ESAF

ESAF FINANCIAL HOLDINGS

Joyful Journeys

TOWARDS A BRIGHTER TOMORROW



ANNUAL REPORT 2025-26

ESAF

ESAF FINANCIAL HOLDINGS

30 Years

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.

ESAF FINANCIAL HOLDINGS

CORPORATE INFORMATION

Registered & Corporate Office:

No. X/109/M4, Second Floor,
Hephzibah Complex, Mannuthy P.O,
Thrissur, Kerala – 680651

Website: www.esafholdings.com
CIN: U65910KL1996PTC077288
RBI Registration Number: B-16-00218
Date of Incorporation: 27.09.1996

Our Investors

ESAF CO-OPERATIVE | Dia – we exist to serve the poor | ESAF STAFF WELFARE TRUST

Our Bankers

ESAF SMALL FINANCE BANK – Joy of Banking | AXIS BANK | SOUTH INDIAN Bank | SBI

ESAF
ESAF FINANCIAL HOLDINGS

Key Milestones 1992-2026

2026

30 Years

Celebrates 30 years of Incorporation

2023

NSE BSE The Power of Vibrance

ESAF Small Finance Bank gets listed on Stock exchange

2020

ESAF ESAF FINANCIAL HOLDINGS

ESAF Financial Holdings got registered as (NBFC-CIC) with Reserve Bank of India

2017

ESAF ESAF SMALL FINANCE BANK *Joy of Banking*

Launched ESAF Small Finance Bank

2014

Received NBFC-MFI license from Reserve Bank of India

2007

ESAF Creating Opportunities

Launched ESAF Microfinance & Investments (NBFC-ND)

1996

Pinnai Finance & Investments Pvt Ltd (RBI licensed NBFC)

1992

ESAF

Established ESAF Society as an NGO

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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



Saleena George
Non- Executive
Nominee Director



Mark Robert Daniels
Non- Executive
Nominee Director



Emy Acha Paul
Non- Executive Promoter
Nominee Director

MANAGEMENT TEAM



Rajesh Sreedharan Pillai
Chief Financial Officer

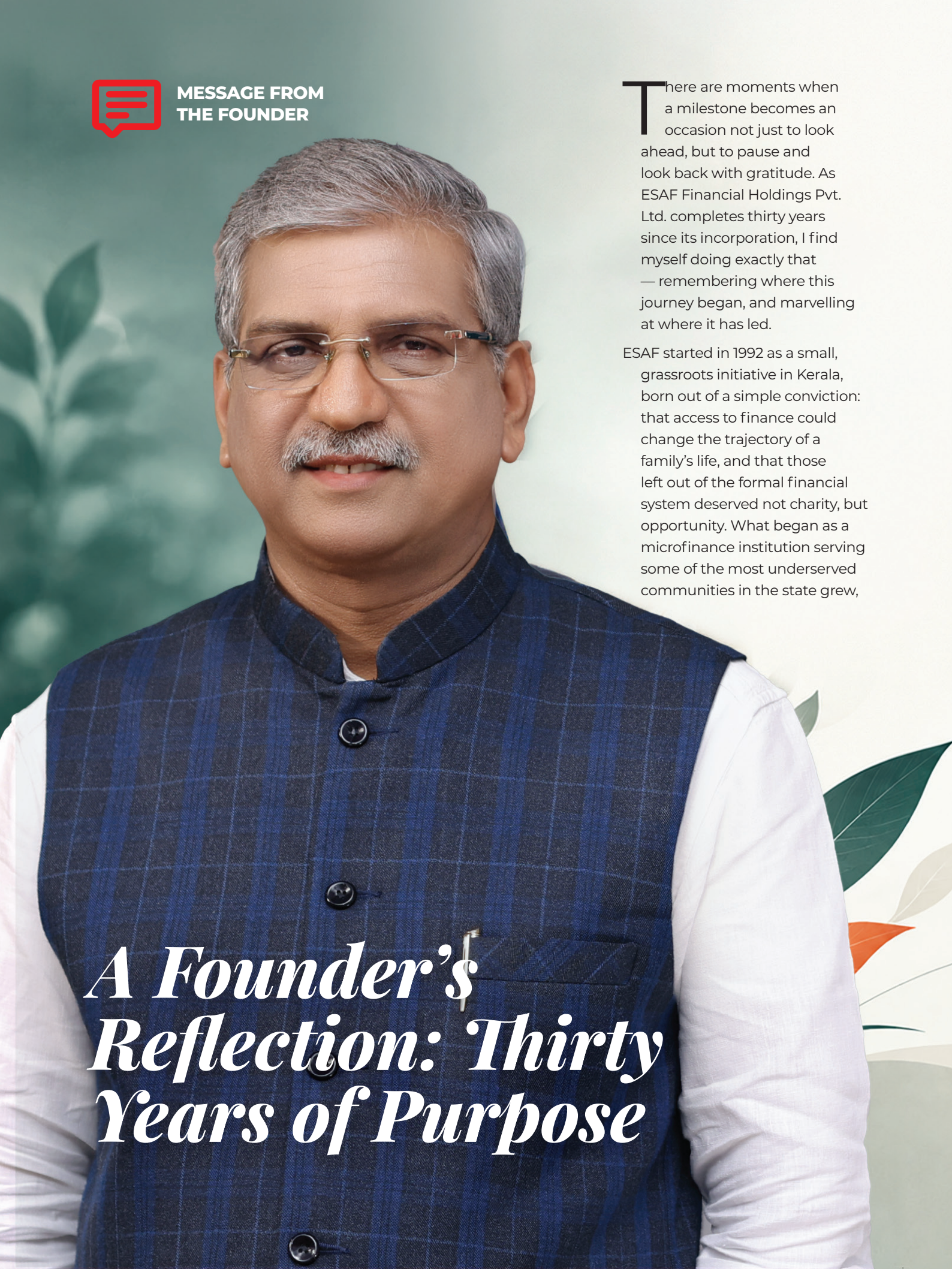


Minu Santhosh
Company Secretary

Statutory Auditors

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

MESSAGE FROM
THE FOUNDER



A Founder's Reflection: Thirty Years of Purpose

There are moments when a milestone becomes an occasion not just to look ahead, but to pause and look back with gratitude. As ESAF Financial Holdings Pvt. Ltd. completes thirty years since its incorporation, I find myself doing exactly that — remembering where this journey began, and marvelling at where it has led.

ESAF started in 1992 as a small, grassroots initiative in Kerala, born out of a simple conviction: that access to finance could change the trajectory of a family's life, and that those left out of the formal financial system deserved not charity, but opportunity. What began as a microfinance institution serving some of the most underserved communities in the state grew,

over the years, into something I could scarcely have imagined at the outset — a credible, disciplined, and trusted financial institution.

A defining moment came in 2015, when the Reserve Bank of India granted us the licence to establish a Small Finance Bank — a recognition, I believe, not just of our institutional readiness but of the model we had built: one where financial inclusion and sound banking practice could coexist. In 2017, that vision became reality with the launch of ESAF Small Finance Bank, and our original microfinance company was transformed into a Core Investment Company, taking on its role as the holding entity for the Bank. It was, in many ways, the culmination of everything we had worked toward since 1992 — and, at the same time, the beginning of a new chapter.

I have since had the privilege of serving as Managing Director and CEO of ESAF Small Finance Bank, a role that keeps me close to the institution's daily life and long-term direction, even as I remain outside the governance of ESAF Financial Holdings itself. That distinction — founder, but not part of the Holding Company's board or management — is one I hold with a certain humility. It allows me to speak not as someone charting the institution's present course, but as someone who watched its foundations being laid, brick by brick, and who carries the memory of why they were laid in the first place.

Thirty years on, what stays with me most is not any single achievement, but the accumulation of quiet transformations: a woman who took her first loan and built a livelihood; a family that saved for the first time in a formal institution; a community that came to see a bank not as a distant, intimidating place, but as a partner in its own progress. These are the true measures of what ESAF Financial Holdings and ESAF Small Finance Bank have accomplished — not merely as financial numbers, but as human outcomes multiplied across hundreds of thousands of lives.

ESAF began in 1992 as a grassroots initiative in Kerala, driven by a simple belief: access to finance could transform lives and create opportunity for those underserved by the formal financial system.

None of this would have been possible without the extraordinary people who believed in this mission alongside me — colleagues who joined when we were a fledgling NGO and stayed as we became a scheduled bank; leaders who have carried the institution through change with steady hands; and the communities whose trust we have tried, every day, to be worthy of. I am deeply grateful to Mrs Mereena Paul, CMD, and the Board of Directors for their steady stewardship of ESAF Financial Holdings; to Mr Rajesh Sreedharan Pillai, CFO, and Ms Minu Santosh, CS, along with their teams, for the diligence and integrity they bring to the institution's financial and secretarial functions; and to every member of staff whose daily commitment gives this institution its character. I also owe a special word of thanks to our long-standing investors — ESAF Agro Cooperative, Dia Vikas Capital, and our many individual shareholders — whose patient faith in this institution, often long before it was fashionable to believe in financial inclusion, has been indispensable to all that we have built.

As ESAF Financial Holdings steps into its next thirty years, my hope is a simple one: that it continues to hold fast to the conviction that brought it into being — that finance, rightly practised, is not merely a business, but a means of dignity, opportunity and hope for those who need it most.

Joyfully Yours,

Dr. K. Paul Thomas

Founder, ESAF Group of Social Enterprises

MESSAGE FROM THE CHAIRPERSON & MD

Dear Shareholders,

This year, ESAF Financial Holdings turns 30. Few companies are that fortunate to remain relevant across multiple decades and to continuously evolve with the world around it. One definite reason for us to cross this milestone is that ESAF Financial Holdings is strongly rooted in the glorious heritage of ESAF Group and is fully focused in creating long term value for its stakeholders, especially the larger community. I feel fortunate to be part of this journey and it`s my absolute privilege to present before you the Annual Report of ESAF Financial Holdings for the financial year ended 31st March 2026.



A fulfilling journey of three decades impacting rural livelihoods

The year 2026 started unfurling with promising indicators of soft inflation, steady global growth, and easier financial conditions. The year in it`s beginning also witnessed positive global developments including the signing of the landmark India-EU trade agreement and the interim India- US trade deal. However the start of the West Asia conflict unsettled the strides and brought in new and rising concerns about stagflation—falling output coupled with rising inflation. Now that we are in the midst of intensifying geopolitical tensions, shifts in trade and supply chains, and uneven economic growth across countries, corporates are focusing on consolidation of their existing strengths and prioritising resilience, productivity and trust based decisions.

India's as such a diversified economy exhibited tremendous resilience and real GDP grew by an estimated 7.7% in the financial year 2025-26, according to provisional estimates. Government-led spending on capital expenditure, roads, railways, and digital public infrastructure supported overall momentum. Steady private consumption and robust gross fixed capital formation (GFCF) reinforced domestic demand.

30 years of heritage, evolution and a steadfast commitment to creating long-term value for our stakeholders and the larger community.

Retail inflation saw a notable decline during the fiscal year, improving purchasing power for consumers. This show of strength amidst global challenges especially with currency fluctuations, underscores the depth of it`s macroeconomic fundamentals and effective policy support by the Government. Consistently the nation has made remarkable progress in its global economic standing, in terms of growth performance and macroeconomic stability over the past decade.

The Economic Survey 2025-26 tabled in the Parliament has stated that India recorded lowest inflation rate, with April-Dec 2025 average headline inflation coming in at 1.7%. The moderation in retail inflation is primarily attributed to the general disinflationary trend in food and fuel prices, which together account for 52.7% of India's Consumer Price Index (CPI) basket. The Survey notes that notably, among major Emerging Markets & Developing Economies (EMDEs), India has recorded one of the sharpest declines in headline inflation in 2025, amounting to about 1.8 percentage points. Importantly, this disinflation has occurred alongside robust GDP growth of 7.8% in H1 FY 2026, underscoring India's macroeconomic fundamentals and its ability to sustain growth, while effectively managing price pressures, without overheating.

While upgrading India's sovereign rating, global rating agencies have also acknowledged the credibility and effectiveness of India's inflation management. S&P observed that "Monetary policy reform to switch to inflation targeting has reaped dividends. Inflationary expectations are better anchored than they were a decade ago. Between 2008 and 2014, India's inflation reached double-digits on numerous occasions. In the past three years, despite volatility in global energy prices and supply-side shocks, CPI growth averaged 5.5 per cent. In recent months, it stayed at the lower bound of the Reserve Bank of India's (RBI) target range of 2-6 per cent. These developments, coupled with a deep domestic capital market, reflect a more stable and supportive environment for monetary settings.

As per several high frequency indicators, domestic economic activity remained largely steady since the outbreak of the West Asia conflict. India's manufacturing and services PMI suggest that both sectors continue to be resilient, and business expectations are still positive. On the demand side, private consumption, aided by discretionary spending, has remained resilient so far. Fixed investment has also maintained its momentum despite cost pressures. Merchandise exports recorded strong growth in April 2026, notwithstanding elevated freight and insurance costs. Services exports are also holding up well, reflecting sustained demand despite concerns about AI. Overall,

Overall, the economic situation has broadly exhibited resilience and withstood the conflict spillovers, although the impact of cost pressures is becoming visible.

the economic situation has broadly exhibited resilience and withstood the conflict spillovers, although the impact of cost pressures is becoming visible. Several measures undertaken by the Government, including support to MSME and export sectors, efforts to ramp up domestic gas and crude production, encouraging use of domestically produced alternatives to imported inputs, and diversification of critical imports should help cope up with the external shocks.

ESAF Financial Holdings P Ltd is a RBI regulated Core Investment Company and a promoter of ESAF Small Finance Bank, which is a scheduled commercial Bank, thereby bringing in the focus more to India`s Banking sector, revolving around financial inclusion and related progressive mandates.

For the financial year ended March 31, 2026, the Indian banking sector achieved its strongest position in a decade, driven by robust credit growth of 14.5% and a sharp drop in bad loans. Gross NPAs for scheduled commercial banks dropped to roughly 1.8%, while net NPAs fell to 0.4%. bank credit growth accelerated to 14.5% in 2025-26, supported by stronger balance sheets, improved profitability and comfortable capital buffers. The aggregate business of PSBs increased to ₹283.3 lakh crore as on 31.03.2026, registering growth of 12.8% over the previous year. Aggregate deposits rose by 10.6% y-o-y to ₹156.3 lakh crore, reflecting continued depositor confidence and strong resource mobilisation by PSBs. Gross advances registered growth of 15.7% y-o-y and reached ₹127 lakh crore, indicating sustained credit demand across sectors of the economy.

Small Finance Banks (SFBs) in India reported moderate gross advance growth of 18–20% for the financial year ended March 31, 2026, driven primarily by secured lending products while navigating asset quality pressures in the microfinance segment. Secured lending products emerged as the primary growth drivers as all the Small Finance Banks strategically shifted their portfolio mix. Lenders faced elevated credit stress and borrower overleveraging in the microfinance segment, prompting tighter risk management, aligned with

updated industry guardrails.

After nine years since it`s inception, ESAF Small Finance Bank with it`s 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 it`s inception Environmental, Social and Governance (ESG) principles are embedded into the business strategy, decision-making, and employee culture of ESAF Small Finance Bank. The Bank is committed to drive the mandates of financial literacy, digital inclusion, and sustainable livelihoods - extending it`s reach beyond barriers to deserving communities.

For ESAF Small Finance Bank the financial year 2025-26 was one for exhibiting resilience, consolidation of it`s strengths and a clear focus towards asset diversification. ESAF Small Finance Bank narrowed its full-year net loss to ₹166 crore for the financial year ended March 31, 2026, improving significantly from a net loss of ₹521 crore in FY2025. Total Business of the Bank stood at an impressive figure of ₹48,276 crore as of March 31, 2026, marking a 15% year-on-year growth from ₹42,055 crore, with total business later crossing the ₹50,000 crore milestone in June 2026. Total Deposits of the Bank increased by 11.1% to ₹25,850 crore, with retail deposits maintaining a strong share of 92% and total income stood at ₹4,34,823 lakh (approx. ₹4,348 crore), flat compared to the previous year. Loss Per Share (EPS): improved to ₹3.23 compared to a loss of ₹10.13 in FY2025. The bank returned to profitability in the final quarter of the fiscal, reporting a standalone net profit of ₹24 crore for Q4 FY26 compared to a net loss of ₹183 crore in Q4 FY25, strongly signalling a much awaited positive turnaround.

> A professionally governed, future-ready institution, committed to inclusive banking and creating meaningful value for communities across India.

Gross NPA of the Bank moderated to 5.4% at the end of March 2026 down from 6.9%–7.16% in the previous year and Net NPA improved to 1.8% compared to 2.99% previously. The Bank Maintained a healthy CRAR of 22.2%, with Tier I at 14.7%.

With a strengthened balance sheet, a growing deposit base, strengthening digital platforms, and a trusted brand, ESAF Bank is uniquely placed to scale its joy of banking commitment and 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.

Going further to the financial performance of ESAF Financial Holdings, your company demonstrated exceptional resilience due to its strong fundamentals. As a Core Investment Company, our stand alone revenues stood at Rs. 3.69 Crores as against Rs. 22.44 Crores in the earlier year. Also the profit after tax stood at a moderate 15 lakhs as against Rs. 8.44 Crore in the corresponding year. The increased revenue in the previous year 2024-25 was majorly attributed to the dividend declared by our investee company ESAF Small Finance Bank, which reflects the quality of investments made by the company. Further I am happy to inform you that the Company could file the Scheme the Arrangement with the National Company Law Tribunal in order to achieve the Capital

reduction targets as mandated by the Reserve Bank of India.

I would like to assure you that 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. 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.

Corporate Social Responsibility is something fundamental to ESAF Financial Holdings. In the financial year 2025-26, we have extended CSR support of Rupees twenty five lakhs for procuring a school bus for a rural school at Ayakkad near Vadakkancherry, Palakkad and installation of water purification systems at Nonihat School, Jharkhand Pahrudi School, Jharkhand and Majouli School, Assam and Naali School, Assam, which is in alignment with our community connect and people centric approach. We acknowledge the immense cooperation from Prachodhan Development Services for being instrumental in the implementation of the CSR projects as a partner organization.

While we are turning thirty, my heart is filled with immense gratitude to all our institutional investors and each of the individual stakeholders, our Regulator, the Reserve Bank of India, Statutory Auditors 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.

Together, we are shaping a much more diverse, inclusive and sustainable eco system, aimed to impact the lives of millions, positively.

Sincerely,

Mereena Paul

Chairperson and Managing Director

CREATING OPPORTUNITIES, STRENGTHENING COMMUNITIES

At ESAF Financial Holdings, our commitment to social responsibility extends beyond financial inclusion to creating meaningful opportunities for communities in need. During the year under review, our CSR initiatives focused on education and access to essential resources, supporting communities across Kerala, Jharkhand and Assam.

Enabling Safe and Reliable School Transportation

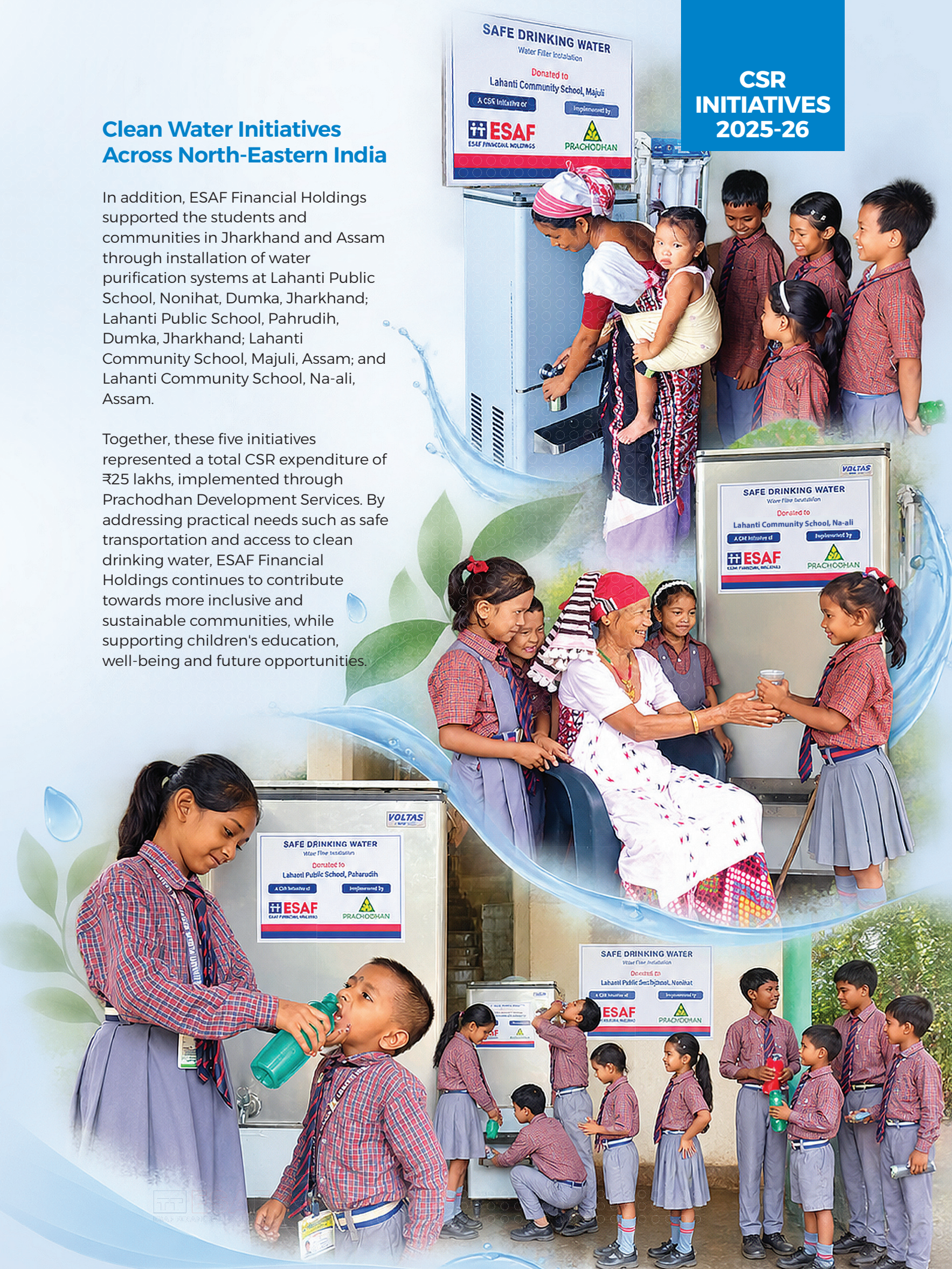
As part of our CSR initiative, we extended support towards the purchase of school bus for CA Higher Secondary School, Ayakkad, Kerala, helping improve safe and reliable transportation for students. The initiative supports greater accessibility to education and helps students overcome transportation-related challenges in reaching school.



