

Date: 05<sup>th</sup> February, 2022

To  
The Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

Dear Sir/Madam,

**Sub: Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31<sup>st</sup> December, 2021**

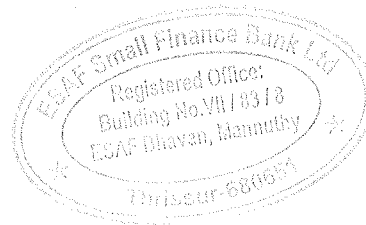
In terms of Regulation 51(1) & 52(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby enclose the Standalone Unaudited Financial Results of the Bank for the Quarter (Q3) and Nine Months ended 31<sup>st</sup> December, 2021, along with the Limited Review Report issued by the Statutory Auditors of the Bank thereon. The disclosure of the Asset Cover under Regulation 54(3) and disclosure under Regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is also enclosed herewith.

We request you to take the same on your records.

Thanking you

For ESAF Small Finance Bank Limited

**Ranjith Raj P**  
Company Secretary and Compliance Officer



**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM  
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
ESAF SMALL FINANCE BANK LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **ESAF Small Finance Bank Limited** (the "Bank"), for the quarter and nine months ended December 31, 2021 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with the 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 Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, the RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to Banks, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# **Deloitte Haskins & Sells**

5. We draw attention to Note 6 to the Statement, which describes that the potential impact of the continuing COVID-19 pandemic on the Bank's results are dependent on future developments which are uncertain.

Our conclusion on the Statement is not modified in respect of this matter.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.117365W)



A handwritten signature in black ink, appearing to read "N. Daruwalla".

Neville M. Daruwalla  
Partner  
Membership No. 118784  
(UDIN: 22118784AAMTTA2206)

**MUMBAI**, February 5, 2022

ESAF SMALL FINANCE BANK LIMITED  
Building No.VII/83/8, ESAF Bhavan, Thrissur - Palakkad National Highway,  
Mannuthy, Thrissur, Kerala - 680651  
CIN : U65990KL2016PLC045669

Statement of unaudited financial results for the quarter and nine months ended 31 December 2021

Particulars	Rs. in Lakh				
	Quarter ended 31 December 2021	Quarter ended 30 September 2021	Nine Months ended 31 December 2021	Nine Months ended 31 December 2020	Year ended 31 March 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I. INCOME</b>					
Interest Earned	50,541	43,063	1,34,229	1,25,608	1,64,117
Other Income	6,011	6,104	15,874	8,090	12,669
<b>Total</b>	<b>56,552</b>	<b>49,167</b>	<b>1,50,103</b>	<b>1,33,698</b>	<b>1,76,786</b>
<b>II. EXPENDITURE</b>					
Interest expended	20,265	18,685	57,300	54,165	71,958
Operating Expenses	23,235	20,732	59,427	43,443	63,186
Provisions and Contingencies	7,391	18,913	38,463	29,879	31,103
<b>Total</b>	<b>50,891</b>	<b>58,330</b>	<b>1,55,190</b>	<b>1,27,487</b>	<b>1,66,247</b>
<b>III. PROFIT</b>					
Net Profit/(Loss) for the Period/Year (I - II)	<b>5,661</b>	<b>(9,163)</b>	<b>(5,087)</b>	<b>6,211</b>	<b>10,539</b>
<b>Analytical Ratios</b>					
(i) Capital Adequacy Ratio	19.26%	20.84%	19.26%	21.04%	24.23%
(ii) Earnings Per Share (EPS) (Face value of Rs.10/- each) *					
- Basic (Rs.)	1.26	(2.04)	(1.13)	1.45	2.46
- Diluted (Rs.)	1.26	(2.04)	(1.13)	1.45	2.46
<b>NPA Ratio</b>					
a) Gross NPA	70,223	59,731	70,223	9,528	56,400
Net NPA	20,190	19,276	20,190	369	31,658
b) % of Gross NPA	6.57%	6.31%	6.57%	1.22%	6.70%
% of Net NPA	1.98%	2.13%	1.98%	0.05%	3.88%
c) Return on Assets *	0.38%	(0.70%)	(0.38%)	0.57%	0.95%
d) Networth #	1,30,119	1,24,458	1,30,119	1,14,619	1,35,206
e) Outstanding redeemable preference shares	-	-	-	-	-
f) Capital Redemption Reserve/ Debenture Redemption Reserve	-	-	-	-	-
g) Debt - Equity Ratio **	1.44	1.03	1.44	0.77	0.92
h) Total debts to total assets	12.90%	10.50%	12.90%	11.43%	13.73%

\* Quarterly / nine months numbers are not annualised

#Networth represents sum of Capital and Reserves & Surplus

\*\*Debt represents borrowings with residual maturity of more than one year. Total debt represents total borrowings.



