

ENVISION  
EMBRACE  
EMPOWER



ANNUAL REPORT 2024-25



## CORPORATE INFORMATION

### Registered & Corporate Office:

No. X/109/M4, Second Floor,  
Hephzibah Complex, Mannuthy P.O,  
Thrissur, Kerala – 680651  
Website: [www.esafholdings.com](http://www.esafholdings.com)  
CIN: U65910KL1996PTC077288  
RBI Registration Number: B-16-00218

### Our Investors



### Our Bankers





## Vision

A society with equal opportunities, having complete access to sustainable financial services, which help in promoting livelihood opportunities and economic development.



## Mission

To be an impact investment partner for social enterprises, operating within a triple bottom line framework and focusing on the marginalized communities in India, by delivering long term value to all the stakeholders.



# Key Milestones 1992-2025

1992



Established ESAF Society as an NGO

1995



Launched microcredit operations under ESAF launched Micro Enterprise Development project with the support of EFFICOR

1995



Launched Micro Enterprise (MED) initiative (First in Kerala) and disbursed first loan at Methala, Thrissur

2011



ESAF Swasraya Multistate Co-op. Credit Society got incorporated

2010



Equity investment by Manaveeya Holdings (P) Ltd. a wholly owned subsidiary of Oiko Credit, Netherlands

2009



Equity Investment by Dia Vikas Capital (P) Ltd., a wholly owned subsidiary of Opportunity International, Australia

2014



Received 'NBFC-MFI' licence from Reserve Bank of India

2014



SIDBI acknowledges ESAF's gender mainstreaming strategy

2015



ESAF Launched Loans for Individuals.

2020



ESAF Financial Holdings Private Limited Registered as Core Investment Company with the Reserve Bank of India.

2019



ESAF Microfinance and Investments changed its name to ESAF Financial Holdings

2018



ESAF Small Finance Bank receives Scheduled Bank status

2020



ESAF Small Finance Bank Business Crosses Rs. 10,000 Crores

2020



ESAF Small Finance Bank spreads its wings to 23 States of India with over 55,00,000 Customer base

2020



ESAF Financial Holdings (P) Ltd. shifted its Registered Office from Tamil Nadu to Kerala

1997



Founder, K. Paul Thomas met Prof. Muhammed Yunus in Bangladesh to understand the nuances of microcredit

1998



Received seed capital from Grameen Trust, Bangladesh

2000



Funding from major financial institutions started

2008



MED operations transformed to ESAF Microfinance (RBI Licenced NBFC) after acquiring the portfolio from ESAF NGO

2007



Attained Rs. 1,000 million cumulative disbursement

2004



Expanded operations to Tamil Nadu, Maharashtra and Chhattisgarh

2015



ESAF Crossed \*10 Billion Gross Loan Portfolio

2015



ESAF Launched Housing Loan in association with Microbuild India Habitat

2016



Crossed 1 million members and Rs. 20 Billion portfolio

2017



ESAF received ₹10 Million as the first tranche of Carbon Credit revenue and became the first MFI from India to win Carbon Credit revenues.

2017



ESAF celebrated 25 years of Social Service

2017



ESAF launched ESAF Small Finance Bank, the first bank from Kerala since independence

2022



ESAF Celebrates 30 years Social Service

2023



ESAF Small Finance Bank listed in Stock exchange

Miles to go...

05



Board of Directors

06



Message From The Founder

08



Message From The Chairperson & Managing Director

11



CSR Initiatives for 2024-25

12



Joyful Stories Of Transformation

16



Notice of Annual General Meeting

19



Directors' Report

33



Report On Corporate Governance

45



Management Discussion And Analysis

44



Standalone Financials

84



Consolidated Financials

# BOARD of DIRECTORS



**Mereena Paul**

Chairperson &  
Managing Director



**Abraham Thariyan**

Non – Executive  
Independent Director



**Joy Joseph**

Non – Executive  
Independent Director



**Vikraman Ampalakkat**

Non – Executive Director



**Ajayan M G**

Non – Executive Director



**RV Dilip Kumar**

Non-Executive  
Nominee Director



**Saleena George**

Non- Executive  
Nominee Director



**Arpita Pal Agrawal**

Non- Executive  
Nominee Director



**Emy Acha Paul**

Non- Executive Promoter  
Nominee Director

## MANAGEMENT TEAM



**Rajesh Sreedharan Pillai**

Chief Financial Officer



**Minu Santhosh**

Company Secretary

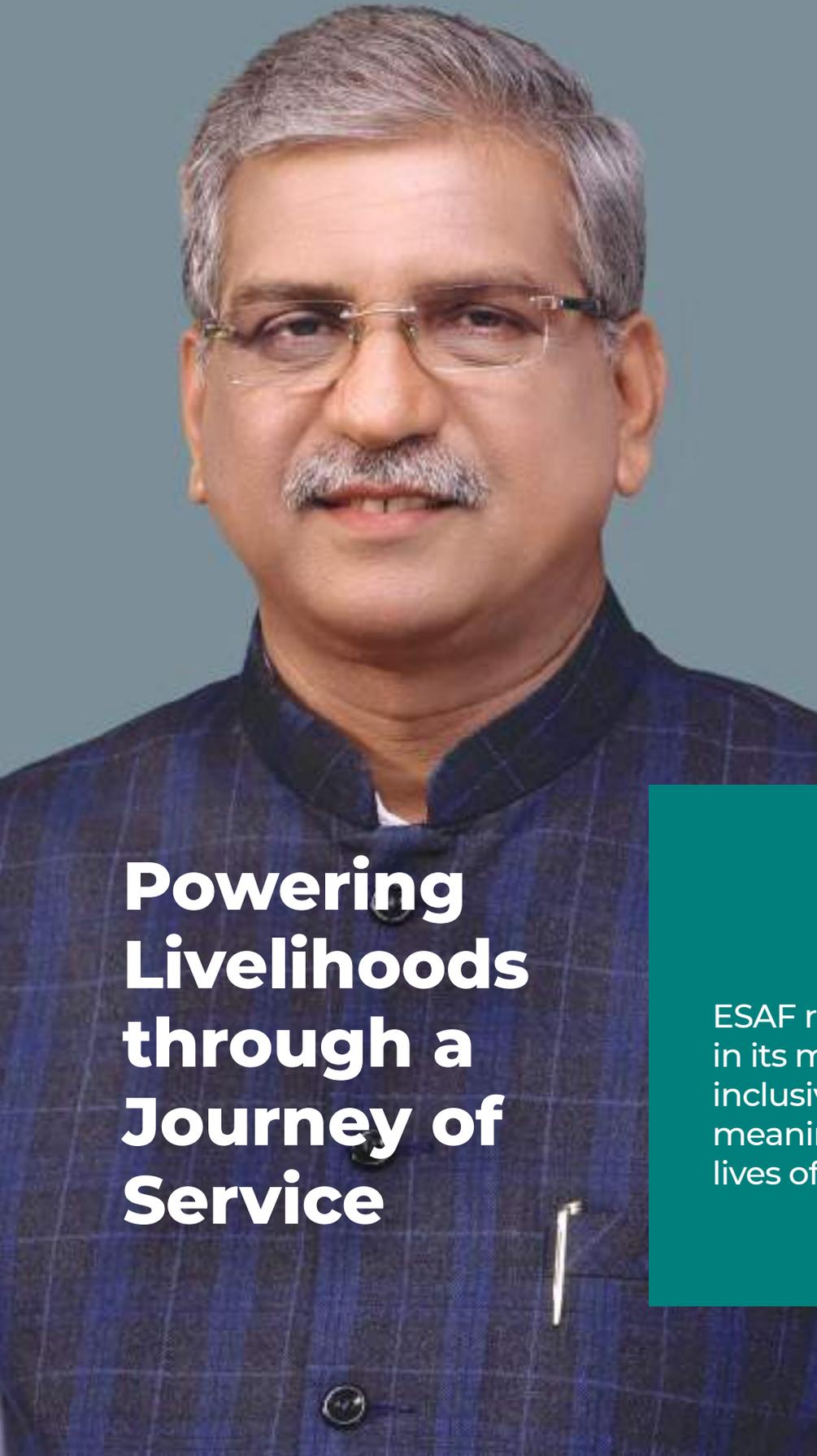
Statutory Auditors



**A. JOHN MORIS & CO**  
CHARTERED ACCOUNTANTS



## MESSAGE FROM THE FOUNDER



**Powering  
Livelihoods  
through a  
Journey of  
Service**

**A**s the Founder of ESAF Group of Social Enterprises, it is with a deep sense of purpose and pride that I connect with the stakeholders of ESAF Financial Holdings Pvt. Ltd. Our journey is rooted in a legacy of service that began with our mission to reach the unserved and underserved communities across India. This mission took on a new dimension in 2019, when ESAF Financial Holdings transitioned into a Core Investment Company, as mandated by the Reserve Bank of India.

The inspiring path of ESAF Financial Holdings Pvt. Ltd., formerly ESAF Microfinance and Investments Pvt. Ltd., reached a historic milestone on 10 November 2023 with the successful public listing of its associate entity, ESAF Small Finance Bank. The trust placed on us by our stakeholders strengthens our resolve to reach deeper, touch more lives, and expand the scale of our positive impact.



ESAF remains steadfast in its mission to drive inclusive growth and meaningful change in the lives of the underserved.

The global economy continues to navigate a complex mix of challenges, including lingering geopolitical uncertainties and shifts in global trade patterns. Despite volatility in various sectors, inflation remained steady in the Indian economy. Even though the economic projection has taken a step back, India is holding its growth numbers better than many advanced economies. This momentum is driven by the Government's unwavering focus on inclusive development, large-scale infrastructure investment, and policies that stimulate entrepreneurship and capital flows.

The Indian banking sector is entering an era of sustained optimism. Asset quality is showing strong signs of improvement, and technology-led transformation is accelerating financial access. During challenging times, ESAF Small Finance Bank has shown strong resilience and remained steady in all the fundamental parameters. To overcome our challenges, we successfully implemented strengthened risk management, granular account monitoring, and enforced tighter disbursement controls. Absorption of ESMACO employees to the Bank also proved to be a step in the right direction to strengthen our Microfinance portfolio.

### **Our Progress and Commitment**

It is heartening to note that the holding company is committed to its cause and upholds the collective vision of the organisation. I extend my sincere gratitude to our Chairperson



**With resilience, strengthened governance, and a steadfast mission, ESAF continues to empower lives, uphold its vision, and drive inclusive growth for a just and equitable future.**

and Managing Director, our distinguished Board of Directors, and the leadership team of ESAF Financial Holdings for their unwavering support to ESAF Small Finance Bank.

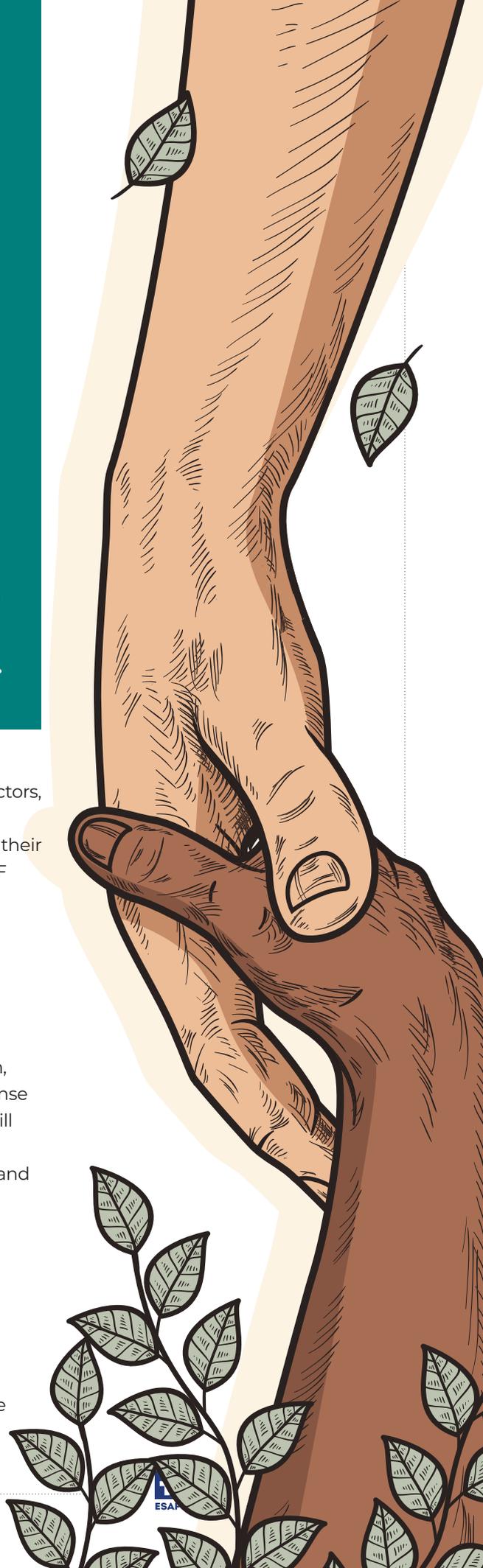
As we look ahead, our mission remains unshaken: to be a catalyst for meaningful change in the lives of those excluded from mainstream finance. Through innovation, partnerships, and a deep sense of social responsibility, we will continue to work towards a future that is just, inclusive, and equitable.

Joyfully Yours,

**Dr. K. Paul Thomas**

Founder, ESAF Group of Social Enterprises

MD & CEO, ESAF Small Finance Bank





## MESSAGE FROM THE CHAIRPERSON & MD



**Commitment  
in creating  
long lasting  
value and  
enduring  
growth**

Dear Shareholders,

The financial year 2024-25 was witnessed with large scale geopolitical tensions and disruptions across the world, along with international conflicts and military escalations, badly impacting the livelihood of masses. The global tensions and its impact has percolated to businesses world over resulting into widescale dips in the economy. India being such a large and diverse economy, the global headwinds instead of weakening us has galvanised us into a much more strengthened and resilient economy. Though India's economic growth moderated in the last fiscal, compared with the exceptional 9.2% growth rate recorded the year before, the continued resilience of the Indian economy underscores the strength of its macroeconomic fundamentals and effective policy support by the Government. Consistently the nation has made remarkable progress in its global economic standing, in terms



Despite global disruptions, India remains the world's fastest-growing major economy, driven by resilience, policy support, and strengthening fundamentals.

of growth performance and macroeconomic stability over the past decade.

India's GDP grew by an estimated 6.5% in the fiscal year 2024-25, making it the fastest-growing major economy in the world. This growth against adversities was supported by robust performance in sectors like infrastructure and services, a visible rebound in rural demand post pandemic, and record high tax revenues through the new GST regime and other tax reforms. Government is also bringing in inclusiveness as a centre of attention, through its various progressive initiatives and accordingly the future looks buoyant. Backed by improving economic fundamentals and a strong policy push to boost consumption spending through various tax exemptions and easing monetary policy, the expectation is that Indian economy will grow between 6.4% and 6.7% in financial year 2025-26.

Easing inflation is expected to further bolster consumer confidence and purchasing power, fuelling a surge in spending across sectors. Inflation was declining since the beginning of the fiscal year, but fell to 2.1% in June 2025, marking the lowest levels since January 2019. This came as a big relief for policymakers, turning it as an opportunity to aggressively pursue easing monetary policy and cut policy rates by 100 basis points between February and June.

With oil prices expected to remain range-bound, it is likely to keep overall inflation low and

support an improvement in the current account balance, given oil's significant share in the import bill. Growth next year will be even more stronger, and the momentum over the next two years is set to lift GDP beyond its pre-pandemic trend. Having said that, India's growth projections in the current fiscal year will likely be tied to broader global trends, including rising geopolitical uncertainties and a delayed synchronous recovery in other major economies, than previously anticipated.



**ESAF Small Finance Bank, guided by its values and ESG principles, continues to strengthen its position as a responsible, future-ready institution driving inclusive growth across India.**

ESAF Financial Holdings being a Core Investment Company and a promoter of ESAF Small Finance Bank, the focus is primarily on the shifts in Banking sector. Today, after eight years since its inception,

ESAF Small Finance Bank with its financial inclusion mandate being a small finance bank, stands strong as a professionally governed, future-ready private sector institution, offering comprehensive banking solutions to rural masses, businesses, and communities across the country. With an expanding footprint across the nation, robust governance structure, and a platform designed for scale, the Bank continues to reinforce its position as a major social Bank. The Bank is not only positioning itself as a financial intermediary, but also as a responsible and value based institution and is the first member from India in the Global Alliance for Banking on values, which is a Global platform for value based Banking institutions.

From inception onwards Environmental, Social and Governance (ESG) principles are embedded into our business strategy, decision-making, and employee culture. We are committed to enable financial literacy, digital inclusion, and sustainable livelihoods - extending our reach beyond barriers to deserving communities.

With a strengthened balance sheet, a growing deposit base, strong digital platforms, and a trusted brand, ESAF Bank is uniquely placed to scale its joy of banking commitment. We aspire to be a bank of choice for every segment - from individuals to institutions, from first-time account holders to seasoned investors, and from MSMEs to large corporates.

Your company is committed to upholding the highest standards of corporate governance and fostering a robust risk culture. Our governance framework is designed to ensure transparent decision-making, effective risk management, and ethical conduct across all levels of the organisation. Your Board of Directors play a pivotal role in overseeing the company's strategic direction, financial performance, and risk management practices. Your Company has established comprehensive policies and procedures to ensure accountability, integrity, and compliance with regulatory requirements. Your Bank's risk management framework is built on the principles of proactive identification, assessment, and mitigation of risks. The Board's Committees provides oversight on risk-related matters, ensuring that risk management practices are aligned with the Company's strategic objectives. Your company is committed to maintaining the highest ethical standards in all our operations outlining the principles and values that guide our actions, ensuring that we operate with integrity, transparency, and respect for all stakeholders.

In the face of this turbulence, your company demonstrated exceptional resilience due to its strong fundamentals. As a Core Investment Company, our revenues stood at Rs. 22.44 Crores as against Rs. 40.65 Crores in the earlier year. Also the profit after tax stood at Rs. 8.44 Crore as against Rs. 27.64 Crore in the corresponding



**With strong fundamentals, quality investments, and stakeholder trust, ESAF Financial Holdings continues to build a responsible, inclusive, and sustainable ecosystem that impacts millions of lives.**

year. The increased revenue in the previous year 2023-24 was majorly attributed to the strategic participation of the company in the Offer for Sale (OFS). Whereas in the year 2024-25 the major revenue came from the dividend declared by our investee company ESAF Small Finance Bank, which reflects the quality of investments made by the company.

It gives us immense pleasure that in the financial year 2024-25 our investee ESAF Bank posted commendable financial results. The total deposits of the Bank touched Rs. 23,276 Crore and advances reached Rs. 18,779 Crore with a total customer base of 94.15 lakhs, serviced through 787 Branches spread across 23

states. It's another remarkable achievement for the Bank to receive an ESG rating of 71/100 as against the industry average of 59 from Care edge Ratings, which clearly shows it's focused efforts in the social front as well.

In the year under consideration we have extended CSR support of a sum of Rupees twenty lakhs for procuring a school bus for a rural school at Nonihat, Jharkhand State, which is in alignment with our community connect and people centric approach.

I am herewith reiterating my heartfelt gratitude to our institutional investors and each of the individual stakeholders, our Regulator, the Reserve Bank of India, Statutory Auditors M/s A. John Moris & Co, eminent Board of Directors, leadership team, and all those who have supported our journey from the beginning. I am equally thankful to our Associate ESAF Small Finance Bank, and its leadership, for the support extended throughout the year.

We deeply value the continued trust of our shareholders, customers, and partners. Together, we are shaping a much more diverse, responsible, inclusive and sustainable eco system, impacting lives and livelihoods of deserving millions.

Sincerely,

**Mereena Paul**

Chairperson and Managing Director

# DRIVING EDUCATION, BRIDGING DISTANCES

## CSR INITIATIVES FOR 2024-25

At ESAF Financial Holdings, our commitment to social responsibility goes beyond financial inclusion—we believe in enabling access to opportunities that can transform lives. In the year under review, as part of our CSR initiative, we extended support of ₹20 lakhs towards the procurement of a new school bus for Lahanti Public School, Nonihat, Dumka, Jharkhand.

Lahanti Public School serves as a vital centre of learning for children from tribal and underprivileged communities in the region. However, lack of reliable transportation was a major challenge, preventing many students from attending school regularly and safely. By providing a school bus, ESAF has helped ensure that children can now travel to school

with ease, security, and dignity, without the burden of long and often unsafe commutes.

This initiative reflects our vision of creating inclusive and sustainable ecosystems, where every child—irrespective of their socio-economic background—has the right to quality education. Beyond mobility, the school bus symbolizes freedom, opportunity, and the breaking down of barriers that often limit children in rural and tribal areas from pursuing their educational aspirations.

Through this small but meaningful intervention, ESAF reaffirms its commitment to building stronger communities, nurturing young minds, and driving holistic development.





## JOYFUL STORIES OF TRANSFORMATION

# LIGHTING A GREEN WORLD!

At 33, Nesla P. K., from Thrissur, juggles the roles of a mother, entrepreneur, and an environmental advocate with remarkable finesse. A B.Tech graduate and mother of three, Nesla chose to pause her career to raise her children, but her aspirations never dimmed. When the opportunity arose, she reignited her professional journey—this time in the renewable energy sector. Nesla enrolled in Batch 9 of ESAF's one-month Urjabandhu training programme, a CSR initiative of ESAF Small Finance Bank implemented by ESAF Foundation, that equipped her with knowledge in solar technology, marketing, and finance. With this foundation, she launched her own solar venture—Dunzo Power— registered under MSME Udyam. Her commitment to professionalism and sustainability soon began to shine through. In a short span, she completed solar projects totalling 34 kW capacity, delivering 49,640 units of clean energy. This not only reduced the electricity costs of her clients but also minimised their

environmental footprint. Nesla's reputation as a reliable solar entrepreneur grew steadily in Kerala's green energy landscape. She is also a member of Kerala Solar Energy Bank (KSEB) LLP, a collective of 16 solar professionals trained under the same ESAF initiative. With support from the Ministry of New and Renewable Energy, she has worked on government subsidised projects, further expanding access to solar energy in rural areas. Breaking into a male-dominated field, Nesla has become a role model for other women. Her journey underscores how the right training, paired with determination, can turn setbacks into opportunities—and light the way for others. Nesla is one among the many people who started dreaming big with ESAF.





