

# INVESTING FOR A BETTER WORLD



***2019-20 ANNUAL REPORT***



## 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 Tripple bottom line framework and focused on the marginalised communities in India.



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## CORPORATE INFORMATION

<b>Registered Office</b>	: No. 8/9, Mansuk Buildings, Flat No. 3A, 3 <sup>rd</sup> Floor, Gangadeeswara Koil St., Purasawalkam, Chennai, Tamil Nadu. 600 084
<b>Corporate Office</b>	: Hepzibah Complex, Mannuthy P.O., Thrissur, Kerala - 680 651
CIN	: U65910TN1996PTC036650,
RBI Registration Number	: B-07-00652

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## Our Investors




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## Our Bankers



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# THE JOURNEY OF ESAF 1992 - 2020

<p>1992</p>  <p>Established ESAF Society as an NGO</p>	<p>1995</p>  <p>Launched microcredit operations under Micro Enterprises Development Project, with the support of EFICOR</p>	<p>1995</p>  <p>ESAF launched Micro Enterprise Development (MED) initiative (First in Kerala) and disbursed first loan at Methala, Thrissur</p>	<p>1997</p>  <p>K. Paul Thomas, Founder &amp; MD met Prof. Muhammed Yunus in Bangladesh to understand the nuances of microcredit.</p>	<p>1998</p>  <p>Received Seed capital from Grameen Trust, Bangladesh</p>	<p>2000</p>  <p>Funding from major financial institutions started</p>
<p>2004</p>  <p>Expanded operations to Tamil Nadu, Maharashtra and Chattisgarh</p>	<p>2007</p>  <p>Attained ₹1,000 million cumulative disbursements.</p>	<p>2007</p>  <p>Wins Micro-Insurance Award instituted by ING Netherlands and Planet Finance India.</p>	<p>2008</p>  <p>Ranked 14<sup>th</sup> in the world, and 4<sup>th</sup> in India for transparency and efficiency, by MIX Market.</p>	<p>2008</p>  <p>MED operations transformed to ESAF Microfinance (RBI Licenced NBFC) after acquiring the portfolio from ESAF NGO</p>	<p>2015</p>  <p>ESAF Launched Loans for Individuals</p>
<p>2010</p>  <p>Equity investment by Maanaveeya Holdings (P) Ltd., a wholly owned subsidiary of Oiko Credit, Netherlands.</p>	<p>2010</p>  <p>Selected by the Govt. of India as an aggregator for Swavalamban Yojana, pension scheme (NPS Lite).</p>	<p>2011</p>  <p>Rated mFR4 by CRISIL. Rated B+ (Responsible Microfinance) and ₹B+ (Social Rating) by M-CRIL.</p>	<p>2011</p>  <p>ESAF Swasraya Multistate Co-op. Credit Society got incorporated</p>	<p>2015</p>  <p>ESAF Launched Lahanti Institute of Multiple Skills in Jharkhand</p>	<p>2015</p>  <p>Rated A- by Brickwork Ratings a premier rating agency.</p>
<p>2013</p>  <p>MF Transparency has awarded an official seal of transparency for transparent pricing.</p>	<p>2013</p>  <p>K.Paul Thomas, CMD becomes the Director of MFIN</p>	<p>2016</p>  <p>Crossed 1 Million Members &amp; 20 Billion Loan Portfolio</p>	<p>2016</p>  <p>ESAF received SKOCH Order of Merit Award for its excellence in Financial Inclusion space</p>	<p>2016</p>  <p>ESAF received Indywood CSR Excellence Award</p>	<p>2016</p>  <p>ESAF won Inclusive Finance India award by ACCESS ASSIST</p>
<p>2014</p>  <p>Launches Ultra Poor Program in Jharkhand</p>	<p>2014</p>  <p>Rated mFR2 by CRISIL Ratings</p>	<p>2017</p>  <p>ESAF Annual Report wins NIB Award (Gold) for Best Annual Report</p>	<p>2017</p>  <p>ESAF received ₹10 Million as the first tranche of Carbon Credit revenue and became the first MFI from India to win Carbon Credit revenues.</p>	<p>2017</p>  <p>ESAF celebrated 25 years of Social Service</p>	<p>2017</p>  <p>ESAF won 'Banking Excellence Award' from Chamber of Indian Micro Small &amp; Medium Enterprises</p>



2014



Wins TrueLift Aspirant Certificate completing the self assessment of TrueLift indicators based on pro-poor principles.

2014



ESAF wins Disability Inclusion Award

2014



ESAF among the finalists to receive the prestigious European Microfinance Award

2014



K. Paul Thomas, CMD wins Emerging Entrepreneur of the year Award by The Indus Entrepreneurs (TIE)

2015



ESAF Quarterly Newsletter 'Lahanti' wins NIB Award among corporate journals in India.

2015



Graded MF2+ and Bank Loan Rating 'BBB+' by Care Ratings

2015



The Cultural Village project of ESAF won the Walking Visionary Award from Walk 21

2015



ESAF Crossed ₹10 Billion Gross Loan Portfolio

2015



K. Paul Thomas, CMD wins CEO Excellence of the year Award by DC Media.

2015



ESAF Launched Housing Loan in association with Microbuild India Habitat

2009



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

2009



Selected by International Labour Organization (ILO) for the project 'Microfinance for decent work'.

2016



ESAF Received Special Jury Award for serving MSMEs from Chamber of Indian Micro Small & Medium Enterprises

2016



K. Paul Thomas, CMD wins Dhanam Marketing Man of the Year 2015

2016



Graded MF1 by Care Ratings

2012



SROI Study suggests that, for the equivalent of every ₹1 invested in ESAF Microfinance, ₹3.19 is returned in social value.

2012



Rated mfr3 by CRISIL Ratings

2013



Selected by World Bank Group for 'India Development Marketplace' award.

2016



ESAF Chairman K. Paul Thomas won 'Entrepreneur of the Year' Award by TIE Kerala.

2017



AMCOS, Association of Multi state Co-operative Societies honoured ESAF Chairman K. Paul Thomas for his glorious contributions to the Co-operative sector

2013



Selected as Service Provider for Mahatma Gandhi Pravasi, Suraksha Yojana by the Govt. of India.

2013



ESAF wins the title Socially Transparent and Responsible (STAR) MFI 2013, granted by MIX Market.

2014



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

2014



SIDBI acknowledges ESAF's gender mainstreaming strategy

2017



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

2017



K. Paul Thomas elected to Sa-Dhan, the oldest and largest association of community development finance institutions.

2018



ESAF Small Finance Bank opened 100 new Retail Banking Outlets

2018



K. Paul Thomas won TMA Management Excellence Award

2018



Govt. of India picks ESAF for Atal Pension Yojana

2018



K. Paul Thomas won Chamber of Commerce Award 2018

2018



ESAF Small Finance Bank receives Scheduled Bank status

2019



ESAF Small Finance Bank Launches the 'HUMANOID ROBOT' named 'EIDA'

2019



ESAF Small Finance Bank opens 222 Retail Banking Outlets

2019



ESAF Micro Finance and Investments changed its name to ESAF Financial Holdings

2020



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



## BOARD OF DIRECTORS



### Chief Financial Officer

Mr. Rajesh Sreedharan Pillai (Till 30<sup>th</sup> September, 2019)  
 Mr. Sunil G Nampoothiri (From 01<sup>st</sup> October, 2019)

### Company Secretary

Mr. Vaishakh. R (Till 27<sup>th</sup> March, 2020)

### Statutory Auditors

M/s A. John Moris & Co.



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## MESSAGE FROM THE CHAIRPERSON AND MANAGING DIRECTOR



**A**t this moment when I am addressing you all, the entire mankind is sailing through extremely unprecedented times as the global pandemic Covid 19 is spreading its tentacles across the and India is also not an exception. Large scale lockdowns of entire nations and communities have lead to widespread economic slowdowns, market crashes, corporate failures and large scale job losses across businesses. Sectors like Banking and financial services, travel, tourism and hospitality etc have borne the brunt of this to the maximum. ESAF being a social enterprise with deep rooted trust in God have seen lot of uncertainties during its quarter of a century growth journey and we believe that our institution over a period of time has amassed enough strength to be resilient to such emerging black swan scenarios, in this ever changing and uncertain world.

Throughout the last financial year we were in the process of completing all necessary pre-requisites and compliances as prescribed by the apex bank for converting our institution as an NBFC Core Investment Company and I am extremely happy to inform you all that, we have crossed that milestone during the year. This change in classification has opened up a whole world of new opportunities for us and being an institution committed to triple

bottom line approach around people, planet and prosperity, I would like to assure you all that, this newly acquired classification will be effectively utilised for the betterment of the deserving masses of this nation and for bringing them equal opportunities.

Being the promoter of ESAF Small Finance Bank (ESFB), which has by now become one of the leading social banks of this country, with rapid strides in branch penetration and adoption of low cost niche technology to achieve its stated objectives of financial inclusion, we are equally proud of its profound achievements during the year under reporting. ESFB embarked on an Initial Public Offer and filed a Draft Red Herring Prospectus during the year which was approved by the Securities and Exchange Board of India (SEBI) and ESFB is gearing up for an opportune timing to hit the markets. On the performance front, ESFB recorded an increase of an impressive 110.86% in the net profit for the year ended 2019-20 which stood at Rs 190.39 crores against Rs.90.26 crores in the previous year. The total business of ESFB grew 49.05% during the year and reached Rs 13,846 crores. The customer base of ESFB also achieved impressive growth and stood at 40.74 lakh as on the financial year end with 454 outlets across the length and breadth of the nation.

The prevailing pandemic has definitely slowed down the economy, but has taught the mankind to explore ways and means to achieve the new normal. For us in ESAF, pandemic has given an opportunity to face back at our core values and we were involved in lot of humanitarian efforts during the lockdown period, which is still ongoing through support to communities in order to reinstate their livelihood means through financial and non-financial tools. As you are aware we believe in the philosophy of inclusion of the marginalised. Let me seek your continued patronage for our activities in the future as well.

I would like to take this opportunity to express my sincere gratitude to all our investors, regulators, employees, Auditors and other stakeholders of our company, for their unflinching support. Further I note the commendable support provided to me by the Board of Directors and express my sincere gratitude to each of them.

Assuring to continue to live our mission.

Once again thanking you all,



**Mereena Paul**  
Chairperson and Managing  
Director



## AGM NOTICE



### ESAF Financial Holdings Private Limited

CIN: U65910TN1996PTC036650

Registered Office Address: No 8/9, Mansuk Buildings,  
 Flat No.3A, 3<sup>rd</sup> Floor, Gangadeeswara Koil St.,  
 Purasawalkam, Chennai - 600 084

Corporate Office Address: 2<sup>nd</sup> Floor, Hephzibah Complex  
 Mannuthy P O Thrissur, Kerala - 680 651

### NOTICE

NOTICE is hereby given that the 24th ANNUAL GENERAL MEETING of the members of ESAF FINANCIAL HOLDINGS PRIVATE LIMITED will be held on Monday, 28th September, 2020 at 02:30 PM IST through Video Conferencing ("VC") /Other Audio - Visual Means ("OAVM") to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2020, 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 dividend on preference shares.
3. To appoint M/s. A. John Morris & Co., Chartered Accountants (Firm Registration No: - 007220S) as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of 29th Annual General Meeting.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications or enactments made there under, consent of the members of the Company be and is hereby accorded to appoint of M/s. A. John Morris & Co., Chartered Accountants (Firm Registration number 007220 S), Chennai, as recommended by the Board, as the Statutory Auditors of the Company from the conclusion of the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to fix the remuneration and out of pocket expenses incurred to the Statutory Auditors in consultation with them based on the recommendations of Audit Committee."

By the order of the Board  
 For ESAF Financial Holdings Private Limited

Place : Thrissur  
 Date : 04<sup>th</sup> September, 2020

Sd/-  
**Vishakh**  
 Company Secretary  
 Membership No: A 58999

#### NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') permitted holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), and MCA Circulars, shareholders can participate in the meeting through Video Conferencing (VC) facility.



2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. 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
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 Corporate Office of the Company between 10.00 am and 1.00 pm on all working days till the date of the meeting.
6. Members will be able to attend the AGM through VC or view the live webcast of AGM provided by clicking on the link given below and entering the login credentials:

Video Conferencing Solution: CISCO Webex Meeting

Meeting Access Code: 170 288 9796

Meeting Access Link: <https://airtel1.webex.com/airtel1/j.php?MTID=ma1571506bb4d5557f5175861b00a6f94>

7. 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 [vishakh.b@esafholdings.com](mailto:vishakh.b@esafholdings.com).
8. The facility of joining the AGM through VC will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the AGM, i.e., from 02:15 PM to 02:45 PM.
9. The Statutory Registers maintained by the Company is available for inspection to members at the registered office of the Company during the business hours.  
  
In accordance with the MCA Circulars, the said registers have been made accessible for inspection through electronic mode and shall remain open and be accessible to any member till conclusion of the meeting. Any member intending to inspect the Statutory registers through electronic mode shall make a request by sending an email to [vishakh.b@esafholdings.com](mailto:vishakh.b@esafholdings.com).
10. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by sending an email to [vishakh.b@esafholdings.com](mailto:vishakh.b@esafholdings.com) before 5:30 PM IST on 25th September, 2020 mentioning their name, Folio no., e-mail Id, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
11. Members may note that attendance of members through VC shall be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
12. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
13. During the Meeting, where a poll on any item is required, the members participating through VC shall cast their vote on the resolutions only by sending emails from their registered email id registered with the Company to [vishakh.b@esafholdings.com](mailto:vishakh.b@esafholdings.com).
14. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by sending an email to [vishakh.b@esafholdings.com](mailto:vishakh.b@esafholdings.com) before 05:30 PM IST on 25th September, 2020 mentioning their name, Folio no., e-mail Id, mobile number, etc. Please note that only questions of the members holding the shares as on cut-off date will be considered.
15. Members who need technical assistance before or during the Twenty Fourth AGM can contact the Company at [vishakh.b@esafholdings.com](mailto:vishakh.b@esafholdings.com) or helpline – 9072045500.



# DIRECTORS' REPORT

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2019-20

To,

The Members,

Your directors have pleasure in presenting the Twenty Fourth Annual Report together with the audited accounts of the Company on a Consolidated and Standalone basis for the Financial Year ended 31<sup>st</sup> March, 2020.

### 1. Financial Highlights

The summary of the Company's financial performance both on a Consolidated and Standalone basis for FY 2019-20 compared to the previous year, FY 2018-19 is given below:

(Amount in lakhs)

Particulars	Stand-alone		Consolidated	
	2018-19	2019-20	2018-19	2019-20
Total revenue	1,735.70	544.11	1,735.70	544.11
Total Expenses	1,269.79	324.80	1,269.79	324.80
Share of Profit/(Loss) of Associate Company			4539.19	9039.10
Profit (Loss) before Extra-Ordinary items and taxation	465.90	219.31	5,005.10	9,258.41
Tax Expenses	172.39	59.45	172.39	59.45
Profit (Loss) from continuing operations (A)	293.51	159.85	4,832.71	9,198.95
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	-	-	503.18	5,069.31
Profit for the year (A+B)	293.51	159.85	5,335.89	14,268.27



## 2. First Time Adoption of Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), vide its notification dated March 30, 2016, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Being applicable, the Company has adopted Ind AS from April 1, 2019 and accordingly, the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP).

The impact of transition has been recorded in opening retained earnings as at April 1, 2019 and the periods presented have been restated / reclassified.

The reconciliation and descriptions of the effect of the transition from Indian GAAP to Ind AS have been provided in Note 20 in the notes forming part of separate financial statements.

## 3. Dividend

The Board of Directors of the Company proposed to declare final dividend on preference shares issued by the company as given below. The Board of Directors have not declared any Interim Dividend during the financial year under review.

Nature of Security	Rate of Dividend	Amount to be paid (Rs.)
8% Compulsorily Convertible Preference Shares	8%	2,97,84,160
10% Compulsorily Convertible Preference Shares	10%	9,50,000

With a view to preserve its reserves, the Directors do not recommend any Dividend on Equity Shares for the financial year ended March 31, 2020.

## 4. Amounts Transferred to Reserves

During the year under review, your Company has transferred an amount of ₹ 31,97,169/- out of profit after tax for the year to the statutory reserve.

## 5. Capital Adequacy

The Capital Adequacy Ratio of the Company stands at 42.59% as of March 31, 2020 as against the minimum capital adequacy requirements of 30% stipulated by RBI.

## 6. RBI Regulations

As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company has not accepted any public deposits during the year and do not have any public deposits outstanding at the end of the year.

## 7. 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 31<sup>st</sup> March 2020 stands at ₹ 2500 million divided into 190 million Equity Shares of ₹ 10/- each and 6 million Compulsorily Convertible Preference Shares of ₹ 100/- each.

### b. Paid up Share Capital

During the Financial Year 2019-20, there was no change in the paid up share capital of the Company. The Paid up Share Capital of the Company stood at ₹ 1785.20 million as on 31<sup>st</sup> March 2020.



## 8. State of Company's affairs

The Company is registered with RBI as a Non Deposit taking Systemically Important Core Investment Company (NBFC-ND-SI-CIC) and the Certificate of Registration as CIC was issued on 26<sup>th</sup> February, 2020. The Company is in compliance with the conditions of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 as amended. The conversion was done based on the licensing condition of the Reserve Bank of India while approving the small finance bank license for ESAF Small Finance Bank Limited, the Bank promoted by the Company.

Being a CIC the Company has its investments. 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.

## 9. 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 I. 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 2019-20. The Consolidated Financial Statements which have been prepared in accordance with the Act, and the relevant Accounting Standards form part of this Annual Report.

### Status of Listing of Equity Shares of the ESAF Small Finance Bank Limited

In accordance with the terms and conditions for granting of Small Finance Bank (SFB) license, ESAF Small Finance Bank Limited ("the Bank"), the Bank promoted by the Company, is required to list its shares within three years from the date of reaching a net-worth of ₹ 500 Crores. Hence, in accordance with the same, the Bank shall list the equity shares on or before 30<sup>th</sup> July, 2021. Further, ESAF Financial Holdings Private Limited, being the Corporate Promoter of the Bank, has been registered with the Reserve Bank of India as a Core Investment Company (NBFC-ND-SI-CIC) as per the licensing condition of the Bank.

In Compliance with the above, the Board of Directors and shareholders of the Bank has decided to undertake an Initial Public Offering of Equity Shares aggregating up to ₹ 9,762.40 million comprising a Fresh Issue aggregating up to ₹ 8,000.00 million and an Offer for Sale aggregating up to ₹ 1,762.40 million. The Draft Red Herring Prospectus (DRHP) was filed with the Securities and Exchange Board of India on 06<sup>th</sup> January, 2020 and SEBI has issued its observation letter on 20<sup>th</sup> March, 2020.

## 10. Board meetings

During the Financial Year 2019-20, the Board of Directors of the Company met Ten times on 06<sup>th</sup> June 2019, 11<sup>th</sup> June 2019, 22<sup>nd</sup> August 2019, 21<sup>st</sup> September 2019, 23<sup>rd</sup> October 2019, 26<sup>th</sup> November 2019, 30<sup>th</sup> November 2019, 19<sup>th</sup> December 2019, 04<sup>th</sup> March 2020 and 27<sup>th</sup> March 2020.

## 11. Directors and Key Managerial Personnels (KMPs)

As on date of this report, the Board of Directors of the Company comprises of Five directors. The list of Directors and the Key Managerial Personnel as on 31<sup>st</sup> March is as given below:



Sl.No	Name of Director/ Key Managerial Person	Designation
1.	Mrs. Mereena Paul	Chairperson and Managing Director
2.	Mr. Vikraman Ampalakkat	Independent Director
3.	Mr. Ranganathan Varadarajan Dilip Kumar	Nominee Director
4.	Mr. Saneesh Singh	Nominee Director
5.	Mrs. Philomina	Nominee Director
6.	Mr. Sunil Ganapathi Nampoothiri	Chief Financial Officer

### Change in Directors and Key Managerial Personnel

During the last year, the following changes took place in the Board of Directors and KMP's of the Company:

Sl. No	Name of the Director	Designation	Appointment/ Resignation	Effective Date
1.	Mr. Rajesh Sreedharan Pillai	Chief Financial Officer	Change in Designation	30/09/2019
2.	Mr. Sunil Ganapathi Nampoothiri	Chief Financial Officer	Appointment	01/10/2019
3.	Mrs. Poonam Mehta	Nominee Director	Resignation	30/11/2019
4.	Mrs. Philomina	Nominee Director	Appointment	30/11/2019
5.	Mr. Vaishakh. R	Company Secretary	Resignation	27/03/2020

### 12. Declaration by Independent Director

The Company has received declarations from the Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria laid down by Section 149 of the Companies Act, 2013.

### 13. Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2020, 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, 2020 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.



#### 14. Appointment of Statutory Auditor and Audit Report

At the Annual General Meeting held on 28<sup>th</sup> September, 2017, the Company had appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company for a period of five consecutive years to hold office from the conclusion of the Twenty First Annual General Meeting till the conclusion of Twenty Sixth Annual General meeting. However, the Statutory Auditors of the Company have tendered their resignation on 11<sup>th</sup> March, 2020 citing technical reasons. The Board of Directors in its meeting held on 27<sup>th</sup> March, 2020 have appointed M/s. A. John Moris & Co., Chartered Accountants, Chennai (FRN: 007220 S) as the Statutory Auditors of the Company, subject to the approval of Members of the Company in a general meeting to be held within Three months from the date of appointment by the Board and they shall hold office till the conclusion of this Annual General Meeting. The Board proposes to appoint the M/s. A. John Moris & Co., Chartered Accountants, Chennai (FRN: 007220 S) as the statutory auditors of the Company for a period of Five consecutive years to hold the office from the conclusion of the Twenty Fourth Annual General Meeting till the conclusion of the Twenty Nineth Annual General Meeting.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

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

**a. Conservation of Energy**

Our operations are not energy intensive. However, significant measures will be taken to reduce energy consumption by using energy efficient computers.

**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

The Company has not received any amount as foreign exchange earnings during the year under review.

Foreign exchange outgo

The Company has not incurred any foreign exchange outgo during the year under review.

