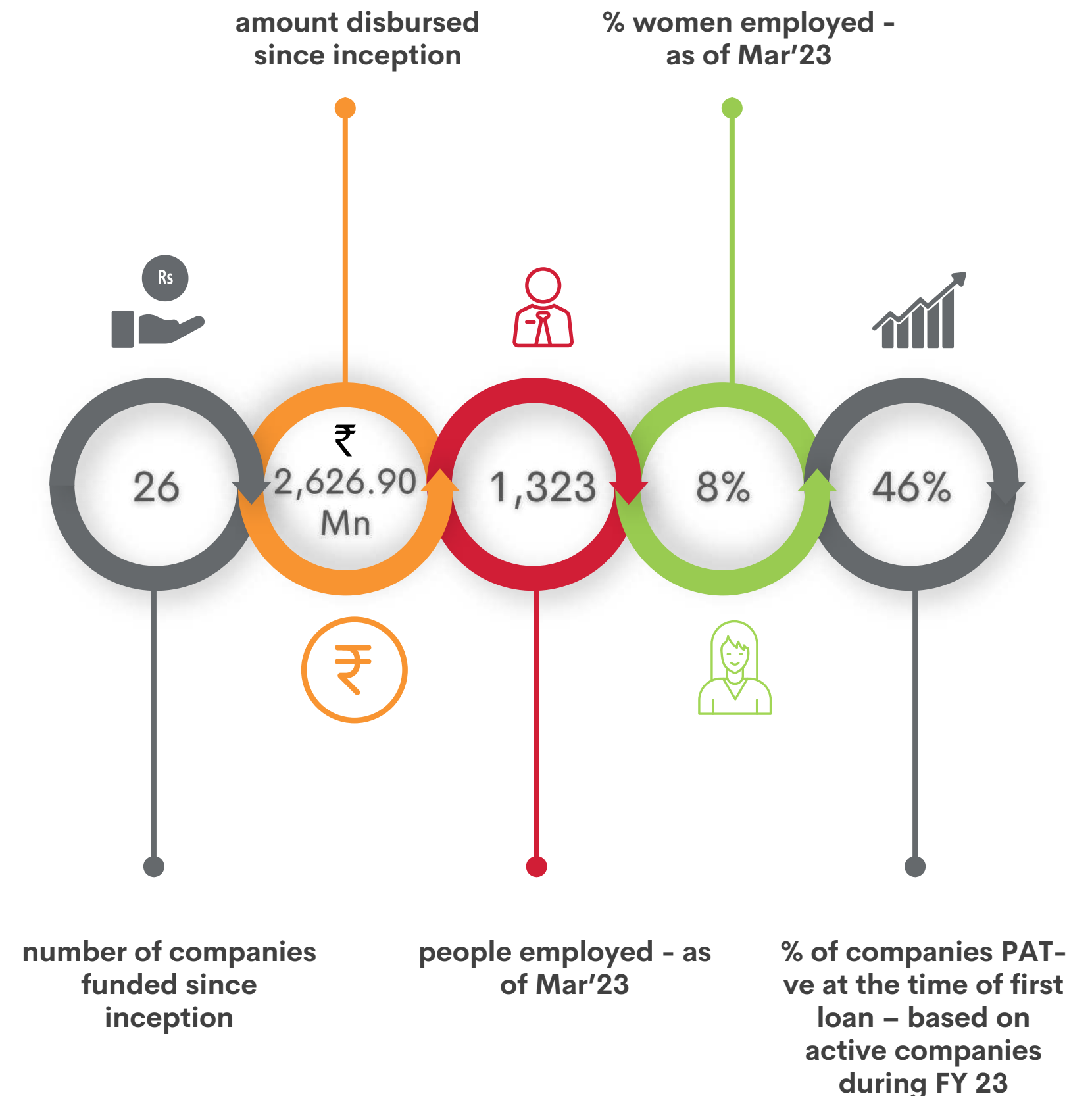
## Clean Energy and Energy Efficiency

Since 2018, Caspian Debt has been investing in clean energy extensively. Our investments have covered a wide range of companies from rooftop and ground mounted solar solutions to electric vehicle manufacturers and financiers.

Investing in clean energy solutions and reliable renewable technologies can create a system less prone to market shocks and improve resilience and energy security by diversifying power supply options. As per Impact Investment Council report,<sup>9</sup> 1 out of 3 impact investments made in 2022 in India was made in a Climate-tech startup and was the most active sector this year in the Impact ecosystem.