## JOYFUL STORIES OF TRANSFORMATION

# PHOENIX OF KODUNGALLUR!

For Sabira, who lives in Anchangadi, Kodungallur, life was once a daily struggle. With her husband offering little support and three children to raise, she had no income of her own. But when she joined ESAF in 2004, everything began to change. It marked the beginning of a journey that would see her rise from financial uncertainty to entrepreneurial strength. Her first loan of ₹50,000 helped her start a small pickle business. Going door to door, she sold her pickles with determination. But the income was not enough to meet household needs or her children's educational expenses. Looking for alternatives, she availed another loan of ₹10,000 and began making squashes, wines, and snacks—again selling them from house

to house. Yet, the returns still did not measure up to her growing responsibilities. That is when Sabira had a bigger dream. She decided to open a food stall near Asmabi College and availed a loan of ₹75,000 to get started. With increasing customers and rising demand, she took a subsequent loan of ₹1.5 lakh to expand the space and officially named it Faina Food Products. Today, she has five staff members and serves nearly 100 loyal customers each day—including college hostels through daily food deliveries. Her shop now earns nearly ₹10,000 a day, with a daily profit of ₹5,000. This income has brought newfound joy, stability, and pride into Sabira's life. She is now able to meet her family's needs and ensure a quality education for her children. From humble beginnings to running a successful food business, Sabira's journey is a shining example of how strength, vision, and timely support can rewrite a life's script.

The customer story mentioned above is of the investee company ESAF Small Finance Bank Ltd.





## JOYFUL STORIES OF TRANSFORMATION

# CRAFTING BEAUTY FROM THE SCRAPS

From the picturesque lanes of Velliyadu near Varikkassery Mana—Ottapalam’s beloved film city—emerges a true star of a different kind. Viji A.P. is not an actress, but an artist of resilience, turning discarded scraps into works of beauty. Her journey is a shining example of how women can break free from conventional roles to chart their own entrepreneurial path. What began 15 years ago as a creative outlet using leftover materials in her beauty parlour has grown into a thriving venture centred around eco-friendly decorative products. Every item

she crafts is made using natural materials, echoing her commitment to sustainability. But that’s not all—Viji also excels in tailoring and beautician services, proving herself a versatile entrepreneur. A long-standing customer of ESAF Small Finance Bank’s Ottapalam branch, Viji has been associated with the Bank for 12 years. Her most recent step forward was availing an Income Generation Loan (IGL) to renovate her workspace. Viji’s presence is felt at every ESAF exhibition and event she participates in—where she not only makes sales but leaves an impression with her confidence and warm personality. Beyond business, she has dedicated herself to mentoring others. From judging school science fairs to training women and children through various institutions, Viji believes her skills are meant to be shared. Under her brand, Oleega Craft World, she is expanding her range and reach, while continuing to support ESAF’s training initiatives. Viji is more than a businesswoman—she is a symbol of creative reinvention and generous leadership. Always ready to uplift others, she stands tall as one of ESAF’s proudest ambassadors.

The customer story mentioned above is of the investee company ESAF Small Finance Bank Ltd.



## JOYFUL STORIES OF TRANSFORMATION

# A BEACON OF HOPE IN MAHALI TOLA

In the tribal settlement of Mahali Tola, in Paharudih village, 12-year-old Khushbu Kumari's life is a stirring story of resilience. Orphaned at the age of four—first by the death of her mother, and then by her father's abandonment—Khushbu was raised by her ageing grandparents. Their traditional livelihood of bamboo craft provided just enough for survival, but not enough to dream beyond. To add to their burden, her grandfather became paralysed, her grandmother's vision deteriorated, and Khushbu herself was diagnosed with partial hearing loss. In such a backdrop, access to quality education seemed far out of reach. That changed when Prachodhan Development Services, the CSR implementing agency of ESAF Small Finance Bank, stepped in. Khushbu was granted a 100% scholarship to study at Lahanti Public School, Paharudih. Free from financial constraints, she embraced this new opportunity with unwavering commitment. The school, a beacon of learning in a region

with scarce resources, offered Khushbu the environment she needed to thrive. Today, Khushbu is not just attending school—she is excelling. She won the Gold Medal for academic excellence this year. Once a Mahali-speaking girl unfamiliar with formal education, she now speaks fluent Hindi and English, standing tall as a symbol of what opportunity, paired with determination, can achieve. Khushbu's journey is not just her own—it reflects the impact of thoughtful intervention and community care. Her success is a proud milestone for ESAF Small Finance Bank, Prachodhan Development Services, and Lahanti Public School, proving that the seeds of change blossom best when planted in the soil of compassion.



# LAHANTI

PUBLIC SCHOOL.  
VILL- PAHRUDIH (Aashram more) DUMKI

The customer story mentioned above is of the investee company ESAF Small Finance Bank Ltd.



**NOTICE**



ESAF Financial Holdings Private Limited  
CIN: U65910KL1996PTC077288  
Registered & Corporate Office: No. X/109/M4, Second Floor,  
Hephzibah Complex, Mannuthy P.O, Thrissur, Kerala – 680651

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**NOTICE**

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NOTICE is hereby given that the 29th ANNUAL GENERAL MEETING of the members of ESAF FINANCIAL HOLDINGS PRIVATE LIMITED will be held on Thursday, 11th September, 2025 at 04.00 P.M. IST through Video Conferencing (“VC”) /Other Audio-Visual Means (“OAVM”) to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2025, the Profit and Loss account and Cash Flow for the year ended on that date together with the schedules and annexures thereto (including Consolidated Financial Statements), the Reports of the Auditors’ and Directors’ thereon.
2. To declare a dividend on preference shares.
3. To re-appoint M/s. A. John Moris & Co., Chartered Accountants (Firm Registration No: 007220 S) as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of 34th Annual General Meeting.

To consider and, if thought fit, to assent or dissent, to the following resolution(s) to be passed as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications or enactments made there under, consent of the members of the Company be and is hereby accorded to re-appoint of M/s. A. John Moris & Co., Chartered Accountants (Firm Registration number 007220 S), Chennai, as recommended by the Board, as the Statutory Auditors of the Company for another term of 5 consecutive years from the conclusion of the 29th Annual General Meeting till the conclusion of 34th Annual General Meeting for a professional fee of Rs.500,000/- plus GST and reimbursement of reasonable out of pocket expenses per financial year."

By the order of the Board  
Sd/-  
Minu Santhosh  
Company Secretary  
Membership No: A62382

Place: Thrissur  
Date: 19th August, 2025

NOTES:

1. The Ministry of Corporate Affairs ('MCA') has vide its General circular dated 19 September 2024 read with circulars dated 5 May 2020, 5 May 2022, 28 December 2022 and 25 September 2023 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, shareholders can participate in the meeting through Video Conferencing (VC) facility.
  2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  3. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM
  4. The Registers under the Companies Act, 2013 and copies of all documents referred to in the notice and explanatory statement annexed thereto are available for inspection in physical or in electronic form at the Registered Office of the Company between 10.00 am and 1.00 pm on all working days till the date of the meeting.
  5. Members will be able to attend the AGM through VC or view the live webcast of AGM provided by clicking on the link given below and entering the login credentials:  
Video Conferencing Solution:  
**Microsoft Teams**  
**Meeting Access Link:**  
[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_NT4ZDhkMzctMTQwMCO0N2Y4LThkY2QtNWlwMTI0ODQ5ZGI5%40thread.v2/0?context=%7b%22Tid%22%3a%22def7bc9-cd32-4002-8a84-59be2d0bdb9d%22%2c%22Oid%22%3a%22d34f361d-a910-496c-a3b59c5474b165ba%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_NT4ZDhkMzctMTQwMCO0N2Y4LThkY2QtNWlwMTI0ODQ5ZGI5%40thread.v2/0?context=%7b%22Tid%22%3a%22def7bc9-cd32-4002-8a84-59be2d0bdb9d%22%2c%22Oid%22%3a%22d34f361d-a910-496c-a3b59c5474b165ba%22%7d)  
Meeting ID : 483 764 810 819 2  
Passcode : gd3i7UY2
  6. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) shall send a scanned copy (pdf/jpg format) of its Board or Governing Body's resolution/authorisation, etc., authorising their representative to attend and vote in the AGM on its behalf. The said resolution/authorisation shall be sent to the Company Secretary by email from their registered email address to [minu.santhosh@esafholdings.com](mailto:minu.santhosh@esafholdings.com).
  7. The facility of joining the AGM through VC will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the AGM, i.e., from 03:45 P.M to 04:15 P.M.
  8. The Statutory Registers maintained by the Company is available for inspection to members at the registered office of the Company during the business hours.
- In accordance with the MCA Circulars, the said registers have been made accessible for inspection through electronic mode and shall remain open and be accessible to any member till conclusion of the meeting. Any member intending to inspect the Statutory registers through electronic mode shall make a request by sending an email to [minu.santhosh@esafholdings.com](mailto:minu.santhosh@esafholdings.com).
9. For ease of conduct, members who would like to ask questions/ express their views on the items of the businesses to be transacted at the meeting can send in their questions/ comments in advance by sending an email to [minu.santhosh@esafholdings.com](mailto:santhosh@esafholdings.com) before 5:30 PM IST on 10th September, 2025 mentioning their name, demat account no./Folio no., e-mail Id, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
  10. Members may note that attendance of members

through VC shall be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.

11. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
12. During the Meeting, where a poll on any item is required, the members participating through

VC shall cast their vote on the resolutions only by sending emails from their registered email id registered with the Company to [minu.santhosh@esafholdings.com](mailto:minu.santhosh@esafholdings.com).

13. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by sending an email to [minu.santhosh@esafholdings.com](mailto:minu.santhosh@esafholdings.com).

[esafholdings.com](http://esafholdings.com) before 05:30 PM IST on 10th September, 2025 mentioning their name, demat account no./Folio no., e-mail Id, mobile number, etc. Please note that only questions of the members holding the shares as on cut-off date will be considered.

14. Members who need technical assistance before or during the 29th AGM can contact the Company at [minu.santhosh@esafholdings.com](mailto:minu.santhosh@esafholdings.com) or Mob: +91 9072045500.



## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2024-25

To,

The Members,

Your directors have pleasure in presenting the Twenty Ninth Annual Report together with the audited accounts of the Company on a Consolidated and Standalone basis for the Financial Year ended 31st March, 2025.

### 1. Financial Highlights

The summary of the Company's financial performance both on a Consolidated and Standalone basis for FY 2024-25 compared to the previous year, FY 2023-24 is given below:

(Rs in lakhs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Total revenue	2244.12	4065.01	2244.12	4065.01
Total Expenses	910.50	1029.11	910.50	1029.11
Share of Profit/(Loss) of Associate Company	-	-	(27345.54)	11522.99
Profit (Loss) before Extra-Ordinary items and taxation	1333.61	3035.90	(26011.93)	14558.89
Tax Expenses	489.88	271.35	489.88	271.35
Profit (Loss) from continuing operations (A)	843.74	2764.56	(26501.81)	14287.55
Profit from discontinued operations	-	-	-	-
Gain on transfer of business due to discontinued operations	-	-	-	-
Profit before tax from discontinued operations	-	-	-	-
Profit from discontinued operations (B)	-	-	-	-
Other Comprehensive Income	-	-	3534.79	(4549.87)
<b>Profit/Loss for the year (A+B)</b>	<b>843.74</b>	<b>2764.56</b>	<b>(22967.01)</b>	<b>9737.68</b>

## 2. Dividend

The Board of Directors of the Company proposed to declare final dividend on preference shares issued by the company as given below.

Nature of Security	Rate of Dividend	Amount to be paid (Rs.)
1% Compulsorily Convertible Preference Shares	1%	18,04,850

The Board of Directors have not declared any Interim Dividend during the financial year under review. With a view to preserve its reserves, the Directors do not recommend any Dividend on Equity Shares for the financial year ended March 31, 2025.

## 3. Transfer to Reserves

During the year under review, your Company has transferred an amount of Rs. 1,68,74,720/- out of profit after tax for the year to the statutory reserve.

## 4. Capital Adequacy

The Capital Adequacy Ratio of the Company stands at 160.21% as of March 31, 2025 as against the minimum capital adequacy requirement of 30% stipulated by RBI.

## 5. Share Capital

### a) Authorized Share Capital

During the year under review, no change has been made in the Authorized Share capital of the Company. The Authorized Share Capital of the Company as on 31st March 2025 stands at Rs.2500 million divided into 190 million Equity Shares of Rs.10/- each and 6 million Compulsorily Convertible Preference Shares of Rs.100/- each.

### b) Paid up Share Capital

The Paid-up Share Capital of the Company as on 31st March 2025 stands at Rs.1678.82 million consisting of 149.83 million Equity Shares of Rs.10/- each and 1.805 million Compulsorily Convertible Preference Shares of Rs.100/- each.

## 6. State of Company's affairs

The Company is registered with RBI as a Non-Deposit taking Systemically Important Core Investment Company (NBFC-ND-SI-CIC) and the

Certificate of Registration as CIC was issued on 26th February, 2020. The Company is in compliance with the conditions of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 as amended. The conversion was done based on the licensing condition of the Reserve Bank of India while approving the small finance bank license for ESAF Small Finance Bank Limited, the Bank promoted by the Company.

Being a CIC, the Company has its investments primarily in the bank. The Board of the Company has an effective oversight on the statutory and policy related compliances which the Bank has to ensure in its day-to-day functioning.

## 7. Details of Subsidiary, Joint Venture or Associates

The Company conducts its business through the following Associate whose details are given below:

Sl.No	Name of the Associate	Activities
1.	ESAF Small Finance Bank Limited	Banking business

The Statement of Associate bank in Form AOC-1 is annexed as Annexure-1. The Company does not have any Subsidiary within the meaning of Section 2(87) or Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013.

There are no Companies which have become or ceased to be Subsidiaries, Associate or Joint Ventures Companies during financial year 2024-25.

The Consolidated Financial Statements which have been prepared in accordance with the Act, and the relevant Accounting Standards form part of this Annual Report.

## 8. Change in the Nature of Business

There was no change in the nature of business of the company during the Financial year 2024-25.

## 9. Board of Directors

The composition of the Board of Directors of the company is in conformity with the Companies Act, 2013. As on the Financial year end date 31st March 2025, the Board of Directors of the Company comprises of Eight (8) directors.

Sl.No	Name of Directors	Designation
1.	Mrs. Mereena Paul	Chairperson and Managing Director
2.	Mr. Abraham Thariyan	Independent Director
3.	Mr. Joy Joseph Cherayathth ekkuden	Independent Director
4.	Mrs. Saleena George	Nominee Director
5.	Ms. Arpita Pal Agrawal	Nominee Director
6.	Mrs. Emy Acha Paul	Nominee Director
7.	Mr. Vikraman Ampalakkat	Director
8.	Mr. Ajayan Mangalath Gopalakrishnan Nair	Director

#### Change in Directors during the Financial year 2024-25:

Sl. No.	Name of Directors	Designation	Nature of Change	Date of Change
1.	Mark Robert Daniels	Nominee Director	Resignation	05.07.2024
2.	Arpita Pal Agrawal	Nominee Director	Appointment	06.07.2024
3.	Abraham Thariyan	Independent Director	Re-appointment	17.08.2024
4.	R. V. Dilipkumar	Nominee Director	Resignation	27.03.2025

### 10. Key Managerial Personnels (KMPs)

As on the Financial year end date 31st March 2025, the following officials of the Company are the “Key Managerial Personnel” pursuant to the provisions of Section 203 of the Companies Act, 2013:

Sl.No	Name of Key Managerial Person	Designation
1.	Mrs. Mereena Paul	Managing Director
2.	Mr. Rajesh Sreedharan Pillai	Chief Financial Officer
3.	Ms. Minu Santhosh	Company Secretary

#### Change in Key Managerial Personnel during the Financial year 2024-25:

Sl. No.	Name of Key Managerial Person	Designation	Nature of Change	Date of Change
1.	Plackal Varuthutty Antony	Chief Financial Officer	Resignation	31.07.2024
2.	Rajesh Sreedharan Pillai	Chief Financial Officer	Appointment	01.08.2024

### 11. Committees of the Board

As on 31st March 2025, the Company has Six (6) regular Board Committees namely:

- Audit Committee of the Board
- Nomination and Remuneration Committee of the Board
- Investment Committee of the Board

- Corporate Social Responsibility Committee of Board
- Group Risk Management Committee of the Board
- Risk Management Committee of the Board

## 12. Corporate Governance

The Company is committed to achieving and adhering to the highest standards of Corporate Governance. A report on Corporate Governance for the Financial year 2024-25 has been annexed to the Annual Report.

## 13. Meetings of the Board and Committees

The Board of Directors of the Company met Six (6) times during the Financial Year 2024-25.

The meetings of the Board of Directors were convened in accordance with applicable laws and standards and the intervening gap between the said meetings was not exceeding 120 days. The details of Board Meetings and details of attendance of each director have been disclosed in the report on Corporate Governance which forms part of the Annual Report of the Company for the Financial year 2024-25.

During the Financial Year 2024-25, the meetings of the committees of the Board were held as follows:

Name of Committee	No. of meetings held
Audit Committee of Board	4
Nomination & Remuneration Committee of Board	1
Corporate Social Responsibility Committee of Board	2
Group Risk Management Committee of Board	4
Investment Committee	1
Risk Management Committee of Board	2

## 14. Declaration from Independent

## Directors

The Board has received declarations from the Independent Directors as required under Section 149(7) of the Companies Act, 2013, and the Board is satisfied that the Independent Directors meets the criteria of independence as laid down by Section 149(6) of the Companies Act, 2013 and that they have complied with the code of conduct for Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

In the opinion of the Board, all the Independent Directors meet the criteria with regards to integrity, expertise and experience as required under applicable laws.

All Independent Directors of the Company have registered themselves in the data bank as specified under Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014 and have qualified the prescribed proficiency test

## 15. Directors Responsibility Statement

Pursuant to Section 134(3) of the Companies Act 2013, the Board of Directors hereby declare and confirm to the best of their knowledge and belief that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit /loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;

- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 16. Details in respect of frauds, if any, reported by Auditors

During the Financial year 2024-25, no instances of fraud committed by its officers or employees were reported by the Statutory Auditors of the Company.

## 17. Statutory Auditors

The shareholders of the company in the Annual General Meeting held on 28th September, 2020, had appointed M/s. A. John Moris & Co., Chartered Accountants, Chennai (FRN: 007220S) as the Statutory Auditors of the Company for a period of five consecutive years to hold office from the conclusion of the 24th Annual General Meeting till the conclusion of 29th Annual General meeting.

The Statutory Auditors, M/s. A. John Moris & Co. completes their first term of appointment for 5 consecutive years in the ensuing Annual General Meeting of the Company.

## 18. Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

### a) Conservation of Energy

Our operations are not energy intensive. However, significant measures have been taken to reduce energy consumption by using energy efficient laptops, office equipments, etc.

### b) Technology Absorption

During the year under review, there is no expenditure on Technology Absorption and on Research and Development.

### c) Foreign Exchange Earnings/ Outgo:

Foreign exchange earnings: Nil

Foreign exchange outgo: Nil

## 19. Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial year 2024-25 will be hosted on the Company's website at <https://esafholdings.com/>.

## 20. Particulars of Loan, Guarantees and Investments under Section 186

Particulars of loans, guarantees and Investments made by the Company under Section 186 of the Companies Act 2013 is enclosed with this report as Annexure-2.

## 21. Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2024-25 in the prescribed Form AOC-2 has been enclosed with the report as Annexure-3.

## 22. Deposits

As per the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, the Directors hereby report that the Company has not accepted any deposits from the public during the year and do not have any public deposits outstanding at the end of the year.

## 23. Corporate Social Responsibility

The Company has adopted a CSR Policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. The Company had engaged Prachodhan Development Services for implementing the CSR project approved by the Board.

The Company's CSR Projects and CSR Project Expenditure for Fiscal year 2024-25 are in accordance with the CSR mandate as specified in Sections 134 and 135 of the Act read with Schedule II to the Act and the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time, and in accordance with notifications issued

by the Government of India from time to time.

During the Financial year 2024-25, the Company has allocated Rs. 20,00,000/- towards CSR expenditure. The Annual Report on CSR Activities, annexed to this report as Annexure-4, contains a brief summary of the CSR Policy, including an overview of the CSR project implemented, the makeup of the CSR Committee, and CSR expenditure for the fiscal year under review.

## 24. Managerial remuneration

The Company does not come under the purview of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The remuneration of directors and Key Managerial Personnel have been approved by the Nomination and Remuneration Committee of the Board and Board of Directors of the company.

## 25. Material Changes and Commitments affecting the financial position of the Company

There have been no material changes and commitments between the end of the Financial year 2024-25 and the date of this report, affecting the financial position of the Company.

## 26. Internal Financial Controls

The Board of Directors of the Company has adopted Policies and Procedures for ensuring orderly and efficient conduct of business including adherence of company's policies, safe guarding of asset, prevention and detection of frauds, accuracy and completeness of accounting records and timely preparation of reliable financial statements.

The Board of Directors is of the opinion that the internal financial control systems existing in the Company is commensurate with the nature, size and operations of the Company and no material weakness exists.

## 27. Risk Management

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business

strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action. Risks are discussed at the meetings of the Group Risk Management Committee, Risk Management Committee and the Board of Directors of the Company.

## 28. Details of significant & material orders passed by the regulators or courts or tribunal

In accordance with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, there have been no significant and material orders passed by the regulators or courts or tribunals which impacts the going concern status and future operations of the company.

## 29. Company's policy on Director's appointment and remuneration

The company has formulated and adopted a Nomination & Remuneration Policy for selection and appointment/ re-appointment/ removal and remuneration of directors. Through the said policy, the company has formulated criteria for the appointment of Directors and based on the said criteria, Nomination & Remuneration Committee of the Board (NRCB) shall conduct a due diligence process to determine the suitability of every person who is being considered for being appointed as the Director of the company, based on the range of skills, experience, expertise, qualifications, specialized knowledge etc. of the candidate, and recommend his/her appointment to the Board.

## 30. Performance Evaluation

The Annual Evaluation of the effectiveness of functioning of Board and that of the Committees and of individual directors has been conducted in accordance with the approved Nomination & Remuneration Policy.

## 31. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made in the Auditor's Report

The Auditor's Report for the financial year 2024-25 does not contain any qualification, reservation, adverse remark or disclaimer. The Notes on

Financial Statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments.

### **32. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company continues with the belief of zero tolerance towards sexual harassment at the workplace and continues to uphold and maintain itself as a safe and non-discriminatory organization. To achieve the same, the company reinforces the understanding and awareness of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH").

Any complaint pertaining to sexual harassment is diligently reviewed and investigated, and treated with great sensitivity. During the Financial Year 2024-25, the Company has not received any complaints on sexual harassment.

### **33. Cost Records**

The Company is not required to maintain cost records as specified by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013.

