INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CASPIAN FINANCIAL SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **CASPIAN FINANCIAL SERVICES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year.

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

i. The Company 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 were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

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

v. The company has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with

vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Padmanaban & Associates
Chartered Accountants
F. No: 008531S

PADMANABAN & ASSOCIATES
Firm Reg.No.
008531S
HYD.
Chartered Accountants

Adhithya S
(Partner)
M. No: 227828

Date: April 29, 2024

Place: Hyderabad

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Caspian Financial Services Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **CASPIAN FINANCIAL SERVICES LIMITED** (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Padmanaban & Associates
Chartered Accountants
F. No: 008531S

PADMANABAN & ASSOCIATES Firm Reg.No. 008531S HYD. Chartered Accountants

Adhithya S
(Partner)
M. No: 227828

Date: April 29, 2024

Place: Hyderabad

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Caspian Financial Services Limited of even date)

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

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

   a. The Company has no Plant, Property & Equipment.

   b. The Company has no Intangible Assets.

ii.

   a. The Company is engaged in trading of Consumable Durable Goods. The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

   b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

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 deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

   a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it 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, 2024. No undisputed statutory dues applicable to the company were outstanding as at 31st March, 2024 for a period is more than 6 Months from the date they become payable.

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

ix.

a. The Company has not taken defaulted in repayment of loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(a) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(b) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(c) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(d) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(e) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate Companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x.

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

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

xi.

a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

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

xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. Section 177(Audit Committee) is not applicable to the Company.

xiv.

a. The Central Government has not prescribed to appoint internal auditor under section 138 of the Act, for any of the services rendered by the Company;

b. This clause is not applicable

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses during the financial year covered by our audit of INR **2.06 Million** in the Financial Year 2023-24 and cash loss of INR 18.65 Million in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. Based on the discussions with the Management, we have however been informed and as disclosed in the Audit Report and the financials, there exists a material uncertainty with regards to the Existence of the Company as the management is looking towards liquidating/dissolving the company in due course.

xx.

a. According to the information and explanations given to us and based on the audit procedures conducted by us, no transfer was needed as the transfer rules were not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b. Reporting under 3(xx)(b) was not applicable to the Company.

For Padmanaban & Associates
Chartered Accountants
F. No: 008531S

PADMANABAN & ASSOCIATES Firm Reg.No. 008531S HYD. Chartered Accountants

Adhithya S
(Partner)
M. No: 227828

Date: April 29, 2024

Place: Hyderabad

Material Uncertainty Related to Going Concern

We draw attention to Note 16 in the financial statements, which indicates that the Company incurred a net loss of INR 2.06 Million during the year ended March 31, 2024. As stated in Note 16, these events or conditions, along with other matters as set forth in the Note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the

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CASPIAN FINANCIAL SERVICES LIMITED
Balance Sheet as at March 31, 2024

(Rupees in millions unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	2.59	0.06
Trade Receivables	5	-	45.15
Subtotal - Financial Assets		**2.59**	**45.21**
Non-financial assets			
Inventories	6	-	12.66
Current tax assets (net)	7	0.23	1.45
Deferred tax assets (net)	8	-	4.53
Other non-financial assets	9	-	6.59
Subtotal - Non-Financial Assets		**0.23**	**25.22**
Total Assets		**2.82**	**70.43**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Borrowings (Other than debt securities)	10	-	55.44
Other financial liabilities	11	0.04	0.21
Subtotal - Financial Liabilities		**0.04**	**55.65**
Non-financial liabilities			
Current tax liabilities (net)	12	-	0.01
Other non-financial liabilities	13	-	5.40
Subtotal - Non Financial Liabilities		-	**5.41**
EQUITY			
Equity Share Capital	14	20.00	20.00
Other Equity	15	(17.22)	(10.63)
Total Equity		**2.78**	**9.37**
Total Liabilities and Equity		**2.82**	**70.43**