#### 16. Fraud Reporting

During the year under review, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 to the Audit Committee.

#### 17. Extract of Annual Return

The extract of Annual Return, in format MGT-9, for the Financial Year 2019-20 has been enclosed with this report as Annexure II.

#### 18. 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 III.

#### 19. 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 2019-20 in the prescribed format, AOC-2 has been enclosed with the report as Annexure IV.

#### 20. Deposits

During the year under review, the Company has not accepted any deposits from the public.



## 21. CSR expenditure

The Company does not come under the purview of Section 135 of the Companies Act, 2013 and have not spend any amount on Corporate Social Responsibility.

## 22. Secretarial Audit Report

Since all the Non-Convertible Debentures have been delisted, Secretarial Audit is not applicable to the Company for the Financial Year 2019-20.

## 23. Managerial remuneration

None of the employee has received remuneration exceeding the limit as stated in Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

There are no material Changes and Commitments affecting the financial position of the Company have been occurred as at the end of the financial year.

## 25. Performance Evaluation

The Annual Evaluation of the effectiveness of functioning of Board and that of the Committees and of individual directors has been in accordance with the parameters prescribed by the Nomination and Remuneration Committee of the Board.

## 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 Policy

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 Risk Management Committee and the Board of Directors of the Company.

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

No significant orders passed by the authorities which impacts the going concern status and company's operations in future.

## 29. Disclosure regarding Section 178(3) relating to Company's policy on Director appointment and remuneration envisaged as Section 178(3)

The Nomination & Remuneration committee of the company has formulated a policy for determining the remuneration of directors, Key Managerial Personnel and other employees.

## 30 Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

During the Financial Year 2019-20, the Company has not received any complaints on sexual harassment.



### 31. Green Initiatives

Electronic copies of the Annual Report for the FY 2019-20 and the Notice of the AGM is being sent to all the members whose email addresses are registered with the Company. For members who have not registered their email address, physical copies are sent in the permitted mode.

### 32. 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.

### 33. Acknowledgment

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support.

#### For and on behalf of the Board of Directors

Sd/-

Sd/-

Place : Thrissur  
Date : 28<sup>th</sup> August, 2020

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

**Vikraman Ampalakkat**  
Director  
DIN: 01978341



# ANNEXURE I

**FORM AOC-1  
(PURSUANT TO FIRST PROVISIO 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 Crores.\*)

Sl. No	Particulars	
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	427.80
5.	Reserves and surplus	627.40
6.	Total assets	9,409.38
7.	Total Liabilities	9,409.38
8.	Investments	1,795.02
9.	Turnover	892.6
10.	Profit before taxation	181.95
11.	Provision for taxation	44.23
12.	Profit after taxation	137.72
13.	Proposed Dividend	NIL
14.	Extent of shareholding (in percentage)	65.629%

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

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

\* The financial information disclosed above is as per Ind AS.



## ANNEXURE II

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U65910TN1996PTC036650
ii.	Registration Date	27/09/1996
iii.	Name of the Company	ESAF Financial Holdings Private Limited
iv.	Category / Sub-Category of the Company	Private Limited Company
v.	Address of the Registered office and contact details	No 8/9, Mansuk Buildings, Flat No.3A, 3rd Floor, Gangadeeswara Koil St, Purasawalkam, Chennai - 600084, Tamil Nadu Ph: 044 43560790 Email: ro@esafmicrofin.com
vi.	Whether listed company	No

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Activities of Investment Company	64200	96.00%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	ESAF Small Finance Bank Limited  Building No. VII/83/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur, Pin- 680 651	U65990KL2016PLC045669	Associate	65.629%	2(6)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### I) CATEGORY-WISE SHARE HOLDING

###### a) Equity shareholding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/HUF	-	34,900	34,900	0.02%	-	34,900	34,900	0.02%	-
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	34,900	34,900	0.02%	-	34,900	34,900	0.02%	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	-	34,900	34,900	0.02%	-	34,900	34,900	0.02%	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	1,71,76,230	1,71,76,230	12.24%	-	1,71,76,230	1,71,76,230	12.24%	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-



g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>1,71,76,230</b>	<b>1,71,76,230</b>	<b>12.24 %</b>	-	<b>1,71,76,230</b>	<b>1,71,76,230</b>	<b>12.24 %</b>	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	3,40,25,633	3,40,25,633	24.25%	-	28025633	28025633	19.97%	(4.27)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1,05,000	1,05,000	0.07 %	-	1,05,000	1,05,000	0.07 %	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	18,24,426	18,24,426	1.30%	-	18,24,426	18,24,426	1.30%	-
c) Others	-	8,71,73,774	8,71,73,774	62.12 %	-	9,31,73,774	9,31,73,774	66.39 %	4.27
<b>Sub-total (B)(2):-</b>	-	<b>12,31,28,833</b>	<b>12,26,22,473</b>	<b>87.74 %</b>	-	<b>12,31,28,833</b>	<b>12,31,28,833</b>	<b>87.74 %</b>	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	<b>14,03,05,063</b>	<b>14,03,05,063</b>	<b>99.98%</b>	-	<b>14,03,05,063</b>	<b>14,03,05,063</b>	<b>99.98%</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>14,03,39,963</b>	<b>14,03,39,963</b>	<b>100 %</b>	-	<b>14,03,39,963</b>	<b>14,03,39,963</b>	<b>100 %</b>	-



## (II) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in Shareholding during the year
1.	Mr. Kadambelil Paul Thomas	34,900	0.02%	-	34,900	0.02%	-	-
	Total	34,900	0.02%	-	34,900	0.02%	-	-

## (III) CHANGE IN PROMOTERS' SHAREHOLDING

Sl.No	Shareholding at the beginning of the year	Cumulative Shareholding during the year			
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1.	Mr. Kadambelil Paul Thomas				
	At the beginning of the year	34,900	0.02%	34,900	0.02%
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year	34,900	0.02%	34,900	0.02%

## (IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl.No	Name of the shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	ESAF Swasraya Multi State Agro Co-operative Society Ltd.	81,533,174	58.10 %	87,533,174	62.37 %
2.	Dia Vikas Capital Pvt. Ltd.	2,80,25,633	19.97 %	2,80,25,633	19.97 %
3.	SIDBI Trustee Company Ltd -A/c Samridhi Fund	1,71,76,230	12.24 %	1,71,76,230	12.24 %
4.	ESAF Staff Welfare Trust	56,40,600	4.02 %	56,40,600	4.02 %
5.	Mr. Kadambelil Pailee Thomas	2,53,180	0.18%	2,53,180	0.18%
6.	Mrs. Achamma Thomas	2,53,180	0.18%	2,53,180	0.18%
7.	Mr. Thomas Joseph	2,00,000	0.14 %	2,00,000	0.14 %
8.	Mr. Raphael Parambi	2,00,000	0.14 %	2,00,000	0.14 %
9.	Mr. George Thomas	1,74,400	0.12 %	1,74,400	0.12 %
10.	Mr. Alok Thomas Paul	87,500	0.06 %	87,500	0.06 %
11.	Ms. Emy Acha Paul	87,500	0.06 %	87,500	0.06 %



**(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sl. No.	Names of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mrs. Mereena Paul	15,000	0.01%	15,000	0.01%
2.	Mr. Rajesh Sreedharan Pillai	40,000	0.03 %	40,000	0.03 %

\* Resigned from the post with effect from 30<sup>th</sup> September, 2019.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	37.36	2.80	-	40.16
ii) Interest due but not paid	0.00	-	-	0.00
iii) Interest accrued but not due	0.83	-	-	0.83
<b>Total (i+ii+iii)</b>	<b>38.19</b>	<b>2.80</b>	<b>-</b>	<b>40.99</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	37.10	-	-	37.10
Reduction	(1.04)	-	-	(1.04)
<b>Net Change</b>	<b>42.94</b>	<b>-</b>	<b>-</b>	<b>42.94</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	72.10	2.80	-	74.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.03	-	-	9.03
<b>Total (i+ii+iii)</b>	<b>81.13</b>	<b>2.80</b>	<b>-</b>	<b>83.93</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs.)
		Mrs. Mereena Paul (Chairperson and Managing Director)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	95,56,559	95,56,559
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify (One time compensation)	-	-
	Total (A)	95,56,559	95,56,559
	Ceiling as per the Act	Not Applicable for a Private Company	

**B. Remuneration to other directors:**

Particulars of remuneration	Name	Total amount
Independent Directors	Mr. A Vikraman	
Fee for attending Board committee meetings	2,00,000	2,00,000
Commission	-	-
Others, please specify	-	-
Total (1)	2,00,000	2,00,000



Other Non-Executive Directors	Mrs. Philomina (Nominee Director ESMACO)	Mrs. Poonam Mehta (Nominee Director (ESMACO))	Mr. R V Dilip Kumar (Nominee Director SIDBI Trustee Company Ltd)	Mr. Saneesh Singh (Nominee Director Dia Vikas Capital Private Limited)	
Fee for attending Board committee meetings	40,000	40,000	1,60,000	2,00,000	4,40,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)	40,000	40,000	1,60,000	2,00,000	4,40,000
<b>Total { (1) + (2) }</b>	-	-	-	-	<b>6,40,000</b>

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

Particulars of Remuneration	Key Managerial Personnel			Total amount
		CFO	Company Secretary	
<b>Gross Salary</b>	Mr. Rajesh Sreedharan Pillai (From 01 <sup>st</sup> April, 2019 to 30 <sup>th</sup> September, 2019)	Mr. Sunil G Nampoothiri (From 01 <sup>st</sup> October, 2019 to 31 <sup>st</sup> March, 2020)	Mr. Vaishakh. R (From 01 <sup>st</sup> April, 2018 to 28 <sup>th</sup> February, 2019)	
Salary as per provisions contained in section 17(1) of the Income tax Act 1961 (Excluding arrear for previous year)	9,20,982	9,89,484	4,71,230	25,35,193
Value of perquisites u/s 17(2) Income Tax Act 1961	-	-	-	-
Profits in lieu of salary u/s 17(3) of Income Tax Act 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission - As % of profit Others, specify	-	-	-	-
- Others specify	-	-	-	-
<b>Total</b>	<b>9,20,982</b>	<b>9,89,484</b>	<b>4,71,230</b>	<b>25,35,193</b>

Note: -

The disclosure regarding remuneration of Key Managerial Personnel made for their tenure in office.



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**For and on behalf of the Board of Directors**

Sd/-

Sd/-

Place : Thrissur  
 Date : 28<sup>th</sup> August, 2020

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

**Vikraman Ampalakkat**  
 Director  
 DIN: 01978341



## ANNEXURE III

### Particulars of Loan, Guarantees and Investments under Section 186 as on 31<sup>st</sup> March 2020

#### A) Details of Investments: -

SL No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient
1.	05.05.2016		₹ 950,000	
2.	20.05.2016		₹ 1,088,050,000	
3.	09.03.2017	ESAF Small Finance Bank Limited	₹ 600,000,000	Equity Share Capital
4.	10.03.2017		₹ 600,000,000	
5.	29.03.2017		₹ 500,000,000	
6.	30.03.2017		₹ 50,000,000	



## ANNEXURE IV

### Form No. 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 into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

##### a) Contracts with Mrs. Mereena Paul

Sl.No	Particulars	Details
1.	Name(s) of the related party and nature of relationship:	Mereena Paul (Chairperson and Managing Director)
2.	Nature of contracts/ arrangements/ transactions:	Leave and License Agreement for taking on lease building owned by related party.
3.	Duration of the contracts / arrangements/ transactions:	5 Years with effect from February 01, 2017.
4.	Salient terms of the contracts or arrangements or transactions including the value, if any:	The company has taken on rent, a flat owned by Mrs. Mereena Paul, for guest house purposes of the Company
5.	Date(s) of approval by the Board	10.11.2016
6.	Amount paid as advances, if any:	NIL
7.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Required

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

NIL



## JOYFUL STORIES



### LEAVING NO STONE UNTURNED - AJITH SAHU

Ajith Sahu is a woman who is a go-getter and an inspiration to several women whom she has taken along her path to success. She believes that women generally lack opportunity to find avenues for a livelihood where she can use her skills and earn for themselves and their families whom they can support. She saw the hard work women in her neighbourhood put from dawn to dusk either in their farms or in their house but never get a monetary return for the efforts they put. Most women knew how to make pickles, papads and other savouries and sweets which village women prepare during festivals and special occasions so Ajita decided that if women get an opportunity to earn some money by using the skills that she is most comfortable in, then it would give economic self-sustainability to many women. Determined to take forward her dream further she took keen interest in joining the group formed by ESAF and also motivated around 15 women to join the group. As they applied for the loan with ESAF, Ajita enquired with the Rural Self Employment Training Institute (RSETI) for any training programs for rural women and motivated her group members to get training in joss stick making. With the first loan from ESAF and some

saving which she had Ajita Sahu bought a machine to make joss stick, which is a substance of high demand all across Chattisgarh.

Every loan from ESAF thus helped her to buy more machine and give jobs to women. She also explored the possibility of getting training in Mushroom cultivation, Vermi Compost preparation etc. and started the same at her home and also trained many women. She gave her visiting card in MSME, RSETI, KVIB offices and was thus invited to participate in melas and shows where she could put up her stall and further get orders. Ajita Sahu's initiative thus gave platform for nearly 15

women from her group to earn an income of their own as they made pickles, sweets, savouries and also sold vermi compost manures and mushrooms too. Her efforts were recognised by the Government of Chattisgarh and was awarded as one of the Best Entrepreneurs of the state. Without the loan support from ESAF SFB it would have been difficult to conquer her dreams says Ajita and hope that she would like to spread her women empowerment mission to many other women in her village if ESAF SFB continues to support her.

Every loan from ESAF thus helped her to buy more machine and give jobs to women

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




**DEVYANI**

**D**evyani works hand in hand with her husband who is daily wage worker. Born in a poor family, she has no qualms when it comes to going through hard times in life as she says she is prepared for any eventuality. My children are my world, Devyani says with hopes of a better tomorrow. Chullimada colony in Arumay Palakkad is inhabited by socially and economically backward communities with inadequate access to electricity as most of them have illegal connections leading to erratic power supply. We have spent long years using kerosene lamps and the non-availability of kerosene sometimes made it very difficult to light up our dark nights until we bought

Overall the multipurpose use of solar lamp cum mobile charger along with FM Radio makes life easier for Devyani and her family

solar lamp which is easy to operate and take it around, says Devyani.

An active member of Challenge Group of ESAF SFB, Devyani joined the group 3 years back. Apart from regular loans with which they are able to meet their credit requirements a general loan green too proved to be of much help. During monsoon season too the lamp works without any issues and is therefore used to move out at night wherever the power supply is not available. Overall the multipurpose

use of solar lamp cum mobile charger along with FM Radio makes life easier for Devyani and her family.





## GANGESHWARI LILHARE

The story of Gangeshwari Lilhari of Balaghat in Madhya Pradesh is that of courage and regaining hope for a better tomorrow through sheer hardwork and self-confidence. Two years after her married to Shaligram Lilhare, he left her without letting her know why he is leaving and where. With one year old son, she went from pillar to post in search of her husband but there wasn't any trace of him. With no money in hand, she came to her parents' house but was confident that she will work hard and earn her own living. She went for daily labour work as her parents took care of her son.

Once she met the credit officer from ESAF and understood about the loans that can support livelihood and was quick to join the JLG. She convinced 11 women from her neighbourhood to jointly form the JLG and thus took the leadership position in the process of sangam formation. The first of loan of INR 15,000 helped Gangeshwari to buy goats that gave her an additional income

through sale of goat milk. There was no looking back, she was determined to stand on her own feet and also inspire several others to be financial self-reliant. With the 4th loan of INR 35000 she bought an incense stick making machine after getting a small training from an agarbathy retailer. She stopped her daily labour work and gave full time to incense stick making work as the sales increased. She bought one more machine and raw materials when she received the 5th loan of INR 60000 from ESAF SFB. As the orders kept increasing she hired two women to support her. Today Gangeshwari earns a profit of INR 20,000 a month after meeting all her expenses. She is glad that she is able to give employment to two women whose families were struggling to meet two ends. She believes that loans from ESAF was her constant companion to lean back without which she wouldn't have reached where she is now. Gangeshwari is happy that her son is good in his studies and also helps in her work.

ESAF was her constant companion to lean back without which she wouldn't have reached where she is now





## THAJUNEESA

**T**hajuneesa, 55 runs her own catering unit and is a self made woman ! Where there is a will there is a way, says Thajuneesa who has no regrets when it comes to carving way out for her inspite of various challenges she faced in her life. Unless one shows readiness to invest in doing something worthwhile in life,we cannot expect of good returns, believes Thajuneesa who has bought water purifier and solar lights from the clean energy loan from ESAF SFB.“ With the twin purpose of saving some time for boiling water and some money, I bought these products and also I never hesitate to try something new and innovative”,

Thajuneesa recommended it to three of her relatives who too bought the purifiers with the loan from ESAF SFB

adds Thajuneesa while laughing. Boiling water for the entire family took lot of time and firewood too. She claims that prior to buying the purifier she did a cost vs benefit analysis which she does now for all small and big investment as every penny matters ! Thoroughly satisfied with the energy efficient water purifier Thajuneesa recommended it to three of her relatives who too bought the purifiers with the loan from ESAF SFB. Such a loan was never heard of which made her to take decision on these purchases says a happy Thajuneesa.



# REPORT ON CORPORATE GOVERNANCE – BOARD PROFILE

## REPORT ON CORPORATE GOVERNANCE

ESAF Financial Holdings Private Limited 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 Customers, Employees, Investors, Government and the Society at large. Also the Corporate Governance system is in tune with the RBI guidelines, which envisages adherence to transparency, accountability, responsibility and fairness. Sound corporate governance at your Company is the result of external marketplace commitment and legislation plus a healthy Board culture, which directs the policies and philosophies of the Organization. The Company manages its business and conducts its affairs with the objective of enhancing shareholder value, which also ensures the financial viability of the business.

### A. PHILOSOPHY ON CORPORATE GOVERNANCE

At ESAF Financial Holdings, Corporate Governance is not viewed as a set of binding obligations, but considered as a framework to be followed in true letter and spirit. 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. The Board ensures the success and continuity of the Company's business through on-going monitoring of activities. In other words, Your Company sees corporate governance beyond financial numbers.

### B. INTERNAL GUIDING PRINCIPLES ON CORPORATE GOVERNANCE

Your Company's Corporate Governance initiatives are based on the following key principles and also in compliance with the Companies Act, Guidelines issued by RBI and other applicable statutes.

- Management must have the executive freedom to drive the enterprise forward without undue restraints.
- The freedom of the Management should be exercised with in a frame work of effective accountability.
- The framework should cover areas including Organizational Structure, Planning Methodology, Management Standards and Policies, Monitoring, Reporting Processes and Statutory Compliances.

### C. BOARD OF DIRECTORS

The Board of the Company has been constituted in such a manner that it comprises of optimum mix of Executive and Non Executive Directors.

As on 31st March 2020, the Board consists of a total of five directors including a Managing Director, One Non-Executive Independent Directors and Three Nominee Directors. During the year under review, M/s. ESAF Swasraya Multi State Agro Co-operative Society Limited nominated Mrs. Philomina as their Nominee Director in the Company in place of Mrs. Poonam Mehta.

All important strategic policy matters are deliberated at the Board Meetings.

#### COMPOSITION OF BOARD AS ON 31<sup>ST</sup> MARCH, 2020

Sl. No	Name	Date of Birth	DIN	Category	Date of Appointment
1.	<b>Mrs. Mereena Paul</b>	24.03.1964	02228087	CMD	10/03/2017
2.	<b>Mr. Vikraman Ampalakkat</b>	08.08.1947	01978341	NEID	30 09.2008
3.	<b>Mr. Saneesh Singh</b>	19.09.1968	02254868	ND	29.05.2015
4.	<b>Mr. RV Dilip Kumar</b>	20.10.1968	01060651	ND	09.11.2015
5.	<b>Mrs. Philomina</b> (appointed as Director with effect from 30 <sup>th</sup> November, 2019)	19/06/1967	08625252	ND	30/11/2019

• **CMD** - Chairperson and Managing Director • **NEID** -Non-Executive Independent Director • **ND** -Nominee Director



## D. BOARD PROFILE



**Smt. 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. 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. During her tenure as the Head – Human Resources of ESAF, the institution could bag a place in the coveted ‘Great place to Work’ survey. 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.



**Shri. Vikraman Ampalakkat- Non Executive Independent Director:** Mr. 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 Muthoot Fincorp Ltd, Samastha Microfinance Ltd., etc.



**Shri. RV Dilip Kumar – Nominee Director -** Shri. Dilip Kumar is the Nominee Director of SIDBI Venture Capital Ltd (SVCL). He has been with SVCL since its inception in 1999 and was part of the core team which had set up SIDBI Ventures, SIDBI Trustee Company and National Venture Fund for Software & IT Industry (NFSIT). Besides being CFO of SVCL, he is the Fund Manager of Samridhi Fund, a social venture fund and represents SVCL on the Boards of some portfolio companies, where he has played an active role in strategy, corporate governance, building up systems and processes, etc. Prior to joining SVCL in 1999, Dilip was with SIDBI for nearly 8 years with experience in credit appraisal, accounts and audit functions. He is a Post Graduate in Commerce and Economics, AICWA, CS (Inter), PGDBA and CAIIB.



**Shri. Saneesh Singh- Nominee Director:** Mr Saneesh Singh has over 29 years of experience in the fields of development banking, financial inclusion and social & impact investments. He is the MD & CEO of Dia Vikas and leads Opportunity International's initiatives in India - it's largest operation globally reaching out to over 15 million poor households, catalysing access to financial inclusion products and services viz., Micro loans, micro insurance, small savings, micro pensions, etc. as also community development initiatives viz., health, sanitation, education, etc. Saneesh has been engaged in institution building, mentoring and governance of major microfinance institutions and SFBs. He has served on key committees and industry forums associated with SME, social performance, responsible finance and impact investments.

