



**ESAF MICROFINANCE**  
Financing Livelihoods...

www.esafmicrofin.com

November 11, 2016

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

Dear Sir,

**Sub: Submission of Half Yearly Financials with Limited Review Report from Statutory Auditors (Pursuant to clause 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

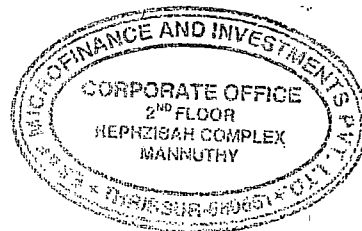
With reference to the captioned subject, we are enclosing herewith the Standalone Unaudited financials for the half year ended 30<sup>th</sup> September 2016 along with the Limited Review Report from Statutory Auditors.

Kindly take the above documents on record.

Thanking you  
Yours faithfully,

For ESAF Microfinance and Investment Pvt Ltd

K Paul Thomas  
Chairman and Managing Director



**ESAF MICROFINANCE & INVESTMENTS (P) LTD**

An NBFC-MFI. Regd. No.: B-07-00652 Corporate Identification No.: U65910TN1996PTC036650

Corporate Office: Hepzibah Complex, Mannuthy P.O, Thrissur, Kerala 680 651. India, Tel: +91 487 2373813. Email: info@esafmicrofin.com

Registered Office: No. 8/9, Mansuk Buildings, Flat No. 3A, 3<sup>rd</sup> Floor, Gangadeeswara Koil Street, Purasawalkam

Chennai, Tamil Nadu 600 084. Tel: +91 44 43560790 Email: ro@esafmicrofin.com

**INDEPENDENT AUDITOR'S REVIEW REPORT ON  
REVIEW OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
ESAF MICROFINANCE AND INVESTMENTS PRIVATE LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ESAF MICROFINANCE AND INVESTMENTS PRIVATE LIMITED** ("the Company") for the Half Year ended 30<sup>th</sup> September, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with accounting principles generally accepted in India along with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting AS 25, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, to the extent applicable and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time. Our responsibility is to issue a report on the Statement based on our review.
2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, to the extent applicable and circulars and guidelines issued by the RBI from time to time, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that the financial results for the half year ended 30<sup>th</sup> September, 2016 contain any material misstatement or have not been prepared in accordance with the relevant Prudential norms issued by the RBI in respect of Income recognition, Asset Classification, Provisioning and other related matters.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)



S. Sundaresan  
Partner  
(Membership No. 25776)

**HONG KONG, 10 November, 2016.**

**ESAF MICROFINANCE AND INVESTMENTS PRIVATE LIMITED,**  
**No. 8/9, MANSUK BUILDINGS, FLAT No. 3A, 3RD FLOOR,**  
**GANGADEESWARA KOIL ST, PURASAWALKAM, CHENNAI - 600084**  
**CIN : U65910TN1996PTC036650**

**STANDALONE UNAUDITED FINANCIAL RESULTS**  
**FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016**

₹ in Lakhs

Particulars	For the Half Year Ended		For the Year Ended
	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Audited
<b>1. Income from Operations (a)+(b)+(c)+(d)</b>	<b>19,825</b>	<b>12,378</b>	<b>30,210</b>
(a) Interest income from Financial Activities	14,413	10,646	25,133
(b) Income on Investments	100	-	25
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-
(d) Others	5,312	1,732	5,052
<b>2. Other Income</b>	<b>1,731</b>	<b>633</b>	<b>1,608</b>
<b>3. Total Income (1+2)</b>	<b>21,556</b>	<b>13,011</b>	<b>31,818</b>
<b>4. Interest expended (including Finance charges)</b>	<b>8,616</b>	<b>6,018</b>	<b>14,689</b>
<b>5. Operating expenses (i) + (ii)+(iii)</b>	<b>6,346</b>	<b>4,253</b>	<b>10,925</b>
(i) Employees Cost	3,752	2,745	7,543
(ii) Depreciation/ Amortisation	148	122	226
(iii) Other Operating Expenses	2,446	1,386	3,156
<b>6. Total expenditure (4+5) excluding provisions and contingencies</b>	<b>14,962</b>	<b>10,271</b>	<b>25,614</b>
<b>7. Operating Profit before provisions and contingencies (3-6)</b>	<b>6,594</b>	<b>2,740</b>	<b>6,204</b>
8. Provisions (other than tax/ write offs) and contingencies	28	354	785
9. Exceptional Items	-	-	-
<b>10. Profit from ordinary activities before tax (7-8-9)</b>	<b>6,566</b>	<b>2,386</b>	<b>5,419</b>
11. Tax expense	2,285	950	2,019
<b>12. Net profit from ordinary activities after tax (10-11)</b>	<b>4,281</b>	<b>1,436</b>	<b>3,400</b>
13. Extraordinary Items (net of tax expense)	-	-	-
<b>14. Net profit for the period (12-13)</b>	<b>4,281</b>	<b>1,436</b>	<b>3,400</b>
15. Paid up Equity share capital (Face value of ₹. 10/- each)	14,034	6,710	13,328
16. Reserves excluding revaluation reserve (as per balance sheet of previous accounting year)	-	-	10,934
<b>17. Networth*</b>	<b>32,742</b>	<b>18,295</b>	<b>27,799</b>
<b>18. Analytical Ratios</b>			
(i) Capital Adequacy Ratio	18.17%	18.33%	21.30%
(ii) Earnings Per Share (EPS) **			
Basic (₹)	3.20	2.74	4.84
Diluted (₹)	2.69	1.71	3.31
(iii) Debt Equity ratio***	3.73	5.83	4.59
<b>19. NPA Ratios</b>			
a) Gross NPA	550	381	333
b) Net NPA	-	-	-
c) % of Gross NPA to Receivables under Financing Activity (Excluding Interest due)	0.45%	0.36%	0.25%
d) % of Net NPA to Receivables under Financing Activity (Excluding Interest due)	-	-	-
e) Return on Assets **	2.36%	1.23%	2.48%