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

PADMANABAN & ASSOCIATES Firm Reg.No. 008531S HYD. Chartered Accountants

Adhithya S
Partner
Membership No. 227828

Place: Hyderabad
Date: April 29, 2024

CASPIAN FINANCIAL SERVICES LIMITED HYDERABAD

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

Ashish Damani
Director
DIN: 08908129

Place: Hyderabad
Date: April 29, 2024

Shalabh Saxena
Director
DIN: 08908237

Place: Hyderabad
Date: April 29, 2024

CASPIAN FINANCIAL SERVICES LIMITED

Statment of Profit and Loss for the period March 31, 2024

(Rupees in millions unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Operations			
Sales	17	3.88	89.13
Net gain on fair value changes	18	-	1.03
Total Revenue from Operations		**3.88**	**90.16**
Other Income	19	10.02	29.04
Total Income		**13.90**	**119.21**
Expenses			
Cost of goods sold	20	5.72	118.17
Finance cost	21	1.82	19.30
Other expenses	22	8.42	0.38
Total expenses		**15.96**	**137.85**
Profit before tax		**(2.06)**	**(18.65)**
Tax expense:			
Current tax	23	-	0.01
Deferred tax		4.53	(5.09)
Profit for the year		**(6.59)**	**(13.56)**
Other Comprehensive Income / (Loss)		-	-
Total other comprehensive income/ (loss), net of tax		**(6.59)**	**(13.56)**
Earnings per share			
Basic (computed on the basis of total profit for the period)	24	(3.29)	(6.78)
Diluted (computed on the basis of total profit for the period)	24	(3.29)	(6.78)
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

Adhithya S
Partner
Membership No. 227828

Place: Hyderabad
Date: April 29, 2024

PADMANABAN & ASSOCIATES Firm Reg.No. 008531S HYD. Chartered Accountants

CASPIAN FINANCIAL SERVICES LIMITED HYDERABAD

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

Ashish Damani
Director
DIN: 08908129

Place: Hyderabad
Date: April 29, 2024

Shalabh Saxena
Director
DIN: 08908237

Place: Hyderabad
Date: April 29, 2024

CASPIAN FINANCIAL SERVICES LIMITED
Cash flow statement for the period March 31, 2024

Notes:

(Rupees in millions unless otherwise stated)

Particulars	For the period ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	**(2.06)**	**(18.65)**
Adjustments to reconcile profit before tax to net cash flows:		
Profit from mutual funds	-	(1.03)
Operating profit before working capital changes	**(2.06)**	**(19.68)**
Movements in Working Capital :		
Changes in Trade receivables	45.15	(45.15)
Changes in other Inventories	12.66	(12.66)
Changes in other non financial assets	6.59	(6.59)
Changes in current tax assets	1.20	(1.45)
Changes in other financial liabilities	(0.17)	0.18
Changes in Other non-financial liabilities	(5.40)	5.40
Cash (used in) operations	**57.97**	**(79.95)**
Inocme tax paid	-	-
Net cash flow (used in) / from operating activities (A)	**57.97**	**(79.95)**
Cash flows from investing activities		
Sale of Mutual Funds	-	24.48
Net cash flow (used in) / from investing activities (B)	-	**24.48**
Cash flows from financing activities		
Borrowings (Other than debt securities)	**(55.44)**	55.44
Net cash flow from / financing activities (C)	**(55.44)**	**55.44**
Net decrease in cash and cash equivalents (A + B)	**2.53**	**(0.03)**
Cash and cash equivalents at the beginning of the year	0.06	**0.09**
Cash and cash equivalents at the end of the year	**2.59**	**0.06**

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

PADMANABAN & ASSOCIATES Firm Reg.No. 008531S HYD. Chartered Accountants

Adhithya S
Partner
Membership No. 227828

Place: Hyderabad
Date: April 29, 2024

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

CASPIAN FINANCIAL SERVICES LIMITED HYDERABAD

Ashish Damani
Director
DIN: 08908129

Place: Hyderabad
Date: April 29, 2024

Shalabh Saxena
Director
DIN: 08908237

Place: Hyderabad
Date: April 29, 2024

CASPIAN FINANCIAL SERVICES LIMITED
Notes to the Financial Statements for the period March 31, 2024