### **34. Dispatch of Annual Report**

The MCA has issued General Circular No.20/2020 dated May 05, 2020 relaxing the requirement of dispatching physical copies of the Annual Report and the Notice convening the AGM to

Shareholders. Members who wish to have a physical copy may write to the Company Secretary at [minu.santhosh@esafholdings.com](mailto:minu.santhosh@esafholdings.com) or submit a written request to the Registered office of the company.

In accordance with the aforesaid circulars, the web link of the Annual Report for the Financial Year 2024-25 and the Notice of the AGM is being sent to all the members whose email addresses are registered with the Company. The Annual Reports of the Company will be made available on the company's website viz., URL: <https://esafholdings.com/annual-reports.html>

### **35. Details of application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016**

The Company has not made any application nor has any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the Financial year 2024-25.

### **36. Acknowledgment**

The Directors are grateful to the Reserve Bank of India, Registrar of Companies, other government and regulatory authorities for their support and guidance. The Directors gratefully acknowledge the excellent relationship with M/s. ESAF Small Finance Bank Ltd., the associate Bank. The Directors also place on record their sincere thanks to the valued shareholders for their patronage. The Board also expresses its deep sense of appreciation to all employees of the company for their commitment and contribution.

For and on behalf of the Board of Directors

Sd/-  
**Mereena Paul**  
Chairperson & Managing Director  
DIN: 02228087

Sd/-  
**Abraham Thariyan**  
Director  
DIN: 07132831



## ANNEXURE - 1

### Form AOC-1

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

#### Part A – Subsidiaries

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiaries: NA

#### Part B - Associates and Joint Ventures

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

(Information in respect of each associate to be presented with amounts in million.\*)

Sl.No	Particulars	As on 31.03.2025
1	Name of the Associate	ESAF Small Finance Bank Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	5,154.27
5	Reserves and surplus	8,215.18
6	Total assets	2,64,560.38
7	Total Liabilities	2,51,190.93
8	Investments	60,418.81
9	Turnover	44,014.67
10	Profit before taxation	-7,069.15
11	Provision for taxation	-1,904.75
12	Profit after taxation	-5,164.40
13	Proposed Dividend	0
14	Extent of shareholding (in percentage)	52.88%

\* Figures as per Ind AS

Notes: The following information shall be furnished at the end of the statement:

- Names of Associates or Joint Ventures which are yet to commence operations: NIL
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

Sd/-

**Mereena Paul**

Chairperson & Managing Director

DIN: 02228087

Sd/-

**Abraham Thariyan**

Director

DIN: 07132831



## ANNEXURE - 2

### Particulars of Loan, Guarantees and Investments under Section 186 as on 31st March 2025

#### A) Details of Investments: -

Sl. No	Details of Investee	Amount (Rs.)	Purpose for which the proceeds from investment is proposed to be utilized by the recipient
1	ESAF Small Finance Bank Limited	2,756,900,000	Equity Share Capital
2	ESAF Small Finance Bank Limited	200,000,000	Non-Convertible Debentures

For and on behalf of the Board of Directors

Sd/-

**Mereena Paul**

Chairperson & Managing Director

DIN: 02228087

Sd/-

**Abraham Thariyan**

Director

DIN: 07132831



## ANNEXURE - 3

### Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

#### 1. Details of contracts or arrangement or transactions at arm's length basis:

Sl.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any.	Date on which the resolution was passed in general meeting as required under first proviso to Section 188
1	<b>Mereena Paul</b> (Chairperson and Managing Director)	Rent paid	5 years	The company has taken on rent, a flat owned by Mrs. Mereena Paul, for guest house purposes of the Company	24/02/22	Nil	NA
2	<b>ESAF Swasraya Multi State Agro Co-operative Society Limited</b> (Entity having significant influence)	Rent received	5 years	The company has given its landed property at Kalathode on lease to ESMACO, for the purpose of vehicle parking	20/06/20	Nil	NA
3	<b>Cedar Livelihood Services Private Limited</b> (Entity in which relatives of directors have significant influence)	Rent received	9 years	The company has given 1st floor of its building at Pattikad on lease to Cedar Livelihood Services Pvt Ltd, for their official purpose	13/02/23	Nil	NA

4	<b>ESAF Foundation</b> (Entity in which director have significant influence)	Rent received	9 years	The company has given its building at Vadakkenchery, on lease to ESAF Foundation, for their official purpose	13/02/23	Nil	NA
5	<b>Prachodhan Development Services</b> (Entity in which directors have significant influence)	CSR Implementing agency	1 year	The company had appointed PDS as the CSR Implementing agency for F.Y 2024-25.	10/12/24	Nil	NA

## 2. Details of contracts or arrangements or transactions not at arm's length basis: Nil

For and on behalf of the Board of Directors

Sd/-

**Mereena Paul**

Chairperson & Managing Director

DIN: 02228087

Sd/-

**Abraham Thariyan**

Director

DIN: 07132831



## Annual Report on CSR Activities for Financial Year 2024-25

### 1. Brief outline on CSR Policy of the Company

The Company's CSR policy aims to lay down norms to enable the Company to create a social impact by constantly giving back to the community through development activities of marginalized / under privileged / poor in rural areas.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	M. G. Ajayan	Non-Executive Director	2	2
2.	Saleena George	Nominee Director	2	2
3.	Abraham Thariyan	Independent Director	2	2
4.	Joy C. Joseph	Independent Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<https://esafholdings.com/>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not applicable

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

NIL

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

983.45 Lakhs

**7. (a) Two percent of average net profit of the company as per section 135(5)**

19.67 Lakhs

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**

NIL

**(c) Amount required to be set off for the financial year, if any**

NIL

**(d) Total CSR obligation for the financial year.**

19.67 Lakhs

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
20,00,000	NIL	NA	NA	NIL	NA

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

NIL

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	Dist- rict			Name	CSR registration number
1.	School van for Lahanti Public School, Nonihat, Jharkhand	Promotion of education	No	Jharkhand	Dumka	20,00,000	No	Prachodhan Development Services	CSR00001633

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year : Rs.20,00,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	19,66,895
(ii)	Total amount spent for the Financial Year	20,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	33,105
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	33,105

**9. Details of Unspent CSR amount for the preceding three financial years:**

NIL

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

Sl. No.	Short particulars of property/ asset	Pincode of property/ asset	Date of creation	CSR Amount spend (in Rupees)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.		
					CSR registration Number	Name	Registered address
1.	Purchase of School van for Lahanti Public School, Nonihat, Dumka, Jharkhand	814145	31.03.2025	20,00,000	CSR00001633	Prachodhan Development Services	Shanti Nagar, Mannuthy

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

Not Applicable

For and on behalf of the Board of Directors

Sd/-

**Mereena Paul**

Chairperson & Managing Director  
DIN: 02228087

Sd/-

**M. G. Ajayan**

Chairman, CSR Committee of Board  
DIN: 09782416



**The Report on Corporate Governance of ESAF Financial Holdings Private Limited (the company) for the Financial year ended March 31, 2025 is set out below:**

### **Corporate Governance Philosophy**

The Company recognizes its role as a responsible corporate citizen and endeavors to adopt and maintain the highest standards of Corporate Governance. The Company has given adequate thrust to Corporate Governance practices built on the principles of ethics, fair practices and transparency in all its dealings with various stakeholders such as Employees, Investors, Government and the Society at large. The Corporate Governance system is in tune with the RBI guidelines, which envisages adherence to transparency, accountability, responsibility and fairness.

The Board ensures good Corporate Governance in terms of sound business policies and practices, adherence to compliances, and protection of

interests of all the stakeholders. The Board often revisits the existing procedures and policies on Corporate Governance and makes adequate changes to further strengthen the governance practices.

### **Internal Guidelines on Corporate Governance**

The Company has formulated an Internal Guidelines on Corporate Governance in pursuance to the Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023; the provisions of the Companies Act, 2013 and Rules amended from time to time and the Industry Best Practices.

### **Composition of the Board**

As on 31st March 2025, the Board consists of a total of eight (8) directors comprising of the Managing Director, two Non-Executive Independent Directors, two Non-Executive Investor Nominee Directors, one Promoter Nominee Director and two Non-Executive Directors.

## The details of the Board of Directors during the Financial year 2024-25 is furnished hereunder:

Sl. No.	Name of Director	Date of appointment	Capacity	DIN	Number of Board of Meetings		Remuneration (in INR)			No. of shares held in NBFC
					Held	Attended	No. of other directorships	Salary & other compensation	Sitting fee	
1	<b>Mereena Paul</b>	09/03/17	Chairperson & Managing Director	02228087	6	6	1	1,23,09,435	Nil	15,000 equity shares
2	<b>R. V. Dilip Kumar*</b>	09/11/15	Non-Executive Nominee Director	01060651	6	4	6	Nil	Nil	Nil
3	<b>Abraham Thariyan</b>	08/09/21	Non-Executive Independent Director	07132831	6	6	1	Nil	1,20,000	Nil
4	<b>Vikraman Ampalakkat</b>	30/11/21	Non-Executive Director	01978341	6	6	3	Nil	1,20,000	Nil
5	<b>Emy Acha Paul</b>	30/11/21	Non-Executive Promoter Nominee	07434054	6	6	7	Nil	1,20,000	87,500 equity shares
6	<b>Mark Robert Daniels**</b>	28/09/22	Non-Executive Nominee Director	02400806	3	3	3	Nil	60,000	Nil
7	<b>M. G. Ajayan</b>	01/12/22	Non-Executive Director	09782416	6	5	1	Nil	1,00,000	Nil
8	<b>Joy C. Joseph</b>	02/06/23	Non-Executive Independent Director	05221046	6	6	2	Nil	1,20,000	Nil
9	<b>Saleena George</b>	25/08/23	Non-Executive Nominee Director	010269640	6	6	0	Nil	1,20,000	40,000 equity shares
10	<b>Arpita Pal Agrawal***</b>	06/07/24	Non-Executive Nominee Director	08588528	3	3	5	Nil	60,000	Nil

\* R. V. Dilip Kumar ceased to be the director with effect from close of business hours on 27th March, 2025. \*\* Mark Robert Daniels ceased to be the director with effect from close of business hours on 05th July, 2024. \*\*\* Arpita Pal Agrawal was appointed with effect from 06th July, 2024 up to 06th May, 2025.

## Change in the Composition of the Board

The changes in the Board of Directors of the Company during the current and previous financial year is given below:

Sl. No.	Name of Director	Capacity	Nature of Change	Effective date
1	Saurabh Baroi	Nominee Director	Appointment	27th June, 2025
2	Arpita Pal Agrawal	Nominee Director	Resignation	06th May, 2025
3	R. V. Dilipkumar	Nominee Director	Resignation	27th March, 2025
4	Abraham Thariyan	Independent Director	Re-appointment	17th August, 2024
5	Arpita Pal Agrawal	Nominee Director	Appointment	06th July, 2024
6	Mark Robert Daniels	Nominee Director	Resignation	05th July, 2024

## Disclosure of relationship between directors inter-se

Sl. No.	Name of Director	Designation	Relationship amongst the directors
1	Mereena Paul	Chairperson & Managing Director	Mother of Mrs. Emy Acha Paul
2	Emy Acha Paul	Non-Executive Promoter Nominee	Daughter of Mrs. Mereena Paul

## Confirmation that the Independent Directors fulfil the condition independent of the management

All the Independent Directors of the company are independent and not related to any members of the Board and are in compliance with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have registered themselves with IICA for the purpose of Independent Director registration, which is mandated by the Ministry of Corporate Affairs and are exempted from online self-assessment proficiency test

## PROFILE OF BOARD OF DIRECTORS

### **Mereena Paul** **Chairperson & Managing Director**

Smt. Mereena Paul is a renowned social entrepreneur from Thrissur, Kerala and co-founder of ESAF group of Social enterprises, which had its humble origins as a social movement way back in 1992. She has been instrumental in the growth and expansion of ESAF as a brand through her vision and strategic course corrections she provided, which enabled the welfare of the underprivileged masses through various livelihood interventions with a firm footing on the unique triple bottom line approach of ESAF having the three pillars of people, planet and prosperity. Smt. Mereena Paul has contributed in a big way in the development of HR policies of ESAF from the initial stages, that are unique with its employee centric approach. She has been invited by various institutions of repute to talk about the ESAF Model of women empowerment and also about Self Help Group movement.



### **Abraham Thariyan** **Non – Executive Independent Director**

Shri. Abraham has got formal experience for more than 20 years in International Banking and Foreign Exchange and has an overall extensive work experience of more than 40 years. He has worked with South Indian Bank as Executive Director for a period of around 6 years and further has an experience of 36 years with Federal Bank Limited. He has a Bachelor of Science Degree in Chemistry, Post-graduate Degree in Sociology and has completed his Masters in Business Administration. He is also a Certified Associate of the Indian Institute of Bankers.



### **Joy Joseph Cheraththekkuden** **Non – Executive Independent Director**

Mr. Joy is a Certified Associate of Indian Institute of Bankers (CAIIB). He has a Post Graduate degree in Management Studies (MBA) from CUSAT and Bachelor's degree with Physics Main from Union Christian College Alwaye, University of Kerala. He has 17 years of Banking experience in various fields mainly in International Finance, Import & Export Management; Foreign Exchange Management & Currency Trading; NRI Business. And 20 years of Industry/Business experience in General Management as the GM and Country Head of ABN International Transport Company WLL (formerly Behzad International) the Kuwait wing of ABN Corporation. He is the Director of TJSV Steel Fabrication & Galvanizing (India) Ltd since 2012 and was Joint Managing Director of the company for a year.



### **Vikraman Ampalakkat** **Non – Executive Director**

Shri. Vikraman was the Chief General Manager (CGM) of Small Industries Development Bank of India and was heading the SIDBI Foundation for Microcredit (SFMC). He has got immense experience in the fields of priority sector lending, microfinance, developmental projects, SME lending and Project Finance. He is in the board of various Companies like Muthoot Finance Ltd, Samastha Microfinance Ltd., etc. He joined the Company as Director on September 30, 2008. He was re designated as the Independent Director of the Company on September 28, 2014 and retired from the Board on September 28, 2021. He was then appointed as Non Executive Director on November 30, 2021.



### **RV Dilip Kumar** **Non- Executive Nominee Director**

Shri. Dilip Kumar is the nominee Director of SIDBI Venture Capital Ltd (SVCL). He has been with SVCL since its inception in 1999 and was part of the core team which had set up SIDBI Ventures, SIDBI Trustee Company and NFSIT. He represents SVCL on the Boards of some portfolio companies, where he has played an active role in building up systems and processes. Prior to joining SVCL in 1999, Dilip was with SIDBI for nearly 8 years with experience in credit appraisal, accounts and audit functions. He is a Post Graduate in Commerce and Economics, AICWA, CS (Inter), PGDBA and CAIIB.



### **Ajayan Mangalath Gopalakrishnan Nair** **Non – Executive Director**

Shri. M. G. Ajayan is an accomplished business leader with more than 3 decades of multifaceted experience in the banking industry across banking operations, Risk & Compliance, Transaction Banking, Credit, Rural Banking & IT. He has held important positions like General Manager IT & CIO, General Manager Retail Assets, General Manager Transaction Banking, General Manager Pune Circle, Chief Compliance Officer, General Manager Shreyas Gramin Bank, Aligarh, DGM of Calicut Circle etc in Canara Bank, before his retirement in May 2018. Later he retired from ESAF Small Finance Bank Ltd as Executive Vice President – IT & Credit on Nov 2022. He holds a bachelor's degree in science (horticulture) from Kerala Agriculture University and he is a certified associate of the Indian Institute of Bankers (Part 1)



## PROFILE OF BOARD OF DIRECTORS

### Saleena George

#### Non- Executive Nominee Director

Smt. Saleena is the nominee director of ESAF Swasraya Multi State Agro Co-operative Society Ltd (ESMACO). She has been associated with ESAF Foundation since 1996 and is the Chairperson of ESMACO from 2019. She has 36 years of Government Service in the Agriculture Department of Kerala, and retired as the Additional Director of Agriculture. She has experience as Farm Officer, Administrator and Scientist as a Plant Pathologist in Bio- Central Lab. She has undergone several Trainings in Indian Agricultural Research Institute (IARI), Delhi; National Institute of Agricultural Extension Management (MANAGE), Hyderabad; Tamil Nadu Agricultural University (TNAU), Coimbatore.



### Emy Acha Paul

#### Non- Executive Promoter Nominee Director

Smt. Emy Acha Paul is the nominee director of the Promoter of the Company, Mr. Kadambelil Paul Thomas. She has comprehensive experience in governing many institutions in the development sector for the last 5 years. This includes Microfinance, Financial Literacy & Financial Inclusion, Women Empowerment, Livelihood promotion and Child Care. She currently heads Prachodhan Development Services which works on various facets of Social Transformation, focussing mainly in East and Central India.



### Arpita Pal Agrawal

#### Non- Executive Nominee Director

Ms. Arpita Pal Agrawal has done PGDM from Indian Institute of Management (IIM), Ahmedabad and has worked as Managing Director and CEO of M-CRIL inclusive microeconomics, a social enterprise that provides high quality professional services for the economic enhancement of the lives of low-income families. Previously, she has been a Partner in Big 4 professional services firms. She has over 25 years of management and risk consulting experience with the said firms. Arpita sits on the Supervisory Board of Oikocredit, a social impact investor, and is an independent director of Airtel Payments Bank, the banking arm of India's biggest Telco.



## Number and dates of meeting of the Board of Directors

During the Financial Year 2024-25, the Board of Directors of the Company met Six (6) times on:

- 09th April, 2024
- 18th April, 2024
- 05th July, 2024
- 13th September, 2024
- 10th December, 2024
- 27th March, 2025.

The maximum interval between any two meetings was not more than 120 days and requisite quorum was present at the respective Board Meetings. The facility to attend the meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) was provided to the Directors. The Board agenda with proper explanatory notes were prepared and circulated on time to all the Board members. At the Board meeting, Board members have full freedom to express their opinion and decisions are taken after detailed deliberations.

## Committees of the Board

As on 31st March 2025, the Company has Six (6) regular Board Committees namely:

- Audit Committee of the Board (ACB)
- Nomination and Remuneration Committee of the Board (NRCB)
- Investment Committee of the Board (ICB)
- Group Risk Management Committee (GRMCB)
- Risk Management Committee of the Board (RMCB)
- Corporate Social Responsibility Committee of the Board (CSRB)

Minutes of the meetings of the Committees are approved by the Chairman of the respective Committees and are noted and confirmed by the Board in its subsequent meeting. The Company Secretary, acted as the Secretary of the Committees.

### 1. Audit Committee

The Audit Committee have the powers and duties conferred upon it in compliance with the Section 177 of the Companies Act, 2013 and the RBI guidelines.

The Audit Committee consists of four (4) Directors, of which two are Non-Executive Independent Directors. All members of the Audit Committee have adequate knowledge in the areas of accounting and financial management. The Chairman of the Audit Committee is an Independent Director. The Company Secretary, acts as the Secretary of the Audit Committee. The Committee invites the Chief Financial Officer and representatives of Statutory Auditors to attend the Audit Committee.

The Audit Committee was constituted on 07.10.2008 and was reconstituted during the year on 27th March, 2025. During the Financial Year 2024-25, four (4) meetings of the Audit Committee were held on 05th July, 2024, 13th September, 2024, 10th December, 2024 and 26th March, 2025.

The details regarding the constitution of the Audit Committee along with the attendance recorded in the meetings held during the financial year 2024-25 are mentioned below:

Sl. No.	Name of the Members of the Committee	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Atten- ded	
1	Abraham Thariyan	08.09.2021	Independent Director (Chairman)	4	4	Nil
2	R. V. Dilip Kumar*	29.05.2017	Nominee Director	4	3	Nil
3	Joy C. Joseph	02.06.2023	Independent Director	4	4	Nil
4	Vikraman Ampalakkat	07.10.2008	Director	4	4	Nil
5	Saleena George	27.03.2025	Nominee Director	0	0	40,000

\* R. V. Dilip Kumar ceased to be the member of the committee with effect from 27th March, 2025.

## 2. Nomination & Remuneration Committee

The Nomination and Remuneration Committee have the powers and duties conferred upon it in compliance with the provisions of the Companies Act, 2013, RBI guidelines and such other duties, obligations and powers as may be prescribed in the Company's Nomination and Remuneration Policy.

The Nomination and Remuneration Committee consists of four (4) Directors, of which two are Non-Executive Independent Directors. The Chairman of the Audit Committee is an Independent Director. The Company Secretary, acts as the Secretary of the Nomination and Remuneration Committee.

The Nomination & Remuneration Committee was constituted on 13.02.2009 and was reconstituted during the year on 05th July, 2024 and 27th March, 2025. During the Financial Year 2024-25, one (1) meeting of the Nomination and Remuneration Committee was held on 05th July, 2024.

The details regarding the constitution of the Nomination & Remuneration Committee along with the attendance recorded in the meetings held during the financial year 2024-25 are mentioned below:

Sl. No.	Name of the Members of the Committee	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Atten- ded	
1	Joy C. Joseph	02.06.2023	Independent Director (Chairman)	1	1	Nil
2	Abraham Thariyan	08.09.2021	Independent Director	1	1	Nil
3	Mark Robert Daniels*	28.09.2022	Nominee Director	1	1	Nil

4	M. G. Ajayan	02.06.2022	Director	1	1	Nil
5	Arpita Pal Agrawal**	06.07.2024	Nominee Director	0	0	Nil
6	Mereena Paul	27.03.2025	Managing Director	0	0	15,000

\*Mark Robert Daniels ceased to be the member of the committee with effect from close of business hours on 05th July, 2024.

\*\*Arpita Pal Agrawal was appointed as the member of the committee with effect from 06th July, 2024 up to 27th March, 2025.

### 3. Investment Committee

The Investment Committee have the powers and duties conferred upon it in compliance with the provisions of the Companies Act, 2013 and those prescribed under the RBI guidelines.

The Investment Committee consists of five (5) Directors, including the Managing Director and Investee Nominee Directors. The Chairman of the Investment Committee is the Managing Director. The Company Secretary, acts as the Secretary of the Investment Committee.

The Investment Committee was constituted on 24.02.2022 and was reconstituted during the year on 05th July, 2024 and 27th March, 2025. During the Financial Year 2024-25, one (1) meeting of the Nomination and Remuneration Committee was held on 10th December, 2024.

