

Ref No: 04/SE/CS/MAY/2025-26



Date: May 16, 2025

To,

Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	Listing & Compliance Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, “G” Block Bandra- Kurla Complex Bandra(E), Mumbai- 400051
BSE Scrip Code: 544020	NSE Symbol: ESAFSFB

Dear Sir / Madam,

Sub: Disclosure under Regulations 30 and 51 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Outcome of Board Meeting held on Friday, May 16, 2025.

In continuation to our intimation dated May 12, 2025 and pursuant to Regulation 30 and 51 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)"), we hereby inform that, the Board of Directors of the Bank, in its meeting held on Friday, May 16, 2025, has, inter alia, have considered and approved the Audited Standalone Financial Results of the Bank for the Quarter and Financial Year ended March 31, 2025, along with the Audit Report thereon issued by the Joint Statutory Auditors of the Bank, viz. M/s. Abarna and Ananthan, Chartered Accountants and M/s. Kirtane and Pandit, Chartered Accountants.

A copy of the aforesaid Audited Financial Results and Audit Report thereon issued by the Joint Statutory Auditors of the Bank are enclosed herewith. Also enclosed herewith the declaration under Regulation 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the audit reports with unmodified opinion as Annexure I.

The Board Meeting commenced at 02:00 P.M. and concluded at 05:45 P.M. You are requested to take note of the above.

The above announcements are also being made available on the website of the Bank at <https://www.esafbank.com/investor-relation/?id=disclosure-to-stock-exchanges>.

Requesting you to take the same into your records.

Thanking you,

Yours Faithfully

For ESAF Small Finance Bank Limited

Ranjith Raj. P

Company Secretary and Compliance Officer

ESAF SMALL FINANCE BANK LIMITED

RBI License No.: MUM 124, CIN: L65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur - Palakkad National Highway, Thrissur - 680 651, Kerala.

Ph. No: 0487 7123456 Email: customercare@esafbank.com www.esafbank.com

Abarna & Ananthan

Chartered Accountants
521, 3rd Main Rd, 2nd Phase,
6th Block, Banashankari 3rd Stage,
Bengaluru,
Karnataka - 560085.

Kirtane & Pandit LLP

Chartered Accountants
601, 6th Floor, Earth Vintage Building,
Nr. MCGM Pumping Station,
Senapati Bapat Marg, Dadar (West)
Mumbai 400028.

INDEPENDENT AUDITORS' REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ESAF SMALL FINANCE BANK LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2025 and (b) reviewed the Financial Results for the quarter ended March 31, 2025 (refer 'Other Matters' section below), both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2025" of **ESAF SMALL FINANCE BANK LIMITED** (the "Bank"), (the "Statement"), being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2025:

- i. is presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Companies Act 2013, ("Accounting Standards"), in so far as they apply to banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2025

With respect to the Financial Results for the quarter ended March 31, 2025, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2025, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards, in so far as they apply to banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the RBI from time to time and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Opinion on the Audited Financial Results for the year ended March 31, 2025

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2025 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Board of Director's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Bank's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2025 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2025 that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, in so far as they apply to banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the RBI from time to time and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Bank's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Bank.



Auditor's Responsibilities**(a) Audit of the Financial Results for the year ended March 31, 2025**

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2025 as a whole is 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 this Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Bank to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Bank to express an opinion on the Annual Financial Results.



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

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

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

(b) Review of the Financial Results for the quarter ended March 31, 2025

We conducted our review of the Financial Results for the quarter ended March 31, 2025 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Bank's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under Section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The Statement includes the results for the quarter ended March 31, 2025 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **Abarna & Ananthan**
Chartered Accountants
Firm Registration No. 000003S

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.: 105215W/W100057



Abarna Bhaskar
Partner
Membership No. 025145
UDIN: 25025145BMKWV03622
Place: Mannuthy
Date: 16 May 2025



Sandeep D. Welling
Partner
Membership No. 044576
UDIN: 25044576BMKQ4L3083
Place: Mannuthy
Date: 16 May 2025



Statement of audited financial results for the quarter and Year ended 31 March 2025