Saneesh had earlier worked in senior managerial capacities at SIDBI and was part of the core team that initiated SIDBI's highly successful microfinance program. He successfully implemented prestigious bilateral projects with UKAid, IFAD, World Bank Group, GIZ, etc. He played a key role in startup support and growth of Bandhan which is now a leading Universal Bank (Bandhan Bank). He has also been associated in the launch/co-founding of ESAF SFB and North East SFB.

Saneesh holds a Master's Degree in Social Work, as well as in Systems Analysis and Design and is an Associate of the Indian Institute of Bankers. He is an Alumni of London School of Economics, Indian School of Business and Harvard Business School. Saneesh is an Aspire and British Chevening Fellow and currently serves on the boards of several leading Financial Inclusion companies and Banks, including Cashpor Micro Credit, Satya Micro Capital, ESAF Small Finance Bank, etc. He is also a member on the Board of Studies of India's first National Skill University (SKSU) Saneesh is a recipient of The ET Now & World BFSI Congress' 101 Most Influential BFSI Leaders Award 2020



**Smt. Philomina – Nominee Director –** Smt. Philomina is a nominee of ESAF Swasraya Multi State Agro Co-operative Society Ltd and has field level experience in organizing and leading sangams



## E. BOARD MEETINGS

Ten Board Meetings were held during the Financial Year ended on March 31<sup>st</sup> 2020. These meetings were held on 06<sup>th</sup> June, 2019, 11<sup>th</sup> June, 2019, 22<sup>nd</sup> August, 2019, 21<sup>st</sup> September, 2019, 23<sup>rd</sup> October, 2019, 26<sup>th</sup> November, 2019, 30<sup>th</sup> November 2019, 19<sup>th</sup> December, 2019, 04<sup>th</sup> March, 2020 and 27<sup>th</sup> March, 2020.

### Directors' Attendance record

Sl. No.	Name	Board meeting during Financial year 2019-20		Whether present at the previous AGM
		Entitled to attend	Attended	
1	Mrs. Mereena Paul	10	10	Yes
2	Mr. Vikraman Ampalakkat	10	10	Yes
3	Mr. RV Dilip Kumar	10	8	Yes
4	Mr. Saneesh Singh	10	10	Yes
5	Mrs. Poonam Mehta *	7	2	No
6	Mrs. Philomina**	3	2	No

\* Resigned with effect from 30<sup>th</sup> November, 2019. \*\* Appointed with effect from 30<sup>th</sup> November, 2019

## F. BOARD COMMITTEES

As on 31st March 2020, the Company has Five regular Board Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and IT Strategy Committee.

Minutes of the meetings of the Committees are approved by the Chairperson of the respective Committees and are noted and confirmed by the Board in its subsequent meeting.

### 1. Audit Committee

#### a. Constitution of Audit Committee

The Audit Committee was constituted on 07.10.2008. The Committee comprises of the following Directors as Members:

Sl No.	Name	Designation
1	Mr. Vikraman Ampalakkat	Chairman
2	Mr. R V Dilip Kumar	Member
3	Mr. Saneesh Singh	Member

#### b. Meeting and Attendance



During the Financial Year under review, five meetings of the Audit Committee were held on 11th June 2019, 22nd August 2019, 30th November, 2019, 04th March 2020, and 27th March 2020. The attendance details of Audit Committee members are as under.

SI No	Name	Number of meetings during the Financial year 2019-20	
		Entitled to attend	Attended
1.	Mr. Vikraman Ampalakkat	5	5
2.	Mr. R V Dilip Kumar	5	3
3.	Mr. Saneesh Singh	5	5

## 2. Remuneration & Nomination Committee

### Constitution of Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 13.02.2009 (originally named as Human Resources and Nomination Committee was renamed as Nomination and Remuneration Committee at the Board Meeting held on 29.09.2014). The Committee currently has the following Members:

SI. No	Name	Designation
1	Mr. Vikraman Ampalakkat	Chairman
2	Mr. Saneesh Singh	Member
3	Mrs. Mereena Paul	Member

### a. Attendance during the year

During the financial year two meetings of the Committee were conducted on 21<sup>st</sup> September, 2019, 30<sup>th</sup> November, 2019 and 27<sup>th</sup> March, 2020.

SI. No	Name	Number of meetings during the Financial year 2019-20	
		Entitled to attend	Attended
1.	Mr. Vikraman Ampalakkat	2	2
2.	Mr. Saneesh Singh	2	2
3.	Mrs. Mereena Paul	2	2

## 3. Stakeholders Relationship Committee



#### a. Constitution of Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted on 29.09.2014 and currently has the following directors as the members of the Committee.

Sl.No	Name	Designation
1	Mr. Vikraman Ampalakkat	Chairman
2	Mrs. Mereena Paul	Member
3	Mr. R V Dilip Kumar	Member

#### b. Attendance during the year

The Committee generally meet as and when required. During the year under review, no meetings were held.

Mr. Vaishakh R., Company Secretary, acted as the Secretary of the Committees.

### 4. Corporate Social Responsibility Committee

#### a. Constitution of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was formed on 30.06.2014 and has the following directors as members of the Committee.

Sl. No	Name	Designation
1	Mrs. Mereena Paul	Chairperson
2	Mr. Saneesh Singh	Member
3	Mr. Vikraman Ampalakkat	Member

#### b. Meetings during the year

The Committee shall meet at least twice annually or more frequently as circumstances dictate. Any member of the Committee may call meetings, if finds necessary. During the financial year, two meetings were conducted on 30<sup>th</sup> May, 2018 and 08<sup>th</sup> February, 2019.

Sl. No	Name	Number of meetings during the Financial year 2018-19	
		Entitled to attend	Attended
1.	Mrs. Mereena Paul	2	2
2.	Mr. Saneesh Singh	2	2
3.	Mr. Vikraman Ampalakkat	2	1

### 5. Risk Management Committee



#### a. Constitution of Risk Management Committee

The Board of Directors has constituted a Risk Management Committee on 31.03.2016 and the Committee currently has the following members:-

Sl. No	Name	Designation
1	Mr. RV Dilip Kumar	Chairperson
2	Mr. Vikraman Ampalakkat	Member
3	Mr. Saneesh Singh	Member

#### b. Meetings during the year

The Committee generally meet as and when required. During the year under review, no meetings were held.

### 6. IT Strategy Committee

#### a. Constitution of IT Strategy Committee

The Board of Directors has constituted a IT Strategy Committee on 05.03.2018 and the Committee currently has the following members: -

Sl. No	Name	Designation
1	Mr. Vikraman Ampalakkat	Chairman
2	Mrs. Mereena Paul	Member
3	Mr. Eby Thomas	Member

#### b. Meetings during the year

The Committee generally meet as and when required. During the year under review, no meetings were held.

Mr. Vaishakh R., Company Secretary, acted as the Secretary of the Committees.

## G GENERAL SHARE HOLDER INFORMATION

#### a. Date time and venue of 24th Annual General Meeting

The 24<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 28th September, 2020 at 02:30 PM IST through Video Conferencing ("VC") /Other Audio - Visual Means ("OAVM").

#### b. Financial Calendar

The financial Calendar of the Company is from 1<sup>st</sup> April to 31<sup>st</sup> March.



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# MANAGEMENT DISCUSSION AND ANALYSIS

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## 1. OVERVIEW OF INDUSTRY

Amidst a weak global economic environment, also due to the prevailing pandemic condition in the last quarter, Indian economy grown by 4.2% only during 2019-20 which is the lowest in the last 11 years. Although the year shown a slowdown in economy, our company has made a magnificent 142.7% of growth in the consolidated net comprehensive income during the year under report mainly due to the stupendous performance of investee company ESAF Small Finance Bank(ESFB). In spite of the present gloomy economic conditions, prospects of investment in India continue to be very promising.

## 2. BUSINESS OPPORTUNITIES AND THREATS

The year witnessed another landmark in the history of the company by completing its conversion as a Systemically Important Core Investment Company without the right to accept public deposits, and obtaining the RBI registration. This itself created wide range of investment opportunities to the company.

India is continued to be one of the most prominent investment destinations in the world. So the opportunities of investment in India is excellent. As a social enterprise we plan to create opportunities to the poor and marginalised people while growing as a core investment company.

The slowdown in the economy and pandemic conditions may be temporary threat to the business. The company has the right management strategy to sail through the rough seas.

## 3. FINANCIAL PERFORMANCE

In compliance with the Companies (Indian Accounting Standards (Ind As)) Rules 2015, Company has changed its reporting standard from Indian GAAP to Indian Accounting Standard (Ind AS). The financial statement for the year 2019-20 and for the corresponding previous year have been presented based on Ind AS.

Company has made a standalone total comprehensive income of Rs1.59 Crores and a consolidated Rs 142.68 Crores. The consolidated profit to net worth of 27.60% which is very impressive in the present situation.

## 4. OUTLOOK FOR FUTURE

Pursuing the noble vision of "Sustainable and holistic transformation of the poor and the marginalized and Envisioning a just and fair society thereby" we look forward to invest in sectors where we can empower the marginalised segments in India to fight the 'partiality of prosperity' as envisioned by our founder, within the constraints of our investment policy and relevant guidelines for Core investment companies issued by the Reserve Bank of India. We will continue to keep green philosophy while growing. While doing business for Profit, our focus will be on People and Planet also.



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# STANDALONE FINANCIALS

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UDIN: 20023082AAAAHG2290

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of "**M/s. Esaf Financial Holdings Private Limited**" (Formerly known as per **ESAF Microfinance and Investments Private Limited**) ("**the Company**") which comprises the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2020, Statement of Profit and Loss Account, and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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

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

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

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

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

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

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

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

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

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- b. The Company does not have the any branches Audited by any other auditor.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Sd/-**

**CA G Kumar**

Senior Partner

Membership No.: 023082

Place : Thrissur  
 Date : 29-06-2020

**ANNEXURE-'A' TO THE AUDITORS' REPORT  
 REPORT OF THE AUDITOR TO THE MEMBERS IN ACCORDANCE WITH THE  
 COMPANIES (AUDITORS' REPORT) ORDER 2016**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable looking to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any title deeds of immovable properties.
2. The Company being a Non-Banking Finance Company it does not hold any inventory; hence this clause is not applicable.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) relating to receipt of principal amount and interest, and iii(b) relating to overdue amount, of the order are not applicable to the Company.



4. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has neither granted any loans to the Directors nor any investments were made by the Company. Hence, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
5. During the year the Company has not accepted any deposits from non- members. As such the compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and rules framed there under are not applicable.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for any of the activities of the Company.
7. (a) According to the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Funds, Provident Funds, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other applicable statutory dues during the year.  
  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax and service tax, Goods and Service tax, which have not been deposited on account of any disputes.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were obtained by the Company was applied for the purpose it was raised for.
10. Based on the audit procedures performed and the information and explanations given to us, there have been no frauds reported during the period under review. However, the company was following up cases involved in frauds which took place in the earlier years and the progress is being monitored closely.
11. According to the information and explanations given to us and based on our examination of the records of the Company, matters relating to limits on managerial remuneration are not applicable, since the Company is a private limited company and is exempted from the provisions of section 197.
12. The Company is not a chit fund or a Nidhi /mutual benefit fund/society. Accordingly, this paragraph of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares as such the requirement of section 42 of the Companies Act, 2013 have been complied with.
15. According to the information and explanations given to us and based on our examination of the records



of the Company, the Company has not entered into any non-cash transactions with any of its directors as is mentioned in Section 192 of the Act.

16. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly it has been registered bearing certificate of registration number as B-07-00652.

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

Sd/-

**CA G Kumar**

Senior Partner

Membership No.: 023082

Place : Thrissur  
Date : 29-06-2020

**ANNEXURE -'B' TO THE AUDITORS' REPORT  
REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I)  
OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting "**M/s Esaf Financial Holdings Private Limited**" " (Formerly known as per **ESAF Microfinance and Investments Private Limited**) ("**the Company**") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion:**

In our opinion, the Company have an adequate internal financial controls system over financial reporting and internal financial controls over financial reporting as at 31<sup>st</sup> March 2020, as required under the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-**

**CA G Kumar**

Senior Partner

Membership No.: 023082

Place : Thrissur  
Date : 29-06-2020



**ESAF Financial Holdings Private Limited**  
 (Formerly known as Esaf Microfinance and Investments Private Limited)  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Note	As at	As at	As at
		March 31, 2020	March 31, 2019	April 1, 2018
		Amounts (INR)	Amounts (INR)	Amounts (INR)
<b>ASSETS</b>				
<b>Financial Assets</b>				
(a) Cash and Cash Equivalents	1	25,134,807	10,365,353	42,012,196
(b) Bank Balances other than (a) above	2	352,606,179	352,606,179	1,690,051,826
(c) Other Receivables	3	10,953,017	11,880,717	16,490,972
(d) Investments	4	2,839,000,000	2,840,000,000	2,840,000,000
		<b>3,227,694,003</b>	<b>3,214,852,249</b>	<b>4,588,554,994</b>
<b>Non Financial Assets</b>				
(a) Deferred Tax Assets(Net)		2,649,250	2,312,499	26,97,950
(b) Property, Plant and Equipment	6	160,445,110	160,723,830	16,49,10,550
(c) Other non-financial assets	5	17,340,485	13,057,435	2,43,25,088
		<b>180,434,845</b>	<b>176,093,764</b>	<b>19,19,33,588</b>
<b>Total Assets</b>		<b>3,408,128,848</b>	<b>3,390,946,013</b>	<b>4,78,04,88,582</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>1) Financial liabilities</b>				
(i) Trade Payables	7	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises				
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,394,282	6,930,026	9,212,798
(d) Borrowings	8	72,100,000	36,038,027	4,068,560
(e) Deposits				
(f) Subordinated Liabilities	9	2,800,000	2,800,000	2,800,000
(g) Other Financial liabilities	10	11,265,447	4,351,061	1,389,340,709
<b>2) Non Financial Liabilities</b>				
(a) Current tax liabilities	11	5,209,548	6,889,533	6,470,684
(b) Deferred tax liabilities (net)				
(c) Provisions	12	49,617,549	50,889,163	51,493,451



(d) Other Non- Financial Liabilities	13	6,503,182	8,682,789	35,060,352
<b>3) Equity</b>				
(a) Equity Share capital	14	1,785,201,630	1,785,201,630	1,785,201,630
(b) Other Equity	15	1,468,037,210	1,489,163,784	1,496,840,398
<b>Total Liabilities and Equity</b>		<b>3,408,128,848</b>	<b>3,390,946,013</b>	<b>4,780,488,582</b>

Notes referred to above form an integral part of Profit & Loss Account.

As per our report of even date attached.

**A. John Moris & Co.,**

Chartered Accountants,

ICAI Firm Reg.No. 007220 S

**For and on Behalf of the Board**

Sd/-

**G. Kumar**

Senior Partner

M.No.: 023082

Sd/-

**Mereena Paul**

Chairperson & Managing Director

DIN:02228087

Sd/-

**Vikraman Ampalakkat**

Director

DIN:01978341

Place : Thrissur,

Date : 29<sup>th</sup> June, 2020

Sd/-

**Sunil G Nampoothri**

Chief Financial Officer

Sd/-

**Vishakh**

Company Secretary



**ESAF Financial Holdings Private Limited**  
 (Formerly known as Esaf Microfinance and Investments Private Limited)  
**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020**

Particulars	Note	2019-20	2018-19
		Amounts (INR)	Amounts (INR)
Other Income	16	54,411,701	173,570,777
<b>TOTAL INCOME</b>		<b>54,411,701</b>	<b>173,570,777</b>
<b>Expenses:</b>			
(i) Finance costs	17	8,950,065	98,887,291
(vi) Employee Benefit Expense	18	15,006,517	8,057,855
(vii) Depreciation and Amortisation	6	1,782,879	2,756,482
(viii) Other expenses	19	6,740,866	17,278,263
<b>TOTAL EXPENSE</b>		<b>32,480,327</b>	<b>126,979,891</b>
<b>Profit before exceptional items and tax Exceptional items</b>		<b>21,931,374</b>	<b>46,590,886</b>
<b>Profit before tax</b>		<b>21,931,374</b>	<b>46,590,886</b>
Tax expense			
Current tax		6,282,279	16,853,893
Deferred Tax Expenses		(336,750)	385,450
		5,945,529	17,239,343
<b>Profit or loss for the period from continuing operations</b>		<b>15,985,845</b>	<b>29,351,543</b>
<b>Profit or loss for the period from discontinued operations</b>			
Tax expense of discontinued operations			
Profit or loss for the period from continuing operations after Tax		-	-
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>15,985,845</b>	<b>29,351,543</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
(A) (i) Items that will not be reclassified to profit or loss		-	
(ii) Income tax relating to items that will not be reclassified to profit or loss			
<b>SUBTOTAL (A)</b>			
(B) (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>SUBTOTAL (B)</b>			



Other Comprehensive Income	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>15,985,845</b>	<b>29,351,543</b>
<b>Earnings per equity share</b>		
Basic	(0.15)	(0.06)
Diluted	(0.13)	(0.05)
<b>Significant accounting policies Other notes on accounts</b>		

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

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

**For and on Behalf of the Board**

Sd/-  
**G. Kumar**  
Senior Partner  
M.No.: 023082

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

Sd/-  
**Vikraman Ampalakkat**  
Director  
DIN:01978341

Place : Thrissur,  
Date : 29<sup>th</sup> June, 2020

Sd/-  
**Sunil G Nampoothri**  
Chief Financial Officer

Sd/-  
**Vishakh**  
Company Secretary



**ESAF Financial Holdings Private Limited**  
**(Formerly known as Esaf Microfinance and Investments Private Limited)**  
**Standalone Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2020**

Particulars	2019 - 20	2018 - 19
	INR	INR
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>21,931,374</b>	<b>46,590,886</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	1,782,879	2,756,482
Profit on Sale of Fixed Assets and investments	(360,000)	(1,889,228)
Finance Costs	8,950,065	98,887,291
Interest Income	(52,342,786)	(150,214,711)
Advances/Deposits Written off	-	1,253,912
<b>Operating profit before working capital changes</b>	<b>(20,038,468)</b>	<b>-2,615,368</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Loans and advances	927,699	3,356,344
Other Assets	(4,283,050)	11,267,652
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	464,256	-2,282,772
Other Liabilities	3,325,231	-27,737,954
Provisions	(1,332,377)	665,050
<b>Cash generated from/(used in) operations</b>	<b>(20,936,708)</b>	<b>-17,347,049</b>
Direct taxes paid	(7,997,874)	(16,381,254)
<b>Net cash from operating activities</b>	<b>(28,934,583)</b>	<b>(33,728,303)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(59,000)	89,450
Sale of fixed assets	-	3,408,916
Bank balances not considered as Cash and cash equivalents (Net)	-	1,337,445,647
(Purchase)/sale of current investments	1,360,000	-
Interest received	52,342,786	150,214,711
Gain on buyback by subsidiary	-	-
<b>Net cash used in/(generated from) investing activities</b>	<b>53,643,786</b>	<b>1,491,158,724</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Borrowings from banks/others (Net of Repayment)	-	(1,384,989,647)



Proceeds from/(repayment) of borrowings	36,061,973	31,969,467
Interest paid	(8,950,065)	(98,887,29)
Dividend and Dividend Tax Paid	(37,051,657)	(36,990,896)
<b>Net cash from financing activities</b>	<b>(9,939,749)</b>	<b>(1,488,898,367)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,769,454</b>	<b>(31,467,946)</b>
Opening Cash and cash equivalents	10,365,352	42,012,196
<b>Closing Cash and cash equivalents</b>	<b>25,134,806</b>	<b>10,544,250</b>

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

**For and on Behalf of the Board**

Sd/-  
**G. Kumar**  
 Senior Partner  
 M.No.: 023082

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

Sd/-  
**Vikraman Ampalakkat**  
 Director  
 DIN:01978341

Place : Thrissur,  
 Date : 29<sup>th</sup> June, 2020

Sd/-  
**Sunil G Nampoothri**  
 Chief Financial Officer

Sd/-  
**Vishakh**  
 Company Secretary



**ESAF Financial Holdings Private Limited STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

<b>A EQUITY SHARE CAPITAL</b>	<b>Amounts (INR)</b>
<b>Particulars</b>	<b>No. of Shares</b>
Balance as on April 1, 2019	1,785,201,630
Changes in Accounting policies or prior period errors	
<b>Restated Balance as on April 1, 2019</b>	1,785,201,630
Changes in Equity for the year ended on March 31, 2020	
<b>Balance as on March 31, 2020</b>	1,785,201,630

**B OTHER EQUITY**

<b>Particulars</b>	<b>Share Application Money Pending Allotment</b>		<b>Equity component of compound financial instruments</b>			<b>RESERVES AND SURPLUS</b>		
	<b>Statutory Reserves</b>	<b>Capital Reserve</b>	<b>Securities Premium</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>			
Balance at the beginning of the reporting period	252,287,169		569,283,215		667,593,400			
Changes in accounting policy/prior period errors								
Restated balance at the beginning of the reporting period	252,287,169		569,283,215		667,593,400			
Total Comprehensive Income for the year					15,985,845			
Dividends					(37,112,420)			
Transfer to retained earnings								
Any other change (to be specified)	3,797,169				(3,797,169)			
Balance at the end of the reporting period	256,084,338		569,283,215	-	642,669,657			

As per our report of even date attached.

**A. John Morris & Co.,**

Chartered Accountants.

ICAI Firm Reg.No. 007220 S

Sd/-

**G. Kumar**

Senior Partner

M.No.: 023082

Place : Thrissur,

Date : 29<sup>th</sup> June, 2020

**For and on Behalf of the Board**

Sd/-

**Mereena Paul**

Chairperson & Managing Director

DIN:02228087

Sd/-

**Vikraman Ampalakkat**

Director

DIN:01978341

Sd/-

**Sunil G Nampoothri**

Chief Financial Officer

Sd/-

**Vishakh**

Company Secretary

**ESAF Financial Holdings Private Limited**  
 (Formerly known as Esaf Microfinance and Investments Private Limited)  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Amounts (INR)				
	Share Capital	Statutory Reserve	Share Premium	Retained Earnings	Total Equity
<b>Balance as on April 1, 2018</b>	1,785,201,630	246,402,818	569,283,215	681,154,366	3,282,042,029
Net Profit for the year	-	-	-	29,351,543	29,351,543
Other changes/ Trf to general reserve.	-	5,884,351	-	(42,996,769)	(37,112,418)
<b>Balance as on March 31, 2019</b>	<b>1,785,201,630</b>	<b>252,287,169</b>	<b>569,283,215</b>	<b>667,509,140</b>	<b>3,274,281,154</b>

As per our report of even date attached.

