



Independent Auditor's Report

To
The Board of Directors
M/s Caspian Financial Services Limited

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Caspian Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and Cash Flow Statement and the Statement of Changes in Equity for the year then ended and 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 aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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



Responsibilities of Management and Those charged with Governance for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS Financial Statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Ind AS 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 financial controls 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements



represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure " a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - C. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - D. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - E. Since the company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the company is exempted from getting an



audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017.

F. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations on its financial position in its financial statements.
- ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which required to be transferred to the investor education and protection fund by the company.

For Padmanaban & Associates
Chartered Accountants
Firm's Registration Number:
008531S

P. Jyothi



P.Jyothi
(Partner)
M.No: 200554

Place: Hyderabad
Date: 29-05-2022

UDIN: 22200554ANRTYI6827



CASPIAN FINANCIAL SERVICES LIMITED

Annexure To the Independent Auditors' Report on the Financial Statements of
M/s Caspian Financial Services Limited.

- (i)
- a. The Company has no Plant, Property & Equipment.
 - b. The Company has no Intangible Assets.
- (ii) The Company is engaged in providing Financial Services. Hence it has no inventory.
- (iii) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not given any loans, guarantee, security, advances to LLP, Firms, Companies or any other person.
- (iv) The company has not given any loans or guarantees to directors or any other person in whom the director is interested or made any investment thereof within the meaning of sections 185 & 186 of the Companies Act, 2013.
- (v) The company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The provisions of section 148(1) of the Act read with relevant rule are not applicable to the company as the Company is not a manufacturing Company.
- (vii)
- a. According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the Books of Accounts in respect of undisputed statutory dues have been regularly deposited during the year by the company with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amount is payable in respect of Income Tax or Goods and Services Tax or Wealth Tax or Service tax or Customs Duty or



Excise Duty or Value Added Tax as at 31 March,2022. No undisputed statutory dues applicable to the company were outstanding as at 31st march, 2022 for a period is more than 6 Months from the date they become payable.

- (viii) The Company has not recorded any undisclosed income in the Books of Accounts during the year.
- (ix) The Company has not availed any loans from any financial institutions, government banks or through debenture holders and hence, the question of default in the repayment of loans does not arise.
- (x) In our opinion and according to the information and explanations provided by the Management, the company has not made any initial public offer during the year. Also, the company has not made any preferential allotment or private placement of shares/debentures during the year.
- (xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xii) According to the information and explanations given to us and based on our examination of records of the company, no transactions with the related parties have been entered during the year.
- (xiii) The Company does not have any Internal Audit system, considering the size of its operations during the year.
- (xiv) The Company has not entered into any non-cash transactions with directors or persons connected with directors as referred to in section 192 of the Act during the year.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (xvi) The Company has not incurred any Cash Loss in the financial year and the immediately preceding financial year.
- (xvii) The resignation of the statutory auditor is not applicable as no statutory auditor has resigned during the year.



- (xviii) Existence of no material uncertainty on the date of Audit report is observed on our evaluation.
- (xix) Transfer to fund specified under schedule VII of the Companies Act, 2013 was not made as it is not applicable to the company.
- (xx) Since M/s Caspian Financial Services Limited is a subsidiary company, and does not have any subsidiaries the consolidated balance sheet is not applicable.
- (xxi) As the Company is not a Nidhi company, paragraph 3(xxi) of the Order is not applicable.

Padmanaban & Associates

Chartered Accountants

ICAI Firm Regn No: 008531S

P. Jyothi

P. Jyothi

(Partner)

Membership No : 200554

UDIN: 22200554ANRTYI6827



Place : Hyderabad

Date : 29.05.2022

CASPIAN FINANCIAL SERVICES LIMITED

(CIN: U65993TG1992PLC014687)

Regd. Office: Plot No. 31 & 32, Ramky Selenium Towers, Tower A, Ground Floor, Financial Dist, Nanakramguda,
Hyderabad, Telangana - 500032.