The details regarding the constitution of the Investment Committee along with the attendance recorded in the meetings held during the financial year 2024-25 are mentioned below:

Sl. No.	Name of the Members of the Committee	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mereena Paul	24.02.2022	Managing Director (Chairperson)	1	1	15,000
2	R. V. Dilip Kumar*	24.02.2022	Nominee Director	1	1	Nil
3	Arpita Pal Agrawal	06.07.2024	Nominee Director	1	1	Nil
4	M. G. Ajayan	02.06.2023	Director	1	1	Nil
5	Joy C. Joseph	05.07.2024	Independent Director	1	1	Nil
6	Saleena George	27.03.2025	Nominee Director	0	0	40,000

\* R. V. Dilip Kumar ceased to be the member of the committee with effect from 27th March, 2025.

### 4. Group Risk Management Committee

The Group Risk Management Committee of the Company is constituted in line with the provisions of Master Direction – Core Investment Committee (Reserve Bank) Directions, 2015.

The Group Risk Management Committee consists of five (5) Directors, of which two are Non-Executive

Independent Directors. All members of the Group Risk Management Committee have adequate and commensurate experience in risk management. The Chairman of the Group Risk Management Committee is an Independent Director. The Company Secretary, acts as the Secretary of the Group Risk Management Committee. The Committee invites the head of Business verticals, Chief Financial Officer, Chief Risk Officer and Chief of Internal Vigilance of the investee company - ESAF Small Finance Bank to attend the Group Risk Management Committee.

The Group Risk Management Committee was constituted on 11.12.2020 and was reconstituted during the year on 05th July, 2024 and 27th March, 2025. During the Financial Year 2024-25, four (4) meetings of the Group Risk Management Committee were held on 05th July, 2024, 13th September, 2024, 10th December, 2024 and 27th March, 2025.

The details regarding the constitution of the Group Risk Management Committee along with the attendance recorded in the meetings held during the financial year 2024-25 are mentioned below:

Sl. No.	Name of the Members of the Committee	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Atten- ded	
1	Abraham Thariyan	08.09.2021	Independent Director (Chairman)	4	4	Nil
2	Mereena Paul	11.12.2020	Managing Director	4	4	15,000
3	Joy C. Joseph	02.06.2023	Independent Director	4	4	Nil
4	Mark Robert Daniels*	28.09.2022	Nominee Director	1	1	Nil
5	Emy Acha Paul	30.11.2021	Promoter Nominee	4	4	87,500
6	Arpita Pal Agrawal	06.07.2024	Nominee Director	3	3	Nil

\*Mark Robert Daniels ceased to be the member of the committee with effect from close of business hours on 05th July, 2024.

## 5. Risk Management Committee

The Risk Management Committee have the powers and duties conferred upon it in compliance with the provisions of the Companies Act, 2013 and RBI guidelines.

The Risk Management Committee consists of four (4) Directors. All members of the Risk Management Committee have adequate and commensurate experience in risk management practices. The Company Secretary, acts as the Secretary of the Group Risk Management Committee.

The Risk Management Committee was constituted on 31.03.2016 and was reconstituted during the year on 05th July, 2024 and 27th March, 2025. During the Financial Year 2024-25, two (2) meetings of the Risk Management Committee were held on 05th July, 2024 and 27th March, 2025.

The details regarding the constitution of the Risk Management Committee along with the attendance recorded in the meetings held during the financial year 2024-25 are mentioned below:

Sl. No.	Name of Members of the Committee	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Vikraman Ampalakkat	27.03.2020	Director (Chairman)	2	2	Nil
2	R. V. Dilip Kumar*	31.03.2016	Nominee Director	2	2	Nil
3	Mark Robert Daniels**	28.09.2022	Nominee Director	1	1	Nil
4	Emy Acha Paul	30.11.2021	Promoter Nominee	2	2	87,500
5	Arpita Pal Agrawal	06.07.2024	Nominee Director	1	1	Nil

\*R. V. Dilip Kumar ceased to be the member of the committee with effect from close of business hours on 27th March, 2025.

\*\*Mark Robert Daniels ceased to be the member of the committee with effect from close of business hours on 05th July, 2024.

## 6. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee have the powers and duties conferred upon it in compliance with the Section 135 of the Companies Act, 2013 and such other duties, obligations and powers as may be prescribed in the Company's Corporate Social Responsibility Policy.

The Corporate Social Responsibility Committee consists of four (4) Directors, of which two are Non-Executive Independent Directors. The Company Secretary, acts as the Secretary of the Audit Committee.

The Corporate Social Responsibility Committee was constituted on 13.09.2024. During the Financial Year 2024-25, two (2) meetings of the Corporate Social Responsibility Committee were held on 10th December, 2024 and 18th March, 2025.

The details regarding the constitution of the Corporate Social Responsibility Committee along with the attendance recorded in the meetings held during the financial year 2024-25 are mentioned below:

Sl. No.	Name of the Members of the Committee	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	M. G. Ajayan	13.09.2024	Director (Chairman)	2	2	Nil
2	Joy C. Joseph	13.09.2024	Independent Director	2	2	Nil
3	Abraham Thariyan	13.09.2024	Independent Director	2	2	Nil
4	Saleena George	13.09.2024	Nominee Director	2	2	40,000

## General Body Meetings

During the financial year 2024-25, the following special resolutions were passed at the General Body Meetings:

Sl. No.	Type of Meeting	Day & Date	Special Resolutions passed
1	Annual General Meeting	Saturday, 17th August, 2024	Re-appointment of Shri. Abraham Thariyan as the Independent Director

### **Detailed reason of resignation of Independent Director before the expiry of his/her tenure along with confirmation that there are no material reasons other than those provided**

During the Financial Year 2024-25, no Independent Director has resigned from the Board of the company.

### **Dematerialisation of shares of the Company**

In compliance to the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2025 the company has facilitated dematerialisation of all its securities in accordance with provisions of the Depositories Act, 1996 and regulations made thereunder. The Company has an active ISIN: INE879Q01015 for the Equity Shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Registrar and Share Transfer Agent of the Company is MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited).

### **Details of amount transferred to Investor Education and Protection Fund Authority (IEPF)**

Pursuant to the Section 125 of the Companies Act, 2023, the matured debentures with companies which remains unclaimed and unpaid for a period of seven years from the date of maturity has to be transferred to the Investor Education and Protection Fund (IEPF) upon completion of 7 years from the due date of payment. The Principal and interest accrued with respect to matured Non-Convertible Debentures (NCDs) since 2018 is duly transferred to IEPF in accordance to the provisions of the Act. Details of the NCDs remaining unclaimed with the company and details of amount transferred to IEPF have been published in the Company's website.

### **Disclosure of related party transactions**

The related party transactions entered during the financial year 2024-25 are in the ordinary course of

business and on arm's length basis. Prior approval of the Audit Committee of Board is sought in compliance with Section 177 and approval from the Board is sought in compliance with the provisions of Section 188 of the Companies Act, 2013 for all the transactions that qualifies as a related party transaction.

### **Details of non-compliance with requirements of Companies Act, 2013**

During the financial year 2024-25, there were no defaults in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

### **Details of penalties and strictures**

There were no instances of penalties or stricture imposed on the company by the Reserve Bank or any other statutory authority or regulator, during the financial year 2024-25.

### **Green initiatives**

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, MCA Circular no. 09/2023 dated 25 September, 2023, the Annual Report containing the Standalone and Consolidated Financial Statements for the Financial Year 2024-25, the Board's Report, the Auditor's Report and other documents required to be attached thereto along with the notice convening the 29th AGM is being sent only through electronic mode to those members who have registered their email address(es) with the company. Accordingly, no physical copy of the notice of the 29th AGM and the Annual Report for Financial year 2025 is being sent to members who have not registered their email address(es) with the company. Members who wish to have a physical copy may write to the Company Secretary at [minu.santhosh@esafholdings.com](mailto:minu.santhosh@esafholdings.com) or submit a written request to the Registered office of the company. Please note the said documents will be made available on the company's website viz., at <https://esafholdings.com/annual-reports.html>



## MANAGEMENT DISCUSSION AND ANALYSIS



### OVERVIEW OF THE ECONOMY

For the global economy, year 2025 started on a strong note of resilience, but again caught in a storm of conflicts and escalating trade tensions creating a heightened wave of uncertainty. The trade wars and escalating tariffs could have a deleterious impact on growth of economy especially on the concerns surrounding fuelling inflation. Market volatility also escalated due to the geopolitical tensions and changes in monetary policy across western economies. Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026. The forecast for 2025 is 0.2 percentage point higher than that in the reference forecast of April 2025. Although the passage of the One Big Beautiful Bill Act in July brought clarity to the near-term path of US fiscal policy, it has added to uncertainty about longer-term fiscal sustainability. US

equity markets have largely rebounded, erasing losses from the April 2 tariff fallout and reaching new heights. Other global equity markets have also rallied, swayed by tariff-related announcements and releases of macroeconomic data that turned out to be better than expected. US Dollar has depreciated further, defying expectations that tariffs and larger fiscal deficits would cause the currency to appreciate. Implied paths for policy rates have flattened for advanced economies, while continued dollar weakness has provided some monetary policy space for emerging market and developing economies.

Amidst the turbulence, India's growth story remains as a beacon of hope. India's economic outlook for 2025 reflects cautious optimism, amidst the backdrop of persisting external headwinds. FICCI's latest Economic Outlook

Survey puts forth an annual median GDP growth forecast for 2024-25 at 6.4 percent. The median growth forecast for agriculture and allied activities has been put at 3.6 percent for 2024-25; while industry and services sector are anticipated to grow by 6.3 percent and 7.3 percent, respectively. On investment front, the government's focus on capital expenditure is expected to remain a key growth driver in the year 2025-26. Investments in infrastructure and allied sectors such as roads, housing, logistics, and railways—are anticipated to further economic momentum. Additionally, the services sector, particularly hospitality, real estate, health, and education, is expected to contribute to creation of fresh capacity. This sustained performance is being driven by strong domestic demand. Rural consumption has picked up, city spending is rising, and private investment is on the upswing. Businesses are expanding capacity, with many

operating near their maximum output levels. At the same time, public investment remains high, especially in infrastructure, while stable borrowing conditions are helping firms and consumers make forward-looking decisions.

## OVERVIEW OF THE INDUSTRY

Overall credit growth has moderated in the past few months with banks focusing on reducing their credit-to-deposit (CD) ratio and reducing their exposures to unsecured retail and non-banking financial companies (NBFCs). As you know, our investee company ESAF Small Finance Bank (ESFB) completed its Initial Public Offer (IPO) and the bank's shares were listed on the Indian bourses on November 10, 2023. Being a Small Finance Bank with a mandate to extend the financial inclusion targets, the Bank was having exposure towards microfinance customers and got impacted by the sectoral volatility throughout the financial year 2024-25. The gross non-performing asset (NPA) ratio for the sector jumped to 16% at the end of FY25 from 8.8% in the year before.

In absolute terms, NPAs spiralled to Rs 61,000 crore at the end of March from Rs 38,000 crore a year earlier. Such issues has impacted the Bank's portfolio quality as well. But irrespective of the adverse scenario, Bank has consistently taken steady steps to diversify its portfolio base into secured products along with widening its deposit base during the financial year 2024-25. The total deposits of

the Bank touched Rs. 23,276 Crore and advances reached Rs. 18,779 Crore with a total customer base of 94.15 lakhs, serviced through 787 Branches spread across 23 states.

## FINANCIAL PERFORMANCE

The standalone net profit of our company decreased to Rs.8.44



**Despite portfolio pressures and moderated earnings in FY25, the Company remains resilient with strong fundamentals and a sustainable growth outlook.**

Crore in the year 2024-25 from Rs.27.64 Crore in the previous year, mainly due to decrease in the total income to Rs. 22.44 Crore from Rs.40.65 Crore in the previous year. The increased revenue in the previous year

2023-24 was majorly attributed to the strategic participation of the company in the Offer for Sale (OFS) as part of the IPO of the investee company ESAF Small Finance Bank. Whereas in the year 2024-25 the major revenue came from the dividend declared amounting to Rs. 19.08 Crore by our investee company ESAF Small Finance Bank. Total expenses has decreased to Rs.9.11 Crore as against Rs.10.29 Crore in the previous year, mainly on account of reduced provision charges.

With regard to the consolidated financial performance, the company recorded a net loss for the current year of Rs. 229.67 Crores as against a net profit of Rs.97.37 Crores in the corresponding previous year. The net loss in the consolidated financials is solely attributed to the corresponding net loss in the financial performance of the investee company. The share of loss of the associate company during the year 2024-25 stood at Rs. 273.46 CR against a net profit of Rs. 115.22 CR in the corresponding previous year.

## FUTURE OUTLOOK

Being a Core investment Company regulated by the Reserve Bank of India your Company is having very strong fundamentals as a promoter of ESAF Small Finance Bank, which is a prominent financial institution in the niche social banking space. As your company believes in sustainability as a core attribute, the future definitely looks brighter and we are sure that our resilience and sustainable growth will be continued.



## STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

### Independent Auditor's Report

To the Members of "M/s. ESAF Financial Holdings Private Limited" (Formerly known as ESAF Microfinance and Investments Private Limited)

Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of "M/s. **Esaf Financial Holdings Private Limited**" (Formerly known as **ESAF Microfinance and Investments Private Limited**) ("the Company") which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant

accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 March 31, 2025, Statement of Profit and Loss Account, and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section

of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other 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 opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone IND AS Financial Statements for the financial year ended March 31st, 2025.

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 those matters.

Reposting of Key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **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 Annual Report, but does not include the Standalone Financial Statements and our auditors' report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Responsibility of Management and Those Charged with Governance for the Standalone 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 financial

statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the

reasonableness of accounting estimates and related disclosures 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 ability of the Company and its Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company and its Associate 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Associate to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Standalone Financial Statements of which we are the independent auditors. For the other entities or business activities included

in the Standalone Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the 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 of the company 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.

### **Other Matters**

The accompanying Standalone Financial Statements include the Ind AS financial statements and other financial information which reflects the company's share of Profit of Rs. 843.73 lakhs and share of Other Comprehensive Income is NIL for the year ended March 31,

2025, which have been reviewed by us in accordance with Standard issued by the Institute of Chartered Accountants of India (ICAI).

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable as Annexure A to this report.

As required by Section 143(3) of the Act, we report that:

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.

- a. 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.
- b. The Company does not have any branches Audited by any other auditor.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read

with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the Directors as on 31st March, 2025 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2025 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 B".
- g. 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, 2021, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts,

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

iv. During the Financial Year 2024-25, the company has declared preference dividend amount of Rs.18,04,850 pertaining to Financial Year 2024-25 and has paid preference dividend of amount Rs.18,04,850 pertaining to Financial Year 2023-24 which is in compliance with section 123(1) of the Act.

v. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries")

or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

(d) As per the proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 Audit trail is applicable for the company and the existing feature needs to be strengthened to comply with the stated guidelines.

For A. John Moris & Co.,  
Chartered Accountants  
Firm Registration No: 007220 S

CA KV SIVAKUMAR  
(Partner)

UDIN: 25027437BMITTT9309  
M. No.: 027437

# ANNEXURE- 'A' TO THE AUDITORS' REPORT

## REPORT OF THE AUDITOR TO THE MEMBERS IN ACCORDANCE WITH THE COMPANIES (AUDITORS' REPORT) ORDER 2020

1. In respect of the Company's Property, Plant, and Equipment:
  - (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
  - (B) whether the company is maintaining proper records showing full particulars of intangible assets;
  - (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals; there is no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account;
  - (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company,
  - (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - (e) There are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements;
2. The Company is a core investment company (CIC) and does not deal with Inventory. Accordingly, paragraph 3 (ii) of the order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company and hence not commented upon.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has not made or diverted any funds by way of loans, investments, guarantees or security which are required to be listed in the register maintained under the provisions of section 185 and 186 of the Companies Act, 2013. Hence, the said clause is not applicable.
5. During the year, the Company has not accepted any deposits or any amount deemed to be deposits from any person. Hence, the provisions of Section 73 to 76 of the Companies Act, 2013 and rules framed there under are not applicable.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the activities of the Company.
7. According to the information and explanations given to us, and on the basis of examination of the books of account of the Company examined by us, in our opinion,
  - (a) the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Funds, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other applicable statutory dues during the year.
  - (b) According to the information and explanations given to us, there is no undisputed amounts payable in respect of statutory dues referred to in sub-clause (a) that were in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
8. According to the information and explanations given to us, and on the basis of examination of the books of account of the Company examined by us, in our opinion, there are no transactions recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. In our opinion and according to the information and explanations given to us,
  - a) the company has an outstanding due of Rs.5,50,159/- to debenture holders which is unclaimed.
  - b) the company has not been declared willful defaulter by any

- bank or financial institution or other lender.
- c) the company has not obtained any term loans.
- d) the company has not raised any funds on short term basis.
- e) the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) the company has not raised loans during the financial year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. The Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
11. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud/ misappropriation on or by the Company has been noticed or reported during the year and no report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
12. The Company is not a chit fund or a Nidhi /mutual benefit fund/society. Accordingly, this paragraph of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
14. The company is not mandatorily required to appoint an internal auditor (under Sec 138 read with Rule 13), since it is a private company, and hence this paragraph of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of its directors or persons connected with them as is mentioned in Section 192 of the Act.
16. According to the information and explanations given to us and based on our examination of the records of the company,
- The company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and is registered vide COR B-07.00652 dated 26.02.2020.
  - The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- iii. The company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and does not have more than one CIC in the group.
17. According to the records, the company has not incurred any cash losses during the current financial year and also during the immediately preceding financial year.
18. There has not been any resignation of the statutory auditors during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, information and explanations given to us and on the basis of our examination of the books of account, no material uncertainty exists as on the date of the audit report and the company is 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.
20. As per the section 135(6) of the Act, the company has utilized its CSR Fund for the year 23-24 and had created provision for the year 24-25 .
21. There have been no qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Standalone Financial Statements.

For A. John Moris & Co.,  
Chartered Accountants  
Firm Registration No: 007220 S

CA KV SIVAKUMAR  
(Partner)  
UDIN: 25027437BMITTT9309  
M. No.: 027437

Place: Thrissur  
Date: 27-06-2025

# ANNEXURE- 'B' TO THE AUDITORS' REPORT

## REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting "M/s. ESAF Financial Holdings Private Limited" (Formerly known as per ESAF Microfinance and Investments Private Limited) ("the Company") as of 31st March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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,

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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 authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, the Company have an adequate internal financial controls system over financial reporting and internal financial controls over financial reporting as at 31st March 2025, as required under the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A. John Moris & Co.,  
Chartered Accountants  
Firm Registration No: 007220 S

CA KV SIVAKUMAR  
(Partner)  
UDIN: 25027437BMITTT9309  
M. No.: 027437

Place: Thrissur  
Date: 27-06-2025

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2025**

Particulars	Notes	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and Cash Equivalents	1	233.36	1,139.11
(b) Bank Balances other than (a) above	2	2,004.06	510.00
(c) Other Receivables	3	17.63	3.20
(d) Investments	4	29,569.00	29,569.00
		<b>31,824.06</b>	<b>31,221.31</b>
<b>Non Financial Assets</b>			
(a) Deferred Tax Assets (Net)		210.03	196.98
(b) Property, Plant and Equipment	6	1,585.13	1,585.97
(c) Income tax Assets (net)	11	-	-
(d) Other non-financial assets	5	169.88	166.71
		<b>1,965.04</b>	<b>1,949.66</b>
<b>Total Assets</b>		<b>33,789.10</b>	<b>33,170.97</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1) Financial liabilities</b>			
(a) Trade Payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
(b) Borrowings	8	-	-
(c) Subordinated Liabilities	9	-	-
(d) Other Financial liabilities	10	5.50	5.60
<b>2) Non Financial Liabilities</b>			
(a) Income tax liabilities (net)	11	159.86	420.15
(b) Deferred tax liabilities (net)			
(c) Provisions	12	901.50	849.50
(d) Other Non- Financial Liabilities	13	70.98	70.15
<b>3) Equity</b>			
(a) Equity Share capital	14	16,788.16	16,788.16
(b) Other Equity	15	15,863.10	15,037.41
<b>Total Liabilities and Equity</b>		<b>33,789.10</b>	<b>33,170.97</b>

Notes referred to above form an integral part of Balance sheet  
As per our report of even date attached.

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S  
**K.V.Sivakumar**  
Partner  
M.No. 027437

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**For and on Behalf of the Board**

**Abraham Thariyan**  
Director  
DIN:07132831

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025  
UDIN: 25027437BMITTT9309

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2025**

Particulars	Notes	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
Revenue from operations	16	2,132.84	3,978.61
Other Income	17	111.28	86.40
<b>TOTAL INCOME</b>		<b>2,244.12</b>	<b>4,065.01</b>
<b>Expenses:</b>			
(i) Finance costs	18	0.97	1.25
(ii) Employee Benefit Expense	19	186.49	157.25
(iii) Depreciation and Amortisation	6	5.17	5.18
(iv) Other expenses	20	717.87	865.43
<b>TOTAL EXPENSE</b>		<b>910.50</b>	<b>1,029.11</b>
<b>Profit before prior period, exceptional items and tax</b>		<b>1,333.61</b>	<b>3,035.90</b>
Prior period item		-	-
<b>Profit before tax</b>		<b>1,333.61</b>	<b>3,035.90</b>
Tax expense			
Current tax		502.92	454.40
Deferred Tax Expenses		(13.05)	(183.05)
		<b>489.88</b>	<b>271.35</b>
<b>Profit or loss for the period from continuing operations</b>		<b>843.74</b>	<b>2,764.56</b>
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>843.74</b>	<b>2,764.56</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
(A) (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
<b>SUBTOTAL (A)</b>		-	-
(B) (i) Items that will be reclassified to profit or loss			
Net gain/ (loss) on FVOCI securities			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>SUBTOTAL (B)</b>		-	-
<b>Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>843.74</b>	<b>2,764.56</b>
<b>Earnings per equity share</b>			
Basic		0.55	1.83
Diluted		0.52	1.71
Material accounting policies			
Other notes on accounts			

Notes referred to above form an integral part of Balance sheet  
As per our report of even date attached.