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

Sd/-  
**G. Kumar**  
 Senior Partner  
 M.No.: 023082

Place : Thrissur,  
 Date : 29<sup>th</sup> June, 2020

**For and on Behalf of the Board**

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

Sd/-  
**Vikraman Ampalakkat**  
 Director  
 DIN:01978341

Sd/-  
**Sunil G Nampoorthri**  
 Chief Financial  
 Officer

Sd/-  
**Vishakh**  
 Company  
 Secretary

**ESAF Financial Holdings Private Limited**  
**(Formerly known as Esaf Microfinance and Investments Private Limited)**  
**Notes accompanying the Financial Statements for the year ended March 31, 2020**

## A1 Corporate Information

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

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

## A2 Significant Accounting Policies

### a. Basis of accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

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

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards Amendment) Rules, 2016 and Companies (Indian Accounting Standards Amendment) Rules 2017. This is the first IndAS compliant financial statements. Refer note 20 "First - time adoption of Ind AS' for an explanation of impact of transition from Generally Accepted Accounting Principles in India (iGAAP) to Ind AS on the company's financial statements.

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

### b. Presentation of financial statements

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

### c. Property, plant and equipment

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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



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

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

#### d. Intangible assets

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

#### e. Depreciation

##### i) Tangible assets

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

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

##### ii) Intangible assets

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

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

#### f. Functional and presentation currency

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

#### h. Impairment of Assets

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

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

#### i. Current and Non-current classification

An asset or a liability is classified as current when it satisfies any of the following criteria:

- it is expected to be realized/settled, or is intended for sale or consumption, in the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realized/due to be settled within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

#### j. Income Tax

##### Current tax

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



provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **Deferred tax**

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **k. Leases**

Operating Lease:

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

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

#### **l. Financial Instruments**

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

##### **i) Financial assets**

Initial recognition and measurement

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

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

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

##### **Subsequent measurement**

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

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

##### **ii) Financial liabilities**

###### **Initial recognition and measurement**

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

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



### Subsequent measurement

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

### m. Cash and cash equivalents

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

### n. Revenue Recognition

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

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

Effective April 1, 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard does not have any material impact on the financial results of the Company for the year ended March 31, 2020.

### o. Other Income

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

### p. Employee benefits

- i) Short term employee benefits

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

- ii) Post Employment Benefits

Defined contribution plan

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

### q. Provisions, contingent liabilities and contingent assets

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

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

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

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

Contingent assets are neither recognised nor disclosed.

### r. Segment accounting

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

### s. Cash flow statement

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



### A3 Dues to micro enterprises and small enterprises

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

### A4 Disclosure of Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

#### a) List of related parties

##### Details of related parties:

Description of relationship	Names of related parties
Entities having significant influence	Dia Vikas Capital Private Limited ESAF Swasraya Multistate Agro Co-operative Society Limited SIDBI Trustee Company Ltd. - A/C Samridhi Fund
Key Management Personnel (KMP)	Mrs. Mereena Paul
Relatives of KMP	Mr. K. Paul Thomas , spouse of Mrs Mereena Paul Mr. Alok Thomas Paul, son of Mrs. Mereena Paul Mrs. Emy Acha Paul, daughter of Mrs. Mereena Paul
Entities in which KMP can exercise significant influence	Evangelical Social Action Forum ESAF Swasraya Multistate Agro Co-operative Society Limited
Associate Company	ESAF Small Finance Bank Limited

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

#### b) Transactions during the year :

S.No	Particulars	Related Party	2019-20	2018-19
			INR	INR
1	Loans availed against Fixed	Esaf Small Finance Bank Limited	37,100,000	35,000,000
2	Interest Paid	Esaf Small Finance Bank Limited	8,202,082	828,493
3	Remuneration to KMP	Mrs. Mereena Paul	9,556,559	6,898,513
4	One time compensation	Mr. K. Paul Thomas	-	540,000
5	Repayment of Loan by KMP	Mrs. Mereena Paul	566,635	80,004
6	Interest received on loans to	Mrs. Mereena Paul	120,000	144,000
7	Rent received	Esaf Small Finance Bank Limited	28,687	376,182
8	Interest Income on FD	Esaf Small Finance Bank Limited	61,048,662	150,208,550
9	Rent paid	Mrs. Mereena Paul	201,600	201,600
10	Expenditure on Corporate Social Responsibility	Evangelical Social Action Forum	-	5,191,323
11	Expenditure towards Clean Energy Program	Evangelical Social Action Forum	-	1,431,200
12	Fixed Deposits Matured	ESAF Small Finance Bank limited	-	1,333,695,000
13	Transactions in Current Account (net)	ESAF Small Finance Bank limited	(12,927,624)	(24,646,437)



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

S.No	Particulars	Related Party	Amounts due (to)/from	
			31-March-20	31-March-19
1	Loan against FD	ESAF Small Finance Bank Ltd	72,100,000	35,000,000
		Mrs. Mereena Paul	2,613,620	1,372,000
2	Other Current Liabilities	Evangelical Social Action Forum	1,431,200	1,431,200
		ESAF Swasraya Multistate Agro Cooperative Society Limited	504,000	-
3	Rent Deposit	Mrs. Mereena Paul	50,000	50,000
		ESAF Small Finance Bank Ltd		
4	Security Deposit	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	1,250,000	1,250,000
5	Interest Payable	ESAF Small Finance Bank Ltd	8,202,082	828,493
6	Rent Receivable	ESAF Small Finance Bank Ltd	1,313	30,000
7	Staff Loans and Advances	Mrs. Mereena Paul	-	566,635
8	Investments in Equity shares	ESAF Small Finance Bank Ltd	2,839,000,000	2,839,000,000
9	Balance with Bank Accounts	ESAF Small Finance Bank Ltd	369,684,810	356,757,187

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

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR 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.

## 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, 2020, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2019 : ₹ Nil,). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

**A5 Deferred Tax Asset/Liability**

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

## Major components of Deferred tax liabilities and assets

Particulars	As at 31-March-20	As at 31-March-19
	INR	INR
a) WDV of Assets	2,649,250	2,312,499
<b>Net Deferred Tax Assets/ ( Liabilities)</b>	<b>2,649,250</b>	<b>2,312,499</b>



**Notes accompanying the Financial Statements for the year ended March 31, 2020**
**A6 Disclosure pursuant to Ind AS 33 "Earnings per share"**

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

Particulars		2019-20	2018-19
		INR	INR
<b>Earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share ( ` )	A	(21,126,575)	(7,760,875)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	140,339,963	140,339,963
<b>Basic earnings per equity share ( ` )</b>	A / B	<b>(0.15)</b>	<b>(0.06)</b>
<b>Diluted earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share ( ` )	A	(21,126,575)	(7,760,875)
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	(21,126,575)	(7,760,875)
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	140,339,963	140,339,963
Add : Shares deemed to be issued for no consideration in respect of :	E	25,453,467	3,818,020
Compulsorily convertible preference share capital	F	25,453,467	3,818,020
Compulsorily convertible debentures	G	-	-
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	165,793,430	144,157,983
<b>Diluted earnings per equity share ( ` )</b>		<b>(0.13)</b>	<b>(0.05)</b>
Face value per equity share ( ` )		10	10



**Notes accompanying the Financial Statements for the year ended March 31, 2020**
**A7 Financial Instruments**

## Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2020			31.03.2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>							
Trade receivables	3	-	-	10,953,017	-	-	11,880,717
Cash and cash equivalents	1	-	-	25,134,807	-	-	10,365,353
Other Bank Balances	2			352,606,179			352,606,179
<b>Total Financial Asset</b>		-	-	<b>388,694,003</b>	-	-	<b>374,852,249</b>
<b>Financial liability</b>							
Loans from Financial institutions	8	-	-	72,100,000	-	-	36,038,027
Trade Payables	7	-	-	7,394,282			6,930,026
Subordinated Debts	9			2,800,000			2,800,000
Other Financial Liabilities	10	-	-	11,265,447	-	-	4,351,061
<b>Total Financial Liabilities</b>		-	-	<b>93,559,729</b>	-	-	<b>50,119,114</b>

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

The major components of income tax expense for years ended 31 March 2020 and 31 March 2019 are :

Particulars	As at 31-Mar- 2020 ₹	As at 31-Mar- 2019 ₹
<b>Current income Tax :</b>		
Current income tax charge	6,282,279	16,853,893
Adjustments of current tax of previous year	-	-
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	(336,750)	385,450
Relating to rate change or imposition of new taxes		
Arising due to a write down of a deferred tax asset		
<b>Income tax reported in the statement of profit and loss</b>	<b>5,945,529</b>	<b>17,239,343</b>
<b>Current Tax and Deferred Tax - Equity</b>	<b>-</b>	<b>-</b>
( Mention details of items directly charged to equity)		



**A9 Events occurring after the reporting period**

The financial statements were approved by the Board of Directors on June 29, 2020 and there are no significant events occurring after Balance sheet date.

**A10 Investor Education and Protection Fund**

The Company is not required to transfer any amount to Investor Education and Protection Fund.

<b>1</b>	<b>Cash &amp; Cash Equivalent</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	Cash on hand	2,209	20,262	5,780
	Balances with Bank			
	- In current accounts			
	Domestic	25,132,598	10,345,091	42,006,416
		<b>25,134,807</b>	<b>10,365,353</b>	<b>42,012,196</b>

<b>2</b>	<b>Other bank balance</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	Other Bank Balance			
	- in deposit accounts	352,606,179	352,606,179	405,478,044
	- Fixed Deposit with bank with more than 3 months but less than 12 months maturity			
	Earmarked balances with banks- unclaimed dividend			
	Bank balances held security against borrowings, guarantees and other commitments		-	1,284,573,782
	Cash and bank balance not available for immediate use	-	-	-
		<b>352,606,179</b>	<b>352,606,179</b>	<b>1,690,051,826</b>



<b>3</b>	<b>Other</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
<b>Unsecured, considered good</b>				
<b>(a) Loans and advances to employees</b>				
	Related parties	-	486,631	566,635
	Others	2,859,109	3,191,486	3,676,130
	(b) Loans and advances to related parties	-	80,004	80,004
	(c) Other receivables	8,092,596	8,092,596	12,168,203
	Others	1,313	30,000	
		<b>10,953,017</b>	<b>11,880,717</b>	<b>16,490,972</b>
		-	-	-
		<b>10,953,017</b>	<b>11,880,717</b>	<b>16,490,972</b>

<b>4</b>	<b>Investments Investments in subsidiary :- 280,758,396# (1 April, 2018:280,758,396) Equity Shares of ₹ 10/- each fully paid-up in M/s ESAF Small finance Bank Limited.</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
		<b>2,839,000,000</b>	<b>2,839,000,000</b>	<b>2,839,000,000</b>
<b>Investments in Others :-</b>				
	50,000 (1 April, 2018: 50,000) Equity Shares of ₹ 10/- each fully paid-up in M/s Alpha Microfinance Consultants Private Limited		500,000	500,000
	5,000 (1 April, 2018: 5,000) Equity Shares of ₹ 100/- each fully paid-up in M/s ESAF Healthcare Services Private Limited		500,000	500,000
	Less Provision for Diminution in value of Investments	-	-	-
		<b>2,839,000,000</b>	<b>2,840,000,000</b>	<b>2,840,000,000</b>

<b>5</b>	<b>Other Non Financial Assets</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	(a) Prepaid expenses	61,276	79,817	-
	(b) Balances with Government authorities	6,484,821	5,438,441	4,425,916
	(c) Compensated Leave Salary Assets	4,150,194	3,976,983	16,335,142
	(d) Deposits	2,647,770	2,617,770	2,617,770
	(e) Insurance claims receivable	408,612	408,612	408,612
	(f) Other Current Assets	3,587,812	535,812	537,648
		<b>17,340,485</b>	<b>13,057,435</b>	<b>24,325,088</b>



6	Particulars	Gross Block				Accumulated Depreciation			Net Block		
		Balance as at 1 April, 2019	Additions	Disposals	Balance as at 31 March, 2020	Balance as at 31 March, 2019	Depreciation for the year	Deletions	Balance as at 31 March, 2020	Balance as at 31 March, 2019	
<b>A. Tangible Assets</b>											
	Land	146441580 (146,441,580)	-	-	146441580 (146,441,580)	-	-	-	146441580 (146,441,580)	-	146441580 (146,441,580)
	Buildings	13643574 (13,643,574)	-	-	13643574 (13,643,574)	1860981 (1,651,478)	205620 (209,503)	-	11576973 (11,782,593)	2066601 (1,860,981)	11782593 (11,992,096)
	Leasehold Buildings	2110082 (2,110,082)	1445160	1354838	2200404 (2,110,082)	1493938 (891,277)	620224 (602,661)	1354837	1441079 (616,144)	759325 (1,493,938)	616144 (1,218,806)
	Furniture and Fittings	62755 (30,905)	-	-	62755 (62,755)	8750 (2,974)	5913 (5,776)	-	48092 (54,005)	14663 (8,750)	54005 (27,931)
	Vehicles	5595148 (11,135,953)	-	(5,540,805)	5595148 (5,595,148)	3878461 (6,108,821)	832437 (1,790,757)	(4,021,117)	884250 (1,716,687)	4710898 (3,878,461)	1716687 (5,027,132)
	Computer and Accessories	357080 (299,480)	59000	-	416080 (357,080)	244259 (96,474)	118685 (147,785)	-	53136 (112,821)	362944 (244,259)	112821 (203,006)
	<b>Total</b>	<b>168210219 (173,661,574)</b>	<b>1504160 (89,450)</b>	<b>1354838 (5,540,805)</b>	<b>168359541 (168,210,219)</b>	<b>7486389 (8,751,024)</b>	<b>1782879 (2,756,482)</b>	<b>1354837 (4,021,117)</b>	<b>160445110 (160,723,830)</b>	<b>7914431 (7,486,389)</b>	<b>160723830 (164,910,551)</b>

Note:

1) Figures in brackets relate to previous year.

2) All tangible are owned by the company and are not on lease.

<b>7</b>	<b>Trade Payable</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	(A) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,394,282	6,930,026	9,212,798
		-	-	-
	<b>Total</b>	<b>7,394,282</b>	<b>6,930,026</b>	<b>9,212,798</b>

<b>8</b>	<b>Borrowings</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	<b>Financial Liabilities</b>			
	<b>secured Loans</b>			
	Vehicle loans from banks	-	1,038,027	4,068,560
	Term Loan from Banks	72,100,000	35,000,000	
	<b>Total</b>	<b>72,100,000</b>	<b>36,038,027</b>	<b>4,068,560</b>

<b>9</b>	<b>Subordinated Liabilities</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	Non Convertible Debentures	2,800,000	2,800,000	2,800,000
	<b>Total</b>	<b>2,800,000</b>	<b>2,800,000</b>	<b>2,800,000</b>

Note 5.2 Details of Unsecured debentures issued by the company :

<b>Particulars</b>	<b>Terms and conditions</b>	<b>As at 31st March 2020</b>	
		<b>Current ₹</b>	<b>Non Current ₹</b>
28 Nos, 16% Non convertible Debentures of ₹ 1,00,000/- each	Redeemable at Par in the year 2020. Interest @ 16% per annum payable on monthly basis.	2,800,000	-
<b>Sub Total (b)</b>		<b>2,800,000</b>	-

<b>10</b>	<b>Other Financial Liabilities</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	(a) Current maturities of Non Convertible Debentures		-	1,291,304,000
	(b) Current maturities of vehicle loan	1,034,831	1,326,006	2,031,330
	(c) Interest accrued but not due on borrowings	9,030,575	828,493	94,330,470
	(d) Matured Non Convertible Debentures and Interest accrued thereon	1,200,041	2,196,562	1,674,909
		<b>11,265,447</b>	<b>4,351,061</b>	<b>1,389,340,709</b>



<b>11</b>	<b>Tax Liabilities</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	Current Tax liabilities	5,209,548	6,889,533	6,470,684
		<b>5,209,548</b>	<b>6,889,533</b>	<b>6,470,684</b>

  

<b>12</b>	<b>Provisions</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	(i) Provision for compensated absences	609,000	609,000	487,001
	(ii) Provision for proposed preference dividend	30,734,160	30,734,160	30,734,160
	(iii) Provision for tax on proposed dividend	6,378,260	6,317,497	6,256,736
	(iv) Loans and advances to employees	2,859,109	3,191,486	3,676,129
	(v) Other provisions	9,037,020	10,037,020	10,339,425
	<b>Total</b>	<b>49,617,549</b>	<b>50,889,163</b>	<b>51,493,451</b>

  

<b>13</b>	<b>Other Non- Financial Liabilities</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
	<b>(a) Other payables</b>			
	(i) Statutory remittances	1,111,799	268,436	3,412,796
	(ii) PFRDA collections	-	4,624,400	9,231,372
	(iii) Payable to ESAF Employees Gratuity	3,414,000	3,052,000	3,530,000
	<b>Trust</b>			
	(iv) Lease Liability	1,533,452	700,610	1,317,319
	(iv) Others	443,931	37,343	17,568,865
	<b>Total</b>	<b>6,503,182</b>	<b>8,682,789</b>	<b>35,060,352</b>



Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
<b>14</b> <b>Equity Share Capital</b>						
<b>Authorised :</b>						
Equity shares of ₹ 10/- each with voting rights	190,000,000	1,900,000,000	190,000,000	1,900,000,000	190,000,000	1,900,000,000
Preference shares of ₹ 100/- each	6,000,000	600,000,000	6,000,000	600,000,000	6,000,000	600,000,000
<b>Issued, paid up and subscribed</b>						
Equity shares of ₹ 10/- each with voting rights	140,339,963	1,403,399,630	140,339,963	1,403,399,630	140,339,963	1,403,399,630
Compulsorily Convertible Preference shares (CCPS) of ₹ 100/- each	3,818,020	381,802,000	3,818,020	381,802,000	3,818,020	381,802,000
	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>

II) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
At the beginning of the year	144,157,983	1,785,201,630	144,157,983	1,785,201,630	144,157,983	1,785,201,630
Issued during the year as fully paid up			-	-	-	-
<b>At the end of the year</b>	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>

III) Terms/rights attached to equity shares

A. Equity Shares with voting rights

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of the Equity Shares is entitled to one vote per share.

During the year ended 31 March 2020 the amount of per share dividend recognised in distribution to equity share holders is ₹ Nil (Previous year ₹ Nil)

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

B. CCPS

(i) 3,723,020 (Previous Year: 3,723,020) CCPS of ₹ 100/- each attracts dividend @ 8%. This is compulsorily convertible into Equity Shares @ ₹ 15/- per share on or before seven years from the closing date i.e. 31 March, 2014.

(ii) 95,000 (Previous Year: 95,000) CCPS of ₹ 100/- each attracts dividend @ 10%. This is compulsorily convertible into Equity Shares @ ₹ 15/- per share on or before seven years from the closing date i.e. 31 March, 2014.

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

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% of Shares	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)	87,533,174	62.37%	81,533,174	58.10%	81,533,174	58.10%
Dia Vikas Capital Private Limited	28,025,633	19.97%	28,025,633	19.97%	28,025,633	19.97%
SIDBI Trustee Company Ltd -A/c Samridhi Fund	17,176,230	12.24%	17,176,230	12.24%	17,176,230	12.24%
	<b>132,735,037</b>	<b>94.58%</b>	<b>126,735,037</b>	<b>90.31%</b>	<b>126,735,037</b>	<b>90.31%</b>

IV) Shareholders holding more than 5% of Compulsarily convertible preference shares as at the end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% of Shares	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)	1,512,515	39.62%	1,512,515	39.62%	1,512,515	39.62%
Dia Vikas Capital Private Limited	2,210,505	57.90%	2,210,505	57.90%	2,210,505	57.90%
	<b>3,723,020</b>	<b>97.52%</b>	<b>3,723,020</b>	<b>97.52%</b>	<b>3,723,020</b>	<b>97.52%</b>

During the year the Company has converted Nil CCPS into Equity Shares.(Previous Year-Nil)

Notes accompanying the Financial Statements for the year ended March 31, 2020

<b>15 Other Equity</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
Other Reserves			
General reserve			
As per last balance sheet	252,287,169	246,402,818	242,498,195
Add : transferred from statement of profit and loss	3,197,169	5,884,351	3,904,623
	<b>255,484,338</b>	<b>252,287,169</b>	<b>246,402,818</b>
<b>Security premium reserve</b>			
Opening balance	569,283,215	569,283,215	569,283,215
Addition during the year			-
	<b>569,283,215</b>	<b>569,283,215</b>	<b>569,283,215</b>
<b>Retained Earnings</b>			
Profit and loss account			
Opening balance	667,593,400	681,154,366	697,725,809
	-		-
Add: transfer due to amalgamation			
Add: Profit for the year	15,985,845	29,351,543	19,523,117
Add: Addition due to adoption of IND-AS		84,260	4,800,959
Less: Transferred to Other Reserve	3,197,169	5,884,351	3,904,623
	<b>680,382,077</b>	<b>704,705,818</b>	<b>718,145,262</b>
Less: Appropriation			
(a) General Reserve			
(b) Preference Dividend	30,734,160	30,734,160	30,734,160
(c) Tax on dividend	6,378,260	6,378,258	6,256,736
	<b>37,112,420</b>	<b>37,112,418</b>	<b>36,990,896</b>
Balance to be carried forward	<b>1,468,037,210</b>	<b>1,489,163,784</b>	<b>1,496,840,398</b>

#### Note 15.1 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax. Accordingly, the Company has transferred an amount of ₹ 31,97,169/- (Previous year ₹ 58,84,351/-), out of profit after tax for the year to the statutory reserve.

#### Note 15.2 Retained Earnings

The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Retained earnings is a free reserve, retained from company's profits to meet future obligations.