Rs. In Lakhs


Sl No.	Particulars	Quarter ended			Year ended	
		31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
		Refer Note 17	Unaudited	Refer Note 17	Audited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	89,344	94,989	1,00,199	3,86,222	3,81,853
	a) Interest/discount on advances/bills	78,086	83,359	90,789	3,41,050	3,46,142
	b) Income on investments	11,112	10,322	9,371	40,204	35,295
	c) Interest on balances with Reserve Bank of India and other inter-bank funds	146	1,308	39	4,968	416
	d) others	-	-	-	-	-
2	Other Income	14,334	11,189	14,985	46,709	44,172
3	Total Income (1)+(2)	1,03,678	1,06,178	1,15,184	4,32,931	4,26,025
4	Interest expended	45,765	46,287	41,125	1,81,069	1,44,873
5	Operating Expenses (i)+(ii)	48,847	47,153	45,591	1,90,351	1,64,883
	i) Employees Cost	18,487	17,867	10,472	66,008	36,297
	ii) Other operating expenses	30,360	29,286	35,119	1,24,343	1,28,586
6	Total Expenditure (4)+(5) (excluding provisions & contingencies)	94,612	93,440	86,716	3,71,420	3,09,756
7	Operating Profit before provisions and contingencies (3)-(6)	9,066	12,738	28,468	61,511	1,16,269
8	Provisions (other than tax) and contingencies	33,150	40,977	22,615	1,25,008	59,228
9	Exceptional items (Refer Note 15)	-	-	-	5,800	-
10	Profit/(Loss) from ordinary activities before tax (7)-(8)-(9)	(24,084)	(28,239)	5,853	(69,297)	57,041
11	Tax expenses	(5,765)	(7,149)	1,518	(17,158)	14,484
12	Net profit /(Loss) from ordinary activities after tax (10)-(11)	(18,319)	(21,090)	4,335	(52,139)	42,557
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit / (Loss) for the Period/ year (12)-(13)	(18,319)	(21,090)	4,335	(52,139)	42,557
15	Paid up equity share capital (Face Value of Rs. 10/- each)	51,543	51,508	51,478	51,543	51,478
16	Reserves excluding revaluation reserves	-	-	-	1,42,958	1,97,133
17	Analytical Ratios and other disclosures					
	(i) Percentage of shares held by Government of India	-	-	-	-	-
	(ii) Capital Adequacy Ratio - Basel II (Refer Note 7)	21.84%	22.70%	23.27%	21.84%	23.27%
	(iii) Earnings Per Share (EPS) [before and after extraordinary items, net of expenses] (Face value of Rs. 10/- each) *					
	- Basic (Rs.)	(3.56)	(4.10)	0.91	(10.13)	8.96
	- Diluted (Rs.)	(3.55)	(4.09)	0.91	(10.12)	8.94
	(iv) NPA Ratio					
	(a) Gross NPA	1,29,056	1,27,395	89,304	1,29,056	89,304
	(b) Net NPA	53,964	52,046	41,379	53,964	41,379
	(c)% of Gross NPA to Gross Advances	6.87%	6.96%	4.76%	6.87%	4.76%
	(d) % of Net NPA to Net Advances	2.99%	2.97%	2.26%	2.99%	2.26%
	(v) Return on Assets *	(0.67)%	(0.79)%	0.17%	(1.94)%	1.86%
	(vi) Network #	1,94,501	2,12,366	2,48,611	1,94,501	2,48,611
	(vii) Outstanding redeemable preference shares	-	-	-	-	-
	(viii) Capital Redemption Reserve/ Debenture Redemption Reserve	-	-	-	-	-
	(ix) Debt - Equity Ratio **	0.56	0.64	0.83	0.56	0.83
	(x) Total debts ** to total assets	5.17%	6.33%	12.35%	5.17%	12.35%

* Quarterly numbers are not annualised

#Network represents sum of Capital and Reserves & Surplus

**Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings. Equity represents sum of Capital and Reserves & Surplus

As per regulation 33 and regulation 52(4) of SEBI (Listing obligations & Disclosure Requirements) regulations, 2015 the equity and debt listed entities are required to disclose certain ratios. The ratios which are relevant to the Banking sector are disclosed above.