Clean Water Initiatives Across North-Eastern India

In addition, ESAF Financial Holdings supported the students and communities in Jharkhand and Assam through installation of water purification systems at Lahanti Public School, Nonihat, Dumka, Jharkhand; Lahanti Public School, Pahrudih, Dumka, Jharkhand; Lahanti Community School, Majuli, Assam; and Lahanti Community School, Na-ali, Assam.

Together, these five initiatives represented a total CSR expenditure of ₹25 lakhs, implemented through Prachodhan Development Services. By addressing practical needs such as safe transportation and access to clean drinking water, ESAF Financial Holdings continues to contribute towards more inclusive and sustainable communities, while supporting children's education, well-being and future opportunities.



Susheela Ramankutty
Thrissur District, Kerala

The Crop of Prosperity

In the quiet village of Cherumkuzhy in Thrissur, Susheela Ramankutty's journey is a testament to grit and resilience. As a dedicated farmer managing her household with little outside help, she once faced mounting debts from agricultural expenses and the costs of her children's marriages. Burdened by financial instability and carrying the weight of her family's future, Susheela found herself unsure of how long she could sustain her livelihood.

A turning point arrived eight years ago when she secured her first loan from ESAF Small Finance Bank. Empowered by this timely financial support, Susheela leased 1.5 acres of land to cultivate a diverse variety of vegetables and crops. Her hard work and strategic investment yielded bountiful harvests and consistent profits, allowing her to promptly repay her initial dues and qualify for a larger loan to further expand her farming.

As her agricultural earnings grew, Susheela was able to renovate her home and finally achieve financial peace of mind. Even through the heartbreak of her husband's passing, ESAF's continued backing provided a steady pillar of support, helping her navigate life's toughest challenges without faltering. Today, Susheela confidently repays her loans after every harvest, standing as an inspiring reflection of the many women who have turned their hardship into prosperity by finding the courage to dream big with ESAF.



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

Anju Sumesh
Palakkad District, Kerala

From Homemaker to Changemaker

For Anju Sumesh, a homemaker from Thenkurissi Panchayat, life was filled with financial struggles. Her husband's income alone could not cover the family's growing needs, and the burden of economic hardship grew heavier each day. Determined to change her circumstances, she joined the Sreelakshmi Sangam through ESAF Small Finance Bank's Thenkurissi branch and availed an Income Generation Loan of ₹1,00,000.

That loan became the seed capital for her jaggery brand—HIMAM Products. Her transformation gathered momentum when she joined LEAP (Livelihood & Entrepreneurship Acceleration Programme), a CSR initiative of ESAF Small Finance Bank implemented by ESAF Foundation, empowering women entrepreneurs. Inspired by the training, Anju launched a small-scale jaggery production unit at home. With guidance from ESAF, she secured essential certifications like FSSAI, MSME Udyam, and ZED, boosting her business's credibility.

Soon, she was recognised for her hard work. At ESAF's Mahila Mela exhibition, Anju's products stood out. She began mentoring four other Sangam members and scaled up operations. Today, she earns between ₹70,000 and ₹85,000 per month and is in the process of acquiring a GST licence to expand sales via CEDAR Retail Pvt. Ltd. Anju has also embraced sustainability, replacing plastic with eco-friendly packaging.

Her efforts were recognised at the national level when she met the Honourable Prime Minister of India during the Grameen Bharat Mahotsav in 2023. Anju now dreams of turning her private enterprise into a co-operative, furthering her impact on the community. From homemaker to changemaker, her journey captures the true spirit of ESAF's mission.

Anju is one among the many people who started dreaming big with ESAF.



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

Laila C.
Palakkad District, Kerala

She Shows the Power of Poultry

In 2012, Laila's life was turned upside down when her husband was diagnosed with severe kidney failure. With the family's sole breadwinner incapacitated, Laila—a modest, soft-spoken woman from an orthodox background—found herself facing mounting medical bills and the daunting responsibility of supporting their two children through an incredibly uncertain time.

A turning point arrived when she discovered ESAF Small Finance Bank's micro-enterprise programs. Determined to build a sustainable livelihood, Laila formed a Joint Liability Group (JLG) with ten local women called Shobika Sangam. She secured an initial ₹25,000 loan from ESAF's Cherpulassery branch and invested it into a new poultry business, starting with just 100 chicks under the Badavara Kerala Chicken initiative.

By promptly repaying her loans and qualifying for further financing, Laila steadily expanded her humble startup into a thriving enterprise of over 4,000 chickens, now generating a consistent ₹35,000 monthly income. This financial stability provided her husband with better medical care, kept her children in school, and empowered her to plan a large-scale wholesale poultry stall. Once unsure of how to face the world, Laila has transformed into a resilient community leader, standing as a proud testament to the many individuals who have found the courage to dream big with ESAF.



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

JOYFUL STORIES OF TRANSFORMATION

Santhakumari K. A.
Thrissur District, Kerala

Age is Just a Joyful Number

At 65, when most people begin to slow down, Santhakumari K. A. from Poonkunnam, Thrissur, was just starting a vibrant new chapter of financial independence. Having previously prepared modest batches of banana chips and unniappam for her neighbors, she approached the ESAF Foundation in January 2024 with a simple but heartfelt desire to learn something new. Her determination earned her specialized training in curry powder and pickle-making, empowering her to expand her culinary repertoire and officially launch her own brand, “Sitaramam.”

With newly sharpened skills and her husband supporting her through procurement, packaging, and delivery, Santhakumari's home kitchen quickly transformed into a thriving micro-enterprise. She added pulinchi and diverse curry powders to her product line, eventually investing in a banana-cutting machine to boost her operational efficiency. Her defining milestone arrived at the ESAF Mahilodaya exhibition in August 2024, where her hard work culminated in an impressive ₹19,000 in sales over just four days.

Through ESAF Small Finance Bank, Santhakumari seamlessly blended traditional recipes with modern business practices, using an ESAF QR code to receive digital payments directly into her bank account for the very first time. Excited by her rapid growth, she proudly opened a current account and enrolled in the ESAF Udyami programme to further scale her venture. Proving that age is no barrier to learning or success, Santhakumari stands as an inspiring testament to the many individuals who have found the tools and courage to dream big with ESAF.

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



ESAF FINANCIAL HOLDINGS

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

NOTICE

NOTICE is hereby given that the 30th ANNUAL GENERAL MEETING of the members of ESAF FINANCIAL HOLDINGS PRIVATE LIMITED will be held on Friday, 25th September, 2026 at 03.00 P.M. at the Registered Office of the Company at Hephzibah Complex, Mannuthy P.O, Thrissur, Kerala - 680651 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2026, 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.

SPECIAL BUSINESS

3. Re-appointment of Shri. Joy Joseph Cherayaththekkuden (DIN: 05221046) as the Independent Director of the Company

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

"***RESOLVED THAT*** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the directions of the Reserve Bank of India (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri. Joy Joseph Cherayaththekkuden (DIN: 05221046), who was appointed as the Independent Director on the Board of Directors of the Company, for a period of three (3) consecutive years with effect from 02nd June, 2023 and who has submitted a declaration that he continues to meet the criteria for independence as provided in Section 149(6) of the Act and who has submitted declaration that he continues to meet the fit and proper criteria laid down by the Reserve Bank of India who is eligible for re-appointment, be and is hereby re-appointed as the Independent Director of the Company, for a period of three (3) consecutive years with effect from 02nd June, 2026 and whose office shall not be liable to retire by rotation."

4. Appointment of Shri. Periyakavil Ramakrishnan Ravimohan (DIN: 08534931) as the Non- Executive Director of the Company

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 161 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the directions of the Reserve Bank of India (including any statutory modification(s) or re-enactment thereof, for the time being in force), and provisions of the Articles of Association of the Company, Shri. Periyakavil Ramakrishnan Ravimohan (DIN: 08534931) who was appointed as the Additional Director on the Board of Directors of the Company with effect from 13th August, 2026 and who has submitted declaration that he meets the fit and proper criteria laid down by the Reserve Bank of India and who is eligible for appointment, be and is hereby appointed as the Non- Executive Director of the Company, with effect from the date of this meeting and whose office shall not be liable to retire by rotation."

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

NOTES:

1. 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. The members are requested to send their proxy forms at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
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. 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.
5. 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.

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 – Re-appointment of Shri. Joy Joseph Cherayaththekkuden (DIN:05221046) as the Independent Director of the Company

Shri. Joy Joseph Cherayaththekkuden (DIN: 05221046) was appointed as the Independent Director of the Company for a period of 3 consecutive years with effect from 02nd June, 2023, by the shareholders of the Company.

As per the term of his appointment, he holds office up to the date of 02nd June, 2026. Based on the recommendations of the Nomination and Remuneration Committee of the Board (NRCB) and in compliance with the provisions of Sections 149, 152 of the Companies Act, 2013, the rules framed thereunder read with Schedule IV to the Companies Act, 2013, the directions of the Reserve Bank of India and the Nomination Policy of the Company, the Board of Directors of the Company decided to accord its recommendation to the members of the Company to re-appoint Shri. Joy Joseph Cherayaththekkuden (DIN: 05221046), as an Independent Director of the Company in the 30th Annual General Meeting of the Company for a term not exceeding 3 consecutive years commencing from 02nd June, 2026. The period of office of Shri. Joy Joseph Cherayaththekkuden as the Independent Director of the Company shall not be liable to determination by retirement of directors by rotation at every Annual General Meeting.

Shri. Joy Joseph Cherayaththekkuden is a Certified Associate of Indian Institute of Bankers and has a Post-Graduation in Management Studies from Cochin University of Science and Technology, Ernakulam. He has got 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. He currently is an Adjunct Faculty for MBA at University of Calicut & Kerala Agricultural University (teaching International Finance, Foreign Exchange Management; Soft Skills development; Entrepreneurship Management).

In terms of the provisions of the Companies Act, 2013, Shri. Joy Joseph Cherayaththekkuden has submitted requisite consent(s)/ disclosures before the Board including the consent to act as director, meeting of independence criteria etc. The Company has also received an intimation from Shri. Joy Joseph Cherayaththekkuden in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is also not debarred by any statutory authority to be appointed as a Director in any Company. The NRCB and the Board has also confirmed that Shri. Joy Joseph Cherayaththekkuden complies with the fit and proper norms of RBI, provisions of Companies Act, 2013 and the Policies of the Company, for being appointed as an Independent Director on the Board of the Company.

In the opinion of the Board, Shri. Joy Joseph Cherayaththekkuden meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and rules framed thereunder and that he is independent of the management. Shri. Joy Joseph Cherayaththekkuden is entitled to sitting fees for attending the meetings of the Board and its Committee(s).

Considering the knowledge, background, experience and expertise of Shri. Joy Joseph Cherayaththekkuden, the Nomination and Remuneration Committee of the Board and the Board of Directors of the Company are of the view that the appointment of Shri. Joy Joseph Cherayaththekkuden as an Independent Director shall be of immense benefit to the Company. Therefore, the Board recommends Resolution No. 3 as a Special Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company, is concerned or interested in Item No.3 as specified in the Notice.

Disclosures as per Secretarial Standards

Name of the proposed Director	Shri. Joy Joseph Cherayaththekkuden			
Age	69 Years			
Qualification	• Certified Associate of Indian Institute of Bankers (CAIIB) • Post Graduate in Management Studies (MBA) from CUSAT • Graduate with Physics Main from Union Christian College Alwaye, University of Kerala			
Expertise in specific functional areas	17 years of Banking experience and 20 years of Industry/Business experience in General Management			
Experience	**Sl. No.**	**Name of the Organization**	**Designation**	**Period of Employment**
	1	South Indian Bank Limited	Various Designations	1986 - 2003
	2	ABN International Transport Company	GM and Country Head	2003 - 2012
	3	TJSV Steel Fabrication & Galvanizing (India) Ltd	Director	Since 2012
Terms and Conditions of appointment	Re-appointing as Independent Director for a period of 3 years and not liable to retire by rotation.			
Details of remuneration sought to be paid	No remuneration will be paid except Sitting Fees for attending meetings of the Board and Committees.			
Remuneration last drawn	NIL			
Date of First appointment on the Board	02.06.2023			
Shareholding in the Company	NIL			
Relationship with other Directors, Manager and other Key Managerial Personnel	NIL			
Number of meetings of the Board attended during the year.	2			
Directorships held in other companies	2			

Memberships/ Chairmanship of Committees of other Companies

Sl.No	**Name of the Company**	**Board Committees in which he is a member**	**Board Committees in which he is a Chairperson**
1.	TJSV Steel Fabrication & Galvanizing (India) Ltd	Audit Committee	-
		Nomination & Remuneration Committee	-

Item No. 4 – Appointment of Shri. Periyakavil Ramakrishnan Ravimohan (DIN: 08534931) as the Non- Executive Director of the Company

Shri. Periyakavil Ramakrishnan Ravimohan (DIN: 08534931) was appointed as an Additional Director of the Company with effect from 13th August, 2026, by the Board of Directors of the Company in the meeting held on 12th August, 2026 in compliance with the provisions of the Companies Act, 2013.

In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the ensuing General Meeting of the Company. Based on the recommendations of the Nomination and Remuneration Committee of the Board (NRCB) and in compliance with the provisions of the Companies Act, 2013, the rules framed there under read with Schedule IV to the Companies Act, 2013, the directions of the Reserve Bank of India and the Directors' Fit and Proper Policy and the Nomination and Remuneration Policy of the Company, the Board of Directors of the Company decided to accord its recommendation to the members of the Company to appoint Shri. Periyakavil Ramakrishnan Ravimohan (DIN: 08534931) as a Non-Executive Director of the Company in the 30th Annual General Meeting of the Company.

Shri. P R Ravi Mohan comes with rich experience of top leadership in Indian and international banking sectors and was engaged in providing technical assistance regarding banking supervision and financial stability to 13 countries in Sub Saharan Africa. Before taking up this assignment, he was heading the Banking Supervision Department of Reserve Bank of India, responsible for the supervision of commercial banks in the country. He also worked as Chief General Manager with the Department of Banking Operations and Development (DBOD) of Reserve Bank of India, where he was involved in regulation of the commercial banking system in the country. Mr. Ravi Mohan joined the RBI in 1984 after his Masters in Physics and holds a Master of Business Administration degree from the University of Birmingham, U.K. He has served as a Director on the Boards of Maithon Power Limited and TP Renewable Microgrid Limited. He was a Non-Executive Independent Director of CARE Ratings (Africa) Private Limited. He also served as the Part-time Chairman and Non-Executive Independent Director of ESAF Small Finance Bank Limited. He is currently serving as an Independent Director of Indus Credit Limited.

In terms of the provisions of the Companies Act, 2013, Shri. P R Ravi Mohan has submitted requisite consent(s)/ disclosures before the Board including the consent to act as director. The Company has also received an intimation from him in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is also not debarred by any statutory authority to be appointed as a Director in any Company. The NRCB and the Board has also confirmed that Shri. P R Ravi Mohan complies with the fit and proper norms of RBI, provisions of Companies Act, 2013 and the Policies of the Company, for being appointed as the Director on the Board of the Company. Shri. P R Ravi Mohan is entitled to sitting fees for attending the meetings of the Board and its Committee(s).

Considering the knowledge, background, experience and expertise of Shri. P R Ravi Mohan, the Nomination and Remuneration Committee of the Board and the Board of Directors of the Company are of the view that the appointment of Shri. P R Ravi Mohan as the Non-Executive Director shall be of immense benefit to the Company. Therefore, the Board recommends Resolution No. 4 as an Ordinary Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company, is concerned or interested in Item No.4 as specified in the Notice.

Disclosures as per Secretarial Standards

Name of the proposed Director	Shri. Periyakavil Ramakrishnan Ravimohan
Age	68 Years
Qualification	• Certified Associate of Indian Institute of Bankers • Master of Business Administration in International Banking and Finance from University of Birmingham, U.K. • Masters in Physics from University of Kerala
Expertise in specific functional areas	Financial Sector Supervision & Regulation, Financial Stability, Corporate Governance, Risk Management and IFRS.
Experience	Mr. P R Ravi Mohan comes with rich experience of top leadership in Indian and international banking sectors and was engaged in providing technical assistance regarding banking supervision and financial stability to 13 countries in Sub Saharan Africa. He was heading the Banking Supervision Department of Reserve Bank of India, responsible for the supervision of commercial banks in the country. He also worked as Chief General Manager with the Department of Banking Operations and Development of Reserve Bank of India, where he was involved in regulation of the commercial banking system in the country.
Terms and Conditions of appointment	Appointing as Non-Executive Director and not liable to retire by rotation.
Details of remuneration sought to be paid	No remuneration will be paid except Sitting Fees for attending meetings of the Board and Committees.
Remuneration last drawn	NIL
Date of First appointment on the Board	13.08.2026
Shareholding in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel	NIL
Number of meetings of the Board attended during the year.	NIL
Directorships held in other companies	2

Memberships/ Chairmanship of Committees of other Companies

Sl.No	Name of the Company	Board Committees in which he is a member	Board Committees in which he is a Chairperson
1.	Indus Credit Limited	Audit Committee	-
		Nomination and Remuneration Committee	-
		Risk Management Committee	Chairman



DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2025-26

To,

The Members,

Your directors have pleasure in presenting the 30th Annual Report together with the audited accounts of the Company on a Consolidated and Standalone basis for the Financial Year ended 31st March, 2026.

1. Financial Highlights

The summary of the Company's financial performance both on a Consolidated and Standalone basis for FY 2025-26 compared to the previous year, FY 2024-25 is given below:

(Rs in lakhs)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Total Income	369.48	2244.12	369.48	2244.12
Total Expenses	311.95	316.03	311.95	316.03
Share of Profit/(Loss) of Associate Company	-	-	(9320.12)	(27345.54)
Profit (Loss) before Extra-Ordinary items and taxation	57.52	1928.08	(9262.59)	(25417.46)
Tax Expenses	42.39	1084.34	42.39	1084.34
Profit (Loss) from continuing operations (A)	15.14	843.74	(9304.98)	(26501.81)
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	-	-	(5973.67)	3534.79
Profit for the year (A+B)	**15.14**	**843.74**	**(15,278.65)**	**(22,967.01)**

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, 2026.

3. Transfer to Reserves

During the year under review, your Company has transferred an amount of Rs.3,02,760/- out of profit after tax for the year to the statutory reserve.

4. Capital Adequacy

The Capital Adequacy Ratio of the Company stands at 109.02% as of March 31, 2026 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 2026 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 2026 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 a Non-Banking Financial Company, Systemically Important, Non- Deposit taking, Core Investment Company (NBFC-SI-ND-CIC) registered with the Reserve Bank of India (RBI) with effect from 26th February, 2020. As per the RBI's Scale-Based Regulatory Framework for NBFCs, the company being a Core Investment Company (CIC) is classified under the "Middle layer".

The Company is a private limited company governed by the Companies Act, 2013, in addition to the oversight of the Department of Supervision of Reserve Bank of India.

Being a CIC, the Company has its investments primarily in ESAF Small Finance Bank Limited, the Bank promoted by the Company. 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 2025-26.

8. Change in the Nature of Business

There was no change in the nature of business of the company during the financial year 2025-26.