(Rupees in millions unless otherwise stated)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
4	**Cash and Cash Equivalents**		
	Balances with banks		
	On current accounts	2.59	0.06
		2.59	**0.06**
5	**Trade Receivables**		
	Amount receivable from SSFL#	-	40.61
	Amount receivable from CFL#	-	4.54
		-	**45.15**

refer related party transaction note # 25

Trade receivables ageing schedule:

Particulars	Outstanding for following periods from due date of payment: Less than 6 months	More than 6 months	TOTAL
As at 31 March 2024			
Undisputed			
Considered good	-	-	-
As at 31 March 2023			
Undisputed			
Considered good	45.15	-	**45.15**

There are no disputed receivables as at 31 March 2024 and 31 March 2023

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
6	**Inventories**		
	Stock of home appliances	-	12.66
		-	**12.66**

Sales of 984 units were made against cost of goods sold of INR 5.72 million (PY INR 118.19 millon).

During the Current Financial Year, inventory was valued on the basis of realizabe value. It was noted by the management that significant portions of the inventory were damaged and or beyond usable life and would have no saleable value. The management decided to write off such inventory during the year. The total value of the damaged and unsaleable goods was identified to be INR. 6.94 million. As these were damaged under the custodianship of SSFL branches, the same were reimbursed by SSFL.(refer Note # 25)

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
7	**Current tax assets**		
	TDS Receivable	0.23	1.45
		0.23	**1.45**
8	**Deffered Tax Assets**		
	Deferred Tax Assets	-	4.53
		-	**4.53**

During the year 2022-23, the company incurred losses from operations (PBT) of INR 18.65 millions which can be adjusted against future profits. This timing difference has been recognised as a deferred tax asset at the rate of corporate tax @25.168%.

During the year 2023-24, the company based on review of the inventory, operations and prospective business opportunities, does not foresee profits from operations and does not have ideas to rekindle the current line of business. Management on the basis of the accumulated losses and the lack of opportunities going forward believes that the Company is not a going concern. As such, the Deferred Tax Asset recognized through the life of the Company has been reversed in the current year by transferring the asset to the P&L Account.

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
9	**Other non-financial assets**		
	GST Input Credit	-	6.59
		-	**6.59**
10	**Borrowings (Other than debt securities)**		
	Inter Corporate Loans (ICL) Payable	-	53.90
	Interest Payable on ICL	-	1.54
		-	**55.44**

During the previous year, the company obtained Inter corporate loan from Spandana Sphoorty Financial Limited (Holding Company) of INR 315 million and repaid INR 261.10 million, resulting in outstanding of INR 53.90 million as on March 31, 2023. The ICL carries and interest rate of 14.24% as of March 31, 2023 and Interest expenditure of INR 19.30 million has been recognised for the year ending March 31, 2023 (refer Note # 21).
During the current year, the company cleared this inter corporate loan by making principal repayment of INR 53.90 million along with interest of INR 1.82 millions.

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
11	**Other financial liabilities**		
	Expenses payable	0.04	0.21
		0.04	**0.21**
12	**Current Tax Liabilities (net)**		
	Provision for tax (net of advance tax)	-	0.01
		-	**0.01**

During the year 2023-24, the company incurred losses from operations (PBT) of INR 2.06 millions. No Tax provision for business profit/loss was made in the current year. Liability amount recognized in the Previous year was set off against the amount of TCS and refund was received. This liability has now been reversed to 0.