**For and on Behalf of the Board**

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S  
**K.V.Sivakumar**  
Partner  
M.No. 027437

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**Abraham Thariyan**  
Director  
DIN:07132831

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025  
UDIN: 25027437BMITT9309

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

Notes	Particulars	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
A.	<b>Cash flow from operating activities</b>		
	<b>Net profit after tax</b>	<b>843.74</b>	<b>2764.56</b>
	<b>Adjustments for:</b>		
	Depreciation and amortisation	5.17	5.18
	Finance Costs	0.97	1.25
	Interest Income	(103.60)	(76.53)
	Provisions/Liabilities no longer required written back		
	Profit on Sale of Fixed Assets		
	Provision for Income tax	502.92	454.40
	<b>Operating profit before working capital changes</b>	<b>1249.19</b>	<b>3148.85</b>
	<b>Adjustments for (increase) / decrease in operating assets:</b>		
	Other Receivable	(14.44)	107.35
	Other Non Financial Assets	(16.22)	(197.29)
	<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
	Trade payables		
	Other Financial Liabilities	(259.56)	(33.69)
	Provisions	52.00	707.07
	<b>Cash generated from/(used in) operations</b>	<b>1010.98</b>	<b>3732.29</b>
	Direct taxes paid	(502.92)	(454.40)
	<b>Net cash from operating activities</b>	<b>508.05</b>	<b>3277.89</b>
B.	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(4.33)	(0.45)
	Sale of fixed assets		
	Bank balances not considered as Cash and cash equivalents (Net)	(1,494.06)	(160.00)
	(Purchase)/sale of investments		821.00
	Interest received	103.60	76.53
	<b>Net cash used in/(generated from) investing activities</b>	<b>(1,394.79)</b>	<b>737.08</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

Notes	Particulars	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from/(repayment) of borrowings		
	Interest paid	(0.97)	(1.25)
	Dividend and Dividend Tax Paid	(18.05)	(18.05)
	buyback of equity shares		(392.80)
	Premium paid on share buyback		(2,631.76)
	<b>Net cash from financing activities</b>	<b>(19.02)</b>	<b>(3,043.86)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>(905.75)</b>	<b>971.11</b>
	<b>Opening Cash and cash equivalents</b>	<b>1,139.11</b>	<b>168.00</b>
	<b>Closing Cash and cash equivalents</b>	<b>233.36</b>	<b>1139.11</b>

Notes referred to above form an integral part of Balance sheet  
As per our report of even date attached.

**For and on Behalf of the Board**

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S  
**K.V.Sivakumar**  
Partner  
M.No. 027437

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Abraham Thariyan**  
Director  
DIN:07132831

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025  
UDIN: 25027437BMITTT9309

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**1 Cash & Cash Equivalent**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Cash on hand	0.05	0.03
Balances with Bank		
- In current accounts		
Domestic	233.31	1,139.08
<b>Total</b>	<b>233.36</b>	<b>1,139.11</b>

**2 Other bank balance**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Other Bank Balance		
- in deposit accounts	2,004.06	510.00
- Fixed Deposit with bank with more than 3 months but less than 12 months maturity	-	-
Earmarked balances with banks-unclaimed dividend	-	-
Bank balances held security against borrowings, guarantees and other commitments	-	-
Cash and bank balance not available for immediate use	-	-
<b>Total</b>	<b>2,004.06</b>	<b>510.00</b>

**3 Other receivables**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Unsecured, considered good		
(a) Loans and advances to employees		
Related parties	-	-
Others	15.44	-
(b) Loans and advances to related parties	-	-
(c) Other receivables	2.19	3.20
<b>Total</b>	<b>17.63</b>	<b>3.20</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**4 Investments**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Investments in Associate :-		
27,25,48,396 Equity Shares of ₹ 10/- each fully paid-up in M/s ESAF Small finance Bank Limited. (27,25,48,396 Equity Shares of ₹ 10/- each fully paid-up in M/s ESAF Small finance Bank Limited.)	27,569.00	27,569.00
Bonds and Debentures in M/s ESAF Small finance Bank Limited.	2,000.00	2,000.00
<b>Total</b>	<b>29,569.00</b>	<b>29,569.00</b>

The Investment are shown at cost as shown in earlier periods and not at Fair market value

**5. Other Non Financial Assets**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(a) Prepaid expenses	0.79	0.57
(b) Balances with Government authorities	25.58	22.18
(c) Compensated Leave Salary Assets	9.58	8.96
(d) Deposits	123.68	127.82
(e) Other Current Assets	10.26	7.18
<b>Total</b>	<b>169.88</b>	<b>166.71</b>

**Depreciation as per IT act**

Description	Rate	Opening WDV	Additions		Depreciation	Closing WDV (₹ in Lakhs)
			>180 days	< 180 days		
Building	10%	40.05	-	-	4.00	36.04
Plant and Machinery	15%	0.06	-	-	0.01	0.05
Plant and Machinery	10%	0.29	1.68	2.13	0.30	3.80
Plant and Machinery	40%	0.62	0.52	-	0.46	0.68
Leasehold building	33%	6.70	-	-	2.21	4.49
<b>Total</b>		<b>47.72</b>	<b>2.20</b>	<b>2.13</b>	<b>6.98</b>	<b>45.07</b>
		<b>55.48</b>	<b>0.45</b>	<b>-</b>	<b>8.20</b>	<b>47.72</b>



**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**7 Trade Payable**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(A) Total outstanding dues of Micro Enterprises and Small Enterprises	Nil	Nil
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
<b>Total</b>	-	-

**8 Borrowings**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Secured Loans		
Vehicle loans from banks	Nil	Nil
Term Loan from Banks	-	-
<b>Total</b>	-	-

**9 Subordinated Liabilities**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Non Convertible Debentures		
<b>Total</b>	-	-

**10 Other Financial Liabilities**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(a) Current maturities of Non Convertible Debentures	-	-
(b) Current maturities of vehicle loan	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Matured Non Convertible Debentures and Interest accrued thereon	4.34	5.05
(e) Others	1.16	0.55
<b>Total</b>	<b>5.50</b>	<b>5.60</b>

**11 Income Tax Liabilities/ (Assets)**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Current Tax liabilities/(Assets)	159.86	420.15
<b>Total</b>	<b>159.86</b>	<b>420.15</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**12 Provisions**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(i) Provision for compensated absences	6.09	6.09
(ii) Provision for proposed preference dividend	18.05	18.05
(iii) Loans and advances to employees	-	-
(iv) Provision for ESI predeposit	5.36	5.36
(v) Provision For Contingencies-Service Tax- Liability	872.00	820.00
<b>Total</b>	<b>901.50</b>	<b>849.50</b>

**13 Other Non- Financial Liabilities**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
<b>(a) Other payables</b>		
(i) Statutory remittances	22.91	19.24
(ii) Payable to ESAF Employees Gratuity Trust	2.91	3.09
(iii) Lease Liability	6.69	9.18
(iv) Other liabilities	38.47	38.63
<b>Total</b>	<b>70.98</b>	<b>70.15</b>

**14 Equity Share Capital**

Particulars	As at Mar 31, 2025		As at Mar 31, 2024	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
<b>I</b>				
<b>Authorised :</b>				
Equity shares of ₹ 10/- each with voting rights	19,00,00,000	19,000	19,00,00,000	19,000
Preference shares of ₹100/- each	60,00,000	6,000	60,00,000	6,000
<b>Issued, paid up and subscribed</b>				
Equity shares of ₹10/- each with voting rights	14,98,33,096	14,983.31	14,98,33,096	14,983.31
Compulsorily Convertible Preference shares (CCPS) of ₹100/- each	18,04,850	1,804.85	18,04,850	1,804.85
<b>TOTAL</b>	<b>15,16,37,946</b>	<b>16,788.16</b>	<b>15,16,37,946</b>	<b>16,788.16</b>
<b>II</b>				
<b>Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:</b>				
At the beginning of the year	15,16,37,946	16,788.16	15,55,65,946	17,180.96
Issued during the year as fully paid up on conversion			-	-
Conversion of CCPS into Equity Shares			-	-
Buy back of shares	-	-	39,28,000	392.80
<b>At the end of the year</b>	<b>15,16,37,946</b>	<b>16,788.16</b>	<b>15,16,37,946</b>	<b>16,788.16</b>

### III Terms/rights attached to equity shares

#### A. Equity Shares with voting rights

The Company has only one class of Equity Shares having a par value of ₹10/- per share. Each holder of the Equity Shares is entitled to one vote per share. During the year ended 31 March 2025, the amount of per share dividend recognized in distribution to equity shareholders is ₹ Nil (Previous year ₹ Nil).

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 shareholders.

#### B. CCPS

(i) The company has converted 95,000 CCPS of ₹ 100/- each attracting dividend at 10% in to 6,33,333 equity shares at conversion price of ₹15/- and 19,18,170 CCPS of ₹ 100/- each attracting dividend at 8% into 1,27,87,800 equity shares at conversion price of ₹ 15/- each

(ii) The company vide in its board resolution dated 29.3.2021 has changed the terms of balance 18,04,850 CCPS of ₹100/- each attracting 1% dividend this will be compulsory convertible into equity share @ ₹ 15 per share on or before 10 years from closing date i.e. 31 March, 2014.

(iii) The company vide in its board resolution dated 14/02/2024 has further extended the period of conversion of CCPS upto 31/03/2029.

### IV Shareholders holding more than 5% of equity shares as at the end of the year:

Particulars	As at Mar 31, 2025		As at Mar 31, 2024	
	No. of shares	% of Shares	No. of shares	% of Shares
ESAF Swasraya Multistate Agro Co-operative Society Limited (Formerly ESAF Swasraya Multistate Co-operative Credit Society Limited)	11,09,20,372.00	74.03%	9,76,16,607.00	65.15%
Dia Vikas Capital Private Limited*	2,99,51,536.00	19.99%	3,07,30,000.00	20.51%
SIDBI Trustee Company Ltd	-	-	1,33,03,765.00	8.88%
<b>TOTAL</b>	<b>14,08,71,908</b>	<b>94.02%</b>	<b>14,16,50,372</b>	<b>94.54%</b>

### V Shareholders holding more than 5% of Compulsorily convertible preference shares as at the end of the year:

Dia Vikas Capital Private Limited	18,04,850	100.00%	18,04,850	100.00%
<b>TOTAL</b>	<b>18,04,850</b>	<b>100.00%</b>	<b>18,04,850</b>	<b>100.00%</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**15 Other Equity**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
<b>Other Reserves</b>		
General reserve		
As per last balance sheet	3,178.83	2,625.92
Add : transferred from statement of profit and loss	168.75	552.91
	<b>3,347.58</b>	<b>3,178.83</b>
<b>Security premium reserve</b>		
Opening balance	6,363.89	6,363.89
Addition during the year	-	
	6,363.89	6,363.89
<b>Capital redemption reserve</b>		
Opening balance	392.80	-
Addition during the year		392.80
	392.80	392.80
<b>Retained Earnings</b>		
Profit and loss account		
Opening balance	5,101.89	6,373.55
Add: Profit for the year	843.74	2,764.56
Less: Transferred to Other Reserve	(168.75)	(552.91)
Less: Transferred to CRR	-	(392.80)
Less: Transferred to Buyback premium	-	(2,631.76)
Less: Tax on buyback	-	(440.70)
	<b>5,776.88</b>	<b>5,119.94</b>
Less: Appropriation		
(a) General Reserve		
(b) Preference Dividend	18.05	18.05
(c) Tax on dividend		
	18.05	18.05
OCI income		
Opening balance	-	-
Current year OCI income	-	-
<b>Balance to be carried forward</b>	<b>15,863.10</b>	<b>15,037.41</b>

**Note 15.1 Statutory Reserve**

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax. Accordingly, the Company has transferred an amount of ₹ 1,67,44,307/- (Previous year ₹5,52,91,113/-), out of profit after tax for the year to the statutory reserve.

**Note 15.2 Retained Earnings**

The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the amounts reported above are not distributable in entirety. Retained earnings is a free reserve, retained from company's profits to meet future obligations.

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### 16 Revenue from operations

Particulars	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
Interest Income from Debentures	225.00	225.00
Dividend income	1,907.84	-
Profit on Sale of Investments	-	3,753.61
	<b>2,132.84</b>	<b>3,978.61</b>

### 17 Other Income

Interest income on Fixed Deposits	103.60	76.53
Rent received	7.05	6.71
Other Income	0.63	3.16
	<b>111.28</b>	<b>86.40</b>

### 18 Finance Cost

(a) Interest expense on:		
(i) Interest on Lease payment	0.97	1.25
Total	<b>0.97</b>	<b>1.25</b>

### 19 Employee Benefit Expense

Salaries, Wages and Bonus	183.04	154.54
Contributions to provident and other funds	1.28	0.68
Staff welfare expenses	2.18	2.03
	<b>186.49</b>	<b>157.25</b>

### 20 Other expenses

Electricity and Water Charges	0.27	0.14
Insurance	1.45	1.48
Vehicle Maintenance	10.98	4.05
Office Maintenance & Meeting expenses	0.50	0.08
Bank Charges	0.01	0.01
Rates and Taxes	4.54	6.24
Telephone and Internet expenses	0.10	0.02
Travelling and conveyance	9.24	5.51
Printing and stationery	1.48	0.96
Legal and professional	6.79	10.68
Payments to auditors	6.33	5.44
Directors Sitting Fee	8.20	6.40
Other Expenses	0.83	1.72
Repairs and Maintenance	0.67	2.72
Provision for service tax	52.00	820.00
Income Tax Paid	594.47	-
CSR expenses	20.00	-
	<b>717.87</b>	<b>865.43</b>

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### A1 Corporate Information

ESAF Financial Holdings Private Limited (Formerly Known as ESAF Microfinance and Investments Private Limited) ("the Company") is a private limited company domiciled in India and Incorporated under the provisions of Companies Act, 1956. The company was registered as a Non - Deposit accepting Non Banking Financial Company (NBFC-ND) with the Reserve Bank of India ("RBI") vide Certificate of Registration number B.07.00652 dated 22 August, 2007 and has got classified as a Non Banking Financial Company - Micro Finance Institution ('NBFC-MFI') with effect from 7 January 2014.

The Company was primarily engaged in providing Microfinance services to the weaker sections of society, and mainly women who are organized in Joint Liability Groups. On 18th November, 2016, the company received approval from Reserve Bank of India ('RBI') to set up a Small Finance Bank, pursuant to the same, the company executed an agreement to transfer its Business undertaking to its wholly owned subsidiary ESAF Small Finance Bank Limited ("The Bank"). The Bank Commenced operations w.e.f 10 March, 2017, on which date the company ceased to operate as a Microfinance Company. Based on the Licensing guidelines of RBI applicable to the Bank and pursuant to above changes, the company has submitted an application for registration as Core Investment Company ('CIC') on 18th March, 2019. The Company surrendered its NBFC-MFI license and received the approval of the Reserve Bank of India ('RBI') on 26th February 2020, as Core Investment Company. The company is a middle layer nbfc as per the scale based regulations under master direction issued by RBI 2023.

### A2 Material Accounting Policies

#### a. Basis of accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes or announcements issued

by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards Amendment) Rules, 2016 and Companies (Indian Accounting Standards Amendment) Rules 2017.

Amount in financial statements are presented in Indian INR as permitted by schedule III to the companies Act, 2013

#### b. Presentation of financial statements

The statement of financial position and the statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

#### c. Property, plant and equipment

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of

bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed.

#### d. Intangible assets

Computer softwares are stated at cost less accumulated depreciation, amortisation and impairment.

#### e. Depreciation

##### i) Property, Plant and equipment

Depreciation on assets have been provided as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortisation on addition and disposal are calculated on pro-rata basis from and to the month of additions and disposal.

Sl. No	Particulars	Useful Life
1	Computer and IT Peripherals	Upto 3 years
2	Plant and Machinery	Upto 10 years
3	Office Equipment	Upto 10 years
4	Furniture and Fixtures	Upto 10 years

##### ii) Intangible assets

the estimated useful life of an identifiable intangible asset is based on the number of factors including the effects of obsolescence, demand, competition and other economic factor and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

Sl. No	Particulars	Useful Life
1	Computer Software	Upto 3 years

#### f. Functional and presentation currency

The functional and presentation currency of the company is the Indian Rupee as it is the currency of primary economic environment in which the company operates.

#### h. Impairment of Assets

As at each balance sheet date, assets are tested for impairment so as to determine, the provision for impairment loss, if any, and the reversal of impairment loss recognised in previous periods, if any.

An impairment loss, if any, is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

#### i. Income Tax

##### Current tax

The current income tax charge is calculated on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act 1961, any amendments / rules that have been enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

##### Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items

recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **j Leases**

### **Operating Lease:**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

The company after assessing the impacts of 'INDAS 116 - Leases' have concluded that all the lease agreement fall under long term lease agreements & hence it has been capitalised in the financial statements as per the guidelines and provisions of IND-AS 116.

## **k Financial Instruments**

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

### **i) Financial assets**

'Initial recognition and measurement

The Company classifies its investments and financial assets in the following measurement categories:

- those to be measured at cost
- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured subsequently at fair value through profit and loss

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value of those financial assets.

Subsequent measurement

- Fair value through other comprehensive income (FVOCI) : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI) . Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is

reclassified from equity to profit or loss and recognised in other gains/ (losses) . Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL) : Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.'

### **ii) Financial liabilities**

'Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities on the basis of the operating cycle of the Company.

Subsequent measurement

Fair value through profit or loss (FVTPL) : Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. All changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.'

### **l Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks.

### **m Revenue Recognition**

Revenue is recognized to the extent it is probable that

the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from contracts priced on time and material basis is recognised when services are rendered and related costs are incurred.

#### **n Other Income**

- I) Interest income is accrued at applicable interest rate.
- II) Other items of income are accounted as and when the right to receive arises.

#### **o Employee benefits**

##### **i) Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, leave salary benefits, short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

##### **ii) Post Employment Benefits**

Defined contribution plan

The company's state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.'

##### **Defined benefit plans**

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### **p Provisions, contingent liabilities and contingent assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- I) the Company has a present obligation as a result of a past event;
- II) a probable outflow of resources is expected to settle the obligation; and
- III) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually

certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.'

#### **q Segment accounting**

The Company have only one segment and segment reporting is not applicable.

#### **r Cash flow statement**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ('Cash flow statements').

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**22 Disclosures under Accounting Standards**

**22.1 Employee Benefit Plans**

a) Defined contribution Plans:-

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 1,19,588/- (Year ended 31 March 2024, Rs. 62,262 /-) for Provident Fund contributions and Rs.Nil/- (Year ended 31 March, 2024 Rs.NIL/-) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. b) Defined Benefit Plans:-

The Company offers Gratuity benefit to its employees:

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

**Components of employer's expense**

Particulars	Year ended 31 March, 2025 (₹ in Lakhs)	Year ended 31 March, 2024 (₹ in Lakhs)
Current Service Cost	0.74	0.46
Interest cost	2.28	2.15
Expected return on plan assets	(9.06)	(8.62)
Actuarial Loss/(Gain)	(1.29)	0.18
Past Service Cost	13.1	5.69
Employer expense /(Income)	<b>5.77</b>	<b>-0.14</b>
<b>Actual contribution and benefit payments for the year</b>		
Actual benefit payments		-
Actual contributions		-
<b>Net (asset) / liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	34.03	32.61
Fair Value of plan assets	138.26	129.51
Funded status [(Surplus) / Deficit]	(104.23)	(96.90)
Amount not recognized as asset [ Effect of limiting net assets to assets ceiling]	(72.21)	(59.11)
Net liability/(asset) recognised in the Balance Sheet	<b>(32.02)</b>	<b>(37.79)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present Value of DBO at beginning of the year	32.61	30.33
Current Service Cost	0.74	0.46
Interest Cost	2.28	2.15
Benefits Paid	-	0
Actuarial Loss/(Gain)	(1.60)	(0.33)
Past Service Cost	-	-
Present Value of DBO at end of the year	<b>34.03</b>	<b>32.61</b>

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### Change in fair value of assets during the year

Particulars	Year ended 31 March, 2025 (₹ in Lakhs)	Year ended 31 March, 2024 (₹ in Lakhs)
Fair Value of plan assets at beginning of the year	129.51	121.4
Contributions by employer	-	-
Benefits paid	-	-
Expected return on plan assets	9.06	8.62
Actuarial Gain/(Loss)	(0.31)	(0.51)
Transfer in/(out) *	-	-
Fair Value of plan assets at end of the year	<b>138.26</b>	<b>129.51</b>
Actual return on plan assets	8.75	8.11
Expected employer contribution for the coming period	-	-

### Composition of plan assets is as follows:

Government bonds	0%	0%
PSU bonds	0%	0%
Insurer managed funds* (Non Unit -Linked)	98%	98%
Insurer managed funds* (Unit -Linked)	2%	2%

\* In the absence of detailed information regarding plan assets which is funded with insurance companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

### Actuarial Assumptions - Gratuity

Discount Rate	6.40%	7%
Salary escalation	10%	10%
Attrition rate	5%	5%
Expected return on plan assets	7%	7.10%
Mortality rate	IALM 2012-14 (Ult.)"	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	4 years	3 years

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Experience Adjustments

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	24-25	23-24	22-23	2021-22	2020-21
Present value of DBO	34.03	32.61	30.33	30.95	32.41
Fair value of plan assets	138.26	129.51	121.40	113.74	106.25
Funded status [Surplus/(Deficit)]	104.23	96.90	91.07	82.79	73.84
Experience adjustment on plan liabilities: (Gain)/Loss	(2.36)	(0.42)	(1.53)	(2.80)	(0.95)
Experience adjustment on plan assets: Gain/(Loss)	(0.43)	1.55	1.98	1.93	(0.54)

### Actuarial Assumptions - Long Term Compensated absences

Particulars	Year ended 31 March, 2025 (₹ in Lakhs)	Year ended 31 March, 2024 (₹ in Lakhs)
Discount rate	6.40%	7%
Expected return on plan assets	7%	7.10%
Salary escalation rate	10%	10%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Attrition rate	5%	5%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The above information is as certified by the actuary and relied upon by the auditors.

### 22.2 Segment Reporting:-

The Company does not have any business segments as at 31 March 2025 and 31 March 2024. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**A3 Dues to micro enterprises and small enterprises**

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier and vendors of the company. Based on the information available with the Company, as at the year end, no vendors are classified as MSMED.

**A4 Disclosure of Related party transactions pursuant to Ind AS 24 “Related Party Disclosures”**

**a) List of related parties**

Details of related parties:	
Description of relationship	Names of related parties
<b>Entities having significant influence</b>	
	Dia Vikas Capital Private Limited
	ESAF Swasraya Multistate Agro Co-operative Society Limited
	Prachodhan Development Services
	Cedar Livelihood Private Limited
<b>Key Management Personnel (KMP)</b>	
Managing Director	Mrs. Mereena Paul
Chief Financial Officer (upto 31.07.2024)	Mr.P V Antony
Chief Financial Officer (from 01.08.2024)	Mr. Rajesh Sreedharan Pillai
Company Secretary	Mrs.Minu Santhosh
<b>Relatives of KMP</b>	
	Mrs. Emy Acha Paul, daughter of Mrs. Mereena Paul
<b>Associate Company</b>	
	ESAF Small Finance Bank Limited

Note: Related parties have been identified by the Management and relied upon by the Auditors.