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 2026, 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 Cherayaththekkuden	Independent Director
4.	Mrs. Saleena George	Nominee Director
5.	Ms. Mark Robert Daniels	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 2025-26:

Sl. No.	Name of Directors	Designation	Nature of Change	Date of Change
1.	Mark Robert Daniels	Nominee Director	Appointment	11th September, 2025
2.	Saurabh Baroi	Nominee Director	Resignation	30th August, 2025
3.	Saurabh Baroi	Nominee Director	Appointment	27th June, 2025
4.	Arpita Pal Agrawal	Nominee Director	Resignation	06th May, 2025

10. Key Managerial Personnels (KMPs)

As on the Financial year end date 31st March 2026, 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 2025-26:

There were no changes in Key Managerial Personnel during the Financial year 2025-26

11. Committees of the Board

As on 31st March 2026, the Company has Six (6) regular Board Committees namely:

Sl. No	Name of Key Managerial Person
1.	Audit Committee of the Board (ACB)
2.	Nomination and Remuneration Committee of the Board (NRCB)
3.	Investment Committee of the Board (ICB)
4.	Group Risk Management Committee (GRMCB)
5.	Risk Management Committee of the Board (RMCB)
6.	Corporate Social Responsibility Committee of the Board (CSRB)

12. Meetings of the Board

The Board of Directors of the Company met Five (5) times during the Financial Year 2025-26 on the following dates:

Sl. No	Dates of Board meetings
1.	**27th June, 2025**
2.	**28th July, 2025**
3.	**11th September, 2025**
4.	**21st November, 2025**
5.	**02nd March, 2026**

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.

13. Meetings of the Board and Committees

During the Financial Year 2025-26, the meetings of the committees of the Board were held as follows:

Sl. No	Name of Committees of the Board	No. of meetings held	Dates of Committee meetings
1.	Audit Committee	5	27th June, 2025, 28th July, 2025, 11th September, 2025, 21st November, 2025, 02nd March, 2026
2.	Nomination & Remuneration Committee	2	27th June, 2025, 11th September, 2025
3.	Corporate Social Responsibility Committee	3	27th June, 2025, 28th July, 2025, 11th September, 2025
4.	Group Risk Management Committee	4	27th June, 2025, 11th September, 2025, 21st November, 2025, 02nd March, 2026
5.	Investment Committee	1	02nd March, 2026
6.	Risk Management Committee	2	27th June, 2025, 21st November, 2025

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, 2026, 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, 2026 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 2025-26, 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 11th September, 2025, had re-appointed M/s. A. John Moris & Co., Chartered Accountants, Chennai (FRN: 007220S) as the Statutory Auditors of the Company for another term of five consecutive years to hold office from the conclusion of the 29th Annual General Meeting till the conclusion of 34th 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 be 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 2025-26 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 2025-26 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 2025-26 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 2025-26, the Company has allocated Rs. 25,00,000/- (Rupees Twenty-Five Lakhs only) 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 2025-26 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 at the meeting of 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.

The Company upon approval from the Board of Directors dated 02nd March, 2026 has filed with the National Company Law Tribunal (NCLT) Kochi bench, a Scheme of Arrangement ("the Scheme") between the company and its shareholders, pursuant to Section 230 of the Companies Act, 2013 which provides for the selective reduction through cancellation of the equity shares held by Identified Shareholders as defined in the scheme and the simultaneous and consequent proportionate transfer of the Equity Shares of ESAF Small Finance Bank held by the Company in the share capital of the Bank as consideration other than cash for such reduction, and in addition a cash component, in certain cases if applicable.

The Scheme envisages partial reduction of shares held by one of the major shareholders, viz. Dia Vikas Capital Private Ltd ("Dia Vikas") and full extinguishment of shareholding of Identified Shareholders ie. the shareholders other than the Promoter, his relatives and Dia Vikas. The Scheme has been worked out to ensure compliance with the revised ownership guidelines as per the Licensing of Small Finance Banks in the Private Sector and the RBI direction dated 30th July 2024 directing the dilution of the shareholding of Dia Vikas, to less than 20% of the paid-up share capital of the Company. The Scheme is subject to the approval of the National Company Law Tribunal (NCLT).

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 2025-26 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 compliant pertaining to sexual harassment is diligently reviewed and investigated, and treated with great sensitivity. During the Financial Year 2025-26, 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. 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 2025-26.

35. Acknowledgment

The Directors are grateful to all its stakeholders including 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**	5156.63
5	**Reserves and surplus**	12643.8
6	**Total assets**	308679.77
7	**Total Liabilities**	308679.77
8	**Investments**	63991.06
9	**Turnover**	43482.31
10	**Profit before taxation**	-2284.04
11	**Provision for taxation**	-620.01
12	**Profit after taxation**	-1664.02
13	**Proposed Dividend**	-
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:

1. Names of Associates or Joint Ventures which are yet to commence operations: NIL
2. 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 2026

A) Details of Investments: -

Sl. No	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient
1	**ESAF Small Finance Bank Limited**	Rs. 2,756,900,000/-	Equity Share Capital
2	**ESAF Small Finance Bank Limited**	Rs. 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	**Mereena Paul** (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	24/02/2022	Nil	NA
2	**Cedar Livelihood Services Private Limited** (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	13/02/2023	Nil	NA
3	**Prachodhan Development Services** (Entity in which directors have significant influence)	CSR Implementing agency	1 year	The company has appointed Prachodhan Development Services as the CSR Implementing agency for F.Y 2025-26.	28/07/2025	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

ANNEXURE - 4

Annual Report on CSR Activities for Financial Year 2025-26

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	3	3
2.	**Saleena George**	Nominee Director	3	3
3.	**Abraham Thariyan**	Independent Director	3	3
4.	**Joy C. Joseph**	Independent Director	3	3

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

Rs. 33,105/-

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

Rs. 1236.99 Lakhs

(b) Two percent of average net profit of the company as per section 135(5)

Rs. 24.74 Lakhs

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

NIL

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

NIL

(e) Total CSR obligation for the financial year.

24.74 Lakhs

The Company has allocated Rs.25 Lakhs towards the CSR expenditure against the statutory obligation of Rs.24.74 Lakhs

7. (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.
25,00,000	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:

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 imple-mentation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	Dist- rict			Name	CSR registr-ation number
1.	Purchase of School bus for the students of CA Higher Secondary School, Ayakkad, Kerala, Kerala	Promotion of education	Yes	Kerala	Palakkad	21,77,000/-	No	Prachodhan Development Services	CSR00001633
2.	Installation of water purification system for the students of Lahanti Public School, Nonihat, Dumka, Jharkhand	Promotion of education	No	Jharkhand	Dumka	98,658/-			

3.	Installation of water purification system for the students of Lahanti Public School, Pahrudih, Dumka, Jharkhand	Promotion of education	No	Jharkhand	Dumka	97,990/-	No	Prachodhan Development Services	CSR00001633
4.	Installation of water purification system for the students of Lahanti Community School, Majuli, Assam	Promotion of education	No	Assam	Majuli	64,150/-			
5.	Installation of water purification system for the students of Lahanti Community School, Na-ali, Assam	Promotion of education	No	Assam	Lakhimpur	62,202/-			

(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. 25 Lakhs

(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)	**24,73,980**
(ii)	Total amount spent for the Financial Year	**25,00,000**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**26,020**
(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)]	**26,020**
(vi)	Details of Unspent CSR amount for the proceeding three financial years	**NIL**

9. In case of creation or acquistion 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 bus for the students of CA Higher Secondary School, Ayakkad, Kerala, Kerala	678683	15.10.2025	21,77,000/-	CSR00001633	Prachodhan Development Services	Shanti Nagar, Mannuthy
2	Installation of water purification system for the students of Lahanti Public School, Nonihat, Dumka, Jharkhand	814,145	30.01.2026	98,658/-			
3	Installation of water purification system for the students of Lahanti Public School, Pahrudih, Dumka, Jharkhand	814166	30.01.2026	97,990/-			
4	Installation of water purification system for the students of Lahanti Community School, Majuli, Assam	785,104	30.03.2026	64,150/-			
5	Installation of water purification system for the students of Lahanti Community School, Na-ali, Assam	787052	30.03.2026	62,202/-			

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. Ajyan
Chairman. CSR Committee of Board
DIN: 09782416



REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance of ESAF Financial Holdings Private Limited (the company) for the Financial year ended March 31, 2026 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 the Internal Guidelines on Corporate Governance in pursuance to the Master Direction - Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, as amended from time to time; Reserve Bank of India (Core Investment Companies) Directions, 2025; Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025; other applicable RBI Directions, circulars, notifications and regulatory instructions; the provisions of the Companies Act, 2013 and Rules amended from time to time; applicable accounting, auditing and other statutory requirements and generally accepted principles and practices of sound corporate governance.

Composition of the Board

As on 31st March 2026, 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 2025-26 is furnished hereunder:

Sl. No.	Name of Director	Date of appointment	Capacity	DIN	Number of Board Meetings		No. of other director ships	Remuneration (in INR)		No. of shares held in NBFC
					Held	Attended		Salary & other compensation	Sitting fee	
1	**MEREENA PAUL**	09/03/2017	Chairperson & Managing Director	02228087	5	5	1	13,540,389	Nil	15,000 equity shares
2	**ABRAHAM THARIYAN**	08/09/2021	Non-Executive Independent Director	07132831	5	5	1	Nil	1,00,000	Nil
3	**VIKRAMAN AMPALAKKAT**	30/11/2021	Non-Executive Director	01978341	5	5	0	Nil	1,00,000	Nil
4	**EMY ACHA PAUL**	30/11/2021	Non-Executive Promoter Nominee	07434054	5	5	7	Nil	1,00,000	87,500 equity shares
5	**M. G. AJAYAN**	01/12/2022	Non-Executive Director	09782416	5	4	1	Nil	80,000	Nil
6	**JOY C. JOSEPH**	02/06/2023	Non-Executive Independent Director	05221046	5	5	2	Nil	1,00,000	Nil
7	**SALEENA GEORGE**	25/08/2023	Non-Executive Nominee Director	010269640	5	5	0	Nil	1,00,000	40,000 equity shares
8	**ARPITA PAL AGRAWAL***	06/07/2024	Non-Executive Nominee Director	08588528	0	0	5	Nil	0	Nil
9	**SAURABH BAROI****	27/06/2025	Non-Executive Nominee Director	02723687	2	2	1	Nil	40,000	Nil
10	**MARK ROBERT DANIELS*****	11/09/2025	Non-Executive Nominee Director	02400806	3	3	3	Nil	60,000	Nil

* Arpita Pal Agrawal ceased to be the director with effect from close of business hours on 06th May, 2025. ** Saurabh Baroi was appointed with effect from 27th June, 2025 up to 30th August, 2025. *** Mark Robert Daniels was appointed with effect from 11th September, 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	**Joy C. Joseph**	Independent Director	Re-appointment	02nd June, 2026
2	**Anjani Kumar Bansal**	Nominee Director	Appointment	20th May, 2026
3	**Mark Robert Daniels**	Nominee Director	Resignation	13th June, 2026
4	**Mark Robert Daniels**	Nominee Director	Appointment	11th September, 2025
5	**Saurabh Baroi**	Nominee Director	Resignation	30th August, 2025
6	**Saurabh Baroi**	Nominee Director	Appointment	27th June, 2025
7	**Arpita Pal Agrawal**	Nominee Director	Resignation	06th May, 2025

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 India 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.

PROFILE OF BOARD OF DIRECTORS



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)



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 under gone several Trainings in Indian Agricultural Research Institute (IARI), Delhi; National Institute of Agricultural Extension Management (MANAGE), Hyderabad; Tamil Nadu Agricultural University (TNAU), Coimbatore.



Mark Robert Daniels

Non- Executive Nominee Director

Mark Daniels is a seasoned senior level executive with hands-on two decades of experience in international finance, philanthropy, and non-profit development experience across Asia, including India, Philippines, Indonesia, Papua New Guinea, China, Thailand & Malaysia. In the past, Mark served on the boards of a wide range of organisations including a bank, micro finance institution, philanthropic organisation, and remittance company. Mark holds a bachelor's degree in Business & Accountancy from the University of Technology, Sydney. He is also a CPA from the Australian Society Certified Practicing Accountants. In addition, Mark is a MAICD Member of Australian Institute of Company Directors.



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 facts of Social Transformation, focussing mainly in East and Central India.

Number and dates of meeting of the Board of Directors

The Board of Directors of the Company met Five (5) times during the Financials Year 2025-26 on the following dates:

- 27th June, 2025
- 28th July, 2025
- 11th September, 2025
- 21st November, 2025
- 02nd March, 2026

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 2026, 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) Non-Executive Directors, of which two are 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 last reconstituted on 27th March, 2025. During the Financial Year 2025-26, five (5) meetings of the Audit Committee were held on 27th June, 2025, 28th July, 2025, 11th September, 2025, 21st November, 2025 and 02nd March, 2026.

The details regarding the constitution of the Audit Committee along with the attendance recorded in the meetings held during the financial year 2025-26 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	**Joy C. Joseph**	02.06.2023	Independent Director	4	4	Nil
3	**Vikraman Ampalakkat**	07.10.2008	Director	4	4	Nil
4	**Saleena George**	27.03.2025	Nominee Director	0	0	40,000

2. Nomination & Remuneration Committee

The Nomination and Remuneration Committee have the powers and duties conferred upon it in compliance with the Section 178 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, including the Executive Director and two Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration 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 27th June, 2025 and 11th September, 2025. During the Financial Year 2025-26, two (2) meetings of the Nomination and Remuneration Committee was held on 27th June, 2025 and 11th September, 2025.

The details regarding the constitution of the Nomination & Remuneration Committee along with the attendance recorded in the meetings held during the financial year 2025-26 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)	2	2	Nil
2	**Abraham Thariyan**	08.09.2021	Independent Director	2	2	Nil
3	**M. G. Ajayan**	02.06.2022	Director	2	2	Nil
4	**Mereena Paul**	27.03.2025	Managing Director	2	2	15,000

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 have the powers and duties conferred upon it in compliance with the Investment Policy and shall operate under the authority delegated by the Board.

The Investment Committee consists of five (5) Directors, including the Executive & Non-Executive Directors and Investee Nominee Directors. The Chairman of the Investment Committee is the Executive 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 27th June, 2025 and 11th September, 2025. During the Financial Year 2025-26, one (1) meeting of the Investment Committee was held on 02nd March, 2026.

The details regarding the constitution of the Investment Committee along with the attendance recorded in the meetings held during the financial year 2025-26 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.	**Mereena Paul**	24.02.2022	Independent Director (Chairman)	1	1	15,000
2.	**Joy C. Joseph**	05.07.2024	Independent Director	1	1	Nil
3.	**Saleena George**	27.03.2025	Nominee Director	1	1	40,000
4.	**M. G. Ajayan**	02.06.2023	Director	1	1	Nil
5.	**Mark Robert Daniels**	11.09.2025	Nominee Director	1	1	Nil

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, as amended from time to time.

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 27th June, 2025 and 11th September, 2025. During the Financial Year 2025-26, four (4) meetings of the Group Risk Management Committee were held on 27th June, 2025, 11th September, 2025, 21st November, 2025 and 02nd March, 2026.

The details regarding the constitution of the Group Risk Management Committee along with the attendance recorded in the meetings held during the financial year 2025-26 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**	11.09.2025	Nominee Director	2	2	Nil
5.	**Emy Acha Paul**	30.11.2021	Promoter Nominee	4	4	87,500

5. Risk Management Committee

The Risk Management Committee have the powers and duties as prescribed under the RBI Directions and Board approved risk management framework.

The Risk Management Committee consists of three (3) 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 27th June, 2025 and 11th September, 2025. During the Financial Year 2025-26, two (2) meetings of the Risk Management Committee were held on 27th June, 2025 and 21st November, 2025.

The details regarding the constitution of the Risk Management Committee along with the attendance recorded in the meetings held during the financial year 2025-26 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.	**Vikraman Ampalakkat**	27.03.2020	Director (Chairman)	2	2	Nil
2.	**Emy Acha Paul**	30.11.2021	Promoter Nominee	2	2	87,500
3.	**Mark Robert Daniels**	11.09.2025	Nominee Director	1	1	Nil

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) Non-Executive Directors, of which two are

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 2025-26, three (3) meetings of the Corporate Social Responsibility Committee were held on 27th June, 2025, 28th July, 2025 and 11th September, 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 2025-26 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.	**M. G. Ajayan**	13.09.2024	Director (Chairman)	3	3	Nil
2.	**Joy C. Joseph**	13.09.2024	Independent Director	3	3	Nil
3.	**Abraham Thariyan**	13.09.2024	Independent Director	3	3	Nil
4.	**Saleena George**	13.09.2024	Nominee Director	3	3	40,000

General Body Meetings

During the financial year 2025-26, 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**	Thursday, 11th September, 2025	Nil

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 2025-26, 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) and ISIN: INE879Q03011 for the Preference Shares with National Securities Depository Limited (NSDL). 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 2025-26 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 2025-26, 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 2025-26.

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 2025-26, the Board's Report, the Auditor's Report and other documents required to be attached thereto along with the notice convening the 30th 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 30th AGM and the Annual Report for Financial year 2026 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 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

With a promising beginning for the calendar year 2026 with moderate inflation and a stable economic outlook, the world has plunged into geopolitical conflicts and resultant uncertainties. As the Middle East conflict drives sharp energy price fluctuations, global growth is projected to slow to 2.5 percent, with emerging market and developing economies facing the weakest per capita income growth since the pandemic. Risks remain skewed to the downside and include escalating hostilities, further commodity market disruptions due to anticipated impact of El Nino, and additional geopolitical strains, while broader AI adoption offers some upside. Global economic growth for the 2025–26 period has shown resilience amid trade uncertainties, with projections hovering around 3.0% globally, while emerging Asian markets continue to drive primary momentum. Global inflation has continued its downward trend, with headline inflation decreasing from 5.6 per cent in 2023 to an estimated 4.0 per cent in 2024, and a further decline to 3.4 per cent is projected for 2025. This decline is attributed to easing labour market pressures in developed economies and moderating international food and energy commodity prices.

> As conflicts, geopolitical risks, and trade tensions reshape supply chains and the world economy, countries and sectors may increasingly experience distinct drivers of economic growth.

The labour market situation in developing countries remains challenging, with significant variations in the outlook driven by differing economic conditions and policy responses. Some economies have exhibited resilience; in Brazil, for example, unemployment is at a decade low, and employment indicators in India have remained robust. In many developing nations, however, serious employment challenges continue. While the global economic outlook is relatively optimistic, prospects across countries present a mixed picture. As conflicts, geopolitical risks, and trade tensions reshape supply chains and the world economy, countries and sectors

that previously shared common business cycles may increasingly experience distinct drivers of economic growth.

India remains a leading growth engine with robust domestic demand, strong consumption, and sustained expansion of manufacturing sector. India entered the fiscal amid persistent geopolitical tensions and uncertainty around global trade. Despite these external pressures ,real GDP grew by 7.8% in Q1 2026-27. The outcome marked the highest Q1 real GDP growth during the four-year period from 2023-24 to 2026-27. This has been supported by buoyant domestic demand and gains in manufacturing and services.

The International Monetary Fund has also highlighted India's role in the global economy. In July 2026, it described India as one of the world's fastest-growing economies and a key engine of global growth. India's sovereign credit assessment further reflects this confidence. In August 2026, S&P Global Ratings affirmed India's 'BBB/A-2' sovereign ratings with a Stable Outlook. This followed the upgrade of its long-term rating to 'BBB' in 2025, after an 18-year gap. Services were the main growth pillar, with the tertiary sector growing the fastest—9.9% in the last quarter and 9.3% for the full year—driven by strong performances in trade, hotels, transport, and communication 11%. Growth moderated in the agriculture and allied activities sector, reaching 3.6% in the last quarter and 3% for the full fiscal. But this did not translate into weaker rural demand. Strong two-wheeler sales (up 13.2% year over year), tractor sales (up 19.2%), and growth in the FMCG sector (up 4.6% in rural areas versus 3.1% in urban areas) for fiscal 2025 -26 pointed to a healthy rural economy despite softer growth in agricultural GVA. Inflation fell to a multiyear low as food and fuel prices eased, aiding consumer spending. This also resulted in a subdued GDP deflator, keeping nominal GDP growth at 8.9%.

OVERVIEW OF THE INDUSTRY

India's banking sector witnessed increasing profitability and robust credit growth during the fiscal 2025–26, driven by strong domestic economic activity and improving asset quality. Gross Non-Performing Asset (GNPA) ratios for PSBs dropped to 1.93%, and Net Non-Performing Asset (NNPA) ratios declined to 0.39%, reflecting healthier balance sheets across scheduled commercial banks. Small finance banks also maintained comfortable liquidity buffers and healthy capital adequacy ratios (CRAR), with Tier-I capital ratios estimated to stay strong around 19%. The dependency over Microfinance portfolio started steadily improving as most of the Small Finance Banks adapted stringent credit underwriting steps and diversified more into secured portfolio especially Gold Loans. Macro economic conducive factors also helped Small



Finance Banks to improve collection trends. Also secured retail, MSME, and affordable housing segments saw encouraging demand.

Throughout the period under consideration your investee ESAF Small Finance Bank has taken steady steps to diversify it`s portfolio base into secured products along with widening it`s deposit base during the financial year 2025-26. The total deposits of the Bank touched Rs. 25,850 Crore and advances reached Rs. 22,426 Crore with a total customer base crossing a commendable 1 crore mark , serviced through 804 Branches spread across 24 states.

FINANCIAL PERFORMANCE

The standalone net profit of your company decreased to Rs. 15 lakhs in the year 2025-26 from Rs.8.44 Crore in the previous year, mainly due to decrease in the total income to Rs. 3.69 Crore from Rs.22.44 Crore in the previous year. The increased revenue in the previous year 2024-25 is attributed to the Dividend received from the investee company ESAF Small Finance Bank. Whereas in the year 2025-26 the major revenue came from interest on Bonds from your investee company ESAF Small Finance Bank and interest on Fixed deposits. Total expenses of the Company has decreased to Rs.3.12 Crore as against Rs.3.16 Crore in the previous year, mainly on account of reduced provision charges.