Notes	Particulars	As at March 31, 2024	As at March 31, 2023
13	**Other Non-Financial liability**		
	Statutory dues payable	-	5.40
		-	**5.40**

CASPIAN FINANCIAL SERVICES LIMITED HYDERABAD

CASPIAN FINANCIAL SERVICES LIMITED
Notes to the Financial Statements for the period March 31, 2024

(Rupees in millions unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
17	**Sales**		
	Sales of BL products	3.88	89.13
		3.88	**89.13**

During the previous year, the Company has started the operations of buying and selling of consumer durables, utilities, home appliances/ electronic devices, etc. Sales to the tune of Rs. 1.65 millions (PY INR 5.14 million) was directly made to Spandana Sphoorty Financial Limited (Holding Company). Sales of INR 2 millions (PY INR 83.99 millions) were made to individuals who were directly financed by Spandana Sphoorty Financial Limited (Holding Company) and Criss Financial Limited (Company under common control). Sales of INR 0.23 millions were made to unrelated third party buyers (refer Note # 25 and Note # 20).

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
18	**Net gain on fair Value changes**		
	Fair Value change in Liquid funds	-	1.03
		-	**1.03**
19	**Other Income**		
	Reimbursement of discount on BL product	1.57	29.04
	Reimbursement of damaged stock	8.18	-
	Others	0.21	-
	Interest income on IT refund	0.06	-
		10.02	**29.04**

During the year, certain sales to individuals who were directly financed by Spandana Sphoorty Financial Limited (Holding Company) and Criss Financial Limited (Company under common control) were made at discount prices. Spandana Sphoorty Financial Limited and Criss Financial Limited under the preferred financier agreement have accepted to reimburse Caspian the discount amounts on an actual basis (refer Note # 25 and Note # 17).

During the year, stock lying in the custody of SSFL to the tune of INR 6.94 millions were lossed or damaged. Reimbursement against this loss to the tune of INR 8.18 millions was received from SSFL.

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
20	**Cost of goods sold**		
	Cost of goods sold	5.72	118.17
		5.72	**118.17**

During the year, Sales of 984 units were made against cost of goods sold of INR 5.72 million (PY INR 118.19 millon).

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
21	**Finance Cost**		
	Interest on ICL	1.82	19.30
		1.82	**19.30**

(refer Note # 25 and Note # 11)

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
22	**Other expenses**		
	Office Rent*	0.08	0.05
	Bank Charges	0.00	0.00
	Office maintenace	0.01	0.01
	Rates & Taxes	0.00	0.14
	Tax audit fee	0.02	-
	Stock Written-off	8.21	0.15
	Misc exp	0.02	-
	IT expenses	0.04	-
	Auditors remuneration	0.04	0.04
		8.42	**0.38**

(*Refer Note # 25)

Notes	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
23	**Tax Expenses**		
	Income Tax Expenses	-	0.01
	Deferred Tax Expenses	4.53	(5.09)
		4.53	**(5.08)**

CASPIAN FINANCIAL SERVICES LIMITED HYDERABAD

CASPIAN FINANCIAL SERVICES LIMITED
Notes to the Financial Statements for the period March 31, 2024

(Rupees in millions unless otherwise stated)

	Particulars	As at March 31, 2024	As at March 31, 2023
14	**Share capital**		
	Authorized		
	Equity shares		
	5,000,000 (March 31, 2024: 5,000,000) equity shares of Rs.10 each	50.00	50.00
		50.00	**50.00**
	Issued, subscribed and paid-up		
	Equity shares		
	2,000,000 (March 31, 2024: 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:

	As at March 31, 2024		As at March 31, 2023	
Particulars	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Outstanding at the beginning of the year	20,00,000	2.00	-	-
Issued during the year	-	-	20,00,000	2.00
Outstanding at the end of the year	**20,00,000**	**2.00**	**20,00,000**	**2.00**

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

	As at March 31, 2024		As at March 31, 2023	
Name of the shareholder	**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%

15 Other Equity

(Rupees in millions unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Surplus in the statement of profit and loss		
Balance as per the last financial statements	(10.63)	2.94
Add: Profit/ (Loss) for the period after tax	(6.59)	(13.56)
Net Surplus in the statement of profit and loss	**(17.22)**	**(10.63)**
Total reserves and surplus	**(17.22)**	**(10.63)**

16 During the year 2023-24, the company incurred losses from operations (PBT) of INR 2.06 million. (INR 18.65 Millions in PY). As the management does not foresee a turnaround in Operations which have come to a stand still since November - 2023, and with limited future prospects for a profitable business, the Management has concluded that the entity is not a Going Concern in terms of Accounting Assumptions.