Sl. No.	Particulars	Related Party	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
1	Remuneration to KMP	Mrs. Mereena Paul	123.09	109.02
2	Remuneration to KMP	Mr. Krishnasadan Krishnakumar	0.11	18.32
3	Remuneration to KMP	Mr.P V Antony	7.90	7.93
4	Remuneration to KMP	Mrs.Minu Santhosh	11.51	6.35
5	Remuneration to KMP	Mr. Rajesh Sreedharan Pillai	27.87	-
6	Sitting fee paid	Mrs. Emy Acha Paul	1.20	1.00
7	Rent received	ESAF Swasraya Multistate Agro Co-operative Society Limited	3.60	3.43
8	Interest Income on FD	Esaf Small Finance Bank Limited	103.60	76.53
9	Interest Income on debenture bond	Esaf Small Finance Bank Limited	225.00	225.00
10	Rent paid	Mrs. Mereena Paul	3.00	3.00

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

11	Transactions in Current Account (net) - debit	ESAF Small Finance Bank Limited	-955.11	973.44
12	Rent received	Cedar Livelihood Private Limited	1.67	1.59
13	Security Deposit -received	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	0.00	-
14	Investments in time Deposit	ESAF Small Finance Bank Ltd	1,494.06	160.00

**b) Amount due to and due from related parties (net):**

Sl. No.	Particulars	Related Party	Amounts due (to)/from 2024-25 (₹ in Lakhs)	Amounts due (to)/from 2023-24 (₹ in Lakhs)
1	Other Current Liabilities	Mrs. Mereena Paul	14.36	15.11
2	Rent Deposit	Mrs. Mereena Paul	0.50	0.50
3	Security Deposit	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	-	12.50
4	Investments in Bonds and debentures	ESAF Small Finance Bank Ltd	2,000.00	2,000.00
5	Rent Receivable	Cedar Livelihood Private Limited	-	2.65
6	Investments in Equity shares	ESAF Small Finance Bank Ltd	27,569.00	27,569.00
7	Time deposit	ESAF Small Finance Bank Ltd	2,004.06	510.00
8	Balance with Bank Accounts	ESAF Small Finance Bank Ltd	165.55	1,120.67

**c) Terms and conditions of transactions with related parties:**

There have been no guarantees provided or received for any related party receivables or payables.

**d) Terms and conditions of transactions with related parties:**

No amount of due from related parties has been written off during the year (Previous year ` Nil). No amount due to related parties has been written back during the year (Previous year ` nil).

For the year ended March 31, 2025, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2024 : Nil).

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

**A5 Deferred Tax Asset/Liability**

Income Taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability after considering tax allowances and exemptions. The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax asset or deferred tax liability is recorded for the timing differences.

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

Major components of Deferred tax liabilities and assets

Related Party	As at 31 March, 2025 (₹ in Lakhs)	As at 31 March, 2024 (₹ in Lakhs)
Tax effect of items constituting deferred tax Liabilities		
On difference between book balance and tax balance of fixed assets	(19.67)	(19.20)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences	1.58	1.58
Provision for other Advances	1.39	1.39
Provision for Service Tax	226.72	213.20
<b>Deferred tax assets</b>	<b>210.03</b>	<b>196.98</b>

**A6 Disclosure pursuant to Ind AS 33 “Earnings per share”**

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 “Earnings per share”.

Particulars		2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
<b>Earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	825.69	2,746.51
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	14,98,33,096	14,98,33,096
<b>Basic earnings per equity share (₹)</b>	<b>A / B</b>	<b>0.55</b>	<b>1.83</b>
<b>Diluted earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	<b>825.69</b>	<b>2,746.51</b>
Add : Interest on convertibles (net of tax)	B	18	18
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	<b>843.74</b>	<b>2,764.56</b>
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	<b>14,98,33,096</b>	<b>14,98,33,096</b>
Add : Shares deemed to be issued for no consideration in respect of :	E	<b>1,20,32,333</b>	<b>1,20,32,333</b>
Compulsorily convertible preference share capital	F	1,20,32,333	1,20,32,333
Compulsorily convertible debentures	G		
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	<b>16,18,65,429</b>	<b>16,18,65,429</b>
<b>Diluted earnings per equity share (₹)</b>		<b>0.52</b>	<b>1.71</b>
<b>Diluted earnings per equity share (considering Antidilution) (₹)</b>		<b>0.52</b>	<b>1.71</b>
Face value per equity share (₹)		10.00	10.00

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**A7 Financial Instruments**

**Disclosure of Financial Instruments by Category**

Financial instruments by categories	Note No.	31.03.2025			31.03.2024		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>							
Trade receivables	3			17.63			3.20
Cash and cash equivalents	1			233.36			1,139.11
Other Bank Balances	2			2,004.06			510.00
Investments	4			29,569.00			29,569.00
<b>Total Financial Asset</b>				<b>2,255.06</b>			<b>1,652.31</b>
<b>Financial liability</b>							
Loans from Financial institutions	8			-			-
Trade Payables	7			-			-
Subordinated Debts	9			-			-
Other Financial Liabilities	10			5.50			5.60
<b>Total Financial Liabilities</b>				<b>5.50</b>			<b>5.60</b>

**A8 Disclosure pursuant to Ind AS 12- "Income Taxes"**

The major components of Income Tax expense for years ended 31 March 2025 and 31 March 2024 are:

Particulars	As at 31 March, 2025 (₹ in Lakhs)	As at 31 March, 2024 (₹ in Lakhs)
<b>Current income Tax :</b>		
Current income tax charge	502.92	454.40
Adjustments of current tax of previous year		
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	-13.05	-183.05
Relating to rate change or imposition of new taxes		
Arising due to a write down of a deferred tax asset		
<b>Income tax reported in the statement of profit and loss</b>	<b>489.88</b>	<b>271.35</b>
<b>Current Tax and Deferred Tax - Equity</b>	<b>-</b>	<b>440.70</b>
(Mention details of items directly charged to equity)		

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**A9 Events occurring after the reporting period**

The financial statements were approved by the Board of Directors on 27.06.2025 and there are no significant events occurring after Balance sheet date.

**A10 Investor Education and Protection Fund**

The Company has transferred Rs. 60,717/- to Investor Education and Protection Fund out of which Rs.40,464/- is paid during the current year and payment during previous year is Nil.

**A11 Provision**

Provision has been created for an amount of Rs. 52,00,000/- in the current year and Rs.8,20,00,000 in the previous year respect of Contingencies-Service Tax- Liability.

**Note 23 Additional information to the financial statements**

**23.1 Payment to Auditors comprise of**

Particulars	For the year ended 31 March 2025 (₹ in Lakhs)	For the year ended 31 March 2024 (₹ in Lakhs)
Statutory audit fee	5.00	5.00
Other certification fee	-	-
Out of pocket expenses	1.33	0.44
<b>TOTAL</b>	<b>6.33</b>	<b>5.44</b>

**23.2 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	For the year ended 31 March 2025 (₹ in Lakhs)	For the year ended 31 March 2024 (₹ in Lakhs)
<b>i. Contingent liabilities</b>		
(a) Disputed Income Tax demands from assessment year 2009-10 to 2013-14 under appeal pending before appellate/assessing authorities. The management is of opinion that the above demands are not sustainable.	74.94	74.94
(b) The company had received a combined order relating to the period 2008-09 to 2011-12 from the Service Tax Authorities during the year. The order pertains to applicability of service tax on various items like income from services towards collection of loan assigned, group mentoring and monitoring charges and microfinance administration revenue (excluding additional penalty and interest , if any). The company had filed appeal and stay petition against the demand order with The Customs, Excise and Service Tax Appalete Tribunal (CESTAT).	271.41	271.41

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

(c) The Company received an order from ESI Authorities on ESI dues not paid on certain employee emoluments relating to financial years 2013-14. The management is of the opinion that the above demands are not sustainable.	16.49	16.49
(d) The company had received a order relating to the period 2016-17 from the Service Tax Authorities during the year. The order pertains to applicability of service tax on various items like income from services towards collection of loan assigned, group mentoring and monitoring charges and microfinance administration revenue (excluding additional penalty and interest , if any). The company had filed appeal and stay petition against the demand order with The Customs, Excise and Service Tax Appalete Tribunal (CESTAT).	Provision Created	Provision Created

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

**23.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	For the year ended 31 March 2025 (₹ in Lakhs)	For the year ended 31 March 2024 (₹ in Lakhs)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**23.4 Expenditure in foreign currency (accrual basis)**

Particulars	For the year ended 31 March 2025 (₹ in Lakhs)	For the year ended 31 March 2024 (₹ in Lakhs)
Travelling and conveyance	-	-
Others	-	-

**Income in foreign currency :-**

Nature of Receipt	For the year ended 31 March 2025 (₹ in Lakhs)	For the year ended 31 March 2024 (₹ in Lakhs)
Income from sale of Carbon Credit	-	-

**23.5 Corporate Social Responsibility (CSR)**

During the year, the Company incurred an aggregate amount of Rs.20 Lakhs towards corporate social responsibility in compliance with Section 135 of the Companies Act 2013 read with relevant schedule and rules. The details of the CSR spend are given below:

Particulars	As on March 31, 2025 Projects related to FY 2024-25 (₹ in Lakhs)	As on March 31, 2024 Projects related to FY 2023-24 (₹ in Lakhs)
(a) Gross amount required to be spent by the company during the period as per Sec 135 of Companies Act, 2013	19.67	
(b) Excess Amount spent in previous year	-	
(c) Gross amount required to be spent by the company during the period after adjustment, if any (a)-(b)	19.67	
(d) Amount spent during the period ended on March 31, 2025:	-	Not Applicable
i) Construction / acquisition of any asset	20.00	
ii) On purposes other than (i) above	-	
(e) Unspent Amount as on March 31, 2025 (c)-(d)	-	
(f) Excess Amount spent as on March 31, 2025	-	

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

(g) Surplus generated for CSR fund during previous year	-	
(h) Amount Transferred to CSR Unspent account as per Companies Act, 2013	-	
(i) Closing balance for ongoing projects in CSR unspent account as on March 31, 2025	-	
(j) Reason for shortfall	-	
(h) Details of related party transactions, e.g., contribution to a trust/ society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures.		Not Applicable
i) Trust Name	Prachodhan Development Services	
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	<ul style="list-style-type: none"> <li>a) Promotion of Quality education</li> <li>b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group</li> <li>c) Promoting Health care including preventive healthcare</li> <li>d) Promotion of Health care and Women empowerment</li> </ul>	

**Note 24 Disclosures in accordance with RBI Guidelines**

**24.1 Capital to Risk Assets Ratio (CRAR)**

Particulars	As at 31 March 2025	As at 31 March 2024
(i) CRAR (%)	160.21%	94.08%
(ii) CRAR - Tier I capital (%)	160.21%	94.08%
(iii) CRAR - Tier II Capital (%)	0	0
(iv) Amount of subordinated debt raised as Tier II capital (₹ in Crore)	0	0
(v) Amount raised by issue of Perpetual Debt Instruments	0	0

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**24.2 Investments**

Particulars	As at 31 March 2025 (₹ in Lakhs)	As at 31 March 2024 (₹ in Lakhs)
<b>1 Value of investments</b>		
(i) Gross value of investments		
(a) In India	29,569	29,569
(b) Outside India		
(ii) Provision for diminution		
(a) In India		
(b) Outside India		
(iii) Net value of investments		
(a) In India	29,569	29,569
(b) Outside India		
<b>2 Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance		
(ii) Add : Provision made during the year		
(iii) Less: Write off/ write back of excess provisions during the year		
(iv) Closing balance		

\* Investment are shown at acquisition cost

**24.3 Derivatives**

The Company has no transactions/exposure in derivatives for the year ended 31 March 2025 and 31 March 2024.

The Company has no unhedged foreign currency exposure as on 31 March 2025 and 31 March 2024.

**Note 24 Disclosures in accordance with RBI Guidelines**

**24.4 Disclosure relating to securitisations**

The Company has not entered into securitisation transactions in the current and previous year, hence disclosure relating to securitisation transactions is not applicable.

**24.5 Details of financial assets sold to securitisation/reconstruction company for asset reconstruction.**

The company has not sold financial assets to securitisation/reconstruction companies for asset reconstruction in the current and previous year. Hence it is not applicable.

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**24.6 Details of Assignment transactions undertaken**

The company has not undertaken any assignment transactions in the current and previous year.

**24.7 Details of non-performing financial assets purchased/ sold**

The company has not purchased/sold non performing financial assets in the current and previous year.

**24.8 Asset liability management**

A. Maturity pattern of certain items of assets and liabilities as on 31st March 2025

Particulars	Deposits	Advances	Investments *	Foreign currency Assets	Foreign currency liabilities
Upto 30 days	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-	-
Over 3 years & upto 5 years	-	-	-	-	-
Over 5 years	-	-	29,569	-	-
<b>Total</b>	-	-	<b>29,569</b>	-	-

\* net of provision for diminution in value of Investments

B. Maturity pattern of certain items of assets and liabilities as on 31st March 2024

Particulars	Deposits	Advances	Investments *	Foreign currency Assets	Foreign currency liabilities
Upto 30 days	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-	-
Over 3 years & upto 5 years	-	-	-	-	-
Over 5 years	-	-	29,569	-	-
<b>Total</b>	-	-	<b>29,569</b>	-	-

\* net of provision for diminution in value of Investments

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**24.9 Exposure**

(i) Exposure to Real Estate sector (Direct & Indirect)

The Company does not have any direct or indirect exposure to real estate sector as on 31 March 2025 and 31 March 2024

(ii) Exposure to Capital Market

Particulars	As at 31 March 2025 (₹ in Lakhs)	As at 31 March 2024 (₹ in Lakhs)
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	66,856.12	1,47,721.23
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds		-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security		-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances		-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers		-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources		-
(vii) Bridge loans to companies against expected equity flows / issues		-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)		-
<b>Total Exposure to Capital Market</b>	<b>66,856.12</b>	<b>1,47,721.23</b>

The Company has its capital market exposure due to its subsidiary getting listed at exchange. Apart from the investment in the subsidiary, the company has no other capital exposure. The value mentioned is at the market value.

**24.10 Details of financing of parent company products**

The company does not distribute/ finance any products of holding/parent company

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**24.11** During the year ended 31 March, 2025 and 31 March, 2024, there are no unsecured advances for which intangible securities like rights, licences, authority etc. has been taken as collateral by the Company

**24.12 Registration obtained from other financial sector regulators**

The Company is registered with following other financial sector regulators (Financial Regulators as described by Ministry of Finance)

i. Ministry of Corporate Affairs

**24.13 Disclosure of Penalties issued by RBI and other regulators**

No penalties were imposed by RBI and other Regulators during current and previous year

**24.14 Concentration of Deposits, Advances, Exposures and NPAs**

There are no exposures of Deposits, Advances, Exposures and NPAs as at 31st March 2025 & 31st March 2024.

**24.15 Sectorwise NPAs**

The Company does not have any outstanding Non Performing Advances during current year and previous year. Hence disclosure relating to sectorwise NPA is not applicable.

**24.16 Asset Classification and Provisioning:-**

The Company does not have any outstanding Non Performing Advances during current year and previous year. Hence the disclosure relating to Non performing advances is not applicable.

**24.17 Disclosure of frauds reported during the year ended 31 March, 2019 vide DNBS PD.CC.NO. 256/03.10.042/2011-12 dated 02 March, 2012**

No frauds have been reported during the current and previous year.

**24.18 Information on Net Interest Margin**

The Company does not have income from Financing activity in the current and previous year. Hence disclosure relating to Net Interest Margin is not applicable

**24.19 Disclosure of Customer Complaints**

Particulars	31-Mar-25	31-Mar-24
No of complaints pending at the beginning of the year	-	-
No of complaints received during the year	-	-
No of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

As company does not have any financing activities. So disclosure of Customer Complaints is not applicable.

**24.20 Details of Overseas Assets - Nil (Previous Year- Nil)**

**24.21 Sponsored SPVs - Nil (Previous Year- Nil)**

**24.22 Disclosure of details as required under Clause No. 19 of Master Direction- Core Investments Companies**

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**(Reserve Bank ) Direction, 2016.**

(a) Provisions as per CIC Guidelines- As the Company is not engaged in the business of financing, it has not provided any loans/ advances and therefore related disclosures of classification as standard asset,sub standard assets, doubtful and loss assets are not applicable to the Company.

(b) Exposure to real estate sector, both direct and indirect- Nil

(c) Maturity pattern of assets and liabilities.

**As at March 31, 2025**

**Amount (₹ in Lakhs)**

Particulars	Liabilities		Assets	
	Borrowings from Banks and others	Advances	Investments	
Upto 30 days	-	-	-	-
Over 1 month upto 2 months	-	-	-	-
Over 2 months upto 3 months	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-
Over 3 years & upto 5 years	-	-	-	-
Over 5 years	-	-	-	29,569
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,569</b>

**As at March 31, 2024**

**Amount (₹ in Lakhs)**

Upto 30 days	-	-	-	-
Over 1 month upto 2 months	-	-	-	-
Over 2 months upto 3 months	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-
Over 3 years & upto 5 years	-	-	-	-
Over 5 years	-	-	-	29,569
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,569</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**24.23 Disclosure as required under Annexure I of Master Direction- Core Investments Companies (Reserve Bank), Direction, 2016.**

Schedule to the Balance Sheet of non- deposit taking Core Investments Company

**As at March 31, 2025**

**1. Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:**

	Amount outstanding	Amount Overdue
(a) Debentures: Secured	-	-
: Unsecured	-	-
(Other than falling within the meaning of public deposits*)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
* Please see Note 1 below	-	-

**As at March 31, 2024**

**Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:**

	Amount outstanding	Amount Overdue
(a) Debentures: Secured	-	-
: Unsecured	-	-
(Other than falling within the meaning of public deposits*)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
* Please see Note 1 below	-	-

**2. Assets side:**

	As at March 31, 2025	As at March 31, 2024
Break-up of Loans and Advances including bills receivables (other than those included in (4) below:	-	-
(a) Secured	-	-
(b) Unsecured	-	-

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**3. Break Up of Leased Assets and stock on hire and other assets counting towards AFC activities**

	As at March 31, 2025	As at March 31, 2024
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(a) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

**4. Break-up of Investments**

	As at 31 March 2025 (₹ in Lakhs)	As at 31 March 2024 (₹ in Lakhs)
Current Investments		
1. Quoted :	-	-
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2. Unquoted:	-	-
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
<b>Long Term Investments:</b>	-	-
1. Quoted :		
(i) Shares (a) Equity	66856.12	1,47,721.23

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities		
(v) Others (Please specify)		
2. Unquoted:	-	
(i) Shares (a) Equity	-	-
(b) Preference		
(ii) Debentures and Bonds	2,000.00	2,000.00
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)		

\*The market value of the subsidiary is derived as on 31st March 2025 by taking the price of 28th March 2025 quoted at exchange of Rs. 24.53 per share and debt at amortised cost and Rs. 54.20 per share on 28th March 2024 quoted at exchange of and debt at amortised cost for the previous year.

**5. Borrower group-wise classification of assets financed as in (2) and (3) above:**

**As at March 31, 2025**

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group			
(c) other related parties			
<b>Total</b>	-	-	-

**As at March 31, 2024**

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group			
(c) other related parties			
<b>Total</b>	-	-	-

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

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

**As at March 31, 2025**

**Amount (₹ in Lakhs)**

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties [Refer Note 2 below]		
(a) Subsidiaries*	68,856.12	29,569.00
(b) Companies in the same group	-	-
(c) other related parties	-	-
2. Other than related parties	-	-
<b>Total</b>	<b>68,856.12</b>	<b>29,569.00</b>

\* The market value of the subsidiary is derived as on 31st March 2025 by taking the price of 28th March 2025 quoted at exchange of Rs. 24.53 per share and debt at amortised cost.

**As at March 31, 2024**

**Amount (₹ in Lakhs)**

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties [Refer Note 2 below]		
(a) Subsidiaries*	1,49,721.23	29,569.00
(b) Companies in the same group	-	-
(c) other related parties	-	-
2. Other than related parties	-	-
<b>Total</b>	<b>1,49,721.23</b>	<b>29,569.00</b>

\* The market value of the in subsidiary is derived as on 31st March 2024 by taking the price of 28th March 2024 quoted at exchange of Rs. 54.20 per share and debt at amortised cost.

**7. Other Information**

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-Performing Assets	-	
(a) Related Parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets	-	-
(a) Related Parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**Notes:**

1. As defined in Core Investments Companies (Reserve Bank) Directions, 2016
2. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, break up in respect of quoted investments has been disclosed irrespective of whether investments are classified as Long Term or current in (4) above.

**24.24 Intra Group Exposure**

The Company is not engaged in financing activities. Hence, it is not applicable

**24.25 Components of ANW and Other Related Information**

Particulars	As at March 31, 2025	As at March 31, 2024
i) ANW as a % of Risk weighted Assets	160.21%	94.08%
ii) Unrealised Appreciation in the book value of quoted investment	NIL	NIL
iii) Diminution in the aggregate book value of quoted investment	NIL	NIL
iv) Leverage Ratio		
a) Operation leverage ratio	1.68	1.34
b) Financial leverage ratio	0.03	0.04

**Notes:**

Operational Leverage ratio is Total Revenue by Earning before Interest and Tax

Financial Leverage ratio is total borrowing by shareholder funds

The Quoted Investment as recorded at acquisition cost in the books and hence there is no appreciation and diminution in the value of investment

**24.26 Investment in Other CICs**

The company has not invested in Other CICs. Hence, it is not applicable.

**24.27 Off Balance Sheet Exposure**

The company has no Off balance sheet items. Hence, it is not applicable.

**24.28 Business Ratios**

Particulars	As at March 31, 2025	As at March 31, 2024
Return on Equity(RoE)	2.58%	8.69%
Return on Assets (RoA)	2.50%	8.33%
Net profit per employee	210.93	691.14

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**Notes:**

The return on equity is calculated as profit after tax by share holders funds

The return on assets is calculated as profit after tax by total assets

The net profit per employee is calculated by profit after tax by number of Employees

**25 Previous year's figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes referred to above form an integral part of Balance sheet  
As per our report of even date attached.