<b>16 Other Income</b>	<b>2019-20 INR</b>	<b>2018-19 INR</b>
Interest Income on Advance given	120,000	144,000
Interest income on Fixed Deposits	52,342,786	150,214,711
Income from PFRDA	-	48,269
Income from Carbon Credit	-	17,366,450
Profit on Sale of Fixed Assets	360,000	1,889,228
Provisions/Liabilities no longer required written back	1,332,377	2,946,619
Miscellaneous Income	256,538	961,500
	<b>54,411,701</b>	<b>173,570,777</b>

<b>17 Finance Cost</b>	<b>2019-20 INR</b>	<b>2018-19 INR</b>
(a) Interest expense on:		
(i) Borrowings from Banks	8,350,556	1,225,453
(ii) Debentures	449,226	97,204,338
(iii) Delayed/ deferred payment of Income Tax	-	248,348
(iv) Interest on Lease payment	150,283	209,152
<b>Total</b>	<b>8,950,065</b>	<b>98,887,291</b>

<b>18 Employee Benefit Expense</b>	<b>2019-20 INR</b>	<b>2018-19 INR</b>
Salaries, Wages and Bonus	14,349,032	7,442,552
Contributions to provident and other funds	493,963	464,384
Staff welfare expenses	163,522	150,919
	<b>15,006,517</b>	<b>8,057,855</b>

<b>Other expenses</b>	<b>2019-20 INR</b>	<b>2018-19 INR</b>
Electricity and Water Charges	89,138	80,188
Rent	77,814	-
Vehicle Maintenance	200,520	277,016
Office Maintenance & Meeting expenses	27,000	909,562
Bank Charges	67,671	147,108
Rates and Taxes	36,117	249,925
Telephone and Internet expenses	61,203	89,492
Travelling and conveyance	420,429	1,727,195
Printing and stationery	44,044	135,690
Advertisement and Business promotion expenses	-	105,785
Legal and professional	2,354,339	2,305,192
Payments to auditors	500,000	1,818,920
Expenditure on Corporate Social Responsibility	-	5,191,323



Clean energy Programs	-	1,431,200
Bad debts/ advances written off	-	1,253,912
Directors Sitting Fee	640,000	520,000
Other Expenses	2,222,591	1,035,755
	<b>6,740,866</b>	<b>17,278,263</b>

## 20. First Time adoption of Ind AS

The financial statements for the year ended 31st March 2020 have been prepared in accordance with IND AS as issued. The company's opening Ind AS Balance sheet was prepared as at 1st April 2018, the company's date of transition to Ind AS. In preparing the opening balance sheet, the company has applied the mandatory exceptions and certain optional exemption from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'.

This note explains the principal adjustments made by the company in restating its Indian GAAP Financial statements to Ind AS in the opening balance sheet as at 01.04.2018 and in the financial statement as at and for the year ended 31.03.2019.

### 20.1 First time adoption of Ind AS

Reconciliation of Balance sheet as at March 31, 2019

Particulars	As per iGAAP	Ind AS Adjustment	As per Ind AS
	Amount (INR)	Amount (INR)	Amount (INR)
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and Cash Equivalents	10,365,353	-	10,365,353
(b) Bank Balances other than (a) above	352,606,179	-	352,606,179
(c) Derivative financial instruments	-	-	-
(d) Receivables	-	-	-
(i) Trade receivable	-	-	-
(ii) Other Receivables	188,023	11,692,694.00	11,880,717
(e) Loans	-	-	-
(f) Investments	2,839,000,000	1,000,000	2,840,000,000
(g) Other Financial Assets	-	-	-
<b>Total Financial Assets</b>	<b>3,202,159,555</b>	<b>12,692,694</b>	<b>3,214,852,249</b>
<b>Non Financial Assets</b>			
(a) Current Tax Assets (Net)	-	-	-
(b) Deferred Tax Assets(Net)	4,558,028	(2,245,529)	2,312,499
(c) Investment Property	-	-	-
(d) Property, Plant and Equipment	160,107,686	616,144	160,723,830
(e) Capital Work-in-progress	-	-	-
(f) Intangible assets under development	-	-	-
(g) Goodwill	-	-	-
(h) Other Intangible assets	-	-	-
(i) Other non-financial assets	12,521,623	535,812	13,057,435
<b>Total Non Financial Assets</b>	<b>177,187,337</b>	<b>(1,093,573)</b>	<b>176,093,764</b>
<b>Total Assets</b>	<b>3,379,346,892</b>	<b>11,599,121</b>	<b>3,390,946,013</b>



**LIABILITIES AND EQUITY**

<b>Liabilities</b>			
<b>1) Financial liabilities</b>			
(a) Derivative Financial Instruments		-	-
(b) Payables		-	-
(i) Trade Payables		-	-
(ii) total outstanding dues of micro enterprises and small enterprises	-	-	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,930,026	-	6,930,026
(iv) Other Payables	-	-	-
(v) total outstanding dues of micro enterprises and small enterprises	-	-	-
(vi) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c) Debt Securities	-	-	-
(d) Borrowings	36,038,027	-	36,038,027
(e) Deposits	-	-	-
(f) Subordinated Liabilities	2,800,000	-	2,800,000
(g) Other Financial liabilities	4,351,061	-	4,351,061
<b>Total Financial Liabilities</b>	<b>50,119,114</b>	<b>-</b>	<b>50,119,114</b>
<b>2) Non Financial Liabilities</b>			
(a) Current tax liabilities	6,889,533	-	6,889,533
(b) Deferred tax liabilities (net)	-	-	-
(c) Provisions	44,805,657	6,083,505	50,889,163
(d) Other Non- Financial Liabilities	7,982,180	700,610	8,682,789
<b>Tot Non Financial Liabilities</b>	<b>59,677,370</b>	<b>6,784,115</b>	<b>66,461,485</b>
<b>3) Equity</b>			
(a) Equity Share capital	1,785,201,630	-	1,785,201,630
(b) Other Equity	-	-	-
(i) Other Reserves	821,570,384	-	821,570,384
(ii) Retained Earnings	662,778,394	4,815,006	667,593,400
(iii) Share Application Money Pending Allotment	-	-	-
<b>Total Equity</b>	<b>3,269,550,408</b>	<b>4,815,006</b>	<b>3,274,365,414</b>
<b>Total Liabilities and Equity</b>	<b>3,379,346,892</b>	<b>11,599,121</b>	<b>3,390,946,013</b>



**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020**

 20.2 First time adoption of Ind AS  
 Reconciliation of Profit and Loss as at March 31, 2019

Particulars	Note	As per iGAAP	Ind AS	As per Ind AS
		Amount (INR)	Adjustments Amount (INR)	Amount (INR)
<b>Total Income:</b>				
Revenue from Operations		-	-	-
Other Income	17	173,570,777	-	173,570,777
		<b>173,570,777</b>	-	<b>173,570,777</b>
<b>Expenses:</b>				
Employee Benefit Expense	18	8,057,855	-	8,057,855
Finance costs		98,678,139	209,152	98,887,291
Other expenses		18,019,863	(741,600)	17,278,263
Depreciation and Amortisation	20	2,153,821	602,662	2,756,483
Total Expenses		<b>126,909,678</b>	<b>70,214</b>	<b>126,979,892</b>
<b>Profit before tax</b>		<b>46,661,099</b>	<b>(70,214)</b>	<b>46,590,885</b>
Tax expense				
Current tax (net)		16,853,893	-	16,853,893
Deferred tax		385,450	-	385,450
		<b>17,239,343</b>	-	<b>17,239,343</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>29,421,756</b>	<b>(70,214)</b>	<b>29,351,542</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>29,421,756</b>	<b>(70,214)</b>	<b>29,351,542</b>



**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

20.3 First time adoption of Ind AS  
 Reconciliation of Balance sheet as at April 1, 2018

Particulars	As per iGAAP	Ind AS	As per Ind AS
	Amount (INR)	Adjustments Amount (INR)	Amount (INR)
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and Cash Equivalents	42,012,196	-	42,012,196
(b) Bank Balances other than (a) above	1,690,051,826	-	1,690,051,826
(c) Derivative financial instruments	-	-	-
(d) Receivables			
(i) Trade receivable			
(ii) Other Receivables	4,013,066	12,477,906	16,490,972
(e) Loans			
(f) Investments	2,839,000,000	1,000,000	2,840,000,000
(g) Other Financial Assets			
<b>Total Financial Assets</b>	<b>4,575,077,088</b>	<b>13,477,906</b>	<b>4,588,554,994</b>
<b>Non Financial Assets</b>			
(a) Current Tax Assets (Net)			
(b) Deferred Tax Assets(Net)	4,943,478	(2,245,528)	2,697,950
(c) Investment Property	-		
(d) Property, Plant and Equipment	163,691,745	1,218,805	164,910,550
(e) Capital Work-in-progress			
(f) Intangible assets under development			
(g) Goodwill			
(h) Other Intangible assets			
(i) Other non-financial assets	23,787,440	537,648	24,325,088
<b>Total Non Financial Assets</b>	<b>192,422,663</b>	<b>(489,075)</b>	<b>191,933,588</b>
<b>Total Assets</b>	<b>4,767,499,751</b>	<b>12,988,831</b>	<b>4,780,488,582</b>



**LIABILITIES AND EQUITY**
**Liabilities**
**1) Financial liabilities**

(a) Derivative Financial Instruments		-	-
(b) Payables		-	-
(i) Trade Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,212,798	-	9,212,798
(ii) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
(c) Debt Securities		-	-
(d) Borrowings	4,068,560	-	4,068,560
(e) Deposits		-	-
(f) Subordinated Liabilities	2,800,000	-	2,800,000
(g) Other Financial liabilities	1,389,340,709	-	1,389,340,709

**Total Financial Liabilities**
**1,405,422,067 - 1,405,422,067**
**2) Non Financial Liabilities**

(a) Current tax liabilities	6,470,684	-	6,470,684
(b) Deferred tax liabilities (net)	-	-	-
(c) Provisions	44,622,897	6,870,554	51,493,451
(d) Other Non- Financial Liabilities	33,743,033	1,317,319	35,060,352

**Tot Non Financial Liabilities**
**84,836,614 8,187,873 93,024,488**
**3) Equity**

(a) Equity Share capital	1,785,201,630	-	1,785,201,630
(b) Other Equity	-		
(i) Other Reserves	815,686,033	-	815,686,032.80
(i) Retained Earnings	676,353,407	4,800,958	681,154,365
3(ii) Share Application Money Pending	-		

**Total Equity**
**3,277,241,070 4,800,958 3,282,042,028**
**Total Liabilities and Equity**
**4,767,499,751 12,988,831 4,780,488,582**


**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**  
**NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

<b>21.1 Payment to Auditors comprise of</b>	<b>(Amount in ₹)</b>	
Particulars	For the year ended 31, March 2020	For the year ended 31, March 2019
Statutory audit fee	500,000	1,500,000
Other certification fee		250,000
Out of pocket expenses -		68,920
	500,000	1,818,920

<b>21.2 Contingent liabilities and commitments (to the extent not provided for)</b>		
Particulars	As at 31 March, 2020 □	As at 31 March, 2019 □
<b>i Contingent liabilities</b>	13,177,352	13,177,352 2013-14
(a) Disputed Income Tax demands from assessment year 2009-10 to under appeal pending before appellate/assessing authorities. The management is of opinion that the above demands are not		
(b) The company had received a combined order relating to assessment years 2008-09 to 2011-12 from the Service Tax Authorities during the year. The order pertains to applicability of service tax on various items like income from services towards collection of loan assigned, group mentoring and monitoring charges and microfinance administration revenue (excluding additional penalty and interest, if any). The company had filed appeal and stay petition against the demand order with The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	27,140,516	27,140,516
© 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.	1,648,644	1,648,644

Show cause notices received from Service tax department pending formal demand notices, have not been considered as contingent liabilities

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

**ii Applicability of Kerala Money Lenders' Act.**

The company is a member of Kerala Non- Banking Financial Companies Welfare Association which is a party to the proceedings pending in Supreme Court of India seeking exemption from the application of Kerala Money Lenders Act on NBFCs in Kerala. The Supreme Court has decided that status quo in the matter shall be maintained until resolution of the case, pending which no adjustments have been made in the financial statements for the required licence fee and security deposits, if any.



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**  
**NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

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

**Particulars**

- (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.

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

**(Amount in ₹)**

<b>Particulars</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
Travelling and conveyance		182,778
Others		39,885
		222,663
Income in foreign currency :-		(Amount in ₹ )
Nature of Receipt	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Income from sale of Carbon Credit		17,366,450

**21.5 Note on Corporate Social Responsibility Expenditure**  
**a) Amount Spent during the period 2019-20 on:**

**(Amount in ₹)**

<b>Particulars</b>	<b>In Cash</b>	<b>Yet to be paid in Cash</b>	<b>Total</b>
Construction/acquisition of any asset - On purposes other than above			
b) Amount Spent during the period 2018-19 on:			
<b>Particular</b>	<b>In Cash</b>	<b>Yet to be paid in Cash</b>	<b>Total</b>
Construction/acquisition of any asset On purposes other than above	5,191,323		5,191,323



**NOTE 22 DISCLOSURES UNDER ACCOUNTING STANDARDS  
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.4,89,283 /- (Year ended 31 March, 2019 Rs.4,64,384 /-) for Provident Fund contributions and Rs.Nil/- (Year ended 31 March, 2019 Rs.NIL/-) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**b) Defined Benefit Plans:-**

The Company offers Gratuity benefit to its employees:

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

**Components of employer's expense**

(₹ in Thousands)

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
Current Service Cost	108	65
Interest cost	211	244
Expected return on plan assets	(573)	(1,169)
Actuarial Loss/(Gain)	41	-603
Past Service Cost	2,576	1,923
Employer expense /(Income)	2,363	460

**Actual contribution and benefit payments for the year**

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
Actual benefit payments for the year	(39)	-270
Actual contributions	3,052	-

**Net (asset) / liability recognised in the Balance Sheet**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March, 2019</b>
Present value of defined benefit obligation	3,414	3,052
Fair Value of plan assets	10,411	6,784
Funded status [Surplus / (Deficit)]	6,997	3,732
Net liability/(asset) recognised in the Balance Sheet	(6,997)	-3,732

**Change in defined benefit obligations (DBO) during the year**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March, 2019</b>
Present Value of DBO at beginning of the year	3,052	3,530
Current Service Cost	108	65
Interest Cost	211	244
Benefits Paid	(39)	(270)
Actuarial Loss/(Gain)	82	(517)
Past Service Cost	-	-
Present Value of DBO at end of the year	3,414	3,052



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**  
**NOTE 22 DISCLOSURES UNDER ACCOUNTING STANDARDS**

<b>Particulars</b>	<b>Year ended 31 March-20</b>	<b>Year ended 31 March, 2019</b>
Fair Value of plan assets at beginning of the year	6,784	24,860
Contributions by employer	3,052	
Benefits paid	(39)	(270)
Expected return on plan assets	573	1,169
Actuarial Gain/(Loss)	41	86
Transfer in/(out) *	-	(19,061)
Fair Value of plan assets at end of the year	10,411	6,784
Actual return on plan assets	614	1,255
Expected employer contribution for the coming period	-	-

Composition of plan assets is as follows:

<b>Particulars</b>	<b>Year ended 31 March-20</b>	<b>Year ended 31 March-19</b>
Government bonds	0%	0%
PSU bonds	0%	0%
Insurer managed funds* (Non Unit -Linked)	100%	100%
Insurer managed funds* (Unit -Linked)	0%	0%

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

Actuarial Assumptions - Gratuity

<b>Particulars</b>	<b>Year ended 31 March -20</b>	<b>Year ended 31 March-19</b>
Discount Rate	5.50%	6.90%
Salary escalation	10%	10%
Attrition rate	5%	5.00%
Expected return on plan assets	6.90%	6.90%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	3 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.



<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Present value of DBO	3,414	3,052	3,530	3,696	41,002
Fair value of plan assets	10,411	6,784	24,860	42,315	33,685
Funded status [Surplus/(Deficit)]	6,997	3,732	21,330	38,619	(7,317)
Experience adjustment on plan liabilities: (Gain)/Loss	(70)	(640)	1,106	(125)	(2,452)
Experience adjustment on plan assets: Gain/(Loss)	41	68	356	784	47

#### **Acturial Assumptions - Long Term Compensated absences**

<b>Particulars</b>	<b>For the Year ended 31 March, 2020</b>	<b>For the Year ended 31 March 2019</b>
Discount rate	5.50%	6.90%
Expected return on plan assets	6.90%	6.90%
Salary escalation rate	10%	10%
Mortality rate	IALM2012-14 (Ult.)	IALM2012-14 (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.

#### **Segment Reporting:-**

The Company does not have any business segments as at 31 March 2020 and 31 March 31 2019. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".



**NOTE 23 DISCLOSURES IN ACCORDANCE WITH RBI GUIDELINES**
**23.1 Capital to Risk Assets Ratio (CRAR)**

Particulars	As at 31 March 2020	As at 31 March 2019
(i) CRAR (%)	42.59%	73.95%
(ii) CRAR - Tier I capital (%)	42.28%	73.95%
(iii) CRAR - Tier II Capital (%)	0.31%	0.00%
(iv) Amount of subordinated debt raised as Tier II capital (₹ in Crore)	0.28	-
(v) Amount raised by issue of Perpetual Debt Instruments	0	-

**23.2 Investments**

Particulars	As at 31 March 2020	As at 31 March 2019
1 Value of investments		
(i) Gross value of investments		
(a) In India	283.90	284.00
(b) Outside India		-
(ii) Provision for diminution		
(a) In India	-	0.10
(b) Outside India		-
(iii) Net value of investments		
(a) In India	283.90	283.90
(b) Outside India		-
2 Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	0.10
(ii) Add : Provision made during the year	-	0.00
(iii) Less: Write off/ write back of excess provisions during the year	-	-
(iv) Closing balance	-	0.10

**23.3 Derivatives**

The Company has no transactions/exposure in derivatives for the year ended 31 March 2020 and 31 March 2019. The Company has no unhedged foreign currency exposure as on 31 March 2020 and 31 March 2019

**23.4 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.

**23.5 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

**23.6 Details of Assignment transactions undertaken**

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



### 23.7 Details of non-performing financial assets purchased/ sold

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

### 23.8 Asset liability management

#### A. Maturity pattern of certain items of assets and liabilities as on 31st March 2020

(₹ in Crore)

Particulars	Deposits	Advances	Investments *	Foreign currency Assets	Foreign currency liabilities
Upto 30 days	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-	-
Over 3 years & upto 5 years	-	-	283.90	-	-
Over 5 years	-	-	-	-	-
<b>Total</b>	-	-	<b>283.90</b>	-	-

\* net of provision for diminution in value of Investments

#### B. Maturity pattern of certain items of assets and liabilities as on 31st March 2019

Particulars	Deposits	Advances	Investments *	Foreign currency Assets	Foreign currency liabilities
Upto 30 days	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-	-
Over 3 years & upto 5 years	-	-	-	-	-
Over 5 years	-	-	283.90	-	-
<b>Total</b>	-	-	<b>283.90</b>	-	-

### 23.9 Exposure

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

The Company does not have any direct or indirect exposure to real estate sector as on 31 March 2020 and 31 March 2019

(ii) **Exposure to Capital Market**

The Company does not have any exposure to Capital Market as on 31 March 2020 and 31 March 2019

### 23.10 Details of financing of parent company products

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

**23.11 During the year ended 31 March, 2020 and 31 March, 2019, there are no unsecured advances for which intangible securities like rights, licences, authority etc. has been taken as collateral by the Company**



### 23.12 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
- ii. Ministry of Finance (Financial intelligence Unit)
- iii. Pension Fund Regulatory Development Authority of India (PFRDA) (As aggregator for NPS Swavalamban Scheme)

### 23.13 Disclosure of Penalties issued by RBI and other regulators

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

### 23.14 Concentration of Deposits, Advances, Exposures and NPAs

There are no exposures of Deposits, Advances, Exposures and NPAs as at 31<sup>st</sup> March 2020 & 31<sup>st</sup> March 2019.

### 23.15 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.

### 23.16 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.

As per our report attached

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

#### For and on Behalf of the Board

Sd/-  
**G. Kumar**  
 Senior Partner  
 M.No.: 023082

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

Sd/-  
**Vikraman Ampalakkat**  
 Director  
 DIN:01978341

Place : Thrissur,  
 Date : 29<sup>th</sup> June, 2020

Sd/-  
**Sunil G Nampoothri**  
 Chief Financial Officer

Sd/-  
**Vishakh**  
 Company Secretary



**ESAF FINANCIAL HOLDINGS PRIVATE LIMITED  
 (FORMERLY KNOWN AS ESAF MICROFINANCE AND INVESTMENTS PRIVATE LIMITED)  
 NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

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

**23.17 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.

**23.18 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

**23.19 Disclosure of Customer Complaints**

Particulars	31-March-20	31-Mar-19
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	-	-

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

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

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

**23.22 Disclosure of details as required under Clause No. 19 of Master Direction- Core Investments Companies (Reserve Bank ) Direction, 2016.**

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

(b) Exposure to real estate sector, both direct and indirect- Nil (c) Maturity pattern of assets and liabilities.