Within Caspian's portfolio of clean energy companies, overall sales growth continued to be positive at 29% on a Y-o-Y basis. Gross margins improved on average for all companies in the second half of FY 2023 due to stabilizing input and commodity prices. Notable exception to the Gross Margin trend is EV battery manufacturers who face increased market competition leading to lower margins.

We aim to continue strengthening our clean energy portfolio and augment our funding to this sector through various blended finance models.

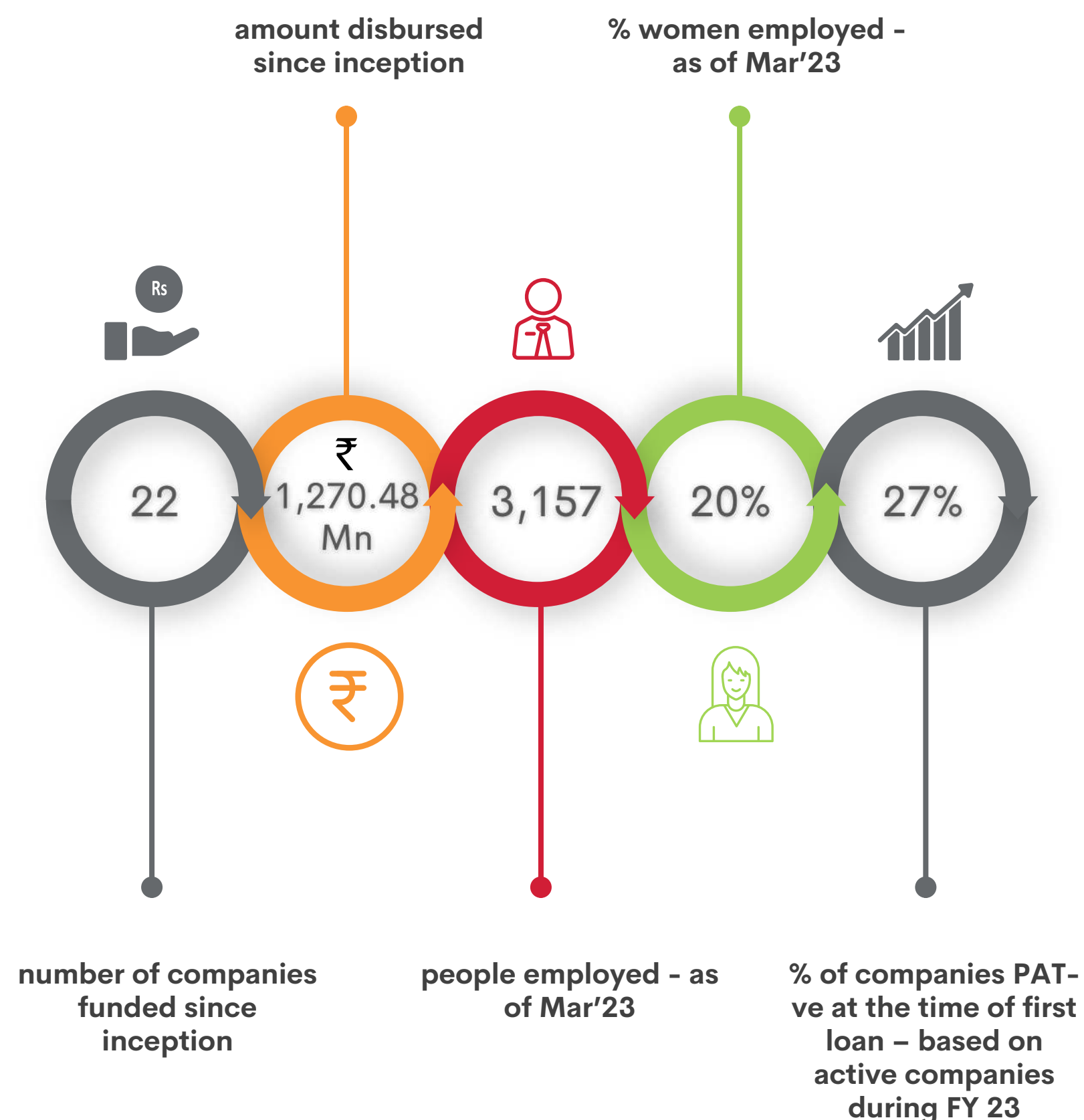


<sup>9</sup>. [Research Publications - Impact Investors Council \(iiic.in\)](https://www.iiic.in/)  
Data available for 18 companies.