**For and on Behalf of the Board**

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S

**K.V.Sivakumar**  
Partner  
M.No. 027437

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**Abraham Thariyan**  
Director  
DIN:07132831

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025

## Calculation of Capital Adequacy Ratio as on 31st March 2025

Particulars	Sub totals	Totals	Totals
<b>Tier I Capital</b>			
<b>Add:</b>			
1.Paid up equity capital	14,983.31		
2.Convertible preference shares	1,804.85		
3.Free reserves	9,499.21		
4.Share premium (balance in the account)	6,363.89		
5.Capital reserve (rep.sur+ of sale proceeds of asset)	-		
<b>Less:</b>			
1.Accumulated loss in balance sheet	-		
2.Book value of intangible assets	-		
3. Deferred Tax	210.03		
<b>Net owned fund</b>		32,441.23	
<b>Less:</b>			
1. Shares in other NBFC `s	-		
2. Shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding 10% of owned fund.	29,569.00		
<b>Tier I Capital</b>		2,872.23	
<b>Contingent Liability</b>			
<b>Less: 50% of Securitisation Collaterals</b>	-	-	2,872.23
<b>Net Tier - I Capital</b>		<b>2,872.23</b>	
<b>Tier II Capital</b>			
<b>Add:</b>			
1. Non convertible preference shares	-		
2. revaluation reserve at discounted rate of 55%	-		
3. General provisions and loss reserves to the extent of (1&1/4)% of risk weighted assets.	-		
1.25 % of Risk Weighted Assets			
4. Hybrid debt and capital instruments	-		
5. Subordinated debt	-		
To the extent the discounting value does not exceeding 50% of Tier-I Capital			
	-		
Limited to the extent of Tier I and II for the pupose of capital adequecy (the total tier II capital at any point of time shll not exceed 100% of tier I)			
<b>Tier II Capital</b>	-		

Less: 50% of Securitisation Collaterals	-		
<b>Net Tier - II Capital</b>		-	
<b>Total of Tier I &amp; Tier II Capital</b>		2,872.23	
<b>Asset particulars</b>			
	<b>Amount</b>		
Cash and Bank balances including fixed deposits and certificates of deposits with bank	2,237.42	-	-
Investments	-	1.00	-
Investment in Subsidiary in equivalent of 10% of owned funds	-	1.00	-
Loans and advances	-	1.00	-
Fixed assets net of depreciation	1,585.13	1.00	1,585.13
<b>Other assets</b>			
a) TDS-income tax (Net of advance tax)	-	-	
b) Advance tax paid	-	-	
© Staff Advance	-	-	
(c ) Commission from PFRDA	-	-	-
C) Others to be specified	161.94	1.00	161.94
<b>Total risk weighted assets</b>	<b>3,984.49</b>		<b>1,747.07</b>
<b>Off Balance Items</b>			
Income Tax Disputes	74.94	0.50	37.47
ESI Dispute	16.49	0.50	8.24
Corporate Guarantee	-	1.00	-
Capital Commitments	-	1.00	-
<b>Total risk weighted assets</b>			<b>1,792.79</b>
<b>CRAR</b>			<b>160.21%</b>



## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

### Independent Auditor's Report

To the Members of "M/s. ESAF Financial Holdings Private Limited" (Formerly known as per ESAF Microfinance and Investments Private Limited)

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of "M/s. ESAF Financial Holdings Private Limited" (Formerly known as per ESAF Microfinance and Investments Private Limited) (hereinafter referred to as "the Company"), and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2025, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow

Statement and the Consolidated statement of Changes in Equity, if any for the year ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting Standards (Ind AS's) prescribed under section 133 of the Act read with Company (Accounts) Rules, 2014 as amended and other Accounting Principles generally accepted in India, of the consolidated state

of affairs of the company, and its associate as at March 31, 2025, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

We are independent of the Company, and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of

India 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 other 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 Consolidated Financial Statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **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 Annual Report, but does not include the Consolidated Financial Statements and our auditors' report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to

read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Responsibility of Management and Those Charged with Governance for the Consolidated 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 and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Company including its Associate in accordance with the 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.

The respective Board of Directors of the company and of its Associate are responsible for 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; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the 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 Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 ability of the Company and its Associates

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its Associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of

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

We communicate with those charged with governance of the company 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.

### Other Matters

The accompanying Consolidated Financial Statements include the Ind AS financial statements and other financial information of an associate which reflects the company's share of Loss of Rs. 26501.80 lakhs and share of Other Comprehensive Income of Rs. 3,534.79 lakhs for the year ended March 31, 2025, which have been reviewed by us in accordance with Standard issued by the Institute of Chartered Accountants of India (ICAI).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below,

are not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and limited review of the separate financial statements and other financial information of associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

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 of the aforesaid Consolidated Financial Statements.

- a. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- b. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- c. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- d. On the basis of the written

representations received from the directors of the Company as on 31st March, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its associate company, none of the directors of the company, and its associate incorporated in India is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

- e. With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements of the the Company and its associate, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- f. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company, and its associates incorporated in India for the year ended March 31, 2025 since it is a private limited company.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2021, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the Company, and its Associate.
  - ii. Provision has been made in the Separate Financial Statements of the associate, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and the effect of the same

has been included in the share of profit of associate in the consolidated financial statements.

iii. There were amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its associate during the year ended March 31, 2025 have been transferred.

iv. During the Financial Year 2024-25, the company has declared dividend amount of Rs. 18,04,850 pertaining to Financial Year 2024-25 and has paid dividend of amount Rs. 18,04,850 pertaining to Financial Year 2023-24 which is in compliance with section 123(1) of the Act.

- v. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign

entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate

Beneficiaries; and  
(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

(d) As per the proviso of Rule 3(1) of the Companies (Accounts)

Rules, 2014 Audit trail is applicable for the company and the existing feature needs to be strengthened to comply with the stated guidelines.

For A. John Moris & Co.,  
Chartered Accountants  
Firm Registration No: 007220 S

CA KV SIVAKUMAR  
(Partner)

UDIN: 25027437BMITTU4753  
M. No.: 027437

Place: Thrissur  
Date: 27-06-2025

## Annexure - '1'

### To the Independent Auditors' Report of even date on the Consolidated Financial Statements of "M/s. ESAF Financial Holdings Private Limited" Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company and its Associate as of and for the year ended 31st March, 2025, we have audited the internal financial controls over financial reporting of M/s. ESAF Financial Holdings Private Limited ("the Company") and its associate company, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its Associate, which are companies incorporated in India, are 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company and its associate, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Act, 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 with reference to these Consolidated Financial Statements 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 over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, 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 auditors' 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below as per SA 600, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

### **Meaning of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements 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 and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Company, and its Associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2025, 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.

### **Other Matters**

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Company, in so far as it relates to its Associate which are companies incorporated in India, is based on the corresponding reports of the auditors of such Associate incorporated in India.

For A. John Moris & Co.,  
Chartered Accountants  
Firm Registration No: 007220 S

CA KV SIVAKUMAR  
(Partner)  
UDIN: 25027437BMITTU4753  
M. No.: 027437

Place: Thrissur  
Date: 27-06-2025

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

((Formerly known as Esaf Microfinance and Investments Private Limited)

CIN :U65910TN1996PTC036650

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

Particulars	Notes	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and Cash Equivalents	1	233.36	1,139.11
(b) Bank Balances other than (a) above	2	2,004.06	510.00
(c) Other Receivables	3	17.63	3.20
(d) Investments	4	34,217.78	58,028.53
		<b>36,472.84</b>	<b>59,680.84</b>
<b>Non Financial Assets</b>			
(a) Deferred Tax Assets(Net)		210.03	196.98
(b) Property, Plant and Equipment	6	1,585.13	1,585.97
(c) Income tax Assets (net)	11	-	-
(d) Other non-financial assets	5	169.88	166.71
		<b>1,965.04</b>	<b>1,949.66</b>
<b>Total Assets</b>		<b>38,437.88</b>	<b>61,630.50</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1) Financial liabilities</b>			
(a) Trade Payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Borrowings	8	-	-
(c) Subordinated Liabilities	9	-	-
(d) Other Financial liabilities	10	5.50	5.60
<b>2) Non Financial Liabilities</b>			
(a) Income tax liabilities (net)	11	159.86	420.15
(b) Deferred tax liabilities (net)		-	-
(c) Provisions	12	901.50	849.50
(d) Other Non- Financial Liabilities	13	70.98	70.15
<b>3) Equity</b>			
(a) Equity Share capital	14	16,788.16	16,788.16
(b) Other Equity	15	20,511.88	43,496.94
<b>Total Liabilities and Equity</b>		<b>38,437.88</b>	<b>61,630.50</b>

Notes referred to above form an integral part of Balance sheet  
As per our report of even date attached.

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S  
**K.V.Sivakumar**  
Partner  
M.No. 027437

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**For and on Behalf of the Board**

**Abraham Thariyan**  
Director  
DIN:07132831

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025  
UDIN: 25027437BMITTU4753

## ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

((Formerly known as Esaf Microfinance and Investments Private Limited)

CIN :U65910TN1996PTC036650

### STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2025

Particulars	Notes	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
(i) Revenue from operations	16	2,132.84	3,978.61
(ii) Other Income	17	111.28	86.40
<b>TOTAL INCOME</b>		<b>2,244.12</b>	<b>4,065.01</b>
<b>Expenses:</b>			
(i) Finance costs	18	0.97	1.25
(ii) Employee Benefit Expense	19	186.49	157.25
(iii) Depreciation and Amortisation	6	5.17	5.18
(iv) Other expenses	20	717.87	865.43
<b>TOTAL EXPENSE</b>		<b>910.50</b>	<b>1,029.11</b>
<b>Profit before prior period, exceptional items and tax</b>		<b>1,333.61</b>	<b>3,035.90</b>
Share of Profit/(Loss) of Associate Company		(27,345.54)	11,522.99
Exceptional items			
<b>Profit before prior period, exceptional items and tax</b>		<b>(26,011.93)</b>	<b>14,558.89</b>
Prior period item		-	-
Profit before tax		(26,011.93)	14,558.89
Tax expense			
Current tax		502.92	454.40
Deferred Tax Expenses		(13.05)	(183.05)
		<b>489.88</b>	<b>271.35</b>
Profit or loss for the period from continuing operations		(26,501.81)	14,287.55
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>(26,501.81)</b>	<b>14,287.55</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
(A) (i) Items that will not be reclassified to profit or loss			
Net (loss)/gain on FVTOCI equity Securities		-	(8,315.25)
Share of OCI from Associate Company		(164.92)	(46.20)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
<b>SUBTOTAL (A)</b>		<b>(164.92)</b>	<b>(8,361.45)</b>
(B) (i) Items that will be reclassified to profit or loss			
Net gain/ (loss) on FVOCI securities		3,699.72	3,811.58
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>SUBTOTAL (B)</b>		<b>3,699.72</b>	<b>3,811.58</b>
<b>Other Comprehensive Income</b>		<b>3,534.79</b>	<b>(4,549.87)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(22,967.01)</b>	<b>9,737.68</b>

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

((Formerly known as Esaf Microfinance and Investments Private Limited)

CIN :U65910TN1996PTC036650

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2025

Particulars	Notes	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
<b>Earnings per equity share</b>			
Basic		(15.33)	6.50
Diluted		(14.18)	6.03
Material accounting policies			
Other notes on accounts			

Notes referred to above form an integral part of Profit & Loss Account  
As per our report of even date attached.

### For and on Behalf of the Board

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Abraham Thariyan**  
Director  
DIN:07132831

**K.V.Sivakumar**  
Partner  
M.No. 027437

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025  
UDIN: 25027437BMITTU4753

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025**

Notes	Particulars	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
A.	<b>Cash flow from operating activities</b>		
	<b>Net profit after tax</b>	<b>(26,501.81)</b>	<b>14,287.55</b>
	<b>Adjustments for:</b>		
	Depreciation and amortisation	5.17	5.18
	Finance Costs	0.97	1.25
	Interest Income	(103.60)	(76.53)
	Provisions/Liabilities no longer required written back		-
	Profit on Sale of Fixed Assets		-
	Provision for Income tax	502.92	454.40
	Share of Profit of associate	27,345.54	(11,522.99)
	<b>Operating profit before working capital changes</b>	<b>1,249.19</b>	<b>3,148.85</b>
	<b>Adjustments for (increase) / decrease in operating assets:</b>		
	Other Receivable	(14.44)	107.35
	Other Non Financial Assets	(16.22)	(197.29)
	<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
	Trade payables	-	-
	Other Financial Liabilities	(259.56)	(33.69)
	Provisions	52.00	707.07
	<b>Cash generated from/(used in) operations</b>	<b>1010.98</b>	<b>3732.29</b>
	Direct taxes paid	(502.92)	(454.40)
	<b>Net cash from operating activities</b>	<b>508.05</b>	<b>3277.89</b>

Notes	Particulars	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(4.33)	(0.45)
	Sale of fixed assets	-	-
	Bank balances not considered as Cash and cash equivalents (Net)	(1,494.06)	(160.00)
	(Purchase)/sale of investments	-	821.00
	Interest received	103.60	76.53
	<b>Net cash used in/(generated from) investing activities</b>	<b>(1,394.79)</b>	<b>737.08</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from/(repayment) of borrowings		
	Interest paid	(0.97)	(1.25)
	Dividend and Dividend Tax Paid	(18.05)	(18.05)
	buyback of equity shares	-	(392.80)
	Premium paid on share buyback	-	(2,631.76)
	<b>Net cash from financing activities</b>	<b>(19.02)</b>	<b>(3,043.86)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>(905.75)</b>	<b>971.11</b>
	<b>Opening Cash and cash equivalents</b>	<b>1,139.11</b>	<b>168.00</b>
	<b>Closing Cash and cash equivalents</b>	<b>233.36</b>	<b>1,139.11</b>

Notes referred to above form an integral part of Profit & Loss Account  
As per our report of even date attached.

**For and on Behalf of the Board**

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Abraham Thariyan**  
Director  
DIN:07132831

**K.V.Sivakumar**  
Partner  
M.No. 027437

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025  
UDIN: 25027437BMITTU4753

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025**

**(A) Equity share capital**

Particulars	No. of Shares	(Rs. In Lakhs)
Opening balance as on April 1, 2024	1,516.38	16,788.16
Shares issued during the year		
Conversion of CCPS into Equity Shares		
Share buyback during the year		
Balance as on March 31, 2025	1,516.38	16,788.16
Changes in Accounting policies or prior period errors	-	-
Restated Balance as on April 1, 2025	1,516.38	16,788.16
Shares issued during the year	-	-
<b>Balance as on March 31, 2025</b>	<b>1,516.38</b>	<b>16,788.16</b>

**(B) Other Equity**

Particulars	Share Application Money Pending Allotment	Equity component of compound financial instruments	Reserves and surplus			
			Statutory Reserves	Capital Reserve	Securities Premium	Retained Earnings
Balance at the beginning of the reporting period			10,390.03	392.80	6,363.89	26,350.22
Changes in accounting policy/ prior period errors						
Restated balance at the beginning of the reporting period			10,390.03	392.80	6,363.89	26,350.22
Total Comprehensive Income for the year						3,534.79
Dividends						(18.05)
Buy back premium						-
Transfer to retained earnings						(26,501.81)
Any other change (to be specified)						
<b>Balance at the end of the reporting period</b>			<b>10,390.03</b>	<b>392.80</b>	<b>6,363.89</b>	<b>3,365.15</b>

As per our report of even date attached.

**For and on Behalf of the Board**

**A. John Moris & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 007220 S

**Mereena Paul**  
Chairperson & Managing Director  
DIN:02228087

**Abraham Thariyan**  
Director  
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**K.V.Sivakumar**  
Partner  
M.No. 027437

**Rajesh Sreedharan Pillai**  
Chief Financial Officer

**Minu Santhosh**  
Company Secretary

Place: Thrissur  
Date: 27-06-2025  
UDIN: 25027437BMITTU4753

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**1 Cash & Cash Equivalent**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Cash on hand	0.05	0.03
Balances with Bank		
- In current accounts		
Domestic	233.31	1,139.08
<b>Total</b>	<b>233.36</b>	<b>1,139.11</b>

**2 Other bank balance**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Other Bank Balance		
- in deposit accounts	2,004.06	510.00
- Fixed Deposit with bank with more than 3 months but less than 12 months maturity	-	-
Earmarked balances with banks-unclaimed dividend	-	-
Bank balances held security against borrowings, guarantees and other commitments	-	-
Cash and bank balance not available for immediate use	-	-
<b>Total</b>	<b>2,004.06</b>	<b>510.00</b>

**3 Other receivables**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Unsecured, considered good		
(a) Loans and advances to employees		
Related parties	-	-
Others	15.44	-
(b) Loans and advances to related parties	-	-
(c) Other receivables	2.19	3.20
<b>Total</b>	<b>17.63</b>	<b>3.20</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**4 Investments**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Investments in Associate :-		
"27,25,48,396 Equity Shares of ₹ 10/- each fully paid-up in M/s ESAF Small finance Bank Limited. (27,25,48,396 Equity Shares of ₹ 10/- each fully paid-up in M/s ESAF Small finance Bank Limited.)"	32,217.78	56,028.53
Bonds and Debentures in M/s ESAF Small finance Bank Limited.	2,000.00	2,000.00
<b>Total</b>	<b>34,217.78</b>	<b>58,028.53</b>

The fair market value of the investment is 66856.12 lakhs

**5. Other Non Financial Assets**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(a) Prepaid expenses	0.79	0.57
(b) Balances with Government authorities	25.58	22.18
(c) Compensated Leave Salary Assets	9.58	8.96
(d) Deposits	123.68	127.82
(e) Other Current Assets	10.26	7.18
<b>Total</b>	<b>169.88</b>	<b>166.71</b>

**Depreciation as per IT act**

Description	Rate	Opening WDV	Additions		Depreciation	Closing WDV (₹ in Lakhs)
			>180 days	< 180 days		
Building	10%	40.05	-	-	4.00	36.04
Plant and Machinery	15%	0.06	-	-	0.01	0.05
Plant and Machinery	10%	0.29	1.68	2.13	0.30	3.80
Plant and Machinery	40%	0.62	0.52	-	0.46	0.68
Leasehold building	33%	6.70	-	-	2.21	4.49
<b>Total</b>		<b>47.72</b>	<b>2.20</b>	<b>2.13</b>	<b>6.98</b>	<b>45.07</b>
		<b>55.48</b>	<b>0.45</b>	<b>-</b>	<b>8.20</b>	<b>47.72</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**6 Property Plant and Equipment**

Particulars	Gross Block			Accumulated Depreciation			Net Block
	Balance as at 1 April, 2024	Additions	Disposals	Balance as at 31 March, 2025	Depreciation for the year	Deletions	
<b>A. Tangible Assets</b>							
Land	1,464.42 (1,464.42)	-	-	1,464.42 (1,464.42)	-	-	1,464.42 (1,464.42)
Buildings	136.44 (136.44)	-	-	136.44 (136.44)	2.10 (2.10)	-	105.29 (107.39)
Leasehold Buildings	37.65 (37.65)	-	-	37.65 (37.65)	2.51 (2.51)	-	5.24 (7.74)
Furniture and Fittings	0.63 (0.63)	3.81	-	4.44 (0.63)	0.22 (0.06)	-	3.83 (0.24)
Vehicles	47.78 (47.78)	-	-	47.78 (47.78)	-	-	5.99 (5.99)
Computer and Accessories	5.82 (5.37)	0.52 (0.45)	-	6.34 (5.82)	0.35 (0.52)	-	0.36 (0.19)
<b>Total</b>	<b>1,692.73</b> <b>(1,692.28)</b>	<b>4.33</b> <b>(0.45)</b>	<b>-</b>	<b>1,697.06</b> <b>(1,692.73)</b>	<b>5.17</b> <b>(5.18)</b>	<b>-</b>	<b>1,585.13</b> <b>(1,585.97)</b>
				<b>106.76</b> <b>(101.58)</b>			<b>111.93</b> <b>(106.76)</b>
							<b>1,585.97</b> <b>(1590.70)</b>

Note:

- 1) Figures in brackets relate to previous year.
- 2) All tangible are owned by the company and are not on lease.

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**7 Trade Payable**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(A) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**8 Borrowings**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Secured Loans		
Vehicle loans from banks	-	-
Term Loan from Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9 Subordinated Liabilities**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Non Convertible Debentures		
<b>Total</b>	<b>-</b>	<b>-</b>

**10 Other Financial Liabilities**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(a) Current maturities of Non Convertible Debentures	-	-
(b) Current maturities of vehicle loan	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Matured Non Convertible Debentures and Interest accrued thereon	4.34	5.05
(e) Others	1.16	0.55
<b>Total</b>	<b>5.50</b>	<b>5.60</b>

**11 Income Tax Liabilities/ (Assets)**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
Current Tax liabilities/(Assets)	159.86	420.15
<b>Total</b>	<b>159.86</b>	<b>420.15</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**12 Provisions**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
(i) Provision for compensated absences	6.09	6.09
(ii) Provision for proposed preference dividend	18.05	18.05
(iii) Loans and advances to employees	-	-
(iv) Provision for ESI predeposit	5.36	5.36
(v) Provision For Contingencies-Service Tax- Liability	872.00	820.00
<b>Total</b>	<b>901.50</b>	<b>849.50</b>

**13 Other Non- Financial Liabilities**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)
<b>(a) Other payables</b>		
(i) Statutory remittances	22.91	19.24
(ii) Payable to ESAF Employees Gratuity Trust	2.91	3.09
(iii) Lease Liability	6.69	9.18
(iv) Other liabilities	38.47	38.63
<b>Total</b>	<b>70.98</b>	<b>70.15</b>

**14 Equity Share Capital**

Particulars	As at Mar 31, 2025		As at Mar 31, 2024	
	No. of shares	(₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
<b>I</b>				
<b>Authorised :</b>				
Equity shares of ₹ 10/- each with voting rights	19,00,00,000	19,000	19,00,00,000	19,000
Preference shares of ₹100/- each	60,00,000	6,000	60,00,000	6,000
<b>Issued, paid up and subscribed</b>				
Equity shares of ₹10/- each with voting rights	14,98,33,096	14,983.31	14,98,33,096	14,983.31
Compulsorily Convertible Preference shares (CCPS) of ₹100/- each	18,04,850	1,804.85	18,04,850	1,804.85
<b>TOTAL</b>	<b>15,16,37,946</b>	<b>16,788.16</b>	<b>15,16,37,946</b>	<b>16,788.16</b>
<b>II</b>				
<b>Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:</b>				
At the beginning of the year	15,16,37,946	16,788.16	15,55,65,946	17,180.96
Issued during the year as fully paid up on conversion			-	-
Conversion of CCPS into Equity Shares			-	-
Buy back of shares	-	-	39,28,000	392.80
<b>At the end of the year</b>	<b>15,16,37,946</b>	<b>16,788.16</b>	<b>15,16,37,946</b>	<b>16,788.16</b>

### III Terms/rights attached to equity shares

#### A. Equity Shares with voting rights

The Company has only one class of Equity Shares having a par value of ₹10/- per share. Each holder of the Equity Shares is entitled to one vote per share. During the year ended 31 March 2025, the amount of per share dividend recognized in distribution to equity shareholders is ₹ Nil (Previous year ₹ Nil).