As at March 31, 2020

(₹ in Crore)

Particulars	Liabilities		Assets
	Borrowings from Banks and others	Advances	Investments
Upto 30 days	0.00	-	-
Over 1 month upto 2 months	0.00	-	-
Over 2 months upto 3 months	0.10	-	-
Over 3 months & upto 6 months	0.00	-	-
Over 6 months & upto 1 year	7.21	-	-
Over 1 year & upto 3 years	0.28	-	-
Over 3 years & upto 5 years	-	-	283.90
Over 5 years	-	-	0.00
<b>Total</b>	<b>7.59</b>	-	283.90



As at March 31, 2019

(₹ in Crore)

Particulars	Liabilities		Assets
	Borrowings from Banks and others	Advances	Investments
Upto 30 days	0.01	-	-
Over 1 month upto 2 months	0.01	-	-
Over 2 months upto 3 months	0.01	-	-
Over 3 months & upto 6 months	0.03	-	-
Over 6 months & upto 1 year	3.57	-	-
Over 1 year & upto 3 years	0.39	-	-
Over 3 years & upto 5 years	-	-	-
Over 5 years	-	-	283.90
<b>Total</b>	<b>4.02</b>	-	283.90

### 23.23 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, 2020

(₹ in Crore)

1	Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount Overdue
(a) Debentures: Secured		-	-
: Unsecured		0.28	-
(Other than falling within the meaning of public deposits*)			
(b) Deferred Credits		-	-
(c) Term Loans		7.21	-
(d) Inter-corporate loans and borrowing		-	-
(e) Commercial Paper		-	-
(f) Other Loans (specify nature)		-	-
* Please see Note 1 below		-	-

As at March 31, 2020

(₹ in Crore)

	Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount Overdue
(a) Debentures: Secured		-	-
: Unsecured		0.28	-
(Other than falling within the meaning of public deposits*)			
(b) Deferred Credits		-	-
(c) Term Loans		3.82	-
(d) Inter-corporate loans and borrowing		-	-
(e) Commercial Paper		-	-
(f) Other Loans (specify nature)		-	-
* Please see Note 1 below		-	-



<b>2 Assets side:</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Break-up of Loans and Advances including bills receivables (other than those included in (4) below:		
(a) Secured	-	-
(b) Unsecured	-	-

As at March 31, 2020

(₹ in Crore)

<b>3 Break Up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		
(a) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

<b>4 Break-up of Investments</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Current Investments		



1. Quoted :			
(i) Shares (a) Equity		-	-
(b) Preference			
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (Please specify)		-	-
2. Unquoted:		-	-
(i) Shares (a) Equity		-	-
(b) Preference			
(ii) Debentures and Bonds			
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (Please specify)		-	-
<b>Long Term Investments:</b>		-	-
1. Quoted :		-	-
(i) Shares (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (Please specify)		-	-
2. Unquoted:		283.90	283.90
(i) Shares (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (Please specify)		-	-

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

As at March 31, 2020

(₹ in Crore)

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

As at March 31, 2019

(₹ in Crore)

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



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

As at March 31, 2020

(₹ in Crore)

<b>6</b>	<b>Category</b>	<b>Market Value/ Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
	1. Related Parties		
	(a) Subsidiaries	711.47	283.9
	(b) Companies in the same group	0	0
	(c) other related parties	0	0
	2. Other than related parties	0	0
	<b>Total</b>	<b>711.47</b>	<b>283.9</b>

As at March 31, 2019

(₹ in Crore)

<b>Category</b>	<b>Market Value/ Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
1. Related Parties		
(a) Subsidiaries	582.1	283.9
(b) Companies in the same group	-	0
(c) other related parties	-	0
2. Other than related parties	-	0
<b>Total</b>	<b>582.1</b>	<b>283.9</b>

**Other Information**

(₹ in Crore)

<b>7</b>	<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	(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:**

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

 Previous year's figures  
 current year's classification / disclosure.

As per our report attached

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

**For and on Behalf of the Board**

 Sd/-  
**G. Kumar**  
 Senior Partner  
 M.No.: 023082

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

 Sd/-  
**Vikraman Ampalakkat**  
 Director  
 DIN:01978341

 Place : Thrissur,  
 Date : 29<sup>th</sup> June, 2020

 Sd/-  
**Sunil G Nampoothri**  
 Chief Financial Officer

 Sd/-  
**Vishakh**  
 Company Secretary


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# CONSOLIDATED FINANCIALS

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UDIN: 20023082AAAAJT7123

## 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 Financial Statements

#### OPINION

We have audited the accompanying consolidated financial statements of "M/s. ESAF Financial Holdings Private Limited" (Formerly known as per ESAF Microfinance and Investments Private Limited) (hereinafter referred to as "the Holding Company"), and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting Standards (Ind AS's) prescribed under section 133 of the Act read with Company (Accounts) Rules, 2014 as amended and other Accounting Principles generally accepted in India, of the consolidated state of affairs of the Holding company, and its associate as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### BASIS FOR OPINION

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

We are independent of the Holding Company, its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

#### DISCLAIMER

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).



As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI.

We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications. We bring to the attention of the users that the audit of the Consolidated financial statements has been performed in the aforesaid conditions.

### **MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Holding Company including its Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Holding company and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Our opinion is not modified in respect of this matter.



## OTHER MATTERS

The accompanying Consolidated Financial Statements include the Ind AS financial statements and other financial information of an associate which reflects the Holding company's share of net profit after tax of Rs. 90.39 Crores and share of Other Comprehensive Income of Rs. 50.69 Crores for the year ended March 31, 2020, which have been reviewed by us under the capacity of Independent Practitioner in accordance with Standard on Review Engagements (SRE) 2400, Engagements to Review Historical Financial Statements issued by the Institute of Chartered Accountants of India (ICAI).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 Section 143(3) of the Act, based on our audit and limited review of the separate financial statements and other financial information of associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its associate company, none of the directors of the Holding company, and its associate incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries, associates and jointly controlled companies/joint ventures and joint operations incorporated in India for the year ended March 31, 2020
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Holding company, and its associate.
    - ii. Provision has been made in the Separate Financial Statements of the associate, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and the effect of the same has been included in the share of profit of associate in the consolidated financial statements.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its associate during the year ended March 31, 2020.

For **A. John Moris & Co.,**  
 Chartered Accountants Firm Registration Number: 007220 S

Place: Chennai  
 Date: 28/08/2020

Sd/-  
**CA G Kumar**  
 (Senior Partner)  
 Membership No: 023082



**ESAF Financial Holdings Private Limited**  
 (Formerly known as Esaf Microfinance and Investments Private Limited)  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Note	As at	As at	As at
		March 31, 2020	March 31, 2019	April 1, 2018
		Amounts (INR)	Amounts (INR)	Amounts (INR)
<b>ASSETS</b>				
<b>Financial Assets</b>				
(a) Cash and Cash Equivalents	1	25,134,807	10,365,353	42,012,196
(b) Bank Balances other than (a) above	2	352,606,179	352,606,179	1,690,051,826
(c) Other Receivables	3	10,953,018	11,880,717	16,490,972
(d) Investments	4	4,754,079,663	3,344,237,745	2,840,000,000
		<b>5,142,773,667</b>	<b>3,719,089,994</b>	<b>4,588,554,994</b>
<b>Non Financial Assets</b>				
(a) Deferred Tax Assets(Net)		2,649,251	2,312,500	2,697,950
(b) Property, Plant and Equipment	6	160,445,111	160,723,830	164,910,550
(c) Other non-financial assets	5	17,340,485	13,057,435	24,325,088
		<b>180,434,847</b>	<b>176,093,765</b>	<b>191,933,588</b>
<b>Total Assets</b>		<b>5,323,208,514</b>	<b>3,895,183,760</b>	<b>4,780,488,582</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>1) Financial liabilities</b>				
(i) Trade Payables	7	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises				
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,394,282	6,930,026	9,212,798
(d) Borrowings	8	72,100,000	36,038,027	4,068,560
(e) Deposits				
(f) Subordinated Liabilities	9	2,800,000	2,800,000	2,800,000
(g) Other Financial liabilities	10	11,265,447	4,351,061	1,389,340,709
<b>2) Non Financial Liabilities</b>				
(a) Current tax liabilities	11	5,209,548	6,889,533	6,470,684
(b) Deferred tax liabilities (net)				
(c) Provisions	12	49,617,549	50,889,163	51,493,451
(d) Other Non- Financial Liabilities	13	6,503,182	8,682,789	35,060,350
<b>3) Equity</b>				
(a) Equity Share capital	14	1,785,201,630	1,785,201,630	1,785,201,630
(b) Other Equity	15	3,383,116,876	1,993,401,532	1,496,840,400
<b>Total Liabilities and Equity</b>		<b>5,323,208,514</b>	<b>3,895,183,760</b>	<b>4,780,488,582</b>

Notes referred to above form an integral part of Balance sheet

As per our report attached

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

Sd/-  
**G. Kumar**  
 Senior Partner  
 M.No.: 023082

**For and on Behalf of the Board**

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

Sd/-  
**Vikraman Ampalakkat**  
 Director,  
 DIN:01978341

Place : Thrissur,  
 Date : 28<sup>th</sup> August, 2020

Sd/-  
**Sunil G Nampoothri**  
 Chief Financial Officer

Sd/-  
**Vishakh**  
 Company Secretary



**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020**

Particulars	Note	2019-20	2018-19
		Amounts (INR)	Amounts (INR)
Other Income	16	54,411,701	173,570,777
<b>TOTAL INCOME</b>		<b>54,411,701</b>	<b>173,570,777</b>
<b>Expenses:</b>			
(i) Finance costs	17	8,950,065	98,887,291
(vi) Employee Benefit Expense	18	15,006,517	8,057,855
(vii) Depreciation and Amortisation	6	1,782,879	2,756,482
(viii) Other expenses	19	6,740,866	17,278,263
<b>TOTAL EXPENSE</b>		<b>32,480,326</b>	<b>126,979,891</b>
<b>Profit before Share of profit/(loss) of Associate Company, exceptional items and tax</b>		<b>21,931,375</b>	<b>46,590,886</b>
Share of Profit/(Loss) of Associate Company		903,910,088.36	453,919,591
Profit before exceptional items and tax		<b>925,841,463</b>	<b>500,510,477</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>925,841,463</b>	<b>500,510,477</b>
<b>Tax expense</b>			
Current tax		6,282,279	16,853,893
Deferred Tax Expenses		(336,751)	385,450
		<b>5,945,528</b>	<b>17,239,343</b>
<b>Profit or loss for the period from continuing operations</b>		<b>919,895,935</b>	<b>483,271,134</b>
<b>Profit or loss for the period from discontinued operations</b>			
Tax expense of discontinued operations			
Profit or loss for the period from continuing operations after Tax		-	-
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>919,895,935</b>	<b>483,271,134</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
(A) (i) Items that will not be reclassified to profit or loss Share of OCI from Associate Company		-	
(ii) Income tax relating to items that will not be reclassified to profit or loss		211,984.90	(1,709,005.20)
<b>SUBTOTAL (A)</b>		<b>211,984.90</b>	<b>(1,709,005.20)</b>
(B) (i) Items that will be reclassified to profit or loss Share of OCI from Associate Company		506,719,844.49	52,027,159.29
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>SUBTOTAL (B)</b>		<b>506,719,844.49</b>	<b>52,027,159.29</b>
<b>Other Comprehensive Income</b>		<b>506,931,829.39</b>	<b>50,318,154.09</b>



<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,426,827,765</b>	<b>533,589,288</b>
<b>Earnings per equity share</b>		
Basic <b>6.29</b>	<b>6.29</b>	<b>3.18</b>
Diluted <b>5.32</b>	<b>5.32</b>	<b>3.09</b>
<b>Significant accounting policies Other notes on accounts</b>		

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

As per our report attached

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

Sd/-  
**G. Kumar**  
 Senior Partner  
 M.No.: 023082

Place : Thrissur,  
 Date : 28<sup>th</sup> August, 2020

**For and on Behalf of the Board**

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

Sd/-  
**Sunil G Nampoothri**  
 Chief Financial Officer

Sd/-  
**Vikraman Ampalakkat**  
 Director,  
 DIN:01978341

Sd/-  
**Vishakh**  
 Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	2019 - 20 INR	2018 - 19 INR
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>925,841,463</b>	<b>500,510,477</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	1,782,879	2,756,482
Profit on Sale of Fixed Assets and investments	(360,000)	(1,889,228)
Finance Costs	8,950,065	98,887,291
Interest Income	(52,342,786)	(150,214,711)
Advances/Deposits Written off	-	1,253,912
Share of profit of Associate	(903,910,088)	(453,919,591)
<b>Operating profit before working capital changes</b>	<b>(20,038,467)</b>	<b>(2,615,368)</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Loans and advances	927,699	3,356,344
Other Assets	(4,283,050)	11,267,652
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	464,256	(2,282,772)
Other Liabilities	3,325,231	(27,737,952)
Provisions	(1,332,377)	665,050
<b>Cash generated from/(used in) operations</b>	<b>(20,936,707)</b>	<b>(17,347,047)</b>
Direct taxes paid	(7,997,874)	(16,381,254)
<b>Net cash from operating activities</b>	<b>(28,934,582)</b>	<b>(33,728,301)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(59,000)	89,450
Sale of fixed assets	-	3,408,916
Bank balances not considered as Cash and cash equivalents (Net)	-	1,337,445,647
(Purchase)/sale of current investments	1,360,000	-
Interest received	52,342,786	150,214,711
Gain on buyback by subsidiary	-	-
<b>Net cash used in/(generated from) investing activities</b>	<b>53,643,786</b>	<b>1,491,158,724</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Borrowings from banks/others (Net of Repayment)	-	(1,384,989,647)
Proceeds from/(repayment) of borrowings	36,061,973	31,969,467



Interest paid	(8,950,065)	(98,887,291)
Dividend and Dividend Tax Paid	(37,051,657)	(36,990,896)
<b>Net cash from financing activities</b>	<b>(9,939,749)</b>	<b>(1,488,898,367)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,769,456</b>	<b>(31,467,943)</b>
Opening Cash and cash equivalents	10,365,352	42,012,196
<b>Closing Cash and cash equivalents</b>	<b>25,134,807</b>	<b>10,365,353</b>

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

As per our report attached

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

Sd/-

**G. Kumar**

Senior Partner  
M.No.: 023082

Place : Thrissur,

Date : 28<sup>th</sup> August, 2020

**For and on Behalf of the Board**

Sd/-

**Mereena Paul**

Chairperson & Managing Director,  
DIN:02228087

Sd/-

**Sunil G Nampoothri**

Chief Financial Officer

Sd/-

**Vikraman Ampalakkat**

Director,  
DIN:01978341

Sd/-

**Vishakh**

Company Secretary



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

<b>A EQUITY SHARE CAPITAL</b>		Amounts (INR)
<b>Particulars</b>	<b>No. of Shares</b>	
Balance as on April 1, 2019	1,785,201,630.00	
Changes in Accounting policies or prior period errors		
<b>Restated Balance as on April 1, 2019</b>	1,785,201,630.00	
Changes in Equity for the year ended on March 31, 2020		
<b>Balance as on March 31, 2020</b>	1,785,201,630.00	

**B OTHER EQUITY**

Amounts (INR)

<b>Particulars</b>	<b>Share Application Money Pending Allotment</b>	<b>Equity component of compound financial instruments</b>	<b>RESERVES AND SURPLUS</b>			
			Statutory Reserves	Capital Reserve	Securities Premium	Other Reserves
Balance at the beginning of the reporting period	252,287,169		569,283,215			1,171,831,146
Changes in accounting policy/ prior period errors						
Restated balance at the beginning of the reporting period	252,287,169		569,283,215			1,171,831,146
Profit for the year						919,895,935
Other Comprehensive income for the year						506,931,829
Dividends						(37,112,420)
Transfer to retained earnings						
Any other change (to be specified)	183,979,187					(183,979,187)
Balance at the end of the reporting period	436,266,356	-	569,283,215	-		2,377,567,304

**For and on Behalf of the Board**

As per our report of even date attached.

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

Sd/-

**G. Kumar**  
Senior Partner  
M.No.: 023082

Sd/-

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

Sd/-

**Vikraman Ampalakkat**  
Director  
DIN:01978341

Sd/-

**Sunil G Nampoothri**  
Chief Financial Officer

Sd/-

**Vishakh**  
Company Secretary

Place: Thrissur,  
Date: 29<sup>th</sup> June, 2020

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Amounts (INR)

Particulars	Share Capital	Statutory Reserve	Share Premium	Retained Earnings	Total Equity
<b>Balance as on April 1, 2018</b>	1,785,201,630	246,402,818	569,283,215	681,154,367	3,282,042,030
Net Profit for the year	-	-	-	483,271,134	483,271,134
Other changes/ Trf to general reserve.	-	5,884,351	-	(42,912,509)	(37,028,158)
Other Comprehensive income for the year				50,318,154	50,318,154
<b>Balance as on March 31, 2019</b>	<b>1,785,201,630</b>	<b>252,287,169</b>	<b>569,283,215</b>	<b>1,171,831,146</b>	<b>3,778,603,160</b>

As per our report attached  
**A. John Moris & Co.,**  
 Chartered Accountants,  
 ICAI Firm Reg.No. 007220 S

Sd/-  
**G. Kumar**  
 Senior Partner  
 M.No.: 023082

**For and on Behalf of the Board**

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

Sd/-  
**Vikraman Ampalakkat**  
 Director,  
 DIN:01978341

Place : Thrissur,  
 Date : 28<sup>th</sup> August, 2020

Sd/-  
**Sunil G Nampoothri**  
 Chief Financial Officer

Sd/-  
**Vishakh**  
 Company Secretary

## NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### **A1 Corporate Information**

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

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



### **Treatment of ESAF Small Finance Bank As Associate Company:**

As per the Current Shareholding pattern of ESAF Small Finance Bank, ESAF Financial Holdings Private limited holds 65.63% of the total shareholding of ESAF Small Finance Bank. However its voting rights are limited to 26% of the total shareholding of ESAF Small Finance Bank, pursuant to Section 12(2) of Banking Regulation Act, read with the RBI notification. The total voting power of ESAF Small Finance Bank being 60.37%, ESAF Holdings Private Limited can exercise control on less than half of the total voting power of ESAF Small Finance Bank. Consequently ESAF Holdings Private Limited shall not be able to pass ordinary resolution for the appointment or removal of any director of ESAF Small Finance Bank. As the two requirements set out for the classification of a company as subsidiary is not fulfilled, ESAF Small Finance Bank is not considered as subsidiary of ESAF Holdings Private Limited and considered as Associate for the purpose of Consolidation.

## **A2 Significant Accounting Policies**

### **a. Basis of accounting**

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

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

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards Amendment) Rules, 2016 and Companies (Indian Accounting Standards Amendment) Rules 2017. Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures. This is the first IndAS compliant financial statements. Refer note 20 "First - time adoption of Ind AS" for an explanation of impact of transition from Generally Accepted Accounting Principles in India (iGAAP) to Ind AS on the company's financial statements.

### **b. Presentation of financial statements**

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

### **c. First Time Adoption of IND AS**

The financial statements for the year ended 31st March 2020 have been prepared in accordance with IND AS as issued. The company's opening Ind AS Balance sheet was prepared as at 1st April 2018, the company's date of transition to Ind AS. In preparing the opening balance sheet, the company has applied the mandatory exceptions and certain optional exemption from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'. This note explains the principal adjustments made by the company in restating its Indian GAAP Financial statements to Ind AS in the opening balance sheet as at 01.04.2018 and in the financial statement as at and for the year ended 31.03.2019.

### **d. Property, plant and equipment**

Property plant and equipment are stated at cost, less accumulated depreciation. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.



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

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

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

#### e. Intangible assets

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

#### f. Depreciation

##### i) Tangible assets

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

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

##### ii) Intangible assets

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

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

#### g. Investments in Associates

As per Ind AS 101 First Time Adoption of Ind AS, The entity which is the First-time adopter of Ind AS has an option to measure its investment in Subsidiaries, associates and joint ventures in deemed cost(previous GAAP carrying amount) and so investment in Associate is recorded at its previous GAAP carrying value in the Opening Ind AS Financial statements

#### h. Functional and presentation currency

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

#### i. Impairment of Assets

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

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



**j. Current and Non-current classification**

An asset or a liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realized/settled, or is intended for sale or consumption, in the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realized/due to be settled within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
- v. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

**k. Income Tax**

**NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
YEAR ENDED MARCH 31, 2020**

**Current tax**

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

**Deferred tax**

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

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

**Current and deferred tax for the year**

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**k. Leases**

Operating Lease:

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

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

**l. Financial Instruments**

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



## **i) Financial assets**

### Initial recognition and measurement

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

- those to be measured at cost
- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured subsequently at fair value through profit and loss In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value of those financial assets.

### Subsequent measurement

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

## **ii) Financial liabilities**

### Initial recognition and measurement

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

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

### Subsequent measurement

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

## **m. Cash and cash equivalents**

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

## **n. Revenue Recognition**

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

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

Effective April 1, 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard does not have any material impact on the financial results of the Company for the year ended March 31, 2020.

## **o. Other Income**

- Interest income is accrued at applicable interest rate.



II) Other items of income are accounted as and when the right to receive arises.

**p. Employee benefits**

**i) Short term employee benefits**

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

**ii) Post Employment Benefits**

Defined contribution plan

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

**q. Provisions, contingent liabilities and contingent assets**

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

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

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

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

Contingent assets are neither recognised nor disclosed.