With regard to the consolidated financial performance, the net loss of the company decreased to Rs. 152.79 Crore as against Rs.229.67 Crore 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 ESAF Small Finance Bank. The share of loss of the associate company during the year 2025-26 stood at Rs. 93.04 Crore against a net loss of Rs. 265.01 Crore 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 the promoter of ESAF Small Finance Bank, which is a prominent financial institution and Scheduled Commercial Bank in the niche Small 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 31ST MARCH, 2026

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 Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of "M/s. ESAF Financial Holdings Private Limited" (Formerly known as ESAF Microfinance and Investments Private Limited) ("Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss, including Other Comprehensive Income, Statement of changes in equity and the statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2026, and its financial performance for the year ended on that date.



Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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 on the Standalone Ind AS financial statements.

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 31st March 2026. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's 'Report of the Board of Directors' including annexures there to, the Company's 'Annual Report', but does not include the Standalone Ind AS financial statements and our auditors' report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Ind AS 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended.

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 judgment and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the Standalone Ind AS 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.

(b) 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 the Standalone Ind AS financial statements in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the 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 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 Ind AS financial statements including other financial information which reflects the company's share of Profit of Rs. 15.14 lakhs and share of Other Comprehensive Income is NIL for the year ended March 31, 2026, 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 Ind AS 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. 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 dose not have any branches audited by any other auditor.

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

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report.

(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, in our opinion and to the best of our information and according to the explanations given to us:

(1) The Company does not have any pending litigations which would impact its financial position

(2) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(3) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

(4) (i) 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;

(ii) 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

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(5) During the Financial Year 2025-26, the company has declared preference dividend amount of Rs.18,04,850 pertaining to Financial Year 2025-26 and has paid preference dividend of amount Rs.18,04,850 pertaining to Financial Year 2024-25 which is in compliance with section 123(1) of the Act.

(6) As per the proviso of Rule 3(1) of the Companies (Accounts) Rules, 2015 Audit trail is applicable for the company has complied with the stated guidelines.

h) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

A. John Moris
(Partner)
UDIN: 26029424IKTVLE8243
M. No.: 029424

Place: Thrissur
Date: 12-08-2026

Annexure "1"
to the Independent Auditor's Report

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

On the basis of the information and explanation given to us during the course of our audit, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars,

including quantitative details and situation of Property, Plant and Equipment and Right of Use Assets.

(B) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any intangible assets. Accordingly, the provisions of this clause of the Order is not applicable to the company.

(b) Pursuant to the company's programme of verifying fixed assets in a phased manner, physical verification of fixed assets was conducted during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Financial Statements included in Property, Plant and Equipment, according to information and explanations given to us and based on verification of the registered sale deed/Transfer deed/ Conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at Balance Sheet date,

(d) The company has not revalued its Property, Plant, and Equipment during the year. Therefore, the provisions of this clause is not applicable to the company.

(e) 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.

(ii) The Company is a core investment company (CIC) and does not deal with Inventory.

Accordingly, paragraph 3 (ii) of the order is not applicable.

(iii) 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.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the company has not given any loans or provided any guarantee or security as specified under Section 185 of The Companies Act, 2013 and the company has not provided any guarantee or security as specified under Section 186 of The Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder to the extent notified.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Cess and any other statutory dues applicable to it, have generally been regularly deposited by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Cess and any other Statutory dues which have not been deposited as on 31st March, 2026 on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, there is no transaction recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the records of the Company examined by us and the information and explanations given to us, company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;

(b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, there are no funds

raised on short-term basis which have been utilised for long-term purposes.

(e) On an overall examination of Standalone Ind AS Financial Statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate companies.

(x) 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.

(xi) (a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

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

(c) There were no whistle-blower complaints of the company during the year.

(xii) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report under this clause of the order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 as applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.

(xiv) 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.

(xv) According to the information and explanations given to us based on our examination of the record of the company, the company has not entered into any non-cash transactions with directors or persons connected with him as mentioned in Section 192 of the Act.

(xvi) (a) 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.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c) 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..

(xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.

(xviii) There has not been any resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that 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.

(xx) The Company has spent the required amount towards Corporate Social responsibility (CSR) and there are no unspent CSR amounts for the year that had transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Accordingly, reporting under this clause of the Order is not applicable for the year.

(xxi) 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

A. John Moris
(Partner)
UDIN: 26029424IKTVLE8243
M. No.: 029424

Place: Thrissur
Date: 12-08-2026

Annexure "2" to the Independent Auditor's Report

Referred to in paragraph 2 (e) under 'Report on other legal and regulatory requirements' section of our 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 internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Standalone Ind AS financial statements of M/s. ESAF Financial Holdings Private Limited (Formerly known as per ESAF Microfinance and Investments Private Limited) ('the Company') as at and for the year ended 31st March, 2026, we have audited the internal financial controls with reference to the Standalone Ind AS financial statements of the Company as at that date.

Opinion

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of M/s. ESAF Financial Holdings Private Limited (Formerly known as per ESAF Microfinance and Investments Private Limited) ("the Company") as at March 31, 2026, in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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).

Management's responsibility for internal financial controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in 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 control 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 authorisations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of 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.

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

A. John Moris
(Partner)
UDIN: 26029424IKTVLE8243
M. No.: 029424

Place: Thrissur
Date: 12-08-2026

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Notes	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
ASSETS			
Financial Assets			
(a) Cash and Cash Equivalents	3	252.46	233.36
(b) Bank Balances other than (a) above	4	1,814.35	2,014.32
(c) Receivables			
(i) Trade Receivables	5	3.95	0.62
(ii) Other Receivables	6	-	-
(d) Investments	7	29,569.00	29,569.00
(e) Other Financial Assets	8	123.68	124.10
		31,763.44	**31,941.40**
Non Financial Assets			
(a) Deferred Tax Assets(Net)	9	207.49	210.03
(b) Current Tax Assets(Net)	10	15.96	-
(c) Property, Plant and Equipment	11A	691.55	693.97
(d) Right of Use Asset	11B	34.35	5.24
(e) Investment Property	11C	884.67	885.92
(f) Other non-financial assets	12	71.08	51.38
		1,905.10	**1,846.54**
Total Assets		**33,668.54**	**33,787.94**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Payables			
(a) Trade Payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		0.76	-
(b) Borrowings		-	-
(c) Subordinated Liabilities		-	-
(d) Other Financial liabilities	14	34.08	29.88
Total of Financial Liabilities		**34.84**	**29.88**
Non Financial Liabilities			
(a) Income tax liabilities (net)	10	-	159.86
(b) Deferred tax liabilities (net)		-	-
(c) Provisions	15	901.50	901.50
(d) Other Non- Financial Liabilities	16	83.85	45.44
		985.35	**1,106.80**
Equity			
(a) Equity Share capital	17	16,788.16	16,788.16
(b) Other Equity	18	15,860.19	15,863.10
		32,648.35	**32,651.26**
Total Liabilities and Equity		**33,668.54**	**33,787.94**

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. 007220S

A. John Moris
Partner
M.No. 029424

For and on Behalf of the Board

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Abraham Thariyan
Director
DIN:07132831

Rajesh Sreedharan Pillai
Chief Financial Officer

Minu Santhosh
Company Secretary
M.No. A62382

Place: Thrissur
Date: 12/08/2026

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2026

Particulars	Notes	2025-26 (₹ in Lakhs)	2024-25 (₹ in Lakhs)
Revenue from operations			
Interest Income	19	361.35	328.60
Dividend Income	20	-	1,907.84
Rental Income	21	7.40	7.05
Total Revenue from operations		**368.75**	**2,243.49**
Other Income	22	0.73	0.63
TOTAL INCOME		**369.48**	**2,244.12**
Expenses			
Finance costs	23	4.36	0.97
Employee Benefit Expense	24	209.26	186.49
Depreciation and Amortisation	11	7.59	5.17
Other expenses	25	90.74	123.40
TOTAL EXPENSES		**311.95**	**316.03**
Profit before prior period, exceptional items and tax		**57.53**	**1,928.08**
Prior period item		-	-
Profit before tax		**57.53**	**1,928.08**
Tax expense			
Current tax		20.20	502.92
Deferred tax		2.54	(13.05)
Earlier year tax		19.65	594.47
Total Tax expenses		**42.39**	**1,084.34**
Profit or loss for the period from continuing operations		**15.14**	**843.74**
PROFIT OR LOSS FOR THE PERIOD	(A)	**15.14**	**843.74**
OTHER COMPREHENSIVE INCOME			
(A) (i) Items that will not be reclassified to profit or loss			
Acturial Gain/(Loss) due to remeasurement of defined benefit obligation			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
SUBTOTAL		**-**	-
(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			
SUBTOTAL		**-**	-
Other Comprehensive Income	(B)	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(A+B)	**15.14**	**843.74**
Earnings per equity share			
Basic		(0.002)	0.55
Diluted		(0.002)	0.51
Material accounting policies	1-2		
Other notes on accounts	3-37		

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. 007220S

A. John Moris
Partner
M.No. 029424

For and on Behalf of the Board

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Abraham Thariyan
Director
DIN:07132831

Rajesh Sreedharan Pillai
Chief Financial Officer

Minu Santhosh
Company Secretary
M.No. A62382

Place: Thrissur
Date: 12/08/2026

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2026

Notes	Particulars	2025-26 (₹ in Lakhs)	2024-25 (₹ in Lakhs)
A.	**Cash flow from operating activities**		
	Net profit after tax	**15.14**	**843.74**
	Adjustments for:		
	Depreciation and amortisation	7.59	5.17
	Finance Costs	4.36	0.97
	Assets written off	2.77	-
	Provision for Income tax	39.85	502.92
	Operating profit before working capital changes	**69.71**	**1,352.80**
	Adjustments for (increase) / decrease in operating assets:		
	(Increase)/decrease in Trade Receivables , Other financial assets and Non-financial assets	(110.32)	(30.66)
	(Increase)/Decrease in Investment in Fixed Deposits	254.06	(1,494.06)
	Adjustments for increase / (decrease) in operating liabilities:		
	Increase or (Decrease) in Trade Payables, Other financial liabilities, Other non-financial liabilities and Provision	9.71	(207.56)
	Cash generated from/(used in) operations	**223.16**	**(379.48)**
	Income taxes paid	(179.52)	(502.92)
	Net cash from operating activities	**43.64**	**(882.41)**
B.	**Cash flow from investing activities**		
	Purchase of Property, Plant and Equipment	(2.13)	(4.33)
	Net cash used in/(generated from) investing activities	**(2.13)**	**(4.33)**
C.	**Cash flow from financing acivities**		
	Interest paid	(4.36)	(0.97)
	Dividend and Dividend Tax Paid	(18.05)	(18.05)
	Net cash from financing activities	**(22.41)**	**(19.02)**
	Net increase in cash and cash equivalents	**19.10**	**(905.75)**
	Opening Cash and cash equivalents	**233.36**	**1,139.11**
	Closing Cash and cash equivalents	**252.46**	**233.36**

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. 007220S

A. John Moris
Partner
M.No. 029424

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Rajesh Sreedharan Pillai
Chief Financial Officer

Place: Thrissur
Date: 12/08/2026

Abraham Thariyan
Director
DIN:07132831

Minu Santhosh
Company Secretary
M.No. A62382

3. Cash and Cash Equivalent

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Cash on hand	0.24	0.05
Balances with Bank	-	-
- In current accounts	-	-
Domestic	202.22	233.31
- In deposits (with maturity period less than 3 months)	50.00	-
Total	**252.46**	**233.36**

4. Other bank balance

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Other Bank Balance		
- in deposit accounts		
- Fixed Deposit with bank with more than 3 months but less than 12 months maturity	1,750.00	1,604.06
- Fixed Deposit with bank with more than 12 months maturity	-	400.00
Cash and bank balance not available for immediate use	-	-
Interest accrued on fixed deposit	64.35	10.26
Total	**1,814.35**	**2,014.32**

5. Trade Receivables

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
I Receivables considered good- secured	**3.95**	**0.62**
Less: Allowance for impairment loss	-	-
II Receivables considered good- unsecured	-	-
Less: Allowance for impairment loss	-	-
III Receivables which have significant increase in credit risk	-	-
Less: Allowance for impairment loss	-	-
IV Receivables - credit impaired	-	-
Less: Allowance for impairment loss	-	-
Total	**3.95**	**0.62**

6. Other receivables

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
I Receivables considered good- secured.	-	-
Less: Allowance for impairment loss	-	-
II Receivables considered good- unsecured	-	-
Less: Allowance for impairment loss	-	-
III Receivables which have significant increase in credit risk	-	-
Less: Allowance for impairment loss	-	-
IV Receivables - credit impaired	-	-
Less: Allowance for impairment loss	-	-
Total	**-**	**-**

7. Investments

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Investments measured at Cost:		
In Associate :-		
In Equity Shares - quoted		
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
In Debt securites - Unquoted		
20 Bonds of ₹ 1,00,00,000/- each fully paid-up in M/s ESAF Small finance Bank Limited.	2,000.00	2,000.00
Total	**29,569.00**	**29,569.00**

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Out of above:		
Investments outside India	-	-
Investments in India	29,569.00	29,569.00
Total	**29,569.00**	**29,569.00**

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Quoted/Unquoted Investments:		
Aggregate amount of Quoted Investments	27,569.00	27,569.00
Aggregate amount of Unquoted Investments	2,000.00	2,000.00
Total	**29,569.00**	**29,569.00**

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Category Wise Investment:		
Financial asset measured at cost	29,569.00	29,569.00
Financial assets measured at fair value through profit and loss	-	-
Total	**29,569.00**	**29,569.00**

8. Other Financial Assets

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
(Unsecured, Considered good)		
(a) Deposits	123.68	123.68
(b) Salary Advance	-	0.42
Total	**123.68**	**124.10**

10. Current Tax Assset / (Liability)

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Advance Tax paid	-	119.00
Tax deducted at source	36.13	224.06
Tax collected at source	0.03	-
Total(A)	**36.16**	**343.06**
Provision for Tax	20.20	502.92
Current Tax liabilities/(Assets)		
Total(B)	**20.20**	**502.92**
Total(A-B)	**15.96**	**(159.86)**

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Note 11A: Property Plant and Equipment

As at 31st Mar, 2026

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2025	Additions	Disposals	**Balance as at 31 March, 2026**	Balance as at 1 April, 2025	Depreciation for the year	Deletions	**Balance as at 31 March, 2026**	**Balance as at 31 March, 2026**	Balance as at 31 March, 2025
Land	640.89			640.89	-	-	-	-	640.89	640.89
Buildings	59.54	-	-	59.54	16.63	0.86		17.49	42.05	42.91
Furniture and Fittings	4.44			4.44	0.60	0.42		1.02	3.41	3.83
Vehicles	47.78		2.77	45.01	41.79	-	-	41.79	3.22	5.99
Computer and Accessories	6.34	1.55		7.89	5.98	0.52		6.50	1.39	0.36
Office Equipments	-	0.58	-	0.58	-	0.00		0.00	0.58	-
Total	**758.99**	**2.13**	**2.77**	**758.35**	**65.00**	**1.80**	**-**	**66.80**	**691.55**	**693.97**
Previous Year	**754.65**	**4.33**	**-**	**758.98**	**63.58**	**1.42**	**-**	**65.00**	**693.97**	**691.07**

As at 31st Mar, 2025

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2024	Additions	Disposals	**Balance as at 31 March, 2025**	Balance as at 1 April, 2024	Depreciation for the year	Deletions	**Balance as at 31 March, 2025**	**Balance as at 31 March, 2025**	Balance as at 31 March, 2024
Land	640.89	-	-	640.89	-	-	-	-	640.89	640.89
Buildings	59.54	-	-	59.54	15.77	0.86	-	16.63	42.91	43.76
Furniture and Fittings	0.63	3.81	-	4.44	0.38	0.22	-	0.60	3.83	0.24
Vehicles	47.78	-	-	47.78	41.79	-	-	41.79	5.99	5.99
Computer and Accessories	5.82	0.52	-	6.34	5.63	0.35	-	5.98	0.36	0.19
Total	**754.65**	**4.33**	**-**	**758.98**	**63.58**	**1.42**	**-**	**65.00**	**693.97**	**691.07**
Previous Year	**(1,692.28)**	**(0.45)**	**-**	**(1,692.73)**	**(101.58)**	**(5.18)**	**-**	**(106.76)**	**(1,585.97)**	**(1,590.70)**

Note 11B: Right of Use Asset

As at 31st Mar, 2026

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2025	Additions	Disposals	**Balance as at 31 March, 2026**	Balance as at 1 April, 2025	Depreciation for the year	Deletions	**Balance as at 31 March, 2026**	**Balance as at 31 March, 2026**	Balance as at 31 March, 2025
Building	37.65	33.66		71.31	32.41	4.55		36.96	34.35	5.24
Total	**37.65**	**33.66**	**-**	**71.31**	**32.41**	**4.55**	**-**	**36.96**	**34.35**	**5.24**
Previous Year	**37.65**	**-**	**-**	**37.65**	**29.90**	**2.51**	**-**	**32.41**	**5.24**	**7.74**

As at 31st Mar, 2025

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2024	Additions	Disposals	**Balance as at 31 March, 2025**	Balance as at 1 April, 2024	Depreciation for the year	Deletions	**Balance as at 31 March, 2025**	**Balance as at 31 March, 2025**	Balance as at 31 March, 2024
Building	37.65	-	-	37.65	29.90	2.51	-	32.41	5.24	7.74
Total	**37.65**	**-**	**-**	**37.65**	**29.90**	**2.51**	**-**	**32.41**	**5.24**	**7.74**
Previous Year	**37.65**	**-**	**-**	**37.65**	**27.40**	**2.51**	**-**	**29.90**	**7.74**	**10.25**

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Note 11C: Investment property

As at 31st Mar, 2026

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2025	Additions	Disposals	**Balance as at 31 March, 2026**	Balance as at 1 April, 2025	Depreciation for the year	Deletions	**Balance as at 31 March, 2026**	**Balance as at 31 March, 2026**	Balance as at 31 March, 2025
Land	823.53			823.53	-	-	-	-	823.53	823.53
Building	76.90	-		76.90	14.52	1.24		15.76	61.14	62.38
Total	**900.43**	**-**	**-**	**900.43**	**14.52**	**1.24**	**-**	**15.76**	**884.67**	**885.92**
Previous Year	**900.54**	**-**	**-**	**900.54**	**13.27**	**1.24**	**-**	**14.52**	**886.03**	**887.27**

As at 31st Mar, 2025

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2024	Additions	Disposals	**Balance as at 31 March, 2025**	Balance as at 1 April, 2024	Depreciation for the year	Deletions	**Balance as at 31 March, 2025**	**Balance as at 31 March, 2025**	Balance as at 31 March, 2024
Land	823.53	-	-	823.53	-	-	-	-	823.53	823.53
Building	76.90	-	-	76.90	13.27	1.24	-	14.52	62.38	63.63
Total	**900.43**	**-**	**-**	**900.43**	**13.27**	**1.24**	**-**	**14.52**	**885.92**	**887.16**
Previous Year	**900.54**	**-**	**-**	**900.54**	**12.03**	**1.24**		**13.27**	**887.16**	

12. Other Non Financial Assets

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
(a) Prepaid expenses	**0.98**	**0.79**
(b) Balances with Government authorities	28.40	25.58
(c) Compensated Leave Salary Assets	10.31	9.58
(d) Other Current Assets	31.39	15.44
(e) IEPF Asset/(Liability) Net	-	-
Total	**71.08**	**51.38**

13. Trade Payable

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ 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	0.76	-
Total	**0.76**	**-**

14 Other Financial Liabilities

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
(a) Matured Non Convertible Debentures and Interest accrued thereon	-	4.75
(b) Others	7.85	7.71
(c) Employee Benefit Payable	26.23	17.42
Total	**34.08**	**29.88**

15 Provisions

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
(i) Provision for compensated absences	6.09	6.09
(ii) Provision for 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	872.00
Total	**901.50**	**901.50**

16 Other Non- Financial Liabilities

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Other payables		
(i) Statutory remittances	22.37	19.84
(ii) Lease Liability	37.63	6.69
(iii) Other liabilities	23.85	18.91
Total	**83.85**	**45.44**

17 Equity Share Capital

	Particulars	**As at Mar 31, 2026**		As at Mar 31, 2025	
		No. of shares	**Amount (₹ in Lakhs)**	No. of shares	Amount (₹ in Lakhs)
I	**Authorised share capital:**				
	Equity shares of ₹ 10/- each	19,00,00,000	19,000.00	19,00,00,000	19,000.00
	Preference shares of ₹100/- each	60,00,000	6,000.00	60,00,000	6,000.00
	Issued, subscribed and fully paid-up capital				
	Equity shares of ₹10/- each	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
	TOTAL	**15,16,37,946**	**16,788.16**	**15,16,37,946**	**16,788.16**

II **Reconciliation of Shares outstanding at the beginning and at the end of the year**

	Particulars	**As at Mar 31, 2026**		As at Mar 31, 2025	
		No. of shares	**Amount (₹ in Lakhs)**	No. of shares	Amount (₹ in Lakhs)
	Equity shares outstanding at the beginning of the year	15,16,37,946	16,788.16	15,16,37,946	16,788.16
	Issued during the year as fully paid up on conversion	-	-	-	-
	Convertion of CCPS into Equity Shares	-	-	-	-
	Buy back of shares	-	-	-	-
	Equity shares outstanding at the end of the year	**15,16,37,946**	**16,788.16**	**15,16,37,946**	**16,788.16**

III **Rights, Preferences and Restrictions attached to 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 2026, 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. Compulsory Convertible preference shares

(i) The company has converted 95,000 CCPS of ₹ 100/- each attracting dividend at 10% into 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 29.03.2021 has changed the terms of balance 18,04,850 CCPS of ₹100/- each attracting 1% dividend this will be compulsory convertable 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, 2026		As at Mar 31, 2025	
		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	74.03%	11,09,20,372	74.03%
	Dia Vikas Capital Private Limited*	2,99,51,536	19.99%	2,99,51,536	19.99%
	TOTAL	**14,08,71,908**	**94.02%**	**14,08,71,908**	**94.02%**

18 Other Equity

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Other Reserves		
General reserve		
Balance at the beginning of the year	3,347.58	3,178.83
Add : transferred from statement of profit and loss	3.03	168.75
Balance at the end of the year	3,350.61	3,347.58
Security premium reserve		
Balance at the beginning of the year	6,363.89	6,363.89
Addition during the year		
Balance at the end of the year	**6,363.89**	**6,363.89**
Capital redemption reserve		
Balance at the beginning of the year	392.80	392.80
Addition during the year	-	-
Balance at the end of the year	**392.80**	**392.80**
Retained Earnings		
Profit and loss account		
Balance at the beginning of the year	5,758.83	5,101.89
Add: Profit for the year	15.14	843.74
Less: Transferred to General Reserve	(3.03)	(168.75)
Balance at the end of the year	**5,770.94**	**5,776.88**
Less: Appropriation		
(a) General Reserve	-	-
(b) Preference Dividend	18.05	18.05
(c) Tax on dividend	-	-
	18.05	18.05
Remeasurement of defined benefit liability		
Balance at the beginning of the year	-	-
Current year OCI income	-	-
Balance at the end of the year	**-**	**-**
Total other Equity	**15,860.19**	**15,863.10**

Note 18.1 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 ₹ 3.03/-(Previous year ₹ 168.75/-), out of profit after tax for the year to the statutory reserve.