Notes:

1. Segment information in accordance with the RBI guidelines and Accounting Standard 17-"Segment Reporting"

SI	Particulars	Rs. In Lakhs				
		Quarter ended			Year ended	
		31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
	Refer Note 17	Unaudited	Refer Note 17	Audited	Audited	
1	Segment Revenue					
(a)	Retail	81,572	86,628	95,613	3,52,999	3,64,261
(b)	Wholesale	3,492	3,866	3,212	14,161	9,429
(c)	Treasury	14,832	12,736	11,025	53,504	39,906
(d)	Other Banking Operations	3,782	2,948	5,334	12,267	12,429
(e)	Less: Inter Segment Revenue	-	-	-	-	-
	Income from operations	1,03,678	1,06,178	1,15,184	4,32,931	4,26,025
2	Segment Results					
(a)	Retail	(29,795)	(32,302)	(3,853)	(90,489)	34,460
(b)	Wholesale	(1,069)	781	2,777	2,306	5,470
(c)	Treasury	3,180	589	1,802	7,445	5,298
(d)	Other Banking Operations	3,600	2,693	5,127	11,441	11,813
	Total Profit /(Loss) Before Tax	(24,084)	(28,239)	5,853	(69,297)	57,041
3	Segment Assets					
(a)	Retail	17,45,277	16,99,969	17,93,145	17,45,277	17,93,145
(b)	Wholesale	1,24,549	1,20,682	97,718	1,24,549	97,718
(c)	Treasury	7,93,997	8,11,774	6,90,503	7,93,997	6,90,503
(d)	Unallocated	54,006	42,333	27,323	54,006	27,323
	Total Assets	27,17,829	26,74,758	26,08,689	27,17,829	26,08,689
4	Segment Liabilities					
(a)	Retail	17,76,896	16,83,209	17,11,980	17,76,896	17,11,980
(b)	Wholesale	1,23,674	1,12,649	86,657	1,23,674	86,657
(c)	Treasury	5,81,922	6,18,736	5,10,397	5,81,922	5,10,397
(d)	Capital & Reserves	1,94,501	2,12,366	2,48,611	1,94,501	2,48,611
(e)	Unallocated	40,836	47,798	51,044	40,836	51,044
	Total Liabilities	27,17,829	26,74,758	26,08,689	27,17,829	26,08,689

Notes:

- The business of the Bank is confined within India and does not have any assets situated outside India or earnings from outside India. Accordingly, the Bank has reported operations in domestic segment only.
- Income, expenses, assets and liabilities have been either specifically identified to individual segments or allocated to segments based on matching principle and the residual items are classified as unallocated.
- Unallocated item includes capital expenditure, deferred income tax assets/ liabilities and advance tax etc.
- In computing the above information, certain estimates and assumptions have been made by the management and have been relied upon by the auditors.
- The RBI vide its Circular dated April 7, 2022 on establishments of Digital Banking Units (DBUs) has prescribed reporting of Digital Banking Segments as a sub segment of Retail Banking Segment (RBS). The Bank has not set up any DBU so far and hence DBU has not been disclosed as a separate segment as per Accounting Standard 17 (Segment Reporting).



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Notes :

2. Statement of Assets and Liabilities

Particulars	Rs.in Lakhs	
	As at 31 March 2025	As at 31 March 2024
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	51,543	51,478
Employee Stock options Outstanding	404	568
Reserves and Surplus	1,42,958	1,97,133
Deposits	23,27,644	19,86,780
Borrowings	1,40,573	3,22,253
Other Liabilities and Provisions	54,707	50,477
Total	27,17,829	26,08,689
ASSETS		
Cash and Balances with Reserve Bank of India	1,35,143	1,36,465
Balances with Banks and Money at Call and Short Notice	62,768	5,828
Investments	5,99,526	5,54,102
Advances	18,02,787	18,29,311
Fixed Assets	30,042	20,755
Other Assets	87,563	62,228
Total	27,17,829	26,08,689