# Micro, Small and Medium Enterprises

## Healthcare



Since 2016, Caspian Debt has been committed to support health care enterprises to scale and provide affordable services. Our focus on accessibility and affordability has guided us in supporting last mile healthcare service providers, dental and vision service providers, apparatus, and equipment providers, particularly in underserved Tier 2-3 geographies.

Portfolio Companies channelizing CSR Initiatives to provide last mile healthcare services through Mobile Clinics, Tele clinics were able to positively influence the lives of over 6 million individuals, ensuring primary healthcare reaches underserved communities. In addition, companies in eyecare and dental care segments continue to scale and provide access to affordable products and services.

Companies in our portfolio achieved significant Y-o-Y sales growth in Q2 FY2023 (55%) and Q3 FY-2023 (43%). Although, sales growth slightly decreased to 36% in Q4 FY-2023, as the companies prioritised profitability in FY-2023.

By leveraging blended finance facilities, we have empowered our investee companies to scale their operations, drive systemic change, and deliver transformative health outcomes.

Data available for 10 companies.



# Micro, Small and Medium Enterprises

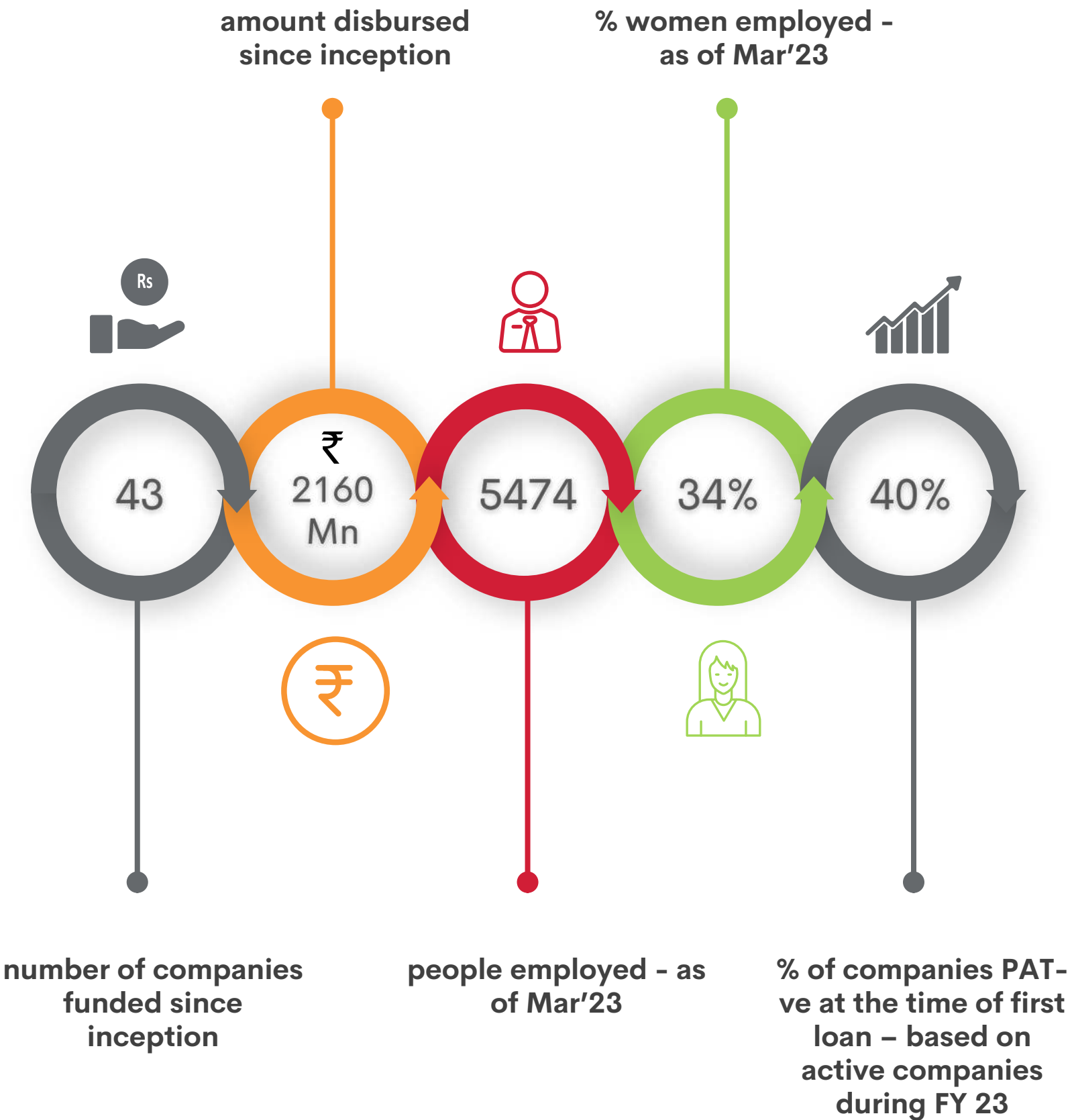
## General Impact

Since 2017, Caspian Debt has been investing in general impact enterprises which includes water and sanitation, rural-tech, skill development, circular economy, and information and communication technology companies.