The Financial Statements are prepared on the basis of Non-Going Concern and all assets and liabilities have been revalued to FMV/ NRV.

CASPIAN FINANCIAL SERVICES LIMITED HYDERABAD

CASPIAN FINANCIAL SERVICES LIMITED

Notes to the Financial Statements for the period March 31, 2024

24 Earnings per share (EPS)

(Rupees in millions unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit/(loss) after tax as per Statement of Profit and Loss	(6.59)	(13.56)
Net profit/(loss) for calculation of basic earnings per share	**(6.59)**	**(13.56)**
Net profit/(loss) for calculation of diluted earnings per share	**(6.59)**	**(13.56)**
Weighted average number of equity shares in calculating basic EPS	2.00	2.00
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	2.00	2.00
Basic earnings per share	**(3.29)**	**(6.78)**
Diluted earnings per share	**(3.29)**	**(6.78)**
Nominal value per share: Rs.10 (Previous year: Rs.10)		

CASPIAN FINANCIAL SERVICES LIMITED HYDERABAD

1. Corporate information

Caspian financial services limited or ("the Company") was incorporated on October 13, 2017, under the Companies Act 2013. The main objective of the Company is 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, purchase /sales of all kinds of consumer durables, utilities, food stuffs, appliance 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 have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act). The Company uses accrual basis of accounting.

The functional currency of the Company is the Indian rupee. The financial statement is presented in Indian rupees ("Rs. or "INR") and all values / amounts are rounded off to nearest millions, unless otherwise stated.

The financial statements were not prepared on a going concern basis as the Management is of the opinion that the Company shall not be able to continue its business for the foreseeable future and material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The financial statements have been prepared on fair value basis and all assets and liabilities have been measured at fair value. The comparative numbers provided from Previous Years are not adjusted retrospectively and still represent the numbers as shown in historical cost basis only.

These financial statements were authorised for issue by the Board of Directors on April 29, 2024.

b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of this financial statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

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:

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) Provisions other than impairment on loan portfolio:

Provisions are held in respect of a range of future obligations. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate which reflects both current interest rates and the risks specific to that provision.

iii) 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.

Revenue:

Revenue is measured at the fair value of the consideration received or receivable for goods supplied net of returns and discounts to customers. Revenue from the sale of goods is shown excluding taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services. Revenue from the sale of goods is recognized when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.

c) Interest expenses:

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of financial liability.

d) 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

As there exists material uncertainty regarding the entities existence in the future and likelihood of recognizing the Deferred Tax Assets recognized through the previous years, the DTA have been written off in the current year in line with the assumptions of the Management with regards to Going Concern.

For PY:
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.

e) 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.

f) 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 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.

g) 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.

h) 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:

- *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.

i) 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.

j) 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.

k) Inventories

Inventories consisting of stock-in-trade are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Cost includes purchase price excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost is determined using the weighted average cost method.

During the Current year, Management determined that the realizable value from proceeds are unlikely for the inventory held by the company as the products are either damaged or outdated and sale would not materialize. As such, the company has written down the value of all inventory to 0.

l) Financial Liability

Initial measurement:
Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowing and payable, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft and derivative financial instruments,

Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

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

PADMANABAN & ASSOCIATES ★ Chartered Accountants
Firm Reg. No. 008531S
HYD.

Adhithya S
Partner
Membership No. 227828

Place: Hyderabad
Date: April 29, 2024

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

CASPIAN FINANCIAL SERVICES LIMITED ★
HYDERABAD

Ashish Damani
Director
DIN: 08908129

Place: Hyderabad
Date: April 29, 2024

Shalabh Saxena
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