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 shareholders.

#### B. CCPS

(i) The company has converted 95,000 CCPS of ₹ 100/- each attracting dividend at 10% in to 6,33,333 equity shares at conversion price of ₹15/- and 19,18,170 CCPS of ₹ 100/- each attracting dividend at 8% into 1,27,87,800 equity shares at conversion price of ₹ 15/- each.

(ii) The company vide in its board resolution dated 29.3.2021 has changed the terms of balance 18,04,850 CCPS of ₹100/- each attracting 1% dividend this will be compulsory convertible into equity share @ ₹ 15 per share on or before 10 years from closing date i.e. 31 March, 2014.

(iii) The company vide in its board resolution dated 14/02/2024 has further extended the period of conversion of CCPS upto 31/03/2029.

### IV Shareholders holding more than 5% of equity shares as at the end of the year:

Particulars	As at Mar 31, 2025		As at Mar 31, 2024	
	No. of shares	% of Shares	No. of shares	% of Shares
ESAF Swasraya Multistate Agro Co-operative Society Limited (Formerly ESAF Swasraya Multistate Co-operative Credit Society Limited)	11,09,20,372.00	74.03%	9,76,16,607.00	65.15%
Dia Vikas Capital Private Limited*	2,99,51,536.00	19.99%	3,07,30,000.00	20.51%
SIDBI Trustee Company Ltd	-	-	1,33,03,765.00	8.88%
<b>TOTAL</b>	<b>14,08,71,908</b>	<b>94.02%</b>	<b>14,16,50,372</b>	<b>94.54%</b>

### V Shareholders holding more than 5% of Compulsorily convertible preference shares as at the end of the year:

Dia Vikas Capital Private Limited	18,04,850	100.00%	18,04,850	100.00%
<b>TOTAL</b>	<b>18,04,850</b>	<b>100.00%</b>	<b>18,04,850</b>	<b>100.00%</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**15 Other Equity**

Particulars	As at Mar 31, 2025 (₹ in Lakhs)	As at Mar 31, 2024 (₹ in Lakhs)	As at Mar 31, 2023 (₹ in Lakhs)	As at Mar 31, 2022 (₹ in Lakhs)
Other Reserves				
General reserve				
As per last balance sheet	10,390.03	7,532.52	5239.23	5239.23
Add : transferred from statement of profit and loss	-	2,857.51	2293.29	0.00
	<b>10,390.03</b>	<b>10,390.03</b>	<b>7532.52</b>	<b>5239.23</b>
<b>Security premium reserve</b>				
Opening balance	6,363.89	6,363.89	6,363.89	6,363.89
Addition during the year	-			
	6,363.89	6,363.89	6,363.89	6,363.89
<b>Capital redemption reserve</b>				
Opening balance	392.80	-	-	-
Addition during the year	-	392.80	-	-
	392.80	392.80	-	-
<b>Retained Earnings</b>				
Profit and loss account				
Opening balance	37,600.78	29,654.05	20498.93	21402.10
Add: Profit for the year	(26,501.81)	14,287.55	11,466	(885)
Less: Transferred to Other Reserve	-	(2,857.51)	(2,293)	-
Less: Transferred to CRR	-	(392.80)	-	-
Less: Transferred to Buyback premium	-	(2,631.76)	-	-
Less: Tax on buyback	-	(440.70)	-	-
	<b>11,098.98</b>	<b>37,618.83</b>	<b>29672.10</b>	<b>20516.98</b>
Less: Appropriation				
(a) General Reserve				
(b) Preference Dividend	18.05	18.05	18.05	18.05
(c) Tax on dividend				
minus	18.05	18.05	18.05	18.05
OCI income				
As per Last Balance sheet date	(11,250.57)	(6,700.70)	(3,103)	3,937
Add/(Less): Movement in OCI (net) during the year	3,534.79	(4,549.87)	(3,598)	(7,040)
	<b>(7,715.77)</b>	<b>(11,250.57)</b>	<b>(6,701)</b>	<b>(3,103)</b>
<b>Balance to be carried forward</b>	<b>20,511.88</b>	<b>43,496.94</b>	<b>43550.46</b>	<b>28998.97</b>

**Note 15.1 Statutory Reserve**

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax. Accordingly, the Company has transferred an amount of Nil (Previous year ₹ 28,57,50,993/-), out of profit after tax for the year to the statutory reserve.

**Note 15.2 Retained Earnings**

The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the amounts reported above are not distributable in entirety. Retained earnings is a free reserve, retained from company's profits to meet future obligations.

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### 16 Revenue from operations

Particulars	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
Interest Income from Debentures	225.00	225.00
Dividend income	1,907.84	-
Profit on Sale of Investments	-	3,753.61
	<b>2,132.84</b>	<b>3,978.61</b>

### 17 Other Income

Interest income on Fixed Deposits	103.60	76.53
Rent received	7.05	6.71
Other Income	0.63	3.16
	<b>111.28</b>	<b>86.40</b>

### 18 Finance Cost

(a) Interest expense on:		
(i) Interest on Lease payment	0.97	1.25
Total	<b>0.97</b>	<b>1.25</b>

### 19 Employee Benefit Expense

Salaries, Wages and Bonus	183.04	154.54
Contributions to provident and other funds	1.28	0.68
Staff welfare expenses	2.18	2.03
	<b>186.49</b>	<b>157.25</b>

### 20 Other expenses

Electricity and Water Charges	0.27	0.14
Insurance	1.45	1.48
Vehicle Maintenance	10.98	4.05
Office Maintenance & Meeting expenses	0.50	0.08
Bank Charges	0.01	0.01
Rates and Taxes	4.54	6.24
Telephone and Internet expenses	0.10	0.02
Travelling and conveyance	9.24	5.51
Printing and stationery	1.48	0.96
Legal and professional	6.79	10.68
Payments to auditors	6.33	5.44
Directors Sitting Fee	8.20	6.40
Other Expenses	0.83	1.72
Repairs and Maintenance	0.67	2.72
Provision for service tax	52.00	820.00
Income Tax Paid	594.47	-
CSR expenses	20.00	-
Total	<b>717.87</b>	<b>865.43</b>

# ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

## NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### A1 Corporate Information

ESAF Financial Holdings Private Limited (Formerly Known as ESAF Microfinance and Investments Private Limited) ("the Company") is a private limited company domiciled in India and Incorporated under the provisions of Companies Act, 1956. The company was registered as a Non - Deposit accepting Non Banking Financial Company (NBFC-ND) with the Reserve Bank of India ("RBI") vide Certificate of Registration number B.07.00652 dated 22 August, 2007 and has got classified as a Non Banking Financial Company - Micro Finance Institution ('NBFC-MFI') with effect from 7 January 2014.

The Company was primarily engaged in providing Microfinance services to the weaker sections of society, and mainly women who are organized in Joint Liability Groups. On 18th November, 2016, the company received approval from Reserve Bank of India ('RBI') to set up a Small Finance Bank, pursuant to the same, the company executed an agreement to transfer its Business undertaking to its wholly owned subsidiary ESAF Small Finance Bank Limited ("The Bank"). The Bank Commenced operations w.e.f 10 March, 2017, on which date the company ceased to operate as a Microfinance Company. Based on the Licensing guidelines of RBI applicable to the Bank and pursuant to above changes, the company has submitted an application for registration as Core Investment Company ('CIC') on 18th March, 2019. The Company surrendered its NBFC-MFI license and received the approval of the Reserve Bank of India ('RBI') on 26th February 2020, as Core Investment Company. The company is a middle layer nbfc as per the scale based regulations under master direction issued by RBI 2023.

### A2 Material Accounting Policies

#### a. Basis of accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes or announcements issued

by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards Amendment) Rules, 2016 and Companies (Indian Accounting Standards Amendment) Rules 2017.

Amount in financial statements are presented in Indian INR as permitted by schedule III to the companies Act, 2013

#### b. Presentation of financial statements

The statement of financial position and the statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Cash Flow Statements". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

#### c. Property, plant and equipment

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of

bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed.

#### d. Intangible assets

Computer softwares are stated at cost less accumulated depreciation, amortisation and impairment.

#### e. Depreciation

##### i) Property, Plant and equipment

Depreciation on assets have been provided as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortisation on addition and disposal are calculated on pro-rata basis from and to the month of additions and disposal.

Sl. No	Particulars	Useful Life
1	Computer and IT Peripherals	Upto 3 years
2	Plant and Machinery	Upto 10 years
3	Office Equipment	Upto 10 years
4	Furniture and Fixtures	Upto 10 years

##### ii) Intangible assets

the estimated useful life of an identifiable intangible asset is based on the number of factors including the effects of obsolescence, demand, competition and other economic factor and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

Sl. No	Particulars	Useful Life
1	Computer Software	Upto 3 years

#### f. Functional and presentation currency

The functional and presentation currency of the company is the Indian Rupee as it is the currency of primary economic environment in which the company operates.

#### h. Impairment of Assets

As at each balance sheet date, assets are tested for impairment so as to determine, the provision for impairment loss, if any, and the reversal of impairment loss recognised in previous periods, if any.

An impairment loss, if any, is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

#### i. Income Tax

##### Current tax

The current income tax charge is calculated on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act 1961, any amendments / rules that have been enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

##### Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items

recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **j Leases**

### **Operating Lease:**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

The company after assessing the impacts of "INDAS 116 - Leases" have concluded that all the lease agreement fall under long term lease agreements & hence it has been capitalised in the financial statements as per the guidelines and provisions of IND-AS 116.

## **k Financial Instruments**

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

### **i) Financial assets**

'Initial recognition and measurement

The Company classifies its investments and financial assets in the following measurement categories:

- those to be measured at cost
- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured subsequently at fair value through profit and loss

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value of those financial assets.

Subsequent measurement

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified

from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### **ii) Financial liabilities**

'Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities on the basis of the operating cycle of the Company.

Subsequent measurement

Fair value through profit or loss (FVTPL): Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. All changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.'

### **l Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks.

### **m Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company

and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from contracts priced on time and material basis is recognised when services are rendered and related costs are incurred.

#### **n Other Income**

- I) Interest income is accrued at applicable interest rate.
- II) Other items of income are accounted as and when the right to receive arises.

#### **o Employee benefits**

##### **i) Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, leave salary benefits, short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

##### **ii) Post Employment Benefits**

Defined contribution plan

The company's state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

##### **Defined benefit plans**

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### **p Provisions, contingent liabilities and contingent**

#### **assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- I) the Company has a present obligation as a result of a past event;
- II) a probable outflow of resources is expected to settle the obligation; and
- III) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually

certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.'

#### **q Segment accounting**

The Company have only one segment and segment reporting is not applicable.

#### **r Cash flow statement**

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ('Cash flow statements').

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**A3 Dues to micro enterprises and small enterprises**

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier and vendors of the company. Based on the information available with the Company, as at the year end, no vendors are classified as MSMED.

**A4 Disclosure of Related party transactions pursuant to Ind AS 24 “Related Party Disclosures”**

**a) List of related parties**

Details of related parties:	
Description of relationship	Names of related parties
<b>Entities</b>	
	Dia Vikas Capital Private Limited
	ESAF Swasraya Multistate Agro Co-operative Society Limited
	Prachodhan Development Services
	Cedar Livelihood Private Limited
<b>Key Management Personnel (KMP)</b>	
Managing Director	Mrs. Mereena Paul
Chief Financial Officer (upto 31.07.2024)	Mr.P V Antony
Chief Financial Officer (from 01.08.2024)	Mr. Rajesh Sreedharan Pillai
Company Secretary	Mrs.Minu Santhosh
<b>Relatives of KMP</b>	
	Mrs. Emy Acha Paul, daughter of Mrs. Mereena Paul
<b>Associate Company</b>	
	ESAF Small Finance Bank Limited

Note: Related parties have been identified by the Management and relied upon by the Auditors.

Sl. No.	Particulars	Related Party	2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
1	Remuneration to KMP	Mrs. Mereena Paul	123.09	109.02
2	Remuneration to KMP	Mr. Krishnasadan Krishnakumar	0.11	18.32
3	Remuneration to KMP	Mr.P V Antony	7.90	7.93
4	Remuneration to KMP	Mrs.Minu Santhosh	11.51	6.35
5	Remuneration to KMP	Mr. Rajesh Sreedharan Pillai	27.87	-
6	Sitting fee paid	Mrs. Emy Acha Paul	1.20	1.00
7	Rent received	ESAF Swasraya Multistate Agro Co-operative Society Limited	3.60	3.43
8	Interest Income on FD	Esaf Small Finance Bank Limited	103.60	76.53

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

9	Interest Income on debenture bond	Esaf Small Finance Bank Limited	225.00	225.00
10	Rent paid	Mrs. Mereena Paul	3.00	3.00
11	Transactions in Current Account (net) - debit	ESAF Small Finance Bank Limited	(955.11)	973.44
12	Rent received	Cedar Livelihood Private Limited	1.67	1.59
13	Security Deposit -received	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	12.50	-
14	Investments in time Deposit	ESAF Small Finance Bank Ltd	1,494.06	160.00

**b) Amount due to and due from related parties (net):**

Sl. No.	Particulars	Related Party	Amounts due (to)/from 2024-25 (₹ in Lakhs)	Amounts due (to)/from 2023-24 (₹ in Lakhs)
1	Other Current Liabilities	Mrs. Mereena Paul	14.36	15.11
2	Rent Deposit	Mrs. Mereena Paul	0.50	0.50
3	Security Deposit	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	-	12.50
4	Investments in Bonds and debentures	ESAF Small Finance Bank Ltd	2,000.00	2,000.00
5	Rent Receivable	Cedar Livelihood Private Limited	-	2.65
6	Investments in Equity shares	ESAF Small Finance Bank Ltd	27,569.00	56,028.53
7	Time deposit	ESAF Small Finance Bank Ltd	2,004.06	510.00
8	Balance with Bank Accounts	ESAF Small Finance Bank Ltd	165.55	1,120.67

**c) Terms and conditions of transactions with related parties:**

There have been no guarantees provided or received for any related party receivables or payables.

**d) Terms and conditions of transactions with related parties:**

"No amount of due from related parties has been written off during the year (Previous year ` Nil). No amount due to related parties has been written back during the year (Previous year ` nil).

For the year ended March 31, 2025, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2024 : Nil).

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties."

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**A5 Deferred Tax Asset/Liability**

Income Taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability after considering tax allowances and exemptions. The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax asset or deferred tax liability is recorded for the timing differences.

Major components of Deferred tax liabilities and assets

Particulars	As at 31 March, 2025 (₹ in Lakhs)	As at 31 March, 2024 (₹ in Lakhs)	As at 31 March, 2023 (₹ in Lakhs)
Tax effect of items constituting deferred			
On difference between book balance and tax balance of fixed assets	(19.67)	(19.20)	(18.41)
Tax effect of items constituting deferred			
Provision for compensated absences	1.58	1.58	1.58
Provision for other Advances	1.39	1.39	30.76
Provision for Service Tax	226.72	213.20	
<b>Deferred tax assets</b>	<b>210.03</b>	<b>196.98</b>	<b>13.93</b>

**A6 Disclosure pursuant to Ind AS 33 “Earnings per share”**

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 “Earnings per share”.

Particulars		2024-25 (₹ in Lakhs)	2023-24 (₹ in Lakhs)
<b>Earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(22967.01)	9,737.68
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	14,98,33,096	14,98,33,096
<b>Basic earnings per equity share (₹)</b>	<b>A / B</b>	<b>(15.33)</b>	<b>6.50</b>
<b>Diluted earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	<b>(22967.01)</b>	<b>9,737.68</b>
Add : Interest on convertibles (net of tax)	B	18.05	18.05
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	<b>(22948.97)</b>	<b>9,755.73</b>
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	<b>14,98,33,096</b>	<b>14,98,33,096</b>
Add : Shares deemed to be issued for no consideration in respect of :	E	<b>1,20,32,333</b>	<b>1,20,32,333</b>
Compulsorily convertible preference share capital	F	1,20,32,333	1,20,32,333
Compulsorily convertible debentures	G		
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	<b>16,18,65,429</b>	<b>16,18,65,429</b>
<b>Diluted earnings per equity share (₹)</b>		<b>(14.18)</b>	<b>6.03</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

Face value per equity share (₹)	10.00	10.00
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**A7 Financial Instruments**

**Disclosure of Financial Instruments by Category**

Financial instruments by categories	Note No.	31.03.2025			31.03.2024		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>							
Trade receivables	3			17.63			3.20
Cash and cash equivalents	1			233.36			1,139.11
Other Bank Balances	2			2,004.06			510.00
Investments	4			34,217.78			58,028.53
<b>Total Financial Asset</b>				<b>2,255.06</b>			<b>1,652.31</b>
<b>Financial liability</b>							
Loans from Financial institutions	8			-			-
Trade Payables	7			-			-
Subordinated Debts	9			-			-
Other Financial Liabilities	10			5.50			5.60
<b>Total Financial Liabilities</b>				<b>5.50</b>			<b>5.60</b>

**A8 Disclosure pursuant to Ind AS 12 - "Income taxes"**

The major components of income tax expense for years ended 31 March 2025 and 31 March 2024 are :

Particulars	As at 31 March, 2025 (₹ in Lakhs)	As at 31 March, 2024 (₹ in Lakhs)
<b>Current income Tax :</b>		
Current income tax charge	502.92	454.40
Adjustments of current tax of previous year		
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	(13.05)	(183.05)
Relating to rate change or imposition of new taxes		
Arising due to a write down of a deferred tax asset		
<b>Income tax reported in the statement of profit and loss</b>	<b>489.88</b>	<b>271.35</b>
<b>Current Tax and Deferred Tax - Equity</b>	<b>-</b>	<b>440.70</b>
(Mention details of items directly charged to equity)		

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
(Formerly known as ESAF Microfinance and Investments Private Limited)  
CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**A9 Events occurring after the reporting period**

The financial statements were approved by the Board of Directors on 27.06.2025 and there are no significant events occurring after Balance sheet date.

**A10 Investor Education and Protection Fund**

The Company has transferred Rs. 60,717/- to Investor Education and Protection Fund out of which Rs.40,464/- is paid during the current year and payment during previous year is Nil.

**A11 Provision**

Provision has been created for an amount of Rs. 52,00,000/- in the current year and Rs.8,20,00,000 in the previous year respect of Contingencies-Service Tax- Liability.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**22 Disclosures under Accounting Standards**

**22.1 Employee Benefit Plans**

a) Defined contribution Plans:-

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 1,19,588/- (Year ended 31 March 2024, Rs. 62,262 /-) for Provident Fund contributions and Rs.Nil/- (Year ended 31 March, 2024 Rs.NIL/-) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans:-

The Company offers Gratuity benefit to its employees:

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

**Components of employer's expense**

Particulars	Year ended 31 March, 2025 (₹ in Lakhs)	Year ended 31 March, 2024 (₹ in Lakhs)
Current Service Cost	0.74	0.46
Interest cost	2.28	2.15
Expected return on plan assets	(9.06)	(8.62)
Actuarial Loss/(Gain)	(1.29)	0.18
Past Service Cost	13.1	5.69
Employer expense /(Income)	5.77	-0.14

**Actual contribution and benefit payments for the year**

Actual benefit payments	-	-
Actual contributions	-	-

**Net (asset) / liability recognised in the Balance Sheet**

Present value of defined benefit obligation	34.03	32.61
Fair Value of plan assets	138.26	129.51
Funded status [(Surplus) / Deficit]	(104.23)	(96.90)
Amount not recognized as asset [ Effect of limiting net assets to assets ceiling]	(72.21)	(59.11)
Net liability/(asset) recognised in the Balance Sheet	<b>(32.02)</b>	<b>(37.79)</b>

**Change in defined benefit obligations (DBO) during the year**

Present Value of DBO at beginning of the year	32.61	30.33
Current Service Cost	0.74	0.46
Interest Cost	2.28	2.15
Benefits Paid	-	0
Actuarial Loss/(Gain)	(1.60)	(0.33)
Past Service Cost	-	-
Present Value of DBO at end of the year	<b>34.03</b>	<b>32.61</b>

**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED**  
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CIN: U65910TN1996PTC036650

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

**Change in fair value of assets during the year**

Particulars	Year ended 31 March, 2025 (₹ in Lakhs)	Year ended 31 March, 2024 (₹ in Lakhs)
Fair Value of plan assets at beginning of the year	129.51	121.4
Contributions by employer	-	-
Benefits paid	-	-
Expected return on plan assets	9.06	8.62
Actuarial Gain/(Loss)	(0.31)	(0.51)
Transfer in/(out) *	-	-
Fair Value of plan assets at end of the year	<b>138.26</b>	<b>129.51</b>
Actual return on plan assets	8.75	8.11
Expected employer contribution for the coming period	-	-

**Composition of plan assets is as follows:**

Government bonds	0%	0%
PSU bonds	0%	0%
Insurer managed funds* (Non Unit -Linked)	98%	98%
Insurer managed funds* (Unit -Linked)	2%	2%

\* In the absence of detailed information regarding plan assets which is funded with insurance companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

**Actuarial Assumptions - Gratuity**

Discount Rate	6.40%	7%
Salary escalation	10%	10%
Attrition rate	5%	5%
Expected return on plan assets	7%	7.10%
Mortality rate	IALM 2012-14 (Ult.)"	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	4 years	3 years

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**Experience Adjustments**

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Present value of DBO	34.03	32.61	30.33	30.95	32.41
Fair value of plan assets	138.26	129.51	121.40	113.74	106.25
Funded status [Surplus/(Deficit)]	104.23	96.90	91.07	82.79	73.84

## ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited)

CIN: U65910TN1996PTC036650

### NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Experience adjustment on plan liabilities: (Gain)/Loss	(2.36)	(0.42)	(1.53)	(2.80)	(0.95)
Experience adjustment on plan assets: Gain/(Loss)	(0.43)	1.55	1.98	1.93	(0.54)

#### Actuarial Assumptions - Long Term Compensated absences

Particulars	Year ended 31 March, 2025 (₹ in Lakhs)	Year ended 31 March, 2024 (₹ in Lakhs)
Discount rate	6.40%	7%
Expected return on plan assets	7%	7.10%
Salary escalation rate	10%	10%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Attrition rate	5%	5%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The above information is as certified by the actuary and relied upon by the auditors.

#### 22.2 Segment Reporting:-

The Company does not have any business segments as at 31 March 2025 and 31 March 2024. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".







**ENVISION  
EMBRACE  
EMPOWER**



**ESAF**  
**ESAF FINANCIAL HOLDINGS**

**ESAF Financial Holdings Private Limited**

CIN: U65910KL1996PTC077288

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