Balance Sheet as at March 31, 2022

(Rupees in millions unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	0.09	0.01
Investments	5	23.44	22.78
Subtotal - Financial Assets		23.53	22.79
Non-financial assets			
		-	-
Total Assets		23.53	22.79
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
		-	-
Non-financial liabilities			
Deferred tax liabilities	6	0.57	0.40
Other non-financial liabilities	7	0.03	0.02
Total Liabilities		0.60	0.42
EQUITY			
Equity Share Capital	8	20.00	20.00
Other Equity	9	2.93	2.37
Total Equity		22.93	22.37
Total Liabilities and Equity		23.53	22.79

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For Padmanaban & Associates

Chartered accountants

Firm's registration no. 0085315

P. Jyothi

P. Jyothi

Partner

Membership No. 200554



**For and on behalf of the Board of Directors of
Caspian Financial Services Limited**

Kartikeya Dhruv Kaji

Kartikeya Dhruv Kaji

Director

DIN: 07641723

Amit Mittal

Amit Mittal

Director

DIN: 02292626



Place: Hyderabad

Date: May 23, 2022

Place: Dubai

Date: May 23, 2022

Place: Mumbai

Date: May 23, 2022

CASPIAN FINANCIAL SERVICES LIMITED

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

(Rupees in millions unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations			
Interest Income	10	-	-
Net gain on fair value changes	11	0.76	0.79
Other Income		-	0.00
Total Revenue from Operations		0.76	0.79
Total Income		0.76	0.79
Expenses			
Finance cost	12	0.00	-
Other expenses	13	0.03	0.02
Total expenses		0.03	0.02
Profit before tax		0.73	0.77
Tax expense:			
Current tax		-	-
Deferred tax		0.17	0.17
Profit for the year		0.56	0.60
Other Comprehensive Income / (Loss)		-	-
Total other comprehensive income/ (loss), net of tax		0.56	0.60
Earnings per share			
Basic (computed on the basis of total profit for the period)	14	0.28	0.30
Diluted (computed on the basis of total profit for the period)	14	0.28	0.30
Nominal value		10.00	10.00
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements			

For Padmanaban & Associates
Chartered accountants
Firm's registration no. 008531S

P. Jyothi

P. Jyothi
Partner
Membership No. 200554



Place: Hyderabad
Date: May 23, 2022

**For and on behalf of the Board of Directors of
Caspian Financial Services Limited**

Kartikeya Dhruv Kaji *Amit Mittal*

Kartikeya Dhruv Kaji **Amit Mittal**
Director Director
DIN: 07641723 DIN: 02292636



Place: Dubai Place: Mumbai
Date: May 23, 2022 Date: May 23, 2022

CASPIAN FINANCIAL SERVICES LIMITED
(CIN: U65993TG1992PLC014687)

Regd. Office: Plot No. 31 & 32, Ramky Selenium Towers, Tower A, Ground Floor, Financial Dist, Nanakramguda,
Hyderabad, Telangana - 500032.

Cash flow statement for the year ended March 31, 2022

Notes:

Disclosure of statement of cashflow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. for the year ended March 31, 2022 for the purpose of consolidation

(Rupees in millions unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	0.73	0.77
Adjustments to reconcile profit before tax to net cash flows:		
Profit from mutual funds	(0.76)	(0.79)
Operating profit before working capital changes	(0.03)	(0.02)
Increase/ decrease in other liabilities & Provisions	0.00	-
Cash (used in) operations	(0.02)	(0.02)
Income tax paid	-	-
Net cash flow (used in) / from operating activities (A)	(0.02)	(0.02)
Cash flows from investing activities		
Sale of Mutual Funds	0.10	-
Net cash flow (used in) / from investing activities (B)	0.10	-
Net cash flow from / financing activities (C)	-	-
Net decrease in cash and cash equivalents (A + B)	0.08	(0.02)
Cash and cash equivalents at the beginning of the year	0.01	0.02
Cash and cash equivalents at the end of the year	0.09	0.01

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

For Padmanaban & Associates

Chartered accountants

Firm's registration no. 0085315

P. Jyothi

P. Jyothi

Partner

Membership No. 200554

Place: Hyderabad

Date: May 23, 2022



**For and on behalf of the Board of Directors of
Caspian Financial Services Limited**

Kartikeya Dhruv Kaji

Director

DIN: 07641723

Place: Dubai

Date: May 23, 2022

Amit Mittal

Director

DIN: 02292000

Place: Mumbai

Date: May 23, 2022



CASPIAN FINANCIAL SERVICES LIMITED
Statement of Changes in Equity for the year ended on March 31, 2022

A. Equity Shares
Equity Share of Rs. 10 each issued, subscribed and fully paid

(Rupees in millions unless otherwise stated)