**r. Segment accounting**

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

**s. Cash flow statement**

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



## NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### A3 Dues to micro enterprises and small enterprises

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

### A4 Disclosure of Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

Details of related parties:	
Description of relationship	Names of related parties
Entities having significant influence	Dia Vikas Capital Private Limited ESAF Swasraya Multistate Agro Co-operative Society Limited SIDBI Trustee Company Ltd. - A/C Samridhi Fund
Key Management Personnel (KMP)	Mrs. Mereena Paul
Relatives of KMP	Mr. K. Paul Thomas , spouse of Mrs Mereena Paul Mr. Alok Thomas Paul, son of Mrs. Mereena Paul Mrs. Emy Acha Paul, daughter of Mrs. Mereena Paul
Entities in which KMP can exercise significant influence	CEDAR Retail Private Limited
	Evangelical Social Action Forum
	ESAF Swasraya Multistate Agro Co-operative Society Limited
Associate Company	ESAF Small Finance Bank Limited

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

### Transactions during the year :

S.No	Particulars	Related Party	2019-20 INR	2018-19 INR
1	Loans availed against Fixed	Esaf Small Finance Bank Limited	37,100,000	35,000,000
2	Interest Paid	Esaf Small Finance Bank Limited	8,202,082	828,493
3	Remuneration to KMP	Mrs. Mereena Paul	9,556,559	6,898,513
4	One time compensation	Mr. K. Paul Thomas	-	540,000
5	Repayment of Loan by KMP	Mrs. Mereena Paul	566,635	80,004
6	Interest received on loans to	Mrs. Mereena Paul	120,000	144,000
7	Rent received	Esaf Small Finance Bank Limited	28,687	376,182
8	Interest Income on FD	Esaf Small Finance Bank Limited	61,048,662	150,208,550
9	Rent paid	Mrs. Mereena Paul	201,600	201,600
10	Expenditure on Corporate Social Responsibility	Evangelical Social Action Forum	-	5,191,323
11	Expenditure towards Clean Energy Program	Evangelical Social Action Forum	-	1,431,200
12	Fixed Deposits Matured	ESAF Small Finance Bank limited	-	1,333,695,000
13	Transactions in Current Account (net)	ESAF Small Finance Bank limited	(12,927,624)	(24,646,437)



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

S.No	Particulars	Related Party	Amounts due (to)/ from	
			31-March-20	31-March-19
1	Loan against FD	ESAF Small Finance Bank Ltd	72,100,000	35,000,000
		Mrs. Mereena Paul	2,613,620	1,372,000
2	Other Current Liabilities	Evangelical Social Action Forum	1,431,200	1,431,200
		ESAF Swasraya Multistate Agro Cooperative Society Limited	504,000	-
3	Rent Deposit	Mrs. Mereena Paul	50,000	50,000
		ESAF Small Finance Bank Ltd		
4	Security Deposit	SIDBI Trustee Company Ltd. - A/C Samridhi Fund	1,250,000	1,250,000
5	Interest Payable	ESAF Small Finance Bank Ltd	8,202,082	828,493
6	Rent Receivable	ESAF Small Finance Bank Ltd	1,313	30,000
7	Staff Loans and Advances	Mrs. Mereena Paul	-	566,635
8	Investments in Equity shares	ESAF Small Finance Bank Ltd	2,839,000,000	2,839,000,000
9	Balance with Bank Accounts	ESAF Small Finance Bank Ltd	369,684,810	356,757,187

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

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR 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.

**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, 2020, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2019 : ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

**A5 Deferred Tax Asset/Liability**

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

Major components of Deferred tax liabilities and assets

Particulars	As at 31-March-20 INR	As at 31-March-19 INR
a) WDV of Assets	2,649,251	2,312,500
<b>Net Deferred Tax Assets/ ( Liabilities)</b>	<b>2,649,251</b>	<b>2,312,500</b>



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

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

Particulars		2019-20	2018-19
		INR	INR
<b>Earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share ( ` )	A	882,783,515	446,158,716
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	140,339,963	140,339,963
<b>Basic earnings per equity share ( ` )</b>	A / B	<b>6.29</b>	<b>3.18</b>
Diluted earnings per equity share:			
<b>Profit for the year attributable to owners of the Company for calculating basic earnings per share ( ` )</b>	A	<b>882,783,515</b>	<b>446,158,716</b>
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	<b>882,783,515</b>	<b>446,158,716</b>
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	<b>140,339,963</b>	<b>140,339,963</b>
Add : Shares deemed to be issued for no consideration in respect of :	E	<b>25,453,467</b>	<b>3,818,020</b>
Compulsorily convertible preference share capital Compulsorily convertible debentures	F	<b>25,453,467</b>	<b>3,818,020</b>
Weighted average number of equity shares outstanding for calculating diluted earnings per share	G	-	-
	H = D + E	<b>165,793,430</b>	<b>144,157,983</b>
<b>Diluted earnings per equity share ( ` )</b>		<b>5.32</b>	<b>3.09</b>
Face value per equity share ( ` )		10	10



## A7 Financial Instruments

### Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2020			31.03.2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>							
Trade receivables	3	-	-	10,953,018	-	-	11,880,717
Cash and cash equivalents	1	-	-	25,134,807	-	-	10,365,353
Other Bank Balances	2			352,606,179			352,606,179
<b>Total Financial Asset</b>		-	-	<b>388,694,004</b>	-	-	<b>374,852,249</b>
<b>Financial liability</b>							
Loans from Financial institutions	8	-	-	72,100,000	-	-	36,038,027
Trade Payables	7	-	-	7,394,282			6,930,026
Subordinated Debts	9			2,800,000			2,800,000
Other Financial Liabilities	10	-	-	11,265,447	-	-	4,351,061
<b>Total Financial Liabilities</b>		-	-	<b>93,559,730</b>	-	-	<b>50,119,114</b>

Notes accompanying the Consolidated Financial Statements for the year ended March 31, 2020

## A8 Disclosure pursuant to Ind AS 12 - "Income taxes"

The major components of income tax expense for years ended 31 March 2020 and 31 March 2019 are :

Particulars	As at 31-Mar- 2020	As at 31-Mar- 2019
<b>Current income Tax :</b>		
Current income tax charge	6,282,279	16,853,893
Adjustments of current tax of previous year	-	-
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	(336,751)	385,450
Relating to rate change or imposition of new taxes		
Arising due to a write down of a deferred tax asset		
<b>Income tax reported in the statement of profit and loss</b>	<b>5,945,528</b>	<b>17,239,343</b>
<b>Current Tax and Deferred Tax - Equity</b>	<b>-</b>	<b>-</b>
( Mention details of items directly charged to equity)		

## A9 Events occurring after the reporting period

The financial statements were approved by the Board of Directors on June 29, 2020 and there are no significant events occurring after Balance sheet date.

## A10 Investor Education and Protection Fund

The Company is not required to transfer any amount to Investor Education and Protection Fund.



## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

<b>Cash &amp; Cash Equivalent</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
1. Cash on hand Balances with Bank	2,209	20,262	5,780
- In current accounts			
2. Domestic	25,132,598	10,345,091	42,006,416
	<b>25,134,807</b>	<b>10,365,353</b>	<b>42,012,196</b>

<b>Other bank balance</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
Other Bank Balance			
- in deposit accounts	352,606,179	352,606,179	405,478,044
- Fixed Deposit with bank with more than 3 months but less than 12 months maturity			
Earmarked balances with banks-unclaimed dividend			
Bank balances held security against borrowings, guarantees and other commitments		-	1,284,573,782
Cash and bank balance not available for immediate use	-	-	-
	<b>352,606,179</b>	<b>352,606,179</b>	<b>1,690,051,826</b>

<b>Other Receivables</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
<b>Unsecured, considered good</b>			
<b>(a) Loans and advances to employees</b>			
<b>Related parties</b>	-	486,631	566,635
<b>Others</b>	2,859,109	3,191,486	3,676,130
<b>(b) Loans and advances to related parties</b>	-	80,004	80,004
<b>(c) Other receivables</b>	8,092,596	8,092,596	12,168,203
<b>Others</b>	1,313	30,000	
	<b>10,953,018</b>	<b>11,880,717</b>	<b>16,490,972</b>



<b>Investments</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018</b>
<b>Investments in subsidiary :-</b>			
280,758,396# (1 April, 2018: 280,758,396) Equity Shares of ₹ 10/- each fully paid-up in M/s ESAF Small finance Bank Limited.	4,754,079,663	3,343,237,745	2,839,000,000
<b>Investments in Others :-</b>			
50,000 (1 April, 2018: 50,000) Equity Shares of ₹ 10/- each fully paid-up in M/s Alpha Microfinance Consultants Private Limited		500,000	500,000
5,000 (1 April, 2018: 5,000) Equity Shares of ₹ 100/- each fully paid-up in M/s ESAF Healthcare Services Private Limited		500,000	500,000
Less Provision for Diminution in value of Investments	-	-	-
	<b>4,754,079,663</b>	<b>3,344,237,745</b>	<b>2,840,000,000</b>

The company has availed the optional exemption

<b>Other Non Financial Assets</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
(a) Prepaid expenses	61,276	79,817	-
(b) Balances with Government authorities	6,484,821	5,438,441	-4,425,916
(c) Compensated Leave Salary Assets	4,150,194	3,976,983	16,335,142
(d) Deposits	2,647,770	2,617,770	2,617,770
(e) Insurance claims receivable	408,612	408,612	408,612
(f) Other Current Assets	3,587,812	535,812	537,648
	<b>17,340,485</b>	<b>13,057,435</b>	<b>24,325,088</b>



**Notes forming part of Consolidated financial statements**

## Note 6: Fixed Assets

Particulars	Gross Block					Accumulated Depreciation			Net Block	
	Balance as at 1 April, 2019	Additions	Disposals	Balance as at 31 March, 2020	Balance as at 1 April, 2019	Depreciation for the year	Deletions	Balance as at 31 March, 2020	Balance as at 31 March, 2019	
<b>A. Tangible Assets</b>										
Land	146,441,580 (146,441,580)	-	-	146,441,580 (146,441,580)	-	-	-	146,441,580 (146,441,580)	146,441,580 (146,441,580)	
Buildings	13,643,574 (13,643,574)	-	-	13,643,574 (13,643,574)	1,860,981 (1,651,478)	205,620 (209,503)	-	11,576,973 (11,782,593)	11,782,593 (11,992,096)	
Leasehold Buildings	2,110,082 (2,110,082)	1,445,160	1,354,838	2,200,405 (2,110,082)	1,493,938 (891,277)	620,224 (602,661)	1,354,837	1,441,080 (616,144)	616,144 (1,218,806)	
Furniture and Fittings	62,755 (30,905)	(31,850)	-	62,755 (62,755)	8,750 (2,974)	5,913 (5,776)	-	48,092 (54,005)	54,005 (27,931)	
Vehicles	5,595,148 (11,135,953)	-	(5,540,805)	5,595,148 (5,595,148)	3,878,461 (6,108,821)	832,437 (1,790,757)	(4,021,117)	884,250 (1,716,687)	1,716,687 (5,027,132)	
Computer and Accessories	357,080 (299,480)	59,000 (57,600)	-	416,080 (357,080)	244,259 (96,474)	118,685 (147,785)	-	53,136 (112,821)	112,821 (203,006)	
<b>Total</b>	<b>168,210,219 (173,661,574)</b>	<b>1,504,160 (89,450)</b>	<b>1,354,838 (5,540,805)</b>	<b>168,359,542 (168,210,219)</b>	<b>7,486,389 (8,751,024)</b>	<b>1,782,879 (2,756,482)</b>	<b>1,354,837 (4,021,117)</b>	<b>160,445,111 (160,723,830)</b>	<b>160,723,830 (164,910,551)</b>	

## Note:

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

## NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Trade Payable	As at March 31, 2020 Amounts (INR)	As at March 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
(A) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,394,282	6,930,026	9,212,798
	-	-	-
<b>Total</b>	<b>7,394,282</b>	<b>6,930,026</b>	<b>9,212,798</b>

Borrowings	As at March 31, 2020 Amounts (INR)	As at March 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
<b>Financial Liabilities</b>			
<b>secured Loans</b>			
Vehicle loans from banks	-	1,038,027	4,068,560
Term Loan from Banks	72,100,000	35,000,000	
<b>Total</b>	<b>72,100,000</b>	<b>36,038,027</b>	<b>4,068,560</b>

Subordinated Liabilities	As at March 31, 2020 Amounts (INR)	As at March 31, 2019 Amounts (INR)	As at April 1, 2018 Amounts (INR)
Non Convertible Debentures	2,800,000	2,800,000	2,800,000
<b>Total</b>	<b>2,800,000</b>	<b>2,800,000</b>	<b>2,800,000</b>

Note 9.2 Details of Unsecured debentures issued by the company :

Particulars	Terms and conditions	As at 31st March 2020	
		Current ₹	Non Current ₹
28 Nos, 16% Non convertible Debentures of ₹ 1,00,000/- each	Redeemable at Par in the year 2020. Interest @ 16% per annum payable on monthly basis.	2,800,000	-
<b>Sub Total (b)</b>		<b>2,800,000</b>	-



<b>Other Financial Liabilities</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
(a) Current maturities of Non Convertible Debentures		-	1,291,304,000
(b) Current maturities of vehicle loan	1,034,831	1,326,006	2,031,330
(c) Interest accrued but not due on borrowings	9,030,575	828,493	94,330,470
(d) Matured Non Convertible Debentures and Interest accrued thereon	1,200,041	2,196,562	1,674,909
	<b>11,265,447</b>	<b>4,351,061</b>	<b>1,389,340,709</b>

<b>Tax Liabilities</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
Current Tax liabilities	5,209,548	6,889,533	6,470,684
	<b>5,209,548</b>	<b>6,889,533</b>	<b>6,470,684</b>

<b>Provisions</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
(i) Provision for compensated absences	609,2000	609,000	487,001
(ii) Provision for proposed preference dividend	30,734,160	30,734,160	30,734,160
(iii) Provision for tax on proposed dividend	6,378,260	6,317,497	6,256,736
(iv) Loans and advances to employees	2,859,109	3,191,486	3,676,130
(v) Other provisions	9,037,020	10,037,020	10,339,424
<b>Total</b>	<b>49,617,549</b>	<b>50,889,163</b>	<b>51,493,451</b>

<b>Other Non- Financial Liabilities</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
<b>(a) Other payables</b>			
(i) Statutory remittances	1,111,799	268,436	3,412,796
(ii) PFRDA collections	-	4,624,400	9,231,372
(iii) Payable to ESAF Employees Gratuity	3,414,000	3,052,000	3,530,000
Trust			
(iv) Lease Liability	1,533,452	700,609	1,317,319
(iv) Others	443,931	37,344	17,568,863
<b>Total</b>	<b>6,503,182</b>	<b>8,682,789</b>	<b>35,060,350</b>



**14 Equity Share Capital**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
<b>Authorised :</b>						
Equity shares of ₹ 10/- each with voting rights	190,000,000	1,900,000,000	190,000,000	1,900,000,000	190,000,000	1,900,000,000
Preference shares of ₹ 100/- each	6,000,000	60,000,000	6,000,000	60,000,000	6,000,000	60,000,000
<b>Issued, paid up and subscribed</b>						
Equity shares of ₹ 10/- each with voting rights	140,339,963	1,403,399,630	140,339,963	1,403,399,630	140,339,963	1,403,399,630
Compulsorily Convertible Preference shares (CCPS) of ₹ 100/- each	3,818,020	381,802,000	3,818,020	381,802,000	3,818,020	381,802,000
	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>

**II) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	INR	No. of shares	INR	No. of shares	INR
At the beginning of the year	144,157,983	1,785,201,630	144,157,983	1,785,201,630	144,157,983	1,785,201,630
Issued during the year as fully paid up			-	-	-	-
<b>At the end of the year</b>	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>	<b>144,157,983</b>	<b>1,785,201,630</b>

**III) Terms/rights attached to equity shares**
**A. Equity Shares with voting rights**

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of the Equity Shares is entitled to one vote per share.

During the year ended 31 March 2020 the amount of per share dividend recognised in distribution to equity share holders is ₹ Nil (Previous year ₹ Nil)

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

**B. CCPS**

(i) 3,723,020 (Previous Year: 3,723,020) CCPS of ₹ 100/- each attracts dividend @ 8%. This is compulsorily convertible into Equity Shares @ ₹ 15/- per share on or before seven years from the closing date i.e. 31 March, 2014.

(ii) 95,000 (Previous Year: 95,000) CCPS of ₹ 100/- each attracts dividend @ 10%. This is compulsorily convertible into Equity Shares @ ₹ 15/- per share on or before seven years from the closing date i.e. 31 March, 2014.

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

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% of Shares	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)	87,533,174	62.37%	81,533,174	58.10%	81,533,174	58.10%
Dia Vikas Capital Private Limited	28,025,633	19.97%	28,025,633	19.97%	28,025,633	19.97%
SIDBI Trustee Company Ltd	17,176,230	12.24%	17,176,230	12.24%	17,176,230	12.24%
	<b>132,735,037</b>	<b>94.58%</b>	<b>126,735,037</b>	<b>90.31%</b>	<b>126,735,037</b>	<b>90.31%</b>

**IV) Shareholders holding more than 5% of Compulsarily convertible preference shares as at the end of the year:**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	% of Shares	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)	1,512,515	39.62%	1,512,515	39.62%	1,512,515	39.62%
Dia Vikas Capital Private Limited	2,210,505	57.90%	2,210,505	57.90%	2,210,505	57.90%
	<b>3,723,021</b>	<b>97.52%</b>	<b>3,723,020</b>	<b>97.52%</b>	<b>3,723,020</b>	<b>97.52%</b>

During the year the Company has converted Nil CCPS into Equity Shares.(Previous Year- Nil)



<b>Other Equity</b>	<b>As at March 31, 2020 Amounts (INR)</b>	<b>As at March 31, 2019 Amounts (INR)</b>	<b>As at April 1, 2018 Amounts (INR)</b>
Other Reserves			
General reserve			
As per last balance sheet	252,287,169	246,402,818	242,498,195
Add : transferred from statement of profit and loss	183,979,187	5,884,351	3,904,623
	<b>436,266,356</b>	<b>252,287,169</b>	<b>246,402,818</b>
<b>Security premium reserve</b>			
Opening balance	569,283,215	569,283,215	569,283,215
Addition during the year			-
	<b>569,283,215</b>	<b>569,283,215</b>	<b>569,283,215</b>
<b>Retained Earnings</b>			
Profit and loss account			
Opening balance	1,171,831,146	681,154,367	697,725,809
	-		-
Add: transfer due to amalgamation			
Add: Profit for the year	919,895,935	483,271,134	19,523,117
Add: Other Comprehensive Income for the period	506,931,829	50,318,154	-
Add: Addition due to adoption of IND-AS		84,260	4,800,959
Less: Transferred to Other Reserve	183,979,187	5,884,351	3,904,623
	<b>2,414,679,724</b>	<b>1,208,943,564</b>	<b>718,145,263</b>
Less: Appropriation			
(a) General Reserve			
(b) Preference Dividend	30,734,160	30,734,160	30,734,160
(c) Tax on dividend	6,378,260	6,378,258	6,256,736
	<b>37,112,420</b>	<b>37,112,418</b>	<b>36,990,896</b>
Balance to be carried forward	<b>3,383,116,875</b>	<b>1,993,401,530</b>	<b>1,496,840,400</b>

#### Note 15.1 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax. Accordingly, the Company has transferred an amount of ₹ 31,97,169/- (Previous year ₹58,84,351/-), out of profit after tax for the year to the statutory reserve.

#### Note 15.2 Retained Earnings

The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Retained earnings is a free reserve, retained from company profits to meet future obligations.



<b>Other Income</b>	<b>2019-20, INR</b>	<b>2018-19, INR</b>
Interest Income on Advance given	120,000	144,000
Interest income on Fixed Deposits	52,342,786	150,214,711
Income from PFRDA	-	48,269
Income from Carbon Credit	-	17,366,450
Profit on Sale of Fixed Assets	360,000	1,889,228
Provisions/Liabilities no longer required written back	1,332,377	2,946,619
Miscellaneous Income	256,538	961,500
	<b>54,411,701</b>	<b>173,570,777</b>

<b>Finance Cost</b>	<b>2019-20, INR</b>	<b>2018-19, INR</b>
(a) Interest expense on:		
(i) Borrowings from Banks	8,350,556.39	1,225,453
(ii) Debentures	449,226.00	97,204,338
(iii) Delayed/ deferred payment of Income Tax	-	248,348
(iv) Interest on Lease payment	150,282.63	209,152
Total	<b>8,950,065</b>	<b>98,887,291</b>

<b>Employee Benefit Expense</b>	<b>2019-20, INR</b>	<b>2018-19, INR</b>
Salaries, Wages and Bonus	14,349,032	7,442,552
Contributions to provident and other funds	493,963	464,384
Staff welfare expenses	163,522	150,919
	<b>15,006,517</b>	<b>8,057,855</b>

<b>Other expenses</b>	<b>2019-20, INR</b>	<b>2018-19, INR</b>
Electricity and Water Charges	89,138	80,188
Rent	77,814	-
Vehicle Maintenance	200,520	277,016
Office Maintenance & Meeting expenses	27,000	909,562
Bank Charges	67,671	147,108
Rates and Taxes	36,117	249,925
Telephone and Internet expenses	61,203	89,492
Travelling and conveyance	420,429	1,727,195
Printing and stationery	44,044	135,690
Advertisement and Business promotion expenses	-	105,785
Legal and professional	2,354,339	2,305,192
Payments to auditors	500,000	1,818,920
Expenditure on Corporate Social Responsibility	-	5,191,323
Clean energy Programs	-	1,431,200
Bad debts/ advances written off	-	1,253,912
Directors Sitting Fee	640,000	520,000
Other Expenses	2,222,591	1,035,755
	<b>6,740,866</b>	<b>17,278,263</b>



## 20. First Time adoption of Ind AS

The financial statements for the year ended 31st March 2020 have been prepared in accordance with IND AS as issued. The company's opening Ind AS Balance sheet was prepared as at 1st April 2018, the company's date of transition to Ind AS. In preparing the opening balance sheet, the company has applied the mandatory exceptions and certain optional exemption from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'.

This note explains the principal adjustments made by the company in restating its Indian GAAP Financial statements to Ind AS in the opening balance sheet as at 01.04.2018 and in the financial statement as at and for the year ended 31.03.2019.