Education and skill development enterprises form a large proportion of our general impact portfolio. These consists of a breadth of companies from primary education and curriculum development to higher education and skill development. We have also added companies who provide STEM learning kits for school students, and other enterprises who provide online exam preparation for Banking exams and other competitive exams.

Caspian Debt Education portfolio companies saw a Y-o-Y sales growth of 33% in FY 2023. Gross margins saw a rise in Q4 FY2023 at 77% compared to Q3 FY2023 at 68% owing to higher revenue recognition in skill development companies who are dependent on CSR funds which gets deployed in Q4.

We aim to continue to invest across all kinds of new and evolving business models and enterprises which contribute to positive social and/ or environmental impact.



Data available for 27 companies.



## CSR Activities

Caspian Debt has focussed its CSR activities on supporting education of children. Our partnership with Parinaam Foundation continued this year to support the schooling expenses of children under its Academic Adoption Programme.

The Academic Adoption Programme is designed to transform the lives of disadvantaged children by providing them access to high quality education in English medium through academic scholarships. These children come from very poor families and are at risk of dropping out of the formal schooling system. Caspian Debt contributed towards education expense of 52 children in FY-23.



We believe that the Parinaam Foundation plays a critical role in the lives of these children and their families by ensuring that the child receives quality education which will pave a way towards a better life.





# Caspian Way of Working

We at Caspian are 66 people strong organisation with offices in Hyderabad, Bangalore and NCR. We pride ourselves on Caspian Culture which is based on four pillars of Respect, Competency, Accountability and Lifelong Learning. The leadership team at Caspian Debt takes great efforts to create a shared vision where each employee can establish clear linkage between their own work and the goals of the organisation and deliver those responsibilities in an environment of mutual trust and respect. We strongly believe in providing equal opportunities to all and is demonstrated by 42% of the permanent employees and 50% of Senior Management being women. We are a company promoted by Caspian Advisors, the first impact investor in India to be Certified B Corporation (BCorp). As a B Corp we hold ourselves equally accountable not only to our shareholders but to all our stakeholders including employees, suppliers, communities, clients and investor partners.

We encourage knowledge sharing and learning 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 also conducted training sessions on unconscious biases with the help of an industry expert and internal training on POSCH. 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 for children up to 36 months. We endeavour to balance the expectations of all our stakeholders. We carry out an annual survey of clients and employees.

In our Annual Employee Survey 2023, we have seen consistently high scores on the three parameters below which are a testament to the success of our efforts on this front.

100%

"I understand how my work impacts the organisation's business goals"

100%

"My organisation has a safe working environment"

96%

"My coworkers and I have a good working relationship"



# Abbreviations

**AHF - Affordable Housing Finance**

**AUM - Assets Under Management**

**CAGR - Compound Annual Growth Rate**

**CIIE - Centre for Innovation, Incubation and Entrepreneurship**

**CLE - Clean Energy**

**EBIDTA - Earnings Before Interest, Depreciation, Tax and Amortisation**

**EDU - Education**

**EFA - Enterprise Finance and Accounts**

**F&A - Food and Agriculture**

**FI - Financial Institutions**

**FY - Financial Year**

**GII - General Impact**

**GIZ - Gesellschaft für Internationale Zusammenarbeit**

**GUSEC - Gujarat University Start Up Program**

**HEA - Healthcare**

**HOU - Housing Finance**

**MFI - Microfinance Institution**

**MSDF - Michael and Susan Dell Foundation**

**MSME - Micro, Small and Medium Enterprises**

**NBFC - Non Banking Financial Company**

**SAMRIDH - Sustainable Access to Markets and Resources for Innovative Delivery of**

**Healthcare**

**SBF - Small Business Finance**

**SDG - Sustainable Development Goals**

**SME - Small and Medium Enterprises**

**TIE - The Indus Entrepreneurs**

**TII - Transforming India Initiative**

**USAID - United States Agency for International Development**

**WASH - Water, Sanitation and Hygiene**

**YTD - Year Till Date**



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