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3. Statement of Cash Flow is given below:

Particulars	Rs. In Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
	Audited	Audited
Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	(69,297)	57,041
Adjustments for:		
Depreciation on Bank's Property	5,925	5,099
Amortisation of Premium on HTM Investments	57	648
(Profit)/Loss on sale of investments (net)	(7,916)	(2,065)
(Profit)/Loss on sale of Fixed Assets	(9)	(9)
Provision for Non Performing Advances	1,49,661	58,902
Provision/(Reversal) for Standard Advances	611	2,043
Expense/(reversal) on Employee Stock Option	395	(20)
Profit on revaluation of investments (Net)	(234)	(2,017)
Provision for Other Contingencies	246	(740)
	79,439	1,18,882
(Increase)/ Decrease in Investments (other than HTM Investments)	25,621	(10,615)
(Increase)/ Decrease in Advances	(1,23,137)	(4,95,780)
(Increase)/ Decrease in Fixed Deposit with Bank (Original Maturity greater than 3 months)	(32)	(238)
(Increase)/ Decrease in Other Assets	(7,938)	(16,629)
Increase/ (Decrease) in Deposits	3,40,864	5,20,218
Increase/ (Decrease) in Other liabilities and provisions	3,373	287
Direct taxes paid (net)	(558)	(16,033)
Net Cash Flow from/(used in) Operating Activities (A)	3,17,632	1,00,092
Cash Flow from/(Used in) Investing Activities		
Purchase of Fixed Assets	(15,268)	(7,141)
Proceeds from Sale of Fixed Assets	66	88
(Increase)/ Decrease in Held to Maturity Investments	(61,680)	(51,200)
Net Cash Used in Investing Activities (B)	(76,882)	(58,253)
Cash Flow from/(Used in) Financing Activities		
Proceeds from Issue of Share Capital (including Share Premium)	121	39,070
Share Issue Expenses	-	(2,393)
Dividend Paid	(3,603)	-
Increase/(Decrease) in Borrowings	(1,81,680)	(13,167)
Cash Flow from/(used in) Financing Activities (C)	(1,85,162)	23,510
Net Increase in Cash and Cash Equivalents (A+B+C)	55,588	65,349
Cash and Cash Equivalents at the beginning of period/ year	1,41,991	76,642
Cash and Cash Equivalents at the end of period/year	1,97,579	1,41,991

The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 - Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 .



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4. The statement of audited financial results for the quarter and year ended 31 March 2025 ("Statement" or "financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 16 May 2025 in accordance with the requirement of Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Regulations") as amended. The financial results for the year ended 31 March 2025 have been subjected to audit and figures for the Quarter ended 31 March 2025 is subjected to a limited review by the Joint Statutory auditors who have issued an unmodified report thereon.

5. The above financial results of the Bank has been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standard) Rules, as amended and applicable to the Banks, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended and guidelines issued by Reserve Bank of India (RBI).

6. The Bank has applied significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended 31 March 2025, read with note 9 below. Any circulars/ directions issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars/ directions.

7. The Capital Adequacy Ratio ("CRAR") has been computed as per the Operating guidelines in the RBI notification RBI/2016-17/81 DBR.NBD.NO.26/16.13.218/2016-17 dated 6 October 2016 ("the Operating guidelines") prescribed for Small Finance Bank. The Bank has followed Basel II standardised approach for credit risk in accordance with the Operating Guidelines issued by the RBI for Small Finance Banks. Further no separate capital charge for market risk and operational risk has been computed in view of the exception contained in RBI Notification DBR. NBD. NO. 4502/16.13.218/2017-18 dated 8 November 2017.

8. Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6 August 2020 (Resolution Framework 1.0) and 5 May 2021 (Resolution framework 2.0) are given below:

Rs. In Lakhs

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half year ended 30 September 2024 (A)	of (A) aggregate debt that slipped into NPA during the half year ended 31 March 2025	of (A) amount written off during the half - year	of (A) amount paid by the borrowers during the half year #	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half year ended 31 March 2025
Personal Loans	408	2	-	32	374
Corporate Persons *	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	484	11	-	75	398
Total	892	13	-	107	772

* As defined in section 3(7) of Insolvency and Bankruptcy Code, 2016

Amount paid by borrower during the half year is net of addition in the borrower amount due to fresh disbursement made, if any.