### 20.1 First time adoption of Ind AS

Reconciliation of Balance sheet as at March 31, 2019

Particulars	As per iGAAP Amount (INR)	Ind AS Adjustment Amount (INR)	As per Ind AS Amount (INR)
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and Cash Equivalents	10,365,353	-	10,365,353
(b) Bank Balances other than (a) above	352,606,179	-	352,606,179
(c) Derivative financial instruments		-	-
(d) Receivables		-	-
(i) Trade receivable		-	-
(ii) Other Receivables	188,023	11,692,694	11,880,717
(e) Loans		-	-
(f) Investments	2,839,000,000	505,237,745	3,344,237,745
(g) Other Financial Assets		-	-
<b>Total Financial Assets</b>	<b>3,202,159,555</b>	<b>516,930,439</b>	<b>3,719,089,994</b>
<b>Non Financial Assets</b>			
(a) Current Tax Assets (Net)		-	-
(b) Deferred Tax Assets(Net)	4,558,028	-2,245,528	2,312,500
(c) Investment Property	-	-	-
(d) Property, Plant and Equipment	160,107,686	616,144	160,723,829
(e) Capital Work-in-progress		-	-
(f) Intangible assets under development		-	-
(g) Goodwill		-	-
(h) Other Intangible assets		-	-
(i) Other non-financial assets	12,521,623	535,812	13,057,435
<b>Total Non Financial Assets</b>	<b>177,187,337</b>	<b>-1,093,572</b>	<b>176,093,764</b>
<b>Total Assets</b>	<b>3,379,346,892</b>	<b>515,836,867</b>	<b>3,895,183,759</b>



<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1) Financial liabilities</b>			
(a) Derivative Financial Instruments	-	-	-
(b) Payables	-	-	-
(i) Trade Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,930,026	-	6,930,026
(ii) Other Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c) Debt Securities	-	-	-
(d) Borrowings	36,038,027	-	36,038,027
(e) Deposits	-	-	-
(f) Subordinated Liabilities	2,800,000	-	2,800,000
(g) Other Financial liabilities	4,351,061	-	4,351,061
<b>Total Financial Liabilities</b>	<b>50,119,114</b>	<b>-</b>	<b>50,119,114</b>
<b>2) Non Financial Liabilities</b>			
(a) Current tax liabilities	6,889,533	-	6,889,533
(b) Deferred tax liabilities (net)	-	-	-
(c) Provisions	44,805,657	6,083,505	50,889,163
(d) Other Non- Financial Liabilities	7,982,180	700,609	8,682,789
<b>Tot Non Financial Liabilities</b>	<b>59,677,370</b>	<b>6,784,114</b>	<b>66,461,484</b>
<b>3) Equity</b>			
(a) Equity Share capital	1,785,201,630	-	1,785,201,630
(b) Other Equity	-	-	-
(i) Other Reserves	821,570,384	-	821,570,384
(i) Retained Earnings	662,778,394	509,052,752	1,171,831,146
(ii) Share Application Money Pending Allotment	-	-	-
<b>Total Equity</b>	<b>3,269,550,408</b>	<b>509,052,752</b>	<b>3,778,603,160</b>
<b>Total Liabilities and Equity</b>	<b>3,379,346,892</b>	<b>515,836,867</b>	<b>3,895,183,759</b>



## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

20.2 First time adoption of Ind AS  
 Reconciliation of Profit and Loss as at March 31, 2019

Particulars	Note	As per iGAAP Amount (INR)	Ind AS Adjustments Amount (INR)	As per Ind AS Amount (INR)
<b>Total Income:</b>				
Revenue from Operations		-	-	-
Other Income	17	173,570,777	-	173,570,777
		<b>173,570,777</b>	-	<b>173,570,777</b>
<b>Expenses:</b>				
Employee Benefit Expense	18	8,057,855	-	8,057,855
Finance costs		98,678,139	209,152	98,887,291
Other expenses		18,019,863	-741,600	17,278,263
Depreciation and Amortisation	20	2,153,821	602,662	2,756,483
Total Expenses		<b>126,909,678</b>	<b>70214</b>	<b>126,979,891</b>
<b>Profit before Share of profit of Associate and tax</b>		<b>46,661,099</b>	<b>-70,214</b>	<b>46,590,886</b>
Share of Profit of Associate			453,919,591	453,919,591
<b>Profit before tax</b>		<b>46,661,099</b>	<b>453,849,378</b>	<b>500,510,477</b>
Tax expense				
Current tax (net)		16,853,893	-	16,853,893
Deferred tax		385,450	-	385,450
		<b>17,239,343</b>		<b>17,239,343</b>
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>29,421,756</b>	<b>453,849,378</b>	<b>483,271,134</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
(A) (i) Items that will not be reclassified to profit or loss Share of OCI from Associate Company			(1,709,005.20)	(1,709,005.20)
(ii) Income tax relating to items that will not be reclassified to profit or loss				
<b>SUBTOTAL (A)</b>			(1,709,005.20)	(1,709,005.20)
(B) (i) Items that will be reclassified to profit or loss Share of OCI from Associate Company			52,027,159.29	52,027,159.29
(ii) Income tax relating to items that will be reclassified to profit or loss				
<b>SUBTOTAL (B)</b>			52,027,159.29	52,027,159.29
<b>Other Comprehensive Income</b>			50,318,154.09	50,318,154.09
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>29,421,756</b>	<b>504,167,532</b>	<b>533,589,288</b>



## NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

20.3 First time adoption of Ind AS  
Reconciliation of Balance sheet as at April 1, 2018

Particulars	As per iGAAP Amount (INR)	Ind AS Adjustments Amount (INR)	As per Ind AS Amount (INR)
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and Cash Equivalents	42,012,196	-	42,012,196
(b) Bank Balances other than (a) above	1,690,051,826	-	1,690,051,826
(c) Derivative financial instruments	-	-	-
(d) Receivables		-	-
(i) Trade receivable		-	-
(ii) Other Receivables	4,013,066	12,477,906	16,490,972
(e) Loans		-	-
(f) Investments	2,839,000,000	1,000,000	2,840,000,000
(g) Other Financial Assets		-	-
<b>Total Financial Assets</b>	<b>4,575,077,088</b>	<b>13,477,906</b>	<b>4,588,554,994</b>
<b>Non Financial Assets</b>		-	-
(a) Current Tax Assets (Net)		-	-
(b) Deferred Tax Assets(Net)	4,943,478	-2,245,528	2,697,950
(c) Investment Property	-		-
(d) Property, Plant and Equipment	163,691,745	1,218,805	164,910,550
(e) Capital Work-in-progress		-	-
(f) Intangible assets under development		-	-
(g) Goodwill		-	-
(h) Other Intangible assets		-	-
(i) Other non-financial assets	23,787,440	537,648	24,325,088
<b>Total Non Financial Assets</b>	<b>192,422,663</b>	<b>-489,075</b>	<b>191,933,588</b>
<b>Total Assets</b>	<b>4,767,499,751</b>	<b>12,988,831</b>	<b>4,780,488,582</b>



LIABILITIES AND EQUITY			
<b>Liabilities</b>			
<b>1) Financial liabilities</b>			
(a) Derivative Financial Instruments		-	-
(b) Payables		-	-
(i) Trade Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,212,798	-	9,212,798
(ii) Other Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities		-	-
(d) Borrowings	4,068,560	-	4,068,560
(e) Deposits		-	-
(f) Subordinated Liabilities	2,800,000	-	2,800,000
(g) Other Financial liabilities	1,389,340,709	-	1,389,340,709
<b>Total Financial Liabilities</b>	<b>1,405,422,067</b>	<b>-</b>	<b>1,405,422,067</b>
<b>2) Non Financial Liabilities</b>			
(a) Current tax liabilities	6,470,684	-	6,470,684
(b) Deferred tax liabilities (net)	-	-	-
(c) Provisions	44,622,897	6,870,554	51,493,451
(d) Other Non- Financial Liabilities	33,743,033	1,317,319	35,060,352
<b>Tot Non Financial Liabilities</b>	<b>84,836,614</b>	<b>8,187,873</b>	<b>93,024,487</b>
<b>3) Equity</b>			
(a) Equity Share capital	1,785,201,630	-	1,785,201,630
(b) Other Equity	-		
(i) Other Reserves	815,686,033	-	815,686,033
(i) Retained Earnings	676,353,407	4,800,959	681,154,365
(ii) Share Application Money Pending	-		
<b>Total Equity</b>	<b>3,277,241,070</b>	<b>4,800,959</b>	<b>3,282,042,028</b>
<b>Total Liabilities and Equity</b>	<b>4,767,499,751</b>	<b>12,988,832</b>	<b>4,780,488,582</b>



**Note 21 Additional information to the Consolidated financial statements**

<b>21.1 Payment to Auditors comprise of</b>		<b>(Amount in ₹ )</b>
<b>Particulars</b>	<b>For the year ended 31, March 2020</b>	<b>For the year ended 31 March 2019</b>
Statutory audit fee	500,000	1,500,000
Other certification fee		250,000
Out of pocket expenses		68,920
	<b>500,000</b>	<b>1,818,920</b>

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

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>i Contingent liabilities</b>		
(a) Disputed Income Tax demands from assessment year 2009-10 to 2013-14 under appeal pending before appellate/assessing authorities. The management is of opinion that the above demands are not	13,177,352	13,177,352
(b) The company had received a combined order relating to assessment years 2008-09 to 2011-12 from the Service Tax Authorities during the year. The order pertains to applicability of service tax on various items like income from services towards collection of loan assigned, group mentoring and monitoring charges and microfinance administration revenue (excluding additional penalty and interest , if any). The company had filed appeal and stay petition against the demand order with The Customs, Excise and Service Tax Appalete Tribunal (CESTAT)	27,140,516	27,140,516
© 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.	1,648,644	1,648,644
Show cause notices received from Service tax department pending formal demand notices, have not been considered as contingent liabilities		
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
<b>ii Applicability of Kerala Money Lenders' Act.</b>		
The company is a member of Kerala Non- Banking Financial Companies Welfare Association which is a party to the proceedings pending in Supreme Court of India seeking exemption from the application of Kerala Money Lenders Act on NBFCs in Kerala. The Supreme Court has decided that status quo in the matter shall be maintained until resolution of the case, pending which no adjustments have been made in the financial statements for the required licence fee and security deposits, if any.		



**Note 21 Additional information to the Consolidated financial statements**
**21.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(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		
<p>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.</p>		

**21.4 Expenditure in foreign currency (accrual basis) (Amount in ₹ )**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Travelling and conveyance	-	182,778
Others -	-	39,885
<b>Income in foreign currency :-</b>		<b>(Amount in ₹ )</b>

Nature of Receipt	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Income from sale of Carbon Credit		17,366,450

**21.5 Note on Corporate Social Responsibility Expenditure  
a) Amount Spent during the period 2019-20 on: (Amount in ₹ )**

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset On purposes other than above			
<b>b) Amount Spent during the period 2018-19 on:</b>			
Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset On purposes other than above	5,191,323		5,191,323



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 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.4,89,283 /- (Year ended 31 March, 2019 Rs.4,64,384 /-) for Provident Fund contributions and Rs.Nil/- (Year ended 31 March, 2019 Rs.NIL/-) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### b) Defined Benefit Plans:-

The Company offers Gratuity benefit to its employees:

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

#### Components of employer's expense

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Current Service Cost	108	65
Interest cost	211	244
Expected return on plan assets	(573)	(1,169)
Actuarial Loss/(Gain)	41	(603)
Past Service Cost	2,576	1,923
Employer expense /(Income)	2,363	460

#### Actual contribution and benefit payments for the year

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Actual benefit payments	(39)	(270)
Actual contributions	3,052	-

#### Net (asset) / liability recognised in the Balance Sheet

Particulars	Year ended 31 March 2020	Year ended 31 March, 2019
Present value of defined benefit obligation	3,414	3,052
Fair Value of plan assets	10,411	6,784
Funded status [Surplus / (Deficit)]	6,997	3,732
Net liability/(asset) recognised in the Balance Sheet	(6,997)	(3,732)

#### Change in defined benefit obligations (DBO) during the year

Particulars	Year ended 31, March 2020	Year ended 31, March, 2019
Present Value of DBO at beginning of the year	3,052	3,530
Current Service Cost	108	65
Interest Cost	211	244
Benefits Paid	(39)	(270)
Actuarial Loss/(Gain)	82	(517)
Past Service Cost	-	-
Present Value of DBO at end of the year	3,414	3,052



## Note 22 Disclosures under Accounting Standards

Change in fair value of assets during the year

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Fair Value of plan assets at beginning of the year	6,784	24,860
Contributions by employer	3,052	
Benefits paid	(39)	(270)
Expected return on plan assets	573	1,169
Actuarial Gain/(Loss)	41	86
Transfer in/(out) *	-	(19,061)
Fair Value of plan assets at end of the year	10,411	6,784
Actual return on plan assets	614	1,255
Expected employer contribution for the coming period	-	-

### Composition of plan assets is as follows:

Particulars	Year ended 31 31 March 2020	Year ended 31 31 March 2019
Government bonds	0%	0%
PSU bonds	0%	0%
Insurer managed funds* (Non Unit -Linked)	100%	100%
Insurer managed funds* (Unit -Linked)	0%	0%

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

### Actuarial Assumptions - Gratuity

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discount Rate	5.50%	6.90%
Salary escalation	10%	10%
Attrition rate	5%	5.00%
Expected return on plan assets	6.90%	6.90%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	3 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.



**Note 22 Disclosures under Accounting Standards**

## Experience Adjustments

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Present value of DBO	3,414	3,052	3,530	3,696	41,002
Fair value of plan assets	10,411	6,784	24,860	42,315	33,685
Funded status [Surplus/(Deficit)]	6,997	3,732	21,330	38,619	(7,317)
Experience adjustment on plan liabilities: (Gain)/Loss	(70)	(640)	1,106	(125)	(2,452)
Experience adjustment on plan assets: Gain/(Loss)	41	68	356	784	47

## Actuarial Assumptions - Long Term Compensated absences

Particulars	For the Year ended 31 March 20120	For the Year ended 31 March 2019
Discount rate	5.50%	6.90%
Expected return on plan assets	6.90%	6.90%
Salary escalation rate	10%	10%
Mortality rate	IALM2012-14 (Ult.)	IALM2012-14 (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.

**Segment Reporting:-**

The Company does not have any business segments as at 31 March 2020 and 31 March 2019. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".

**Note 23 Disclosures in accordance with RBI Guidelines**
**23.1 Capital to Risk Assets Ratio (CRAR)**

Particulars	As at 31 March 2020	As at 31 March 2019
(i) CRAR (%)	52.58%	73.95%
(ii) CRAR - Tier I capital (%)	52.33%	73.95%
(iii) CRAR - Tier II Capital (%)	0.25%	0.00%
(iv) Amount of subordinated debt raised as Tier II capital (₹ in Crore)	0.28	-
(v) Amount raised by issue of Perpetual Debt Instruments	0	-



### 23.2 Investments

Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences.

(₹ in Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
1 Value of investments		
(i) Gross value of investments		
(a) In India	475.4	334.32
(b) Outside India		-
(ii) Provision for diminution		
(a) In India	-	
(b) Outside India		-
(iii) Net value of investments		
(a) In India	475.4	334.32
(b) Outside India		-
2 Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	
(ii) Add : Provision made during the year	-	0
(iii) Less: Write off/ write back of excess provisions during the year	-	-
(iv) Closing balance	-	-

#### Calculation of value of investments under equity method for consolidation purpose

Particulars	4/1/2018	3/31/2019	3/31/2020
Opening Carrying Value	2,839,000,000.00	2,839,000,000.00	3,343,237,745.43
add: Share of profit from Associate Company	0	453,919,591.34	903,910,088.36
add: Share of OCI from Associate Company			
(a) Items that will not be reclassified to profit or loss		(1,709,005.20)	211,984.90
(b) Items that will be reclassified to profit or loss		52,027,159.29	506,719,844.49
Closing Carrying Value	2,839,000,000.00	3,343,237,745.43	4,754,079,663.18

#### Percentage of Share in ESAF SFB'S Profit 65.63%

Net profit of ESAF SFB	691,634,300.39	1,377,281,865.55
Other Comprehensive Income	76,669,440.94	
(a) Items that will not be reclassified to profit or loss	(2604000)	323,000.00
(b) Items that will be reclassified to profit or loss	79,273,440.94	772,085,699.35

### 23.3 Derivatives

The Company has no transactions/exposure in derivatives for the year ended 31 March 2020 and 31 March 2019. The Company has no unhedged foreign currency exposure as on 31 March 2020 and 31 March 2019



**Note 23 Disclosures in accordance with RBI Guidelines**
**23.4 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.

**23.5 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

**23.6 Details of Assignment transactions undertaken**

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

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

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

**23.8 Asset liability management**
**A. Maturity pattern of certain items of assets and liabilities as on 31st March 2020**

Particulars	Deposits	Advances	Investments *	Foreign currency Assets	Foreign currency liabilities
Upto 30 days	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-	-
Over 3 years & upto 5 years	-	-	475.4	-	-
Over 5 years	-	-	-	-	-
<b>Total</b>	-	-	<b>475.4</b>	-	-

\* net of provision for diminution in value of Investments

**B. Maturity pattern of certain items of assets and liabilities as on 31st March 2019**

Particulars	Deposits	Advances	Investments *	Foreign currency Assets	Foreign currency liabilities
Upto 30 days	-	-	-	-	-
Over 1 month upto 2 months	-	-	-	-	-
Over 2 months upto 3 months	-	-	-	-	-
Over 3 months & upto 6 months	-	-	-	-	-
Over 6 months & upto 1 year	-	-	-	-	-
Over 1 year & upto 3 years	-	-	-	-	-
Over 3 years & upto 5 years	-	-	-	-	-
Over 5 years	-	-	334.32	-	-
<b>Total</b>	-	-	<b>334.32</b>	-	-

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

The Company does not have any direct or indirect exposure to real estate sector as on 31 March 2020 and 31 March 2019

**(ii) Exposure to Capital Market**

The Company does not have any exposure to Capital Market as on 31 March 2020 and 31 March 2019



**23.10 Details of financing of parent company products**

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

**23.11 During the year ended 31 March, 2020 and 31 March, 2019, there are no unsecured advances for which intangible securities like rights, licences, authority etc. has been taken as collateral by the Company**
**23.12 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
- ii. Ministry of Finance (Financial intelligence Unit)
- iii. Pension Fund Regulatory Development Authority of India (PFRDA) (As aggregator for NPS Swavalamban Scheme)

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

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

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

There are no exposures of Deposits,Advances,Exposures and NPA s as at 31st March 2019 & 31st March 2018.

**23.15 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.

**23.16 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.

**23.17 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.

**23.18 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

**23.19 Disclosure of Customer Complaints**

Particulars	31-March-20	31-Mar-19
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	-	-

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

**23.20 Details of Overseas Assets - Nil (Previous Year-Nil)**
**23.21 Sponsored SPVs - Nil (Previous Year-Nil)**
**23.22 Disclosure of details as required under Clause No. 19 of Master Direction- Core Investments Companies (Reserve Bank ) Direction, 2016.**

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

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

(c) Maturity pattern of assets and liabilities.



As at March 31, 2020				(₹ in Crore)
Particulars	Liabilities		Assets	
	Borrowings from Banks and others	Advances	Investments	
Upto 30 days	0	-	-	
Over 1 month upto 2 months	0	-	-	
Over 2 months upto 3 months	0.1	-	-	
Over 3 months & upto 6 months	0	-	-	
Over 6 months & upto 1 year	7.21	-	-	
Over 1 year & upto 3 years	0.28	-	-	
Over 3 years & upto 5 years	-	-	-	
Over 5 years	-	-	475.41	
<b>Total</b>	<b>7.59</b>	<b>-</b>	<b>475.41</b>	

As at March 31, 2019 (₹ in Crore)

Particulars	Liabilities		Assets	
	Borrowings from Banks and others	Advances	Investments	
Upto 30 days	0.01	-	-	
Over 1 month upto 2 months	0.01	-	-	
Over 2 months upto 3 months	0.01	-	-	
Over 3 months & upto 6 months	0.03	-	-	
Over 6 months & upto 1 year	3.57	-	-	
Over 1 year & upto 3 years	0.39	-	-	
Over 3 years & upto 5 years	-	-	-	
Over 5 years	-	-	334.72	
<b>Total</b>	<b>4.02</b>	<b>-</b>	<b>334.72</b>	

**24.27 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, 2020				(₹ in Crore)
Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:		Amount outstanding	Amount Overdue	
(a) Debentures: Secured		-	-	
: Unsecured		0.28	-	
(Other than falling within the meaning of public deposits*)		-	-	
(b) Deferred Credits		-	-	
(c) Term Loans		7.21	-	
(d) Inter-corporate loans and borrowing		-	-	
(e) Commercial Paper		-	-	
(f) Other Loans (specify nature)		-	-	
* Please see Note 1 below				



As at March 31, 2019		(₹ in Crore)	
<b>Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:</b>	<b>Amount outstanding</b>	<b>Amount Overdue</b>	
(a) Debentures: Secured	-	-	
: Unsecured	0.28	-	
(Other than falling within the meaning of public deposits*)	-	-	
(b) Deferred Credits	-	-	
(c) Term Loans	3.82	-	
(d) Inter-corporate loans and borrowing	-	-	
(e) Commercial Paper	-	-	
(f) Other Loans (specify nature)	-	-	
* Please see Note 1 below			

<b>Assets side:</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Break-up of Loans and Advances including bills receivables (other than those included in (4) below:		
(a) Secured	-	-
(b) Unsecured	-	-

As at March 31, 2019		(₹ in Crore)	
<b>Break Up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	
(i) Lease assets including lease rentals under sundry debtors:			
(a) Financial lease	-	-	
(b) Operating lease	-	-	
(ii) Stock on hire including hire charges under sundry debtors:			
(a) Assets on hire	-	-	
(a) Repossessed Assets	-	-	
(iii) Other loans counting towards AFC activities:			
(a) Loans where assets have been repossessed	-	-	
(b) Loans other than (a) above	-	-	



<b>Break-up of Investments</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Current Investments		
<b>1. Quoted :</b>		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
<b>2. Unquoted:</b>		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
<b>Long Term Investments:</b>		
<b>1. Quoted :</b>		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
<b>2. Unquoted:</b>		
(i) Shares (a) Equity	475.41	334.32
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-

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

As at March 31, 2020

(₹ in Crore)

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



As at March 31, 2019

(₹ in Crore)

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

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

As at March 31, 2020

(₹ in Crore)

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties [Refer Note 2 below]		
(a) Subsidiaries	475.41	283.9
(b) Companies in the same group	-	0
(c) other related parties	-	0
2. Other than related parties	-	0
<b>Total</b>	<b>475.41</b>	<b>283.9</b>

As at March 31, 2019

(₹ in Crore)

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties [Refer Note 2 below]		
(a) Subsidiaries	334.32	283.90
(b) Companies in the same group	-	0.00
(c) other related parties	-	0.00
2. Other than related parties	-	0.00
<b>Total</b>	<b>334.32</b>	<b>283.90</b>

## 7 Other Information

Particulars	As at March 31, 2020	As at March 31, 2019
(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 dept	-	-

Notes:

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

## 24 Previous year's figures

current year's classification / disclosure.





**Registered Office :**

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**Corporate Office :**

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Thrissur, Kerala - 680 651