Note 18.2 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.

19. Interest Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Interest Income from Debentures	225.00	225.00
Interest income on Fixed Deposits	136.35	103.60
Total	**361.35**	**328.60**

20. Dividend Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Dividend from Associate	-	1,907.84
Total	**-**	**1,907.84**

21. Rental Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Rent Received	7.40	7.05
Total	**7.40**	**7.05**

22. Other Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Interest on LIC Policy	0.73	0.63
Income from Plan Assets	-	-
Interest Income on Security Deposit	-	-
Total	**0.73**	**0.63**

23. Finance Cost

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
(a) Interest expense on:		
(i) Interest on Lease Liability	4.36	0.97
(ii) Interest on CCPS Debt component	-	-
Total	**4.36**	**0.97**

24. Employee Benefit Expense

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Salaries, Wages and Bonus	204.22	183.04
Contributions to provident and other funds	1.62	1.28
Staff welfare expenses	3.42	2.18
Total	**209.26**	**186.49**

25. Other expenses

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
CSR expenses	25.00	20.00
Travelling and conveyance	13.73	9.24
Vehicle Maintenance	11.83	10.98
Legal and professional	10.34	6.79
Directors Sitting Fee	6.80	8.20
Payments to auditors	6.67	6.33
Rates and Taxes	4.50	4.54
Assets Written Off	2.77	-
Repairs and Maintenance	2.07	0.67
Printing and stationery	1.96	1.48
Electricity and Water Charges	1.56	0.27
Insurance	1.27	1.45
Office Maintenance & Meeting expenses	1.04	0.50
Other Expenses	0.87	0.83
Books and Periodicals	0.18	-
Telephone and Internet expenses	0.14	0.10
Bank Charges	0.01	0.01
Provision for service tax	-	52.00
Total	**90.74**	**123.40**

Note 26 Additional information to the financial statements

26.1 Payment to Auditors comprise of

Particulars	For the year ended 31 March 2026 (₹ in Lakhs)	For the year ended 31 March 2025 (₹ in Lakhs)
Statutory audit fee	5.00	5.00
Other certification fee	-	-
Out of pocket expenses	1.67	1.33
TOTAL	**6.67**	**6.33**

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

Particulars	For the year ended 31 March 2026 (₹ in Lakhs)	For the year ended 31 March 2025 (₹ in Lakhs)
i. Contingent liabilities		
(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. 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
(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

Note: The company had received a order relating to the period 2016-17 from the Service Tax Authorities. 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).

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 2026 (₹ in Lakhs)**	For the year ended 31 March 2025 (₹ 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.

26.4 Expenditure in foreign currency (accrual basis) - NIL

Income in foreign currency - NIL

26.5 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, 2026 Projects related to FY 2025-26 (₹ in Lakhs)**	As on March 31, 2025 Projects related to FY 2024-25 (₹ in Lakhs)
(a) Gross amount required to be spent by the company during the period as per Sec 135 of Companies Act, 2013	24.74	19.67
(b) Excess Amount spent in previous year	0.33	-
(c)Gross amount required to be spent by the company during the period after adjustment, if any (a)-(b)	24.41	19.67
(d) Amount spent during the period ended on March 31, 2026:		
i) Construction / acquisition of any asset	25.00	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, 2026	0.59	0.33
(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, 2026	-	-
(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 Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.		
i) Trust Name	Prachodhan Development Services	Prachodhan Development Services

Particulars	**As on March 31, 2026 Projects related to FY 2025-26 (₹ in Lakhs)**	As on March 31, 2025 Projects related to FY 2024-25 (₹ in Lakhs)
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promoting Health care including preventive healthcare d) Promotion of Health care and Women empowerment	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promoting Health care including preventive healthcare d) Promotion of Health care and Women empowerment

Note 27 As per Ind AS 19 "Employee benefits", the disclosures as defined are given below:

27.1 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. 1.55/-Lakhs (Year ended 31 March 2025,Rs. 1.20/-Lakhs) for Provident Fund contributions and Rs.Nil/-

(Year ended 31 March, 2025 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. The Company offers Gratuity benefit to its employees:

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:

(i) Reconciliation of Defined Benefit Obligation (DBO)

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Present Value of DBO at the start of the year	34.03	32.61
Service Cost		
a. Current Service Cost	2.08	0.74
b. Past Service Cost	5.54	-
c. Loss/ (Gain) from Settlement	-	-
Interest Cost	2.18	2.28
Benefits Paid	-	-
Re-measurements	-	-
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/ (Gain) from changes in financial assumptions	(0.35)	0.76
c. Actuarial Loss/ (Gain) from experience over the past year	(2.28)	(2.36)
Effect of acquisition/ (divestiture)	-	-
Transfer In/ (Out)	-	-
Changes in foreign exchange rates	-	-
Present Value of DBO at the end of the year	**41.20**	**34.03**

(ii) Reconciliation of Fair Value of Plan Assets

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Fair Value of Plan Assets at the start of the year	138.26	129.51
Interest Income on Plan Assets	8.84	9.06
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	0.91	(0.31)
Fair Value of Plan Assets at the end of the year	148.01	138.26
Actual Return on Plan Assets	9.75	8.75
Expected Employer Contribution for the next year	-	-

(iii) Reconciliation of Asset ceiling

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Assets ceiling at the start of the year	72.21	59.11
Interest Cost on Assets ceiling	4.62	4.14
Re-measurements	-	-

Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	6.38	8.96
Assets ceiling at the end of the year	**83.21**	**72.21**

(iv) Expenses recognised in the Profit and Loss Account

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Service Cost		
a. Current Service Cost	2.08	0.74
b. Past Service Cost	5.54	-
c. Loss/ (Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(2.04)	(2.64)
Employer Expenses	**5.58**	**(1.90)**

(v) Net Liability/ (Asset) recognised in the Balance Sheet

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Present Value of DBO	41.20	34.03
Fair Value of Plan Assets	148.01	138.26
Liability/ (Asset)	(106.81)	(104.23)
Funded Status [Surplus/ (Deficit)]	**106.81**	**104.23**
Less: Amounts not recognised as an asset [Effect of limiting net assets to asset ceiling]	83.21	72.21
Net (Liability)/ Asset recognised in the Balance Sheet	**23.60**	**32.02**
Of which, Short-term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	(2.28)	(2.36)

(vi) Percentage Break-down of Total Plan Assets

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Government bonds	0%	0%
PSU bonds	0%	0%
Insurer managed funds* (Non Unit -Linked)	98%	98%
Cash and cash equivalents	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.

(vii) Actuarial Assumptions - Gratuity

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Discount Rate	6.60%	6.40%
Salary escalation	10%	10%
Attrition rate	5%	5%
Expected return on plan assets	6.4%	7%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	5 years	4 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.

(viii) Movement in Other Comprehensive Income

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Balance at the start of the year [(Loss)/ Gain]	-	-
Re-measurements on DBO		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions		
b. Actuarial (Loss)/ Gain from changes in financial assumptions	0.35	(0.76)
c. Actuarial (Loss)/ Gain from experience over the past year	2.28	2.36
Re-measurements on Plan Assets	-	-
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	0.91	(0.31)
Re-measurements on Asset Ceiling	-	-
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(6.38)	(8.96)
Balance at the end of the year [(Loss)/ Gain]	**(2.84)**	**(7.67)**

(ix) Sensitivity Analysis

As at March 31, 2026	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 71	DBO decreases by Rs 63
Discount Rate	DBO decreases by Rs 64	DBO increases by Rs 74
Withdrawal Rate	DBO decreases by Rs 14	DBO increases by Rs 15

Mortality (increase in expected lifetime by 1 year)	Negligible change
Mortality (increase in expected lifetime by 3 year)	DBO increases by Rs 1

As at March 31, 2025	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 100	DBO decreases by Rs 90
Discount Rate	DBO decreases by Rs 124	DBO increases by Rs 137
Withdrawal Rate	DBO decreases by Rs 16	DBO increases by Rs 18

Mortality (increase in expected lifetime by 1 year)	Negligible change
Mortality (increase in expected lifetime by 3 year)	DBO increases by Rs 1

viii) Movement in Other Comprehensive Income

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Net (Liability)/ Asset at the start of the year	32.02	37.79
Net Transfer (In)/ Out	-	-
Movement during the year	-	-
Current Service Cost	(2.08)	(0.74)
Past Service Cost	(5.54)	-
Net Interest on net DBO	2.04	2.64
Re-measurements [(Loss)/ Gain]	(2.84)	(7.67)
Employer's contribution	-	-
Net (Liability)/ Asset at the end of the year	**23.60**	**32.02**

Acturial Assumptions - Long Term Compensated absences

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Discount rate	6.60%	6.40%
Expected return on plan assets	6.4%	7%
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.

27.2 Segment Reporting:-

The Company does not have any business segments as at 31 March 2026 and 31 March 31 2025. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per Ind AS-108 "Segmental Reporting"

28 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		**2025-26 (₹ in Lakhs)**	2024-25 (₹ in Lakhs)
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(2.91)	825.69
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	14,98,33,096	14,98,33,096
Basic earnings per equity share (₹)	**A / B**	**(0.002)**	**0.55**
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**(2.91)**	**825.69**
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	**(2.91)**	**825.69**
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	**14,98,33,096**	**14,98,33,096**
Add : Shares deemed to be issued for no consideration in respect of :	E	**1,20,32,333**	**1,20,32,333**
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	**16,18,65,429**	**16,18,65,429**
Diluted earnings per equity share (₹)		**(0.002)**	**0.51**
Diluted earnings per equity share (considering Antidilution) (`)		**(0.002)**	**0.51**
Face value per equity share (₹)		10.00	10.00

29 Disclosure pursuant to Ind AS 12- "Income Taxes"

The major components of Income Tax expense for years ended 31 March 2026 and 31 March 2025 are:

Particulars		As at 31 March, 2026 (₹ in Lakhs)	As at 31 March, 2025 (₹ in Lakhs)
Current income Tax :			
Current income tax charge		20.20	502.92
Adjustments of current tax of previous year		-	-
	(A)	**20.20**	**502.92**
Deferred Tax			
Relating to origination and reversal of temporary differences		2.54	-13.05
Relating to rate change or imposition of new taxes			
Arising due to a write down of a deferred tax asset			
	(B)	**2.54**	**-13.05**
Earlier Tax	**(C)**	**19.65**	**594.47**
Income tax reported in the statement of profit and loss (A+B+C)		**42.39**	**1,084.34**

30 Events occurring after the reporting period

The financial statements were approved by the Board of Directors on 12/08/2026 and there are no significant events occurring after Balance sheet date.

31 Investor Education and Protection Fund

The Company has transferred Rs.4.35/-lakhs to Investor Education and Protection Fund . The Company fully transferred the matured non-convertible debentures and interest accrued thereon to IEPF upon completion of 7 years from the date of its maturity.

32 Provision

Provision has been created for a Nil amount in the current year and Rs.52.00/- in the previous year respect of Contingencies-Service Tax- Liability.

33 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 informtion available with the Company, as at the year end, no vendors are classified as MSMED..

34 Disclosure of Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a) List of related parties

Details of related parties:	
Entities having significant influence	
• Dia Vikas Capital Private Limited	• Prachodhan Development Services
• ESAF Swasraya Multistate Agro Co-operative Society Limited	• Cedar Livelihood Private Limited
Key Management Personnel (KMP)	
Managing Director	Mrs. Mereena Paul
Chief Financial Office	Mr. Rajesh Sreedharan Pillai
Company Secretary	Mrs. Minu Santhosh
Relatives of KMP	
Mrs. Emy Acha Paul, daughter of Mrs. Mereena Paul	
Associate Company	
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	**2025-26 (₹ in Lakhs)**	2024-25 (₹ in Lakhs)
1	Remuneration to KMP	Mrs. Mereena Paul	135.40	123.09
2	Remuneration to KMP	Mr. Krishnasadan Krishnakumar	-	0.11
3	Remuneration to KMP	Mr. P V Antony	-	7.90
4	Remuneration to KMP	Mrs. Minu Santhosh	9.81	11.51
5	Remuneration to KMP	Mr. Rajesh Sreedharan Pillai	43.59	27.87
6	Sitting fee paid	Mrs. Emy Acha Paul	1.00	1.20
7	Rent received	ESAF Swasraya Multistate Agro Co-operative Society Limited	3.78	3.60
8	Interest Income on FD	Esaf Small Finance Bank Limited	136.35	103.60
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	(31.04)	(955.11)
12	Rent received	Cedar Livelihood Private Limited	1.76	1.67
13	Security Deposit -received	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	-	12.50
14	Investments in time Deposit (net)	ESAF Small Finance Bank Ltd	(204.06)	1,494.06
15	CSR Expenses	Prachodhan Development Services	25.00	20.00

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

Sl. No.	Particulars	Related Party	**Amounts due (to)/from 31st, Mar, 2026 (₹ in Lakhs)**	Amounts due (to)/from 31st, Mar, 2025 (₹ in Lakhs)
1	Other Current Liabilities	Mrs. Mereena Paul	19.30	14.36
2	Rent Deposit	Mrs. Mereena Paul	0.50	0.50
3	Security Deposit	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	-	-
4	Investments in Bonds and debentures	ESAF Small Finance Bank Ltd	2,000.00	2,000.00
5	Rent Receivable	Cedar Livelihood Private Limited	2.07	-
6	Rent Receivable	ESAF Swasraya Multistate Agro Co-operative Society Limited	0.38	-
7	Investments in Equity shares	ESAF Small Finance Bank Ltd	27,569.00	27,569.00
8	Time deposit	ESAF Small Finance Bank Ltd	1,750.00	400.00
9	Balance with Bank Accounts	ESAF Small Finance Bank Ltd	134.51	165.55

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) 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, 2026, the company has not recorded any impairment of receivables relating to amounts owned by related parties

(March 31, 2025 : 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.

9 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, 2026 (₹ in Lakhs)**	As at 31 March, 2025 (₹ in Lakhs)
(Deferred tax liablities)		
With regard to timing differences on Taxable temporary Difference (TTD)		
Property Plant and Equipment	(7.59)	(8.25)
Right on use Asset	(8.64)	(0.20)
Investment property	(11.04)	(11.23)
Total deferred tax liablities	**(27.27)**	**(19.67)**
(Deferred tax assets)		
With regard to timing difference on Deductible Taxable Difference (DTD)		
Provision for compensated absences	1.53	1.58
Provision for other Advances	-	1.39
Provision for Service Tax	219.46	226.72
Provision for Employee benefit	4.30	-
Lease Liability	9.47	-
Total deferred tax assets	**234.76**	**229.70**
Deferred tax assets	**207.49**	**210.03**

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Note 35 Disclosures in accordance with RBI Norms

(i) Composition of the Board

Sl. No.	Name of Director	Director since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	**Mereena Paul**	09/03/17	Chairperson & Managing Director	2228087	5	5	1	1,35,40,389	-	-	15,000 equity shares
2	**Abraham Thariyan**	08/09/21	Non-Executive Independent Director	7132831	5	5	1	-	1.00	-	Nil
3	**Vikraman Ampalakkat**	30/11/21	Non-Executive Director	1978341	5	5	0	-	1.00	-	Nil
4	**Emy Acha Paul**	30/11/21	Non-Executive Promoter Nominee	7434054	5	5	7	-	1.00	-	87,500 equity shares
5	**M. G. Ajayan**	01/12/22	Non-Executive Director	9782416	5	4	1	-	0.80	-	Nil
6	**Joy C. Joseph**	02/06/23	Non-Executive Independent Director	5221046	5	5	2	-	1.00	-	Nil
7	**Saleena George**	25/08/23	Non-Executive Nominee Director	10269640	5	5	0	-	1.00	-	40,000 equity shares
8	**Arpita Pal Agrawal***	06/07/24	Non-Executive Nominee Director	8588528	0	0	5	-	-	-	Nil
9	**Saurabh Baroi****	27/06/25	Non-Executive Nominee Director	2723687	2	2	1	-	0.40	-	Nil
10	**Mark Robert Daniels*****	11/09/25	Non-Executive Nominee Director	2400806	3	3	3	-	0.60	-	Nil

* Arpita Pal Agrawal ceased to be the director with effect from close of business hours on 06th May, 2025.
** Saurabh Baroi was appointed with effect from 27th June, 2025 up to 30th August, 2025.
*** Mark Robert Daniels was appointed with effect from 11th September, 2025.

(ii) Details of change in composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent)	Nature of change (resignation, appointment)	Effective date
1	**Joy C. Joseph**	Independent Director	Re-appointment	02nd June, 2026
2	**Anjani Kumar Bansal**	Nominee Director	Appointment	20th May, 2026
3	**Mark Robert Daniels**	Nominee Director	Resignation	13th June, 2026
4	**Mark Robert Daniels**	Nominee Director	Appointment	11th September, 2025
5	**Saurabh Baroi**	Nominee Director	Resignation	30th August, 2025
6	**Saurabh Baroi**	Nominee Director	Appointment	27th June, 2025
7	**Arpita Pal Agrawal**	Nominee Director	Resignation	06th May, 2025

(iii) Committees of the Board and their composition

1. Audit Committee

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	**Abraham Thariyan**	08.09.2021	Independent Director (Chairman)	4	4	Nil
2	**Joy C. Joseph**	02.06.2023	Independent Director	4	4	Nil
3	**Vikraman Ampalakkat**	07.10.2008	Director	4	4	Nil
4	**Saleena George**	27.03.2025	Nominee Director	-	-	40,000

2. Nomination & Remuneration Committee

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	**Joy C. Joseph**	02.06.2023	Independent Director (Chairman)	2	2	Nil
2	**Abraham Thariyan**	08.09.2021	Independent Director	2	2	Nil
3	**M. G. Ajayan**	02.06.2022	Director	2	2	Nil
4	**Mereena Paul**	27.03.2025	Managing Director	2	2	15,000

3. Investment Committee

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	**Joy C. Joseph**	05.07.2024	Independent Director	1	1	Nil
3	**Saleena George**	27.03.2025	Nominee Director	1	1	40,000
4	**M. G. Ajayan**	02.06.2023	Director	1	1	Nil
5	**Mark Robert Daniels**	11.09.2025	Nominee Director	1	1	Nil

4. Group Risk Management Committee

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	**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**	11.09.2025	Nominee Director	2	2	Nil
5	**Emy Acha Paul**	30.11.2021	Promoter Nominee	4	4	87,500

5. Risk Management Committee

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	**Vikraman Ampalakkat**	27.03.2020	Director(Chairman)	2	2	Nil
2	**Emy Acha Paul**	30.11.2021	Promoter Nominee	2	2	87,500
3	**Mark Robert Daniels**	11.09.2025	Nominee Director	1	1	Nil

6. Corporate Social Responsibility Committee

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)	3	3	Nil
2	**Joy C. Joseph**	13.09.2024	Independent Director	3	3	Nil
3	**Abraham Thariyan**	13.09.2024	Independent Director	3	3	Nil
4	**Saleena George**	13.09.2024	Nominee Director	3	3	40,000

(iv) General body meetings

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	**Annual General Meeting**	Thursday, 11th September, 2025	Nil

35.1 Capital to Risk Assets Ratio (CRAR)

Particulars	As at 31 March 2026	As at 31 March 2025
(i) CRAR (%)	109.02%	160.21%
(ii) CRAR - Tier I capital (%)	109.02%	160.21%
(iii) CRAR - Tier II Capital (%)	-	-
(iv) Amount of subordinated debt raised as Tier II capital (` in Crore)	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

35.2 Investments

Particulars	As at 31 March 2026 (₹ in Lakhs)	As at 31 March 2025 (₹ in Lakhs)
1 Value of investments		
(i) Gross value of investments		
(a) In India	29,569.00	29,569.00
(b) Outside India	-	-
(ii) Provision for diminution		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		

Particulars	As at 31 March 2026 (₹ in Lakhs)	As at 31 March 2025 (₹ in Lakhs)
(a) In India	29,569.00	29,569.00
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on investments		
(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

35.3 Derivatives

The Company has no transactions/exposure in derivatives for the year ended 31 March 2026 and 31 March 2025.