Particulars	No. of Shares	Amount
As at April 1, 2021	2,000,000	20.00
Change in equity	-	-
As at March 31, 2022	2,000,000	20.00

B. Other Equity (Rupees in millions unless otherwise stated)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					Money received against share warrants	Grand Total
			Statutory reserve	Capital reserve	Securities Premium	Other Reserves	Retained Earnings		
Balance as at April 01, 2020	-	-	-	-	-	-	1.77	-	1.77
Profit for the period	-	-	-	-	-	-	0.60	-	0.60
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	-	-	-	-	-	2.37	-	2.37

B. Other Equity (Rupees in millions unless otherwise stated)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					Money received against share warrants	Grand Total
			Statutory reserve	Capital reserve	Securities Premium	Other Reserves	Retained Earnings		
Balance as at April 01, 2021	-	-	-	-	-	-	2.37	-	2.37
Profit for the period	-	-	-	-	-	-	0.56	-	0.56
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	-	-	-	-	-	2.93	-	2.93

For Padmanaban & Associates
Chartered accountants
Firm's registration no. 008531S

P. Jyothi
Partner
Membership No. 200554



For and on behalf of the Board of Directors of
Caspian Financial Services Limited

Kartikya Dhruv Kaji
Director
DIN: 07641723

Amit Mittal
Director
DIN: 02298822



Place: Hyderabad
Date: May 23, 2022

Place: Dubai
Date: May 23, 2022

Place: Mumbai
Date: May 23, 2022

CASPIAN FINANCIAL SERVICES LIMITED
Notes to the Financial Statements for year ended March 31, 2022

(Rupees in millions unless otherwise stated)

Notes	Particulars	As at March 31, 2022	As at March 31, 2021
4	Cash and Cash Equivalents		
	Balances with banks		
	On current accounts	0.09	0.01
		0.09	0.01
5	Investments		
	Investments in Mutual Funds	23.44	22.78
		23.44	22.78
6	Deffered Tax Liabilities (net)		
	Deffered tax liabilities	0.57	0.40
		0.57	0.40
7	Other non-financial liabilities		
	Expenses payable	0.03	0.02
		0.03	0.02



CASPIAN FINANCIAL SERVICES LIMITED
Notes to the Financial Statements for year ended March 31, 2022

(Rupees in millions unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
8 Share capital		
<i>Authorized</i>		
Equity shares		
5,000,000 (March 31, 2021: 5,000,000) equity shares of Rs. 10 each	50.00	50.00
<i>Issued, subscribed and paid-up</i>	50.00	50.00
Equity shares		
2,000,000 (March 31, 2021: 2,000,000) equity shares of Rs. 10 each fully paid up	20.00	20.00
	20.00	20.00

(a) **Terms / rights attached to equity shares**

The Company has only one class of equity shares of par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Rupees in millions unless otherwise stated)

(b) **Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period / year:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	20,00,000	20.00	-	-
Issued during the year	-	-	20,00,000	20.00
Outstanding at the end of the year	20,00,000	20.00	20,00,000	20.00

(c) **Details of shareholders holding more than 5% equity shares in the Company:**

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Spandana Sphoorty Financial Limited	20,00,000	100.00%	20,00,000	100.00%

9 Other Equity

(Rupees in millions unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
	Surplus in the statement of profit and loss	
Balance as per the last financial statements	2.37	1.77
Add: Profit for the year after tax	0.56	0.60
Net Surplus in the statement of profit and loss	2.93	2.37
Total reserves and surplus	2.93	2.37



CASPIAN FINANCIAL SERVICES LIMITED
Notes to the Financial Statements for year ended March 31, 2022

(Rupees in millions unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
10	Interest Income		
	Interest on fixed deposits	-	-
11	Net gain on fair Value changes		
	Fair Value change in Liquid funds	0.76	0.79
		0.76	0.79
12	Finance Cost		
	Interest		
	On income tax	-	-
	Bank Charges	0.00	0.00
		0.00	0.00
13	Other expenses		
	Pre-incorporation expenses	-	-
	Auditors remuneration	0.03	0.02
	Other Expenses	-	-
		0.03	0.02



[Handwritten signature]