9. (i) During the year ended 31 March 2025, the bank has not acquired / transferred any "loans not in default" through assignment of loans.

(ii) During the year ended 31 March 2025, the bank has not acquired/ transferred any stressed loans (Non-performing Asset and Special Mention Account).

iii) Details of ratings of SRs outstanding as on 31 March 2025 are given below:

Rs.in Lakhs

Ratings	Rating Agency	Recovery Rating	Gross Value of Outstanding SRs
RR3	Crisil	50% and upto 75%	4,915.23*

* the same has been carried at Rs.2/- in the books.

10. The Bank is carrying an additional contingency provision on standard assets of Rs. 4,467 Lakhs as on 31 March 2025 (Rs.3,582 Lakhs as on 31 March 2024).

11. Other income includes processing fee, Revaluation profit or loss, profit/ loss on sale of investments (net off provision for depreciation), Income from bancassurance business, recovery from loans written off, income from dealing in PSLC, Collection Agency Fees from Asset Reconstruction Companies (ARC).

12. During the year ended 31 March 2025, the Bank implemented the RBI Master Direction - Classification, Valuation, and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, dated 12 September 2023. This directive is applicable to banks from 1 April 2024. Consequent to the transition provisions, the Bank has recognised net gain of Rs. 951.73 lakhs (net of taxes) which has been credited to General Reserve as on 01 April 2024, on account of revision in the carrying value of investments to the fair value as on such date. The impact of the revised framework for previous period FY 23-24 is not ascertainable and assess the profit or loss from the investments included in other income for the year ended 31 March 2025, incomparable with the previous period (s)/year.

13. During the year ended 31 March 2025, the Bank has allotted 6,47,594 equity shares (Quarter ended 31 March 2025: 3,46,697 equity shares) pursuant to the exercise of options under the approved employee stock option scheme

14. As at March 31, 2025 4,98,848 options were lapsed, and balance 9,88,815 options remains unvested out of the total options granted under the approved Employee Stock Option Plan (ESOP).

15. The Board of Directors at their meeting held on June 14, 2024, had taken a strategic decision to reduce concentration risk associated with dependence on business correspondents and had decided to modify the existing arrangement with M/s. ESAF Swasraya Multi State Agro Co-operative Society Limited ("ESMACO"), the largest business correspondent and one of the promoter group entities of the Bank from 1 July 2024.

In terms of the modified arrangement the Bank had absorbed 5,109 trained employees of ESMACO and had agreed to compensate ESMACO Rs 5,800 lakhs (inclusive of GST) being the value addition for sourcing and training the staff which otherwise the Bank would have had to incur based on an independent external valuation. These employees would be eligible to all the benefits similar to the Bank staff from 1 July 2024. Accordingly Rs. 5,800 Lakhs is reported as an exceptional item for the year ended 31 March 2025.

16. The Bank does not have any subsidiary/ associate/ joint venture as on 31 March 2025.

17. The figures of the last quarter in each financial year are the balancing figures between the audited figures in respect of the full financial year and unaudited published year to date figures upto the end of the third quarter of the respective financial year, which were subjected to a limited review

18. Figures for the previous period/year have been reclassified/regrouped wherever necessary, to conform to the current period classification.



Annexure

Declaration under Regulation 33(3)(d) and 52(3)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

We hereby confirm and declare that the Joint Statutory Auditors of the Bank, viz. M/s. Abarna and Ananthan, Chartered Accountants and M/s.Kirtane and Pandit, Chartered Accountants, have issued audit report on the financial results of the Bank for the year ended March 31, 2025, with unmodified opinion.

This is for your information and record

Thanking You,

Yours faithfully

For ESAF Small Finance Bank Limited


Gireesh CP
Chief Financial Officer

Date: May 16, 2025