**ESAF SMALL FINANCE BANK LIMITED**  
Building No.VII/83/8, ESAF Bhavan, Thrissur - Palakkad National Highway,  
Mannuthy, Thrissur, Kerala - 680651  
CIN : U65990KL2016PLC045669

**Notes :**

1.The statement of unaudited financial results for the quarter and nine months ended 31 December 2021 ("Statement" or "financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 5 February 2022 in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Regulation") as amended. The results have been subjected to a limited review by the statutory auditors.

As per paragraph 1A of the SEBI Circular dated October 05, 2021 on Revised Formats for filing Financial information, the Bank has not presented the corresponding financial results for the quarter ended December 31, 2020.

2. The above financial results of the Bank have been prepared in all material aspects, in accordance with the generally accepted accounting principles in India ("Indian GAAP"), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time and Accounting Standards as prescribed under section 133 of the Companies Act, 2013.

3. The Capital adequacy ratio ("CRAR") has been computed as per the Operating guidelines vide 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 have been computed in view of the exception contained in RBI Notification DBR. NBD. NO. 4502/16.13.218/2017-18 dated 8 November 2017.

4. Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021 are given below

(Rs. in Lakh except number of accounts)

Description	Individual borrowers		Small Business
	Personal Loans	Business Loans	
A) Number of requests received for invoking resolution process under Part A	2,30,978	4,75,083	-
B) Number of Accounts where resolution plan has been implemented under this window	2,30,978	4,75,083	-
C) Exposure to accounts mentioned at (B) before implementation of plan	45,251	1,22,300	-
D) of (C), aggregate amount of debt that was converted into other securities	-	-	-
E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
F) Increase in provisions on account of the implementation of resolution plan *	4,730	15,654	-

\* provision maintained as on 31 December 2021

5. During the quarter and nine months ended December 31, 2021 Bank has not transferred / acquired any loan under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021.

6. The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas due to the "second wave" of COVID-19, which included a significant surge of COVID-19 cases. These were gradually lifted as the second wave subsided. The Country is currently experiencing another outbreak on account of new variant and as a precautionary measure India has started to reimpose localized / regional restrictions.

The extent to which the COVID -19 pandemic will ultimately impact the Bank's result and the carrying value of the assets will depend on future developments which are highly uncertain. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic on the financial performance may be different from that estimated as at the date of approval of these financial results. Such changes will be prospectively recognized. The Bank continues to closely monitor any anticipated material changes to future economic conditions.

7. During the nine months ended 31 December 2021, the Bank has granted 11,25,590 as loyalty grants under Employee Stock Purchase Scheme (ESPS) 2019.

As per the RBI circular RBI/2021-22/9 OR GOV.REC.44/29.67.001/2021-22 "Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff - Clarification" dated 30 August 2021 (the "RBI Guidelines on Compensation"), the Bank has identified material risk taker and submitted to RBI. During the nine months period ended no ESOP has been granted to the aforesaid eligible personnel, hence there is no impact on the results for the quarter and nine months ended 31 December 2021 on account of fair valuation of options in accordance with RBI guidelines on compensation.

8.The Honourable Supreme Court of India (Hon'ble SC), vide an interim order dated September 3, 2020, had directed banks that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on March 23, 2021 and the Bank continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms. In view of this, the results for the nine months period ended December 2021 may not be comparable with the corresponding nine months period ended December 2020.



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9. Based on RBI Master Direction on Financial Statements – Presentation and Disclosures issued on 30th August, 2021 updated on 15th November, 2021 provision for depreciation on investments, which was hitherto classified as part of provisions and contingencies has been reclassified as part of other income. There is no impact of this change on the net profit/loss of the current or earlier periods.

10. The Bank has filed the Draft Red Herring Prospectus (DRHP) for Initial Public offer with Securities and Exchange Board of India on 24 July 2021 and obtained final observations vide their letter dated 20 October 2021. The Bank has incurred certain expenses towards proposed Initial public offering(IPO) of its equity shares which would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon completion of the process of IPO.

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

Place : Mannuthy  
Date : 5 February 2022



  
Kadambell Paul Thomas  
Managing Director & CEO  
DIN: 00199925



# Deloitte Haskins & Sells

Chartered Accountants  
19<sup>th</sup> Floor, Shapath-V  
S.G. Highway  
Ahmedabad – 380 015  
Gujarat, India  
Tel: +91 79 6682 7300  
Fax: +91 79 6682 7400

The Board of Directors  
ESAF Small Finance Bank Limited  
ESAF Bhavan, Mannuthy  
Thrissur – 680 651

**Independent Auditors' Certificate on the "Statement of asset cover ratio and compliance with all the financial covenants in respect of non-convertible debt securities (NCDs) of ESAF Small Finance Bank Limited (the "Bank") as on and for the quarter and nine months ended December 31, 2021" (the "Statement")**

1. The certificate is issued in accordance with the terms of our engagement letter dated October 21, 2021.
2. We Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration Number 117365W), the Statutory Auditors of the Bank, have reviewed the unaudited books of account for the nine months ended December 31, 2021 and other relevant records and documents maintained by the Bank for the purpose of giving a limited assurance on the financial information in the accompanying Statement, for submission to the Debenture Trustees of the listed non-convertible debt securities under Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulation"), as amended.