14. Earnings per share (EPS)

Particulars	31-March-22	31-March-21
Net profit/ (loss) after tax as per Statement of Profit and Loss	0.57	0.60
Net profit/ (loss) for calculation of basic earnings per share	0.57	0.60
Net profit/ (loss) for calculation of diluted earnings per share	0.57	0.60
Weighted average number of equity shares in calculating basic EPS	2.00	2.00
Effect of dilution	0.00	0.00
Weighted average number of equity shares in calculating diluted EPS	2.00	2.00
Basic earnings per share	0.28	0.30
Diluted earnings per share	0.28	0.30
Nominal value per share: Rs.10 (Previous year: Rs.10)		

15. Related Parties transactions during the period:

Holding Company

Spandana Sphoorty Financial Limited

Related party transactions during the period / year:

Sr. No	Name of the related party	Nature of transactions	31-March-22		31-March-21	
			Transactions during 2021-22	(Payable)/ Receivable	Transactions during 2020-21	(Payable)/ Receivable
1	Spandana Sphoorty Financial Limited	Advance repaid / taken	Nil	Nil	Nil	Nil

16. Fair Value

The carrying value and fair value of financial instruments by categories are as below:

Particulars	Carrying Value		Fair Value	
	March-22	March -21	March-22	March -21
Financial Assets – Current				
Cash and cash equivalents	0.09	0.01	0.09	0.01
Investments	23.44	22.78	23.44	22.78
Total Financial Assets	23.53	22.79	23.53	22.79


The management assessed that fair values of cash and cash equivalents, and other financial liabilities approximates their carrying amounts largely due to short –term maturities of these instruments.



17. Capital Management:

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

for Padmanaban & Associates
Chartered accountants
Firm's registration no. 008531S

P. Jyothi


P. Jyothi

Partner

Membership No. 200554

Place: Hyderabad

Date: May 23, 2022

**For and on behalf of the Board of Directors of
Caspian Financial Services Limited**

Kartikeya Dhruv Kaji

Kartikeya Dhruv Kaji

Director

DIN: 07641723

Place: Dubai

Date: May 23 2022

Amit Mittal

Amit Mittal

Director

DIN: 02292626

Place: Mumbai

Date: May 23 2022



1. Corporate information

Caspian financial services limited or ("the Company") was incorporated on 13th October, 2017, under the Companies Act 2013. The main objective of the Company to carry on the business of lending and advancing money, giving credits, on any terms and with or without collateral security to any person, firm, company, body corporate, trust, Individual, Association of persons, households, small and medium enterprises, small scale industries, farmers, etc. by providing loans of any type such as personal, business, corporate, income generation, consumption, consumer, Infrastructure development, housing, agriculture and commodity financing, purchase of machinery, etc. on such terms as may be determined from time to time.

2. Basis of preparation

a) Statement of compliance in preparation of financial statements

The financial statements as at and for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

b) Basis of measurement

The financial statements have been prepared as per historical cost convention, except for investments in equity instruments of other companies (other than subsidiary) and mutual funds measured at fair value.

c) Functional and presentation currency

The financial statements are presented in Indian rupee, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

3. Significant accounting policies

a) Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:



Handwritten signature in blue ink.

i) Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii) Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

c) Income tax

Current Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of



deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognized as income tax benefits or expenses in the income statement except for tax related to the FVOCI instruments. The Company also recognizes the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

d) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount for the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

e) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss



CASPIAN FINANCIAL SERVICES LIMITED
Notes to financial statements for the year ended March 31, 2022

(Rupees in millions unless otherwise stated)

account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

f) Earnings per share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

g) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:



CASPIAN FINANCIAL SERVICES LIMITED
Notes to financial statements for the year ended March 31, 2022

(Rupees in millions unless otherwise stated)

- *Level 1 financial instruments* - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- *Level 2 financial instruments* - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- *Level 3 financial instruments* - include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

i) Cash flow statement

The cash flow statement is prepared as per the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) "Cash Flow Statements" and presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

for Padmanaban & Associates
Chartered accountants
Firm's registration no. 008531S

P. Jyothi
Partner

Membership No. 200554

Place: Hyderabad
Date: May 23, 2022



**For and on behalf of the Board of Directors of
Caspian Financial Services Limited**

Kartikya Dhruv Kaji
Director
DIN: 07641723

Place: Dubai
Date: May 23, 2022

Amit Mittal
Director
DIN: 02202626

Place: Mumbai
Date: May 23, 2022