\* Networth is aggregate of Paid-up Share Capital, Reserves and Surplus less Deferred tax asset and Intangible asset

\*\* Half yearly numbers are not annualised

\*\*\* Debt equity Ratio is (Long-term borrowing + Short-term borrowing + Current maturities of long term borrowing)/Networth



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**Notes:**

- 1) The above unaudited financial results for the Half year ended 30th September, 2016, were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10th November, 2016. These results have been subjected to 'Limited Review' by the statutory auditors of the company and an unmodified review report has been issued by them.
- 2) The company has followed the same significant accounting policies in the preparation of the unaudited financial results, as those followed in the previous year.
- 3) Other income includes interest income on Fixed Deposits, commission for facilitating Services/sales of products, recoveries from advances written off etc.
- 4) During the half year ended 30th September, 2016, the Company had:
  - a) allotted 48,60,834 Equity Shares of ₹10/- each at a premium of ₹5 per Equity Share on 1st September, 2016 to Mr. K Paul Thomas, Chairman and Managing Director, from the balance shares offered through Rights issue during year ended 31st March, 2016.
  - b) converted 3,30,000 Compulsorily Convertible Preference Shares of ₹100/- each into 22,00,000 Equity Shares of ₹10/- each at a premium of ₹5 per Equity Share in accordance with the agreed terms.
- 5) During the half year ended on 30th September, 2016 the Company had raised ₹1125 Lakhs by way of subordinated debt @ 14% repayable at the end of 7th year.
- 6) The Reserve Bank of India vide letter dated 7th October, 2015, had issued to the company an in-principle approval for setting up a Small Finance Bank, in accordance with Section 22 of the Banking Regulation Act, 1949. Accordingly, the company had formed a subsidiary company on 5th May, 2016 in the name of "ESAF Small Finance Bank Limited". The application for license to commence banking business is submitted to the Reserve Bank of India.
- 7) The Company's business segment is Micro finance services and the principal geographical segment is India. As such there are no separate business and geographic reportable segments as per Accounting Standard (AS) - 17 "Segment Reporting".
- 8) The Credit Analysis and Research Limited (CARE) have assigned A- rating during the year. Rating of the Company has been upgraded from BBB+ to A- during the year.
- 9) Details of previous due date of interest on Listed Non Convertible Debentures are given below:

Particulars	Rate of Interest	Interest Due date	Actual date of Payment
a) 1000 Secured, Listed, Rated, Redeemable, Transferable Non Convertible Debentures of Rs. 5.84 Lakh each	13.50%	13-May-16	13-May-16
b) 300 Secured, Listed, Rated, Redeemable, Transferable Non Convertible Debentures of Rs. 10 Lakh each	13.80%	10-Jun-16	10-Jun-16
c) 230 Secured, Listed, Rated, Redeemable, Transferable Non Convertible Debentures of Rs. 10 Lakh each	13.80%	13-May-16	13-May-16
d) 4750 Secured, Listed, Rated, Redeemable, Transferable Non Convertible Debenture of Rs. 1 Lakh each	13.90%	18-Jul-16	18-Jul-16
e) 170 Subordinated, Unsecured, Listed, Rated, Redeemable, Transferable, Non Convertible Debentures of Rs. 10 Lakhs each	16.50%	30-Mar-16	30-Mar-16



10) Details of next due date of interest/principal on Listed Non Convertible Debentures are given below:

Particulars	Rate of Interest	Interest Due date	Principal Due date
a) 1000 Secured, Listed, Rated, Redeemable, Transferable Non Convertible Debentures of Rs. 5.84 Lakh each	13.50%	13-Nov-16	18-Nov-18
b) 300 Secured, Listed, Rated, Redeemable, Transferable Non Convertible Debentures of Rs. 10 Lakh each	13.80%	11-Dec-16	10-Dec-18
c) 230 Secured, Listed, Rated, Redeemable, Transferable Non Convertible Debentures of Rs. 10 Lakh each	13.80%	13-May-17	13-May-18
d) 4750 Secured, Listed, Rated, redeemable, Transferable Non Convertible Debenture of Rs. 1 Lakh each	13.90%	18-Jan-17	18-Jun-20
e) 170 Subordinated, Unsecured, Listed, Rated, Redeemable, Transferable, Non Convertible Debentures of Rs. 10 Lakhs each	16.50%	30-Mar-17	05-Oct-18

11) Previous period / year figures have been regrouped/ reclassified, wherever necessary, to correspond with the current period classification / disclosures.

Thrissur  
10th November, 2016



By order of the Board

K. Paul Thomas  
Chairman & Managing Director  
DIN : 00199925