The Company has no unhedged foreign currency exposure as on 31 March 2026 and 31 March 2025

35.4 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.

35.5 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.

35.6 Details of Assignment transactions undertaken

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

35.7 Details of non-performing financial assets purchased/ sold

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

35.8 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 2026 and 31 March 2025.

(ii) Exposure to Capital Market

	Particulars	As at 31 March 2026 (₹ in Lakhs)	As at 31 March 2025 (₹ 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	56,128.11	66,856.12
(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)		-
	Total Exposure to Capital Market	**56,128.11**	**66,856.12**

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

35.10 Details of financing of parent company products

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

35.11 During the year ended 31 March, 2026 and 31 March, 2025, there are no unsecured advances for which intangible securities like rights, licences, authority etc. has been taken as collateral by the Company

35.12 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

35.13 Disclosure of Penalties issued by RBI and other regulators

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

35.14 Concentration of Deposits, Advances, Exposures and NPAs

There are no exposures of Deposits,Advances,Exposures and NPA s as at 31st March 2026 & 31st March 2025.

35.15 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.

35.16 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.

35.17 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

35.18 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.

35.19 Disclosure of Customer Complaints

Particulars	**31-Mar-26**	31-Mar-25
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.

35.20 Details of Overseas Assets - Nil (Previous Year-Nil)

35.21 Sponsored SPVs - Nil (Previous Year-Nil)

35.22 Disclosure of details as required under Master Direction- Core Investments Companies (Reserve Bank) Direction, 2025.

(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, 2026 **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
Total	**-**	**-**	**29,569**

As at March 31, 2025 **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
Total	**-**	**-**	**29,569**

35.23 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, 2026

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, 2025

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

(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)	-	-
(f) Other Loans (specify nature)	-	-

* Please see Note 1 below

2. Assets side:

	As at 31 March 2026 (₹ in Lakhs)	As at 31 March 2025 (₹ in Lakhs)
Break-up of Loans and Advances including bills receivables (other than those included in (4) below:		
(a) Secured	-	-
(b) Unsecured	-	-

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

	As at 31 March 2026 (₹ in Lakhs)	As at 31 March 2025 (₹ in Lakhs)
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

4. Break-up of Investments

	As at 31 March 2026 (₹ in Lakhs)	As at 31 March 2025 (₹ 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)		
Long Term Investments:	**-**	**-**
1. Quoted :		
(i) Shares (a) Equity	56,128.11	66,856.12
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-

	As at 31 March 2026 (₹ in Lakhs)	As at 31 March 2025 (₹ in Lakhs)
(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 2026 by taking the price of 30th March 2026 quoted at exchange of Rs. 19.86 per share and debt at amortised cost and Rs. 24.53 per share on 28th March 2025 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, 2026

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

As at March 31, 2025

1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group			
(c) other related parties			
Total	**-**	**-**	**-**

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

As at March 31, 2026 **Amount (₹ in Lakhs)**

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisons)
1. Related Parties [Refer Note 2 below]		
(a) Subsidiaries*	56,128.11	29,569.00
(b) Companies in the same group	-	-
(c) other related parties	-	-
2. Other than related parties	-	-
Total	**56,128.11**	**29,569.00**

* The market value of the subsidiary is derived as on 31st March 2026 by taking the price of 30th March 2026 quoted at exchange of Rs.19.86 per share and debt at amortised cost.

As at March 31, 2025 **Amount (₹ in Lakhs)**

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	-	-
Total	**68,856.12**	**29,569.00**

* The market value of the in subsidary 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.

7. Other Information

Particulars	**As at 31 March 2026**	As at March 31, 2025
(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	-	-

Notes:

1. As defined in Core Investments Companies (Reserve Bank) Directions, 2025.

2. All Indian 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.

35.24 Intra Group Exposure

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

35.25 Components of ANW and Other Related Information

Particulars	**As at 31 March 2026**	As at March 31, 2025
i) ANW as a % of Risk weighted Assets	109.02%	160.21%
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	6.42	1.68
b) Financial leverage ratio	-	0.03

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

35.26 Investment in Other CICs

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

35.27 Off Balance Sheet Exposure

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

35.28 Business Ratios

Particulars	**As at 31 March 2026**	As at March 31, 2025
Return on Equity(RoE)	0.04%	2.58%
Return on Assets (RoA)	0.04%	2.50%
Net profit per employee	0.00	0.00

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

36 Provisions & Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	**Current Year**	Previous Year
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	15.96	(159.86)
Other Provision and Contingencies (with details)		
(i) Provision for compensated absences	6.09	6.09
(ii) Provision for Preference dividend	18.05	18.05
(iii) Provision for ESI predeposit	5.36	5.36
(iv) Provision For Contingencies-Service Tax- Liability	872.00	872.00
Provision for Standard Assets	-	-

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. 007220S

A. John Moris
Partner
M.No. 029424

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Rajesh Sreedharan Pillai
Chief Financial Officer

Place: Thrissur
Date: 12/08/2026

Abraham Thariyan
Director
DIN:07132831

Minu Santhosh
Company Secretary
M.No. A62382

Calculation of Capital Adequacy Ratio as on 31st March 2026

Particulars	Sub totals	Totals	Totals
Tier I Capital			
1.Paid up equity capital	14,983		
2.Convertible preference shares	1,805		
3.Free reserves	9,496		
4.Share premium (balance in the account)	6,364		
5. Profits in Current Financial year (Limited Review)	817		
Gross CET-1 Capital		33,465	
Less: (Regulatory Adjustments)			
1.Accumulated loss in balance sheet	-		
2.Book value of intangible assets net of Related DTL	-		
3. Net Deferred Tax Asset	207		
4. ROU Intangible Asset	-		
Net owned fund		33,258	
Less:			
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. (NA Becoz Group Investment is my principal Business)	-		
3. DTA Associated with Accumulated losses	-		
Tier I Capital		33,258	
Net Tier - I Capital		**33,258**	
Tier II Capital			
Add:			
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	-		
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)			

Particulars	Sub totals	Totals	Totals
Tier IICapital	-		
Less: 50% of Securitisation Collaterals			
Net Tier - II Capital			
Less: 50% of Securitisation Collaterals	-		
Net Tier - II Capital		-	
Total of Tier I & Tier II Capital		**33,258**	
Asset particulars	**Amount**		
ON-BALANCE SHEET ITEMS:		-	-
Cash and Bank balances including fixed deposits and certifictes of deposits with bank	2,067	0%	-
(a) Govt Securites/Approved securities guaranteed by Govt	-	0%	-
(b) Fixed deposits, Bonds and Certificates of Deposit of banks, PDs and Public Financial Institutions	-	20%	-
(c) Bonds issued by banks / PDs / public financial Institutions (as specified by DBR) as Tier-II capital	-	100%	-
(d) Shares of all companies/units of mutual funds	29,569	100%	29,569
Current Assets/ Other Financial Assets			
(a) Stock on hire	-	100%	-
(b) Inter corporate loans	-	100%	-
(c) Loans and Advances fully secured against deposit held	-	0%	-
(d) Other secured loans & Advances considered good	4	0%	-
(e) Others to be specified	211	100%	211
Fixed assets (net of depreciation)	692	100%	692
Other Assets:			
(a) Income tax deducted at source (net of provision)	-	0%	-
(b) Advance tax paid (net of provision)		0%	-
(c) Interest due on Govt Securities	-	0%	-
(d) Others (to be specified) (including ROU assets)	34	100%	34
Particulars	**Sub totals**	**Totals**	**Totals**
OFF-BALANCE SHEET ITEMS:			
Financial & Other Guarantees	-	100%	-
Share/debenture underwriting obligations	-	50%	-
partly paid shares/debentures	-	100%	-
Bills discounted/re-discounted	-	100%	-
Total risk weighted assets	32,576.37		**30,505.62**
CRAR			**109.02%**

1. 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, bearing Corporate Identification Number (CIN: U65910KL1996PTC077288). The Company was incorporated under the provisions of the Companies Act, 1956. The Company was registered with the Reserve Bank of India ("RBI") as a Non-Deposit Accepting Non-Banking Financial Company (NBFC-ND) vide Certificate of Registration No. B.07.00652 dated 22 August 2007. Subsequently, with effect from 7 January 2014, it was classified as a Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI).

The Company was primarily engaged in providing microfinance services to the weaker sections of society, predominantly women organized under Joint Liability Groups (JLGs). 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.

2. Preparation and Presentation of Standalone Financial Statements

(a) Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other relevant provisions of the Act.

The financial statements have also been prepared in compliance with the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time, and other guidelines and circulars issued by the Reserve Bank of India (RBI), to the extent applicable, as well as other accounting principles generally accepted in India.

The Company follows the accrual basis of accounting in the preparation of its financial statements, except for the Statement of Cash Flows, which is prepared in accordance with the relevant Ind AS. The financial statements have been prepared and presented on a going concern basis. The accounting policies have been applied consistently to all periods presented, except where a newly issued Ind AS has been adopted for the first time or where a revision to an existing Ind AS has required a change in the accounting policy previously in use.

(b) Presentation of Financial Statements

The standalone Balance Sheet and Standalone Statement of Profit and Loss have been prepared and presented in accordance with the format prescribed under Division III of Schedule III to the Companies Act, 2013 ("the Act").

The Standalone Statement of Cash Flows has been prepared and presented in accordance with the requirements of the applicable Indian Accounting Standards (Ind AS).

A summary of the material accounting policies and other explanatory information has been provided in accordance with the Companies (Indian Accounting Standards) Rules, 2015, as notified under Section 133 of the Act, including the applicable Ind AS and other accounting principles generally accepted in India. The standalone financial statements are presented in Indian Rupees (₹), which is also the functional currency of the Company, in accordance with the provisions of Schedule III to the Act, unless otherwise stated.

(c) Use of Estimates

The preparation of standalone financial statements in conformity with Indian Accounting Standards (Ind AS) requires the Management of the Company to exercise judgements and make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements, and the reported amounts of income and expenses for the reporting period.

The application of accounting policies that involve critical accounting estimates, including those requiring complex and subjective judgements and the use of assumptions, is disclosed, wherever applicable, in the respective notes to the standalone financial statements.

Accounting estimates may change from period to period due to changes in circumstances or new information. Actual results could differ from those estimates. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected. Where such revisions are material, their nature and impact are disclosed in the notes to the standalone financial statements.

3. Material Accounting Policies

The principal accounting policies applied in the preparation of the standalone financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Property, Plant and Equipment

(i) Recognition and Measurement

Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent expenditure is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

(ii) Depreciation

Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease. Land is not depreciated. Depreciation is provided on a Straight-line method over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed periodically and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

(iii) Estimated useful life

Category	**Useful Life**
Building	60 years
Computers	3 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Vehicles – Motor Cars	4* years

* "The Company has adopted a useful life of 4 years for motor vehicles, while the indicative useful life prescribed under Schedule II of the Companies Act, 2013 is 8 years, based on management assessment."

(a) Goodwill and Other Intangible Assets

(i) Goodwill

Goodwill arising on Business Combination is carried at cost less any accumulated impairment losses. Goodwill is annually tested for impairment. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes. On disposal of the CGU or group of CGUs, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss.

(ii) Other Intangible Assets

Other Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a. for assets acquired in a business combination, at fair value on the date of acquisition.

b. for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP. After initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

(b) Investment Property

Properties that are held for long-term rental yields and / or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Depreciation is recognised using the straight-line method so as to amortize the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act, 2013. Freehold land and properties under construction are not depreciated.

The estimated useful lives of investment properties are same as those disclosed for PPE. Transfers to, or from, investment properties are made at the carrying amount when and only when there is a change in use. An item of investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Any gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

Income received from investment property is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

(c) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups are presented separately in the balance sheet when the following criteria are met:

(i) the Company is committed to selling the asset or disposal group;

(ii) the assets are available for sale immediately; an active plan of sale has commenced; and

(iii) sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortized or depreciated.

(d) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or CGU exceeds their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or CGU and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased.

Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

(e) Employee Benefits

(i) Short term employee benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts. Provident Fund contributions are in the nature of defined

(ii) Post retirement employee benefits

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF) other such schemes are accounted for on accrual basis by the Company. With regard to Provident Fund contribution made by the Company to a Self-Administered Trust, the Company is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefit like gratuity for qualifying executives/whole time directors are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated remeasurement balances are never reclassified into the statement of profit and loss subsequently.

The Company recognizes in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

(iii) Employee termination benefits

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred. Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(f) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the standalone financial statements where an inflow of economic benefit is possible.

g) Income Tax

(i) Current Tax

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

(ii) Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(h) Foreign currency and translations

(i) Functional and Presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency").

The standalone financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the yearend rate. Any resultant exchange differences are taken to the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are recorded at the exchange rate prevalent at the date of transaction.

(i) Financial Instruments

(A) Financial Assets

Initial recognition and measurement

At initial recognition, the Company measures financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Investments in Subsidiaries, Associates and Joint Venture

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Subsequent measurement

Debt Instruments:

Subsequent measurement of debts instruments depends on the Company's business model for managing the assets and the cash flows of the assets. The Company classifies its financial assets in the following categories:

(i) Financial assets at amortised cost-

Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represents solely payments of principal and interest, are on specified dates are

subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

(iii) Financial assets at fair value through profit or loss (FVTPL) –

Financial assets which are not classified in any of the categories above are FVTPL.

Equity Instruments:

All equity investments are measured at fair values. The Company may irrevocably elect to measure the same either at FVTOCI or FVTPL on initial recognition. The Company makes such election on an instrument-by-instrument basis.

The fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets:

The Company assesses expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instrument based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

(B) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Offsetting Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(C) Hedge Accounting

Movements in the hedging reserve are accounted in other comprehensive income and are reported within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

(j) Fair Value Measurement

The Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the standalone financial statements.

Hierarchy followed for financial instruments:

Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

(k) Leases

(i) As a lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a. the contract conveys the right to use an identified asset;

b. the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

c. the Company has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Company

recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease. For this purpose, the company has considered all leases where the value of an underlying asset does not individually exceed Rs.5 lakhs, or equivalent as a lease of low value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease whichever is shorter.

Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

(l) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(m) Revenue recognition

Revenue is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, using the five-step model comprising identification of contracts with customers, identification of performance obligations, determination of the transaction price, allocation of the transaction price to the performance obligations and recognition of revenue when (or as) the performance obligations are satisfied.

(i) Interest Income

Interest income is recognised using the Effective Interest Rate (EIR) method in accordance with Ind AS 109, Financial Instruments. Interest income is accrued on the gross carrying amount of financial assets except for credit-impaired financial assets, where interest income is recognised on the net carrying amount.

(ii) Dividend Income

Dividend income is recognised when the Company's right to receive payment is established, provided that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably.

(iii) Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the leased asset is consumed. Rental income is recognised in the Statement of Profit and Loss in accordance with the terms of the respective agreements.

(iv) Fee, Commission and Other Income

Fee, commission and other income within the scope of Ind AS 115 are recognised upon satisfaction of the related performance obligations and when control of the promised services is transferred to the customer. Other income is recognised when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

(n) Government Grants

Government grants including any non-monetary grants

are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(o) Exceptional Items

Exceptional items are disclosed separately in the standalone financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(p) Earnings Per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and considering the effect of all dilutive potential ordinary shares.

(q) Operating Segments

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

(r) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The standalone financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed if material.

(s) Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net fair value of assets and liabilities acquired.

Key accounting judgement, estimates and assumptions

The preparation of the standalone financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

(a) Depreciation and Amortization

Depreciation and amortization is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.

(b) Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate. Any changes in

these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions.

(c) Fair value of financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable.

Key accounting judgement, estimates and assumptions

The Ministry of Corporate Affairs ("MCA") has notified amendments to certain Indian Accounting Standards (Ind AS) which are applicable for annual reporting periods beginning on or after 1 April 2025.

The key amendments include:

a) Ind AS 21 – The Effects of Changes in Foreign Exchange Rates: Provides guidance on assessing whether a currency is exchangeable and on estimating the exchange rate when exchangeability is lacking.

b) Ind AS 1 – Presentation of Financial Statements: Clarifies the requirements for classification of liabilities as current or non-current, including liabilities subject to covenants.

c) Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures: Introduce additional disclosure requirements for supplier finance arrangements.

d) Ind AS 12 – Income Taxes: Introduces disclosure requirements relating to the OECD Pillar Two global minimum tax rules.

The Company has assessed the applicability of these amendments and concluded that they do not have a material impact on the financial statements of the Company.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026

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 Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of "M/s. ESAF Financial Holdings Private Limited" (Formerly known as ESAF Microfinance and Investments Private Limited) ("Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss, including Other Comprehensive Income, Statement of changes in equity and the statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of material 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 Consolidated Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its financial performance for the year ended on that date.



Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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 on the Consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31st March 2026. These matters were addressed

in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's 'Report of the Board of Directors' including annexures there to, the Company's 'Annual Report', but does not include the Consolidated Ind AS financial statements and our auditors' report thereon.

Our opinion on the Consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 judgment and maintain professional skepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the Consolidated Ind AS 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.

(b) 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 the Consolidated Ind AS financial statements in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the 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 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 Ind AS financial statements including other financial information of associate which reflects the company's share of Loss of Rs. 9,304.98 lakhs and share of Other Comprehensive Income is Rs. (5,973.67) for the year ended March 31, 2026, 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 Ind AS 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the a statement on the matters specified in paragraphs 3 and 4 of the Order is not applicable for Consolidated Ind AS Financial Statement.

2. 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 dose not have any branches audited by any other auditor.

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

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to these Consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1' to this report.

(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, in our opinion and to the best of our information and according to the explanations given to us:

(1) The Company does not have any pending litigations which would impact its financial position

(2) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(3) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

(4) (i) 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;

(ii) 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

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(5) During the Financial Year 2025-26, the company has declared preference dividend amount of Rs.18,04,850 pertaining to Financial Year 2025-26 and has paid preference dividend of amount Rs.18,04,850 pertaining to Financial Year 2024-25 which is in compliance with section 123(1) of the Act.

(6) As per the proviso of Rule 3(1) of the Companies (Accounts) Rules ,2015 Audit trail is applicable for the company has complied with the stated guidelines.

h) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

A. John Moris
(Partner)
UDIN: 26029424HDHNHE2515
M. No.: 029424

Place: Thrissur
Date: 12-08-2026

Annexure "1" to the Independent Auditor's Report

Referred to in paragraph 2 (e) under 'Report on other legal and regulatory requirements' section of our 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 internal financial controls over financial reporting 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 Ind AS financial statements of M/s. ESAF Financial Holdings Private Limited (Formerly known as per ESAF Microfinance and Investments Private Limited) ('the Company') as at and for the year ended 31st March, 2026, we have audited the internal financial controls with reference to the Consolidated Ind AS financial statements of the Company as at that date.

Opinion

We have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of M/s. ESAF Financial Holdings Private Limited (Formerly known as per ESAF Microfinance and Investments Private Limited) ("the Company") as at March 31, 2026, in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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).

Management's responsibility for internal financial controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

of internal financial controls over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in 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 control 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 authorisations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of 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.