**Management's Responsibility for the Statement**

3. The preparation of the accompanying Statement from the unaudited books of accounts, financial results of the Bank as at and for the nine months ended December 31, 2021 and other relevant records and documents is the responsibility of the Management of the Bank, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Bank is responsible for maintaining the required asset cover and compliance with all the covenants and conditions mentioned in the Regulation in connection with the Statement.

**Auditors' Responsibility**

5. Our responsibility for the purpose of this certificate is to provide a limited assurance as to whether the financial information contained in the aforesaid Statement is in agreement with the unaudited books of account and other relevant records and documents maintained by the Bank as at and for the nine months ended December 31, 2021. This did not include the evaluation of adherence by the Bank with all the applicable guidelines of the Regulation and Other Information included in the Statement.



# Deloitte Haskins & Sells

6. The procedure performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have obtained had a reasonable assurance engagement been performed.
7. The financial results for the quarter and nine months ended December 31, 2021 have been reviewed by us, on which we issued an unmodified conclusion vide our report dated February 5, 2022 (which includes an emphasis of matter paragraph on the uncertainty relating to COVID-19).
8. We carried out our review of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Conclusion

10. Based on our review, as stated above, and according to the information, explanation and representations provided to us by the Management of the Bank, nothing has come to our attention that causes us to believe that the financial information as stated in the attached Statement as on December 31, 2021, read with the notes thereon, is not in agreement with the unaudited books of account as at and for the nine months ended December 31, 2021 and other relevant supporting documents maintained by the Bank.

## Restriction on Use

11. This Certificate is addressed to and provided to the Board of Directors of the Bank solely for the purpose of submission to the Debenture Trustee under the Regulation and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)



Neville M. Daruwalla  
Partner  
Membership No.118784  
(UDIN: 22118784AAOIBA6170)

**MUMBAI**, February 5, 2022



**Statement of Asset Cover ratio and compliance with all the financial covenants in respect of non-convertible debt securities (NCDs) of ESAF Small Finance Bank Limited (the "Bank") as on and for the quarter and nine months ended 31 December 2021**

**Financial Information:**

**a) Listed debt securities:**

ISIN	Private Placement/ Public Issue	Secured/Unsecured	Issued amount (in Rs. Crore)
No Debt Securities were issued during the period 1 April 2021 to 31 December 2021			

**b) Asset Cover:**

- The financial information as on 31 December 2021 has been extracted from the unaudited books of account for the quarter and nine months ended 31 December 2021 and other relevant records of the Bank.
- The assets of the Company provide coverage of 1.01 times of interest and principal amount, which is in accordance with the terms of issue/debentures trust deed.

Refer table – I below for calculation of asset cover ratio for the Secured borrowings. The asset cover ratio has been determined for total secured borrowings considering the fact that the security provided is pari passu for all borrowings.

- The net assets available for unsecured borrowings of the Bank provide coverage of 1.93 times of the principal outstanding.

Refer table – II for calculation of asset coverage ratio available for unsecured borrowings.

**Table- I:**

Sr. No.	Particulars		Amount (in Rs. Crore)
i.	Total assets available for secured borrowings - (secured by either pari passu or exclusive charge on assets)		
	• Investments in government securities (Face value of Rs. 706.39 Crore ) given as collateral to the Repo Borrowing		706.39
	<b>TOTAL</b>	<b>A</b>	<b>706.39</b>
ii.	Total borrowing through issue of secured Debt Securities (secured by either pari passu or exclusive charge on assets)		
	• Borrowings from Reserve Bank of India		696.00
	<b>TOTAL</b>	<b>B</b>	<b>696.00</b>
iii.	Asset Coverage Ratio (100% or higher as per the terms of offer document/information memorandum/ debenture trust deed)	<b>(A/B)</b>	<b>101.49%</b>




**ESAF SMALL FINANCE BANK LIMITED**

RBI License No : MUM124, CIN: U65990KL2016PLC045669

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](mailto:customercare@esafbank.com) [www.esafbank.com](http://www.esafbank.com)

Table - II:

Sr. No.	Particulars		Amount (in Rs. Crore)														
i.	Net assets of the Bank available for unsecured lenders (Property Plant & Equipment (excluding intangible assets and prepaid expenses) + Investments + Cash & Bank Balances + Other current/ Non-current assets excluding deferred tax assets and Prepaid expense (-) Total assets available for secured lenders/creditors on pari passu/exclusive charge basis under the above heads (-) unsecured current/ non-current liabilities (-) interest accrued/payable on unsecured borrowings)	A	2,527.82														
ii.	Total Borrowings (unsecured)	B	1,307.25														
	• Subordinate Debts		140.00														
	<table><tr><th>ISIN Code</th><th>Rs. in Crore</th></tr><tr><td>INE818W08057</td><td>25.00</td></tr><tr><td>INE818W08065</td><td>20.00</td></tr><tr><td>INE818W08032</td><td>40.00</td></tr><tr><td>INE818W08016</td><td>20.00</td></tr><tr><td>INE818W08024</td><td>20.00</td></tr><tr><td>Subordinated Loan</td><td>15.00</td></tr></table>	ISIN Code	Rs. in Crore	INE818W08057	25.00	INE818W08065	20.00	INE818W08032	40.00	INE818W08016	20.00	INE818W08024	20.00	Subordinated Loan	15.00		
ISIN Code	Rs. in Crore																
INE818W08057	25.00																
INE818W08065	20.00																
INE818W08032	40.00																
INE818W08016	20.00																
INE818W08024	20.00																
Subordinated Loan	15.00																
	• Perpetual debt instrument (ISIN Code: INE818W08073)		48.00														
	• Borrowings from other institutions and agencies		1,119.25														
iii.	Asset Coverage Ratio (100% or higher as per the terms of offer document/ information memorandum/ debenture trust deed)	(A/B)	193.37%														

Note: The above ratio is a disclosure as per said SEBI circular; should not construe as security provided by the Bank to Unsecured lenders and shall not form basis for litigation in any Court of Law.

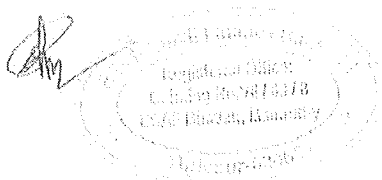
#### Other Information:

#### a) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We hereby certify that the above information are correct and compliance made in respect of the covenants/ terms of the issue of listed debt securities (NCDs) and certify that such covenants/ terms of issue have been complied by us.

For **ESAF Small Finance Bank Limited**

  
**Ranjith Raj**  
 Company Secretary  
 Place: Mannuthy  
 Date : 5 February 2022



**Annexure**

**Disclosure in Compliance with Regulation 52 (4) of SEBI (LODR) Regulations, 2015 for the Quarter and Nine Months ended 31<sup>st</sup> December, 2021**

		For the Quarter ended 31st December, 2021
1	Debt Equity Ratio	1.44
2	Debt Service Coverage Ratio	NA
3	Interest Service Coverage Ratio	NA
4	Outstanding Redeemable Preference Shares	NA
5	Capital Redemption Reserve/ Debenture Redemption Reserve	NA
6	Current Ratio	NA
7	Long term Debt to Working Capital	NA
8	Bad Debts to Account Receivable Ratio	NA
9	Current Liability Ratio	NA
10	Debtors Turnover	NA
11	Inventory Turnover	NA
12	Operating Margin	NA
13	Net Profit Margin	NA
14	Sector Specific Equivalent Ratios, as applicable	Disclosed in the Financial Results



Date: 05<sup>th</sup> February, 2022

To  
The Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalai Street, Mumbai — 400001

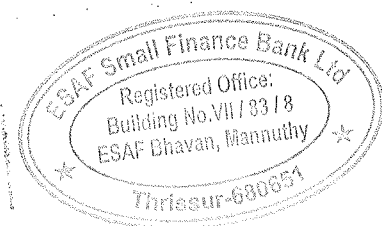
**Sub: Pursuant to Regulation 52(7) and Regulation 52 (7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. we are furnishing herewith following information for the quarter ended 31<sup>st</sup> December, 2021**

Regulation	Particulars	Details
52 (7)	Statement Indicating the utilization of issue proceeds of non-convertible securities which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.	The proceeds of Non-convertible debentures issued till 31 <sup>st</sup> December, 2021 have been fully utilized for the purpose for which these proceeds were raised.
52 (7A)	In case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by the Board.	There is no deviation in the utilization of proceeds of Non-Convertible debentures in comparison to the object of the issue.

Requesting you to kindly take the same on your record.

**For ESAF Small Finance Bank Limited**

  
**Ranjith Raj**  
Company Secretary and Compliance Officer



**ESAF SMALL FINANCE BANK LIMITED**

RBI License No.: MUM 124, CIN: U65990KL2016PLC045669

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 / 1123456 Email: [customercare@esafbank.com](mailto:customercare@esafbank.com) [www.esafbank.com](http://www.esafbank.com)