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

A. John Moris
(Partner)
UDIN: 26029424HDHNHE2515
M. No.: 029424

Place: Thrissur
Date: 12-08-2026

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Notes	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
ASSETS			
Financial Assets			
(a) Cash and Cash Equivalents	3	252.46	233.36
(b) Bank Balances other than (a) above	4	1,814.35	2,014.32
(c) Receivables			
(i) Trade Receivables	5	3.95	0.62
(ii) Other Receivables	6	-	-
(d) Investments	7	18,923.99	34,217.78
(e) Other Financial Assets	8	123.68	124.10
		21,118.43	**36,590.18**
Non Financial Assets			
(a) Deferred Tax Assets(Net)	9	207.49	210.03
(b) Current Tax Assets(Net)	10	15.96	-
(c) Property, Plant and Equipment	11A	691.55	693.97
(d) Right of Use Asset	11B	34.35	5.24
(e) Investment Property	11C	884.67	885.92
(f) Other non-financial assets	12	71.08	51.38
		1,905.10	**1,846.54**
Total Assets		**23,023.53**	**38,436.72**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Payables			
(a) Trade Payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		0.77	-
(b) Borrowings		-	-
(c) Subordinated Liabilities		-	-
(d) Other Financial liabilities	14	34.08	29.88
		34.85	**29.88**
Non Financial Liabilities			
(a) Income tax liabilities (net)	10	-	159.86
(b) Deferred tax liabilities (net)		-	-
(c) Provisions	15	901.50	901.50
(d) Other Non- Financial Liabilities	16	83.85	45.44
		985.35	**1,106.80**
Equity			
(a) Equity Share capital	17	16,788.16	16,788.16
(b) Other Equity	18	5,215.18	20,511.88
		22,003.34	**37,300.04**
Total Liabilities and Equity		**23,023.53**	**38,436.72**
Corporate Information	1		
Basis of Preparation and Material Accounting Policies	2		

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. 007220S

A. John Moris
Partner
M.No. 029424

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Rajesh Sreedharan Pillai
Chief Financial Officer

Place: Thrissur
Date: 12/08/2026

Abraham Thariyan
Director
DIN:07132831

Minu Santhosh
Company Secretary
M.No. A62382

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2026

Particulars	Notes	2025-26 (₹ in Lakhs)	2024-25 (₹ in Lakhs)
Revenue from operations			
Interest Income	19	361.35	328.60
Dividend Income	20	-	1,907.84
Rental Income	21	7.40	7.05
Total Revenue from operations		**368.75**	**2,243.49**
Other Income	22	0.73	0.63
TOTAL INCOME		**369.48**	**2,244.12**
Expenses			
Finance costs	23	4.36	0.97
Employee Benefit Expense	24	209.26	186.49
Depreciation and Amortisation	11	7.59	5.17
Other expenses	25	90.74	123.40
TOTAL EXPENSES		**311.95**	**316.03**
Profit before share of profit or (loss) in Associates and joint ventures		**57.53**	**1,928.08**
Add: Share of Profit in Associates and Joint Ventures (net)		(9,320.12)	(27,345.54)
Profit before tax		**(9,262.59)**	**(25,417.46)**
Tax expense			
Current tax		20.20	502.92
Deferred tax		2.54	(13.05)
Earlier year tax		19.65	594.47
Total Tax expenses		**42.39**	**1,084.34**
Profit or loss for the period from continuing operations		**(9,304.98)**	**(26,501.81)**
PROFIT OR LOSS FOR THE PERIOD	(A)	**(9,304.98)**	**(26,501.81)**
OTHER COMPREHENSIVE INCOME			
(A) (i) Items that will not be reclassified to profit or loss Acturial Gain/(Loss) due to remeasurement of defined benefit obligation		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Share of Other Comprehensive Income in Associates		273.96	(164.92)
SUBTOTAL		**273.96**	(164.92)
(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			
(iii) Share of Other Comprehensive Income in Associates		(6,247.63)	3,699.72
SUBTOTAL		**(6,247.63)**	3,699.72
Other Comprehensive Income	(B)	**(5,973.67)**	3,534.79
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(A+B)	**(15,278.66)**	**(22,967.01)**
Earnings per equity share			
Basic		(6.22)	(17.70)
Diluted		(6.22)	(17.70)
Material accounting policies	1-2		
Other notes on accounts	3-36		

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. 007220S

A. John Moris
Partner
M.No. 029424

For and on Behalf of the Board

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Abraham Thariyan
Director
DIN:07132831

Rajesh Sreedharan Pillai
Chief Financial Officer

Minu Santhosh
Company Secretary
M.No. A62382

Place: Thrissur
Date: 12/08/2026

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2026

Notes	Particulars	2025-26 (₹ in Lakhs)	2024-25 (₹ in Lakhs)
A.	**Cash flow from operating activities**		
	Net profit after tax	**(9,304.98)**	**(26,501.81)**
	Adjustments for:		
	Depreciation and amortisation	7.59	5.17
	Finance Costs	4.36	0.97
	Assets written off	2.77	-
	Provision for Income tax	39.85	502.92
	Share of Profit of associate	9,320.12	27,345.54
	Operating profit before working capital changes	**69.71**	**1,352.80**
	Adjustments for (increase) / decrease in operating assets:		
	(Increase)/decrease in Trade Receivables , Other financial assets and Non-financial assets	(110.32)	(30.66)
	(Increase)/Decrease in Investment in Fixed Deposits	254.06	(1,494.06)
	Adjustments for increase / (decrease) in operating liabilities:		
	Increase or (Decrease) in Trade Payables, Other financial liabilities, Other non-financial liabilities and Provision	9.72	(207.56)
	Cash generated from/(used in) operations	**223.17**	**(379.48)**
	Income taxes paid	(179.52)	(502.92)
	Net cash from operating activities	**43.65**	**(882.41)**
B.	**Cash flow from investing activities**		
	Purchase of Property, Plant and Equipment	(2.13)	(4.33)
	Sale of fixed assets	-	-
	Interest received	-	-
	Net cash used in/(generated from) investing activities	**(2.13)**	**(4.33)**
C.	**Cash flow from financing acivities**		
	Interest paid	(4.36)	(0.97)
	Dividend and Dividend Tax Paid	(18.05)	(18.05)
	Net cash from financing activities	**(22.41)**	**(19.02)**
	Net increase in cash and cash equivalents	**19.11**	**(905.75)**
	Opening Cash and cash equivalents	**233.00**	**1,139.11**
	Closing Cash and cash equivalents	**252.00**	**233.00**

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. 007220S

A. John Moris
Partner
M.No. 029424

For and on Behalf of the Board

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Abraham Thariyan
Director
DIN:07132831

Rajesh Sreedharan Pillai
Chief Financial Officer

Minu Santhosh
Company Secretary
M.No. A62382

Place: Thrissur
Date: 12/08/2026

3. Cash and Cash Equivalent

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Cash on hand	0.24	0.05
Balances with Bank		
- In current accounts	-	-
Domestic	202.22	233.31
- In deposits (with maturity period less than 3 months)	50.00	-
Total	**252.46**	**233.36**

4. Other bank balance

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Other Bank Balance		
- in deposit accounts		
- Fixed Deposit with bank with more than 3 months but less than 12 months maturity	1,750.00	1,604.06
- Fixed Deposit with bank with more than 12 months maturity	-	400.00
Cash and bank balance not available for immediate use	-	-
Interest accrued on fixed deposit	64.35	10.26
Total	**1,814.35**	**2,014.32**

5. Trade Receivables

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
I Receivables considered good- secured	**3.95**	**0.62**
Less: Allowance for impairment loss	-	-
II Receivables considered good- unsecured	-	-
Less: Allowance for impairment loss	-	-
III Receivables which have significant increase in credit risk	-	-
Less: Allowance for impairment loss	-	-
IV Receivables - credit impaired	-	-
Less: Allowance for impairment loss	-	-
Total	**3.95**	**0.62**

6. Other receivables

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
I Receivables considered good- secured.	-	-
Less: Allowance for impairment loss	-	-
II Receivables considered good- unsecured	-	-
Less: Allowance for impairment loss	-	-
III Receivables which have significant increase in credit risk	-	-
Less: Allowance for impairment loss	-	-
IV Receivables - credit impaired	-	-
Less: Allowance for impairment loss	-	-
Total	**-**	**-**

7. Investments

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Investments measured at Cost:		
In Associate :-		
In Equity Shares - quoted		
27,25,48,396 Equity Shares of ₹ 10/- each fully paid-up in M/s ESAF Small finance Bank Limited.	16,923.99	32,217.78
In Debt securites - Unquoted		
20 Bonds of ₹ 1,00,00,000/- each fully paid-up in M/s ESAF Small finance Bank Limited.	2,000.00	2,000.00
Total	**18,923.99**	**34,217.78**

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Out of above:		
Investments outside India	-	-
Investments in India	0.19	0.34
Total	**0.19**	**0.34**

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Quoted/Unquoted Investments:		
Aggregate amount of Quoted Investments	0.17	0.32
Aggregate amount of Unquoted Investments	0.02	0.02
Total	**0.19**	**0.34**

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Category Wise Investment:		
Financial asset measured at cost	0.00	0.00
Financial assets measured at fair value through profit and loss	-	-
Total	**0.00**	**0.00**

8. Other Financial Assets

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
(Unsecured, Considered good)		
(a) Deposits	123.68	123.68
(b) Salary Advance	-	0.42
Total	**123.68**	**124.10**

10. Current Tax Assset / (Liability)

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Advance Tax paid	-	119.00
Tax deducted at source	36.13	224.06
Tax collected at source	0.03	-
Total(A)	**36.16**	**343.06**
Provision for Tax	20.20	502.92
Current Tax liabilities/(Assets)		
Total(B)	**20.20**	**502.92**
Total(A-B)	**15.96**	**(159.86)**

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Note 11A: Property Plant and Equipment

As at 31st Mar, 2026

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2025	Additions	Disposals	**Balance as at 31 March, 2026**	Balance as at 1 April, 2025	Depreciation for the year	Deletions	**Balance as at 31 March, 2026**	**Balance as at 31 March, 2026**	Balance as at 31 March, 2025
Land	640.89	-	-	640.89	-	-	-	-	640.89	640.89
Buildings	59.54	-	-	59.54	16.63	0.86		17.49	42.05	42.91
Furniture and Fittings	4.44	-	-	4.44	0.60	0.42		1.02	3.41	3.83
Vehicles	47.78	-	2.77	45.01	41.79	-	-	41.79	3.22	5.99
Computer and Accessories	6.34	1.55	-	7.89	5.98	0.52		6.50	1.39	0.36
Office Equipments	-	0.58	-	0.58	-	0.00		0.00	0.58	-
Total	**758.99**	**2.13**	**2.77**	**758.35**	**65.00**	**1.80**	**-**	**66.80**	**691.55**	**693.97**
Previous Year	**754.65**	**4.33**	**-**	**758.98**	**63.58**	**1.42**	**-**	**65.00**	**693.97**	**698.81**

As at 31st Mar, 2025

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2024	Additions	Disposals	**Balance as at 31 March, 2025**	Balance as at 1 April, 2024	Depreciation for the year	Deletions	**Balance as at 31 March, 2025**	**Balance as at 31 March, 2025**	Balance as at 31 March, 2024
Land	640.89	-	-	640.89	-	-	-	-	640.89	640.89
Buildings	59.54	-	-	59.54	15.77	0.86	-	16.63	42.91	43.76
Furniture and Fittings	0.63	3.81	-	4.44	0.38	0.22	-	0.60	3.83	0.24
Vehicles	47.78	-	-	47.78	41.79	-	-	41.79	5.99	5.99
Computer and Accessories	5.82	0.52	-	6.34	5.63	0.35	-	5.98	0.36	0.19
Total	**754.65**	**4.33**	**-**	**758.98**	**63.58**	**1.42**	**-**	**65.00**	**693.97**	**691.07**

Note 11B: Right of Use Asset

As at 31st Mar, 2026

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2025	Additions	Disposals	**Balance as at 31 March, 2026**	Balance as at 1 April, 2025	Depreciation for the year	Deletions	**Balance as at 31 March, 2026**	**Balance as at 31 March, 2026**	Balance as at 31 March, 2025
Building	37.65	33.66		71.31	32.41	4.55		36.96	34.35	5.24
Total	**37.65**	**33.66**	**-**	**71.31**	**32.41**	**4.55**	**-**	**36.96**	**34.35**	**5.24**
Previous Year	**37.65**	**-**	**-**	**37.65**	**29.90**	**2.51**	**-**	**32.41**	**5.24**	**0.00**

As at 31st Mar, 2025

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2024	Additions	Disposals	**Balance as at 31 March, 2025**	Balance as at 1 April, 2024	Depreciation for the year	Deletions	**Balance as at 31 March, 2025**	**Balance as at 31 March, 2025**	Balance as at 31 March, 2024
Building	37.65	-	-	37.65	29.90	2.51	-	32.41	5.24	0.00
Total	**37.65**	**-**	**-**	**37.65**	**29.90**	**2.51**	**-**	**32.41**	**5.24**	**0.00**
Previous Year	**37.65**	**-**	**-**	**37.65**	**27.40**	**2.51**	**-**	**29.90**	**7.74**	**10.25**

ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

(Formerly known as ESAF Microfinance and Investments Private Limited) CIN: U65910KL1996PTC077288

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Note 11C: Investment property

As at 31st Mar, 2026

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2025	Additions	Disposals	**Balance as at 31 March, 2026**	Balance as at 1 April, 2025	Depreciation for the year	Deletions	**Balance as at 31 March, 2026**	**Balance as at 31 March, 2026**	Balance as at 31 March, 2025
Land	823.53	-	-	823.53	-	-	-	-	823.53	823.53
Building	76.90	-	-	76.90	14.52	1.24	-	15.76	61.14	62.38
Total	**900.43**	**-**	**-**	**900.43**	**14.52**	**1.24**	**-**	**15.76**	**884.67**	**885.92**
Previous Year	**900.54**	**-**	**-**	**900.54**	**13.27**	**1.24**	**-**	**14.52**	**886.03**	**887.27**

As at 31st Mar, 2025

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April, 2024	Additions	Disposals	**Balance as at 31 March, 2025**	Balance as at 1 April, 2024	Depreciation for the year	Deletions	**Balance as at 31 March, 2025**	**Balance as at 31 March, 2025**	Balance as at 31 March, 2024
Land	823.53	-	-	823.53	-	-	-	-	823.53	823.53
Building	76.90	-	-	76.90	13.27	1.24	-	14.52	62.38	63.63
Total	**900.43**	**-**	**-**	**900.43**	**13.27**	**1.24**	**-**	**14.52**	**885.92**	**887.16**
Previous Year	**900.54**			**900.54**	**12.03**	**1.24**		**13.27**	**887.16**	

12. Other Non Financial Assets

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
(a) Prepaid expenses	**0.98**	**0.79**
(b) Balances with Government authorities	28.40	25.58
(c) Compensated Leave Salary Assets	10.31	9.58
(d) Other Current Assets	31.39	15.44
(e) IEPF Asset/(Liability) Net	-	-
Total	**71.08**	**51.38**

13. Trade Payable

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ 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	0.77	-
Total	**0.77**	**-**

14 Other Financial Liabilities

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
(a) Matured Non Convertible Debentures and Interest accrued thereon	-	4.75
(b) Others	7.85	7.71
(c) Employee Benefit Payable	26.23	17.42
Total	**34.08**	**29.88**

15 Provisions

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
(i) Provision for compensated absences	6.09	6.09
(ii) Provision for 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	872.00
Total	**901.50**	**901.50**

16 Other Non- Financial Liabilities

Particulars	As at Mar 31, 2026 (₹ in Lakhs)	As at Mar 31, 2025 (₹ in Lakhs)
Other payables		
(i) Statutory remittances	22.37	19.84
(ii) Lease Liability	37.63	6.69
(iii) Other liabilities	23.85	18.91
Total	**83.85**	**45.44**

17 Equity Share Capital

	Particulars	As at Mar 31, 2026		As at Mar 31, 2025	
		No. of shares	**Amount (₹ in Lakhs)**	No. of shares	Amount (₹ in Lakhs)
I	**Authorised share capital:**				
	Equity shares of ₹ 10/- each	19,00,00,000	19,000.00	19,00,00,000	19,000.00
	Preference shares of ₹100/- each	60,00,000	6,000.00	60,00,000	6,000.00
	Issued, subscribed and fully paid-up capital				
	Equity shares of ₹10/- each	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
	TOTAL	**15,16,37,946**	**16,788.16**	**15,16,37,946**	**16,788.16**

II **Reconciliation of Shares outstanding at the beginning and at the end of the year**

	Particulars	As at Mar 31, 2026		As at Mar 31, 2025	
		No. of shares	**Amount (₹ in Lakhs)**	No. of shares	Amount (₹ in Lakhs)
	Equity shares outstanding at the beginning of the year	15,16,37,946	16,788.16	15,16,37,946	16,788.16
	Issued during the year as fully paid up on conversion	-	-	-	-
	Convertion of CCPS into Equity Shares	-	-	-	-
	Buy back of shares	-	-	-	-
	Equity shares outstanding at the end of the year	**15,16,37,946**	**16,788.16**	**15,16,37,946**	**16,788.16**

III **Rights, Preferences and Restrictions attached to 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 2026, 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. Compulsory Convertible preference shares

(i) The company has converted 95,000 CCPS of ₹ 100/- each attracting dividend at 10% into 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 29.03.2021 has changed the terms of balance 18,04,850 CCPS of ₹100/- each attracting 1% dividend this will be compulsory convertable 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, 2026		As at Mar 31, 2025	
		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	74.03%	11,09,20,372	74.03%
	Dia Vikas Capital Private Limited*	2,99,51,536	19.99%	2,99,51,536	19.99%
	TOTAL	**14,08,71,908**	**94.02%**	**14,08,71,908**	**94.02%**

18 Other Equity

Particulars	**As at Mar 31, 2026 (₹ in Lakhs)**	As at Mar 31, 2025 (₹ in Lakhs)
Other Reserves		
General reserve		
Balance at the beginning of the year	10,390.03	10,390.03
Add : transferred from statement of profit and loss	-	-
Balance at the end of the year	**10,390.03**	**10,390.03**
Security premium reserve		
Balance at the beginning of the year	6,363.89	6,363.89
Addition during the year		
Balance at the end of the year	**6,363.89**	**6,363.89**
Capital redemption reserve		
Balance at the beginning of the year	392.80	392.80
Addition during the year	-	-
Balance at the end of the year	**392.80**	**392.80**
Retained Earnings		
Profit and loss account		
Balance at the beginning of the year	11,080.93	37,600.78
Add: Profit for the year	(9,304.98)	(26,501.81)
Less: Transferred to General Reserve		
Balance at the end of the year	**1,775.94**	**11,098.98**
Less: Appropriation		
(a) General Reserve	-	-
(b) Preference Dividend	18.05	18.05
(c) Tax on dividend	-	-
	18.05	18.05
OCI Income		
Balance at the beginning of the year	(7,715.77)	(11,250.57)
Current year OCI income	(5,973.67)	3,534.79
Balance at the end of the year	**(13,689.44)**	**(7,715.77)**
Total other Equity	**5,215.18**	**20,511.88**

Note 18.1 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to transfer an amount not less than 20% of its profit after tax to the Statutory Reserve, Since the Company has incurred a loss during the Current financial year , no amount has been transferred to the Statutory Reserve (Previous year: Rs.Nil).

Note 18.2 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.

19. Interest Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Interest Income from Debentures	225.00	225.00
Interest income on Fixed Deposits	136.35	103.60
Total	**361.35**	**328.60**

20. Dividend Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Dividend from Associate	-	1,907.84
Total	**-**	**1,907.84**

21. Rental Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Rent Received	7.40	7.05
Total	**7.40**	**7.05**

22. Other Income

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Interest on LIC Policy	0.73	0.63
Income from Plan Assets	-	-
Interest Income on Security Deposit	-	-
Total	**0.73**	**0.63**

23. Finance Cost

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
(a) Interest expense on:		
(i) Interest on Lease Liability	4.36	0.97
(ii) Interest on CCPS Debt component	-	-
Total	**4.36**	**0.97**

24. Employee Benefit Expense

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
Salaries, Wages and Bonus	204.22	183.04
Contributions to provident and other funds	1.62	1.28
Staff welfare expenses	3.42	2.18
Total	**209.26**	**186.49**

25. Other expenses

Particulars	**For the year ended 31st March 2026 (₹ in Lakhs)**	For the year ended 31st March 2025 (₹ in Lakhs)
CSR expenses	25.00	20.00
Travelling and conveyance	13.73	9.24
Vehicle Maintenance	11.83	10.98
Legal and professional	10.34	6.79
Directors Sitting Fee	6.80	8.20
Payments to auditors	6.67	6.33
Rates and Taxes	4.50	4.54
Assets Written Off	2.77	-
Repairs and Maintenance	2.07	0.67
Printing and stationery	1.96	1.48
Electricity and Water Charges	1.56	0.27
Insurance	1.27	1.45
Office Maintenance & Meeting expenses	1.04	0.50
Other Expenses	0.87	0.83
Books and Periodicals	0.18	-
Telephone and Internet expenses	0.14	0.10
Bank Charges	0.01	0.01
Provision for service tax	-	52.00
Total	**90.74**	**123.40**

Note 26 Additional information to the financial statements

26.1 Payment to Auditors comprise of

Particulars	For the year ended 31 March 2026 (₹ in Lakhs)	For the year ended 31 March 2025 (₹ in Lakhs)
Statutory audit fee	5.00	5.00
Other certification fee	-	-
Out of pocket expenses	1.67	1.33
TOTAL	**6.67**	**6.33**

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

Particulars	For the year ended 31 March 2026 (₹ in Lakhs)	For the year ended 31 March 2025 (₹ in Lakhs)
i. Contingent liabilities		
(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. 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
(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

Note: The company had received a order relating to the period 2016-17 from the Service Tax Authorities. 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).

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 2026 (₹ in Lakhs)**	For the year ended 31 March 2025 (₹ 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.

26.4 Expenditure in foreign currency (accrual basis) - NIL

Income in foreign currency - NIL

26.5 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, 2026 Projects related to FY 2025-26 (₹ in Lakhs)**	As on March 31, 2025 Projects related to FY 2024-25 (₹ in Lakhs)
(a) Gross amount required to be spent by the company during the period as per Sec 135 of Companies Act, 2013	24.74	19.67
(b) Excess Amount spent in previous year	0.33	-
(c)Gross amount required to be spent by the company during the period after adjustment, if any (a)-(b)	24.41	19.67
(d) Amount spent during the period ended on March 31, 2026:	-	-
i) Construction / acquisition of any asset	25.00	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, 2026	0.59	0.33
(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, 2026	-	-
(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 Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.		
i) Trust Name	Prachodhan Development Services	Prachodhan Development Services

Particulars	**As on March 31, 2026 Projects related to FY 2025-26 (₹ in Lakhs)**	As on March 31, 2025 Projects related to FY 2024-25 (₹ in Lakhs)
(ii) CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promoting Health care including preventive healthcare d) Promotion of Health care and Women empowerment	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promoting Health care including preventive healthcare d) Promotion of Health care and Women empowerment

Note 27 As per Ind AS 19 "Employee benefits", the disclosures as defined are given below:

27.1 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. 1.55/-Lakhs (Year ended 31 March 2025,Rs. 1.20/-Lakhs) for Provident Fund contributions and Rs.Nil/-

(Year ended 31 March, 2025 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. The Company offers Gratuity benefit to its employees:

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:

(i) Reconciliation of Defined Benefit Obligation (DBO)

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Present Value of DBO at the start of the year	34.03	32.61
Service Cost		
a. Current Service Cost	2.08	0.74
b. Past Service Cost	5.54	-
c. Loss/ (Gain) from Settlement	-	-
Interest Cost	2.18	2.28
Benefits Paid	-	-
Re-measurements	-	-
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/ (Gain) from changes in financial assumptions	(0.35)	0.76
c. Actuarial Loss/ (Gain) from experience over the past year	(2.28)	(2.36)
Effect of acquisition/ (divestiture)	-	-
Transfer In/ (Out)	-	-
Changes in foreign exchange rates	-	-
Present Value of DBO at the end of the year	**41.20**	**34.03**

(ii) Reconciliation of Fair Value of Plan Assets

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Fair Value of Plan Assets at the start of the year	138.26	129.51
Interest Income on Plan Assets	8.84	9.06
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	0.91	(0.31)
Fair Value of Plan Assets at the end of the year	148.01	138.26
Actual Return on Plan Assets	9.75	8.75
Expected Employer Contribution for the next year	-	-

(iii) Reconciliation of Asset ceiling

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Assets ceiling at the start of the year	72.21	59.11
Interest Cost on Assets ceiling	4.62	4.14
Re-measurements	-	-

Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	6.38	8.96
Assets ceiling at the end of the year	**83.21**	**72.21**

(iv) Expenses recognised in the Profit and Loss Account

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Service Cost		
a. Current Service Cost	2.08	0.74
b. Past Service Cost	5.54	-
c. Loss/ (Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(2.04)	(2.64)
Employer Expenses	**5.58**	**(1.90)**

(v) Net Liability/ (Asset) recognised in the Balance Sheet

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Present Value of DBO	41.20	34.03
Fair Value of Plan Assets	148.01	138.26
Liability/ (Asset)	(106.81)	(104.23)
Funded Status [Surplus/ (Deficit)]	**106.81**	**104.23**
Less: Amounts not recognised as an asset [Effect of limiting net assets to asset ceiling]	83.21	72.21
Net (Liability)/ Asset recognised in the Balance Sheet	**23.60**	**32.02**
Of which, Short-term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	(2.28)	(2.36)

(vi) Percentage Break-down of Total Plan Assets

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Government bonds	0%	0%
PSU bonds	0%	0%
Insurer managed funds* (Non Unit -Linked)	98%	98%
Cash and cash equivalents	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.

(vii) Actuarial Assumptions - Gratuity

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Discount Rate	6.60%	6.40%
Salary escalation	10%	10%
Attrition rate	5%	5%
Expected return on plan assets	6.4%	7%
Mortality rate	IALM 2012-14 (Ult)	IALM 2012-14 (Ult)
Expected average remaining working lives of employees	5 years	4 years

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investing strategy, market scenario etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan asset 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, tasks into account the inflation, seniority, promotion, increments and other relevant factors.

(viii) Movement in Other Comprehensive Income

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Balance at the start of the year [(Loss)/ Gain]	-	-
Re-measurements on DBO		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions		
b. Actuarial (Loss)/ Gain from changes in financial assumptions	0.35	(0.76)
c. Actuarial (Loss)/ Gain from experience over the past year	2.28	2.36
Re-measurements on Plan Assets	-	-
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	0.91	(0.31)
Re-measurements on Asset Ceiling	-	-
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(6.38)	(8.96)
Balance at the end of the year [(Loss)/ Gain]	**(2.84)**	**(7.67)**

(ix) Sensitivity Analysis

As at March 31, 2026	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 71	DBO decreases by Rs 63
Discount Rate	DBO decreases by Rs 64	DBO increases by Rs 74
Withdrawal Rate	DBO decreases by Rs 14	DBO increases by Rs 15

Mortality (increase in expected lifetime by 1 year)	Negligible change
Mortality (increase in expected lifetime by 3 year)	DBO increases by Rs 1

As at March 31, 2025	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 100	DBO decreases by Rs 90
Discount Rate	DBO decreases by Rs 124	DBO increases by Rs 137
Withdrawal Rate	DBO decreases by Rs 16	DBO increases by Rs 18

Mortality (increase in expected lifetime by 1 year)	Negligible change
Mortality (increase in expected lifetime by 3 year)	DBO increases by Rs 1

viii) Movement in Other Comprehensive Income

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Net (Liability)/ Asset at the start of the year	32.02	37.79
Net Transfer (In)/ Out	-	-
Movement during the year	-	-
Current Service Cost	(2.08)	(0.74)
Past Service Cost	(5.54)	-
Net Interest on net DBO	2.04	2.64
Re-measurements [(Loss)/ Gain]	(2.84)	(7.67)
Employer's contribution	-	-
Net (Liability)/ Asset at the end of the year	**23.60**	**32.02**

Acturial Assumptions - Long Term Compensated absences

Particulars	**Year ended 31 March, 2026 (₹ in Lakhs)**	Year ended 31 March, 2025 (₹ in Lakhs)
Discount rate	6.60%	6.40%
Expected return on plan assets	6.4%	7%
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.

27.2 Segment Reporting:-

The Company does not have any business segments as at 31 March 2026 and 31 March 31 2025. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per Ind AS-108 "Segmental Reporting"

28 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		**2025-26 (₹ in Lakhs)**	2024-25 (₹ in Lakhs)
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(9,323.03)	(26,519.86)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	14,98,33,096	14,98,33,096
Basic earnings per equity share (₹)	**A / B**	**(6.22)**	**(17.70)**
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**(9,323)**	**(26,520)**
Add : Interest on convertibles (net of tax)	B	-	-
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	**(9,323)**	**(26,520)**
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	**14,98,33,096**	**14,98,33,096**
Add : Shares deemed to be issued for no consideration in respect of :	E	**1,20,32,333**	**1,20,32,333**
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	**16,18,65,429**	**16,18,65,429**
Diluted earnings per equity share (₹)		**(5.76)**	**(16.38)**
Diluted earnings per equity share (considering Antidilution) (`)		**(6.22)**	**(17.70)**
Face value per equity share (₹)		10.00	10.00

29 Disclosure pursuant to Ind AS 12- "Income Taxes"

The major components of income tax expense for years ended 31st March 2026 and 31st March 2025 are:

Particulars		As at 31 March, 2026 (₹ in Lakhs)	As at 31 March, 2025 (₹ in Lakhs)
Current income Tax :			
Current income tax charge		20.20	502.92
Adjustments of current tax of previous year		-	-
	(A)	**20.20**	**502.92**
Deferred Tax			
Relating to origination and reversal of temporary differences		2.54	(13.05)
Relating to rate change or imposition of new taxes			
Arising due to a write down of a deferred tax asset			
	(B)	**2.54**	**(13.05)**
Earlier Tax	**(C)**	**19.65**	**594.47**
Income tax reported in the statement of profit and loss (A+B+C)		**42.39**	**1,084.34**

30 Events occurring after the reporting period

The financial statements were approved by the Board of Directors on 12/08/2026 and there are no significant events occurring after Balance sheet date.

31 Investor Education and Protection Fund

The Company has transferred Rs.4.35/-lakhs to Investor Education and Protection Fund . The Company fully transferred the matured non-convertible debentures and interest accrued thereon to IEPF upon completion of 7 years from the date of its maturity.

32 Provision

Provision has been created for a Nil amount in the current year and Rs.52.00/- in the previous year respect of Contingencies-Service Tax- Liability.

33 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 informtion available with the Company, as at the year end, no vendors are classified as MSMED..

34 Disclosure of Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a) List of related parties

Details of related parties:	
Entities having significant influence	
• Dia Vikas Capital Private Limited	• Prachodhan Development Services
• ESAF Swasraya Multistate Agro Co-operative Society Limited	• Cedar Livelihood Private Limited
Key Management Personnel (KMP)	
Managing Director	Mrs. Mereena Paul
Chief Financial Office	Mr. Rajesh Sreedharan Pillai
Company Secretary	Mrs. Minu Santhosh
Relatives of KMP	
Mrs. Emy Acha Paul, daughter of Mrs. Mereena Paul	
Associate Company	
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	**2025-26 (₹ in Lakhs)**	2024-25 (₹ in Lakhs)
1	Remuneration to KMP	Mrs. Mereena Paul	135.40	123.09
2	Remuneration to KMP	Mr. Krishnasadan Krishnakumar	-	0.11
3	Remuneration to KMP	Mr. P V Antony	-	7.90
4	Remuneration to KMP	Mrs. Minu Santhosh	9.81	11.51
5	Remuneration to KMP	Mr. Rajesh Sreedharan Pillai	43.59	27.87
6	Sitting fee paid	Mrs. Emy Acha Paul	1.00	1.20
7	Rent received	ESAF Swasraya Multistate Agro Co-operative Society Limited	3.78	3.60
8	Interest Income on FD	Esaf Small Finance Bank Limited	136.35	103.60
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	(31.04)	(955.11)
12	Rent received	Cedar Livelihood Private Limited	1.76	1.67
13	Security Deposit -received	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	-	12.50
14	Investments in time Deposit (net)	ESAF Small Finance Bank Ltd	(204.06)	1,494.06
15	CSR Expenses	Prachodhan Development Services	25.00	20.00

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

Sl. No.	Particulars	Related Party	**Amounts due (to)/from 31st, Mar, 2026 (₹ in Lakhs)**	Amounts due (to)/from 31st, Mar, 2025 (₹ in Lakhs)
1	Other Current Liabilities	Mrs. Mereena Paul	19.30	14.36
2	Rent Deposit	Mrs. Mereena Paul	0.50	0.50
3	Security Deposit	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	-	-
4	Investments in Bonds and debentures	ESAF Small Finance Bank Ltd	2,000.00	2,000.00
5	Rent Receivable	Cedar Livelihood Private Limited	2.07	-
6	Rent Receivable	ESAF Swasraya Multistate Agro Co-operative Society Limited	0.38	-
7	Investments in Equity shares	ESAF Small Finance Bank Ltd	27,569.00	27,569.00
8	Time deposit	ESAF Small Finance Bank Ltd	1,750.00	400.00
9	Balance with Bank Accounts	ESAF Small Finance Bank Ltd	134.51	165.55

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) 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, 2026, the company has not recorded any impairment of receivables relating to amounts owned by related parties

(March 31, 2025 : 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.

9 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, 2026 (₹ in Lakhs)**	As at 31 March, 2025 (₹ in Lakhs)
(Deferred tax liablities)		
With regard to timing differences on Taxable temporary Difference (TTD)		
Property Plant and Equipment	(7.59)	(8.25)
Right on use Asset	(8.64)	(0.20)
Investment property	(11.04)	(11.23)
Total deferred tax liablities	**(27.27)**	**(19.67)**
(Deferred tax assets)		
With regard to timing difference on Deductible Taxable Difference (DTD)		
Provision for compensated absences	1.53	1.58
Provision for other Advances	-	1.39
Provision for Service Tax	219.47	226.72
Provision for Employee benefit	4.29	-
Lease Liability	9.47	-
Total deferred tax assets	**234.76**	**229.70**
Deferred tax assets	**207.49**	**210.03**

35 Provisions & Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	**Current Year**	Previous Year
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	15.96	(159.86)
Other Provision and Contingencies (with details)		
(i) Provision for compensated absences	6.09	6.09
(ii) Provision for Preference dividend	18.05	18.05
(iii) Provision for ESI predeposit	5.36	5.36
(iv) Provision For Contingencies-Service Tax- Liability	872.00	872.00
Provision for Standard Assets	**-**	**-**

35 Provisions & Contingencies

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. 007220S
A. John Moris
Partner
M.No. 029424

Mereena Paul
Chairperson & Managing Director
DIN:02228087

Rajesh Sreedharan Pillai
Chief Financial Officer

Place: Thrissur
Date: 12/08/2026

Abraham Thariyan
Director
DIN:07132831

Minu Santhosh
Company Secretary
M.No. A62382

1. 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, bearing Corporate Identification Number (CIN: U65910KL1996PTC077288). The Company was incorporated under the provisions of the Companies Act, 1956. The Company was registered with the Reserve Bank of India ("RBI") as a Non-Deposit Accepting Non-Banking Financial Company (NBFC-ND) vide Certificate of Registration No. B.07.00652 dated 22 August 2007. Subsequently, with effect from 7 January 2014, it was classified as a Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI).

The Company was primarily engaged in providing microfinance services to the weaker sections of society, predominantly women organized under Joint Liability Groups (JLGs). 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.

2. Preparation and Presentation of Consolidated Financial Statements

(a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other relevant provisions of the Act.

The financial statements have also been prepared in compliance with the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time, and other guidelines and circulars issued by the Reserve Bank of India (RBI), to the extent applicable, as well as other accounting principles generally accepted in India.

The Company follows the accrual basis of accounting in the preparation of its financial statements, except for the Statement of Cash Flows, which is prepared in accordance with the relevant Ind AS. The financial statements have been prepared and presented on a going concern basis. The accounting policies have been applied consistently to all periods presented, except where a newly issued Ind AS has been adopted for the first time or where a revision to an existing Ind AS has required a change in the accounting policy previously in use.

(b) Presentation of Financial Statements

The consolidated Balance Sheet and Consolidated Statement of Profit and Loss have been prepared and presented in accordance with the format prescribed under Division III of Schedule III to the Companies Act, 2013 ("the Act").

The Consolidated Statement of Cash Flows has been prepared and presented in accordance with the requirements of the applicable Indian Accounting Standards (Ind AS).

A summary of the material accounting policies and other explanatory information has been provided in accordance with the Companies (Indian Accounting Standards) Rules, 2015, as notified under Section 133 of the Act, including the applicable Ind AS and other accounting principles generally accepted in India. The consolidated financial statements are presented in Indian Rupees (₹), which is also the functional currency of the Company, in accordance with the provisions of Schedule III to the Act, unless otherwise stated.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires the Management of the Company to exercise judgements and make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements, and the reported amounts of income and expenses for the reporting period.

The application of accounting policies that involve critical accounting estimates, including those requiring complex and subjective judgements and the use of assumptions, is disclosed, wherever applicable, in the respective notes to the consolidated financial statements.

Accounting estimates may change from period to period due to changes in circumstances or new information. Actual results could differ from those estimates. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected. Where such revisions are material, their nature and impact are disclosed in the notes to the consolidated financial statements.

3. Material Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Property, Plant and Equipment

(i) Recognition and Measurement

Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent expenditure is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

(ii) Depreciation

Depreciation is provided on assets to get the initial cost down to the residual value, including on asset created on lands under lease. Land is not depreciated. Depreciation is provided on a Straight-line method over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 or based on a technical evaluation of the asset. Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed periodically and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

(iii) Estimated useful life

Category	**Useful Life**
Building	60 years
Computers	3 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Vehicles – Motor Cars	4* years

* "The Company has adopted a useful life of 4 years for motor vehicles, while the indicative useful life prescribed under Schedule II of the Companies Act, 2013 is 8 years, based on management assessment."

(a) Goodwill and Other Intangible Assets

(i) Goodwill

Goodwill arising on Business Combination is carried at cost less any accumulated impairment losses. Goodwill is annually tested for impairment. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes. On disposal of the CGU or group of CGUs, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss.

(ii) Other Intangible Assets

Other Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

a. for assets acquired in a business combination, at fair value on the date of acquisition.

b. for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP. After initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

(b) Investment Property

Properties that are held for long-term rental yields and / or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Depreciation is recognised using the straight-line method so as to amortize the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act, 2013. Freehold land and properties under construction are not depreciated.

The estimated useful lives of investment properties are same as those disclosed for PPE. Transfers to, or from, investment properties are made at the carrying amount when and only when there is a change in use. An item of investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Any gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

Income received from investment property is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

(c) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups are presented separately in the balance sheet when the following criteria are met:

(i) the Company is committed to selling the asset or disposal group;

(ii) the assets are available for sale immediately; an active plan of sale has commenced; and

(iii) sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortized or depreciated.

(d) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or CGU exceeds their recoverable amount. Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or CGU and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased.

Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

(e) Employee Benefits

(i) Short term employee benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts. Provident Fund contributions are in the nature of defined

(ii) Post retirement employee benefits

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF) other such schemes are accounted for on accrual basis by the Company. With regard to Provident Fund contribution made by the Company to a Self-Administered Trust, the Company is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefit like gratuity for qualifying executives/whole time directors are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated remeasurement balances are never reclassified into the statement of profit and loss subsequently.

The Company recognizes in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

(iii) Employee termination benefits

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred. Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(f) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the consolidated financial statements where an inflow of economic benefit is possible.

g) Income Tax

(i) Current Tax

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

(ii) Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(h) Foreign currency and translations

(i) Functional and Presentation currency

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency").

The consolidated financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the yearend rate. Any resultant exchange differences are taken to the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are recorded at the exchange rate prevalent at the date of transaction.

(i) Financial Instruments

(A) Financial Assets

Initial recognition and measurement

At initial recognition, the Company measures financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Investments in Subsidiaries, Associates and Joint Venture

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Subsequent measurement

Debt Instruments:

Subsequent measurement of debts instruments depends on the Company's business model for managing the assets and the cash flows of the assets. The Company classifies its financial assets in the following categories:

(i) Financial assets at amortised cost-

Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represents solely payments of principal and interest, are on specified dates are

subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

(iii) Financial assets at fair value through profit or loss (FVTPL) –

Financial assets which are not classified in any of the categories above are FVTPL.

Equity Instruments:

All equity investments are measured at fair values. The Company may irrevocably elect to measure the same either at FVTOCI or FVTPL on initial recognition. The Company makes such election on an instrument-by-instrument basis.

The fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets:

The Company assesses expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instrument based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

(B) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Offsetting Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(C) Hedge Accounting

Movements in the hedging reserve are accounted in other comprehensive income and are reported within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

(j) Fair Value Measurement

The Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the consolidated financial statements.

Hierarchy followed for financial instruments:

Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

(k) Leases

(i) As a lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a. the contract conveys the right to use an identified asset;

b. the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

c. the Company has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Company

recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease. For this purpose, the company has considered all leases where the value of an underlying asset does not individually exceed Rs.5 lakhs, or equivalent as a lease of low value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease whichever is shorter.

Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

(l) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(m) Revenue recognition

Revenue is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, using the five-step model comprising identification of contracts with customers, identification of performance obligations, determination of the transaction price, allocation of the transaction price to the performance obligations and recognition of revenue when (or as) the performance obligations are satisfied.

(i) Interest Income

Interest income is recognised using the Effective Interest Rate (EIR) method in accordance with Ind AS 109, Financial Instruments. Interest income is accrued on the gross carrying amount of financial assets except for credit-impaired financial assets, where interest income is recognised on the net carrying amount.

(ii) Dividend Income

Dividend income is recognised when the Company's right to receive payment is established, provided that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably.

(iii) Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the leased asset is consumed. Rental income is recognised in the Statement of Profit and Loss in accordance with the terms of the respective agreements.

(iv) Fee, Commission and Other Income

Fee, commission and other income within the scope of Ind AS 115 are recognised upon satisfaction of the related performance obligations and when control of the promised services is transferred to the customer. Other income is recognised when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

(n) Government Grants

Government grants including any non-monetary grants

are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(o) Exceptional Items

Exceptional items are disclosed separately in the consolidated financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(p) Earnings Per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and considering the effect of all dilutive potential ordinary shares.

(q) Operating Segments

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

(r) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The consolidated financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed if material.

(s) Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net fair value of assets and liabilities acquired.

Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

(a) Depreciation and Amortization

Depreciation and amortization is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.

(b) Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate. Any changes in

these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions.

(c) Fair value of financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable.

Key accounting judgement, estimates and assumptions

The Ministry of Corporate Affairs ("MCA") has notified amendments to certain Indian Accounting Standards (Ind AS) which are applicable for annual reporting periods beginning on or after 1 April 2025.

The key amendments include:

a) Ind AS 21 – The Effects of Changes in Foreign Exchange Rates: Provides guidance on assessing whether a currency is exchangeable and on estimating the exchange rate when exchangeability is lacking.

b) Ind AS 1 – Presentation of Financial Statements: Clarifies the requirements for classification of liabilities as current or non-current, including liabilities subject to covenants.

c) Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures: Introduce additional disclosure requirements for supplier finance arrangements.

d) Ind AS 12 – Income Taxes: Introduces disclosure requirements relating to the OECD Pillar Two global minimum tax rules.

The Company has assessed the applicability of these amendments and concluded that they do not have a material impact on the financial statements of the Company.

NOTES



ESAF

ESAF FINANCIAL HOLDINGS

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

www.esafholdings.com