

A close-up photograph of several reddish-brown ants walking in a line along the edge of a green leaf. The background is a soft, out-of-focus green.

# CO-OPERATION AMIDST CRISIS

2019-20  
ANNUAL REPORT

# ANNUAL REPORT

## 2019-20

**Stabilise, Diversify & Grow**



### **ESAF SWASRAYA MULTI STATE AGRO CO-OPERATIVE SOCIETY LTD.**

Registered under the Multi State Cooperative Societies Act, 2002. Reg. No. MSCS/CR/442/2011

Admin Office : 1<sup>st</sup> Floor, JSR Square Building

Kalathode, Mannuthy Road, P.O. Ollukkara, Thrissur - 680 655, India.

Ph.: 0487 2626324 | [www.esafcooperative.in](http://www.esafcooperative.in) | [communications@esafcooperative.com](mailto:communications@esafcooperative.com)

## VISION

A society with equal opportunities to all its members with the provision of comprehensive financial and non-financial services that promotes sustainable livelihood and economic development.

## MISSION

To be a sustainable, professionally managed and transparent co-operative society that provides financial and non-financial services with an emphasis on the economic development and financial inclusion of the underserved communities.





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## BOARD OF DIRECTORS



**Mrs. Mereena Paul**  
Chairman  
Thrissur, Kerala



**Dr. Jacob Samuel**  
Director  
Palakkad, Kerala



**Mrs. Selina George**  
Director  
Thrissur, Kerala



**Mr. Billy R.**  
Director  
Salem, Tamilnadu



**Mrs. Sreekumary G.**  
Director  
Alappuzha, Kerala



**Mrs. Sreedevi Venugopal**  
Director  
Chittur, Kerala



**Mrs. Vandana Sontakke**  
Director  
Nagpur, Maharashtra

## BOARD OF DIRECTORS



**Mr. Alok Thomas Paul**  
**Director**  
 Thrissur, Kerala



**Mrs. Engandiyur Vasu Latha**  
**Director**  
 Thrissur, Kerala



**Mrs. Selvi Karuppan**  
**Director**  
 Palakkad, Kerala



**Mrs. Pushpa K.**  
**Director**  
 Malappuram, Kerala



**Mrs. Mumtaz Begum**  
**Director**  
 Raipur, Chhattisgarh



**Mrs. Poonam Mehata**  
**Director**  
 Betul, Madhya Pradesh



**Mrs. Evanjin Pooma**  
**Director**  
 Aruvikarai, Tamil Nadu

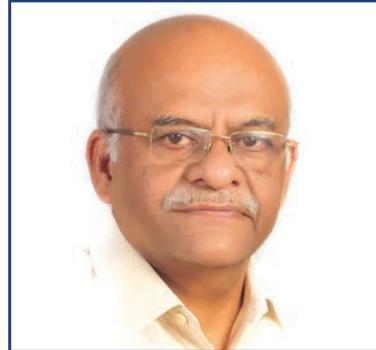


**Mrs. Philomena L.**  
**Director**  
 Coimbatore, Tamil Nadu



**Prof. Philip Sabu**  
**Co-opted Director**  
 Thrissur, Kerala

## SENIOR MANAGEMENT TEAM



**Paul V. L.**  
Chief Executive Officer



**Mr. Rajesh Sreedharan Pillai**  
Chief Operating Officer



**Mr. Vittal Rangan**  
Head,  
Human Resources



**Mr. Jojy Koshy Varghese**  
Head,  
Member Services



**Mr. Ebby Joseph**  
Head,  
Internal Audit

## OUR TRIPLE BOTTOMLINE APPROACH

### PEOPLE

To end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.

### PLANET

To protect the planet so that it can support the needs of the present and future generations.

### PROSPERITY

To ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature.

## ESAF CO-OPERATIVE ANNUAL GENERAL BODY MEETING 2019



ESAF Cooperative conducted its 8<sup>th</sup> Annual General Body Meeting on 28<sup>th</sup> September 2019 at Lulu International Convention Centre, Civil Lines Road, Puzhakkal, Thrissur, Kerala. Our Honourable Founders, Sri. K. Paul Thomas & Smt. Mereena Paul Lighting the lamp.



Honourable Chairman Smt. Mereena Paul facilitating Ms. Ramya Haridas, the newly elected Member of Parliament from Alathur Constituency. Mr. Paul Thomas, Founder, ESAF Group of Social Enterprises, Mr. Jacob Samuel and Mr. Alok Thomas Paul, Directors ESAF Cooperative are also seen.



Members attending the Annual General Body Meeting 2019

# FROM THE FOUNDER'S DESK

“ Under the present circumstances, building local demand and consumption is even more important to fight the global meltdown ”



Dear Members,

I am delighted to note that ESAF Cooperative is holding its 9th Annual General Body Meeting. As we face the biggest challenge ever encountered in the history of humanity, the relevance of Co-operative movement has become more evident. As the founder of ESAF Cooperative, I am happy to note the progress the society achieved over the years under the passionate leadership of its chairman, Mrs. Mereena Paul. It is with great Joy I note that the society's efforts have added value to the members of the society and the public at large.

COVID-19 pandemic has become the largest crisis that our generation has seen. The fight against the virus is ongoing and it will be a long road to recovery, but amid all these, we have shown great resilience, and that inspires me a lot. Since its inception, ESAF has always responded to the crisis in the communities we serve. I am glad that we have been able to respond proactively to the COVID-19 crisis as well, providing essential and timely services to those in need through the various social enterprises. Through its close association with over 3 million low-income families in different geographies, ESAF Cooperative is witness to the amazing resilience of its Sangam Members. ESAF Cooperative has been at the heart of that, enabling women and families to withstand this unprecedented pandemic, paving new pathways of growth.

Under the present circumstances, building local demand and consumption is even more important to fight the global meltdown. Cooperatives can drive the change and re-align with the new market realities, supporting MSMEs in restarting the economy. The pandemic has brought us an opportunity to rediscover and amplify the potential of co-operatives. Although big names like Amul and

IFFCO have established themselves as successful cooperative models, the sector needs more focus from the Government to build its membership base and expand its offerings. At ESAF Small Finance Bank, our larger financial inclusion targets warrant us to extend deeper penetration of banking services across the country, including privileged and disadvantaged people, at affordable terms and conditions. We are constantly striving to expand the banking network by setting up of new brick-and-mortar branches, and widening the scope of business correspondents.

ESAF Cooperative has been a vital partner as a Business Correspondent in furthering ESAF Small Finance Bank's goal to bring banking to the doorsteps of the common man through customer friendly innovations and transparent processes, which makes banking accessible and affordable.

Once again, I would like to appreciate the Board and management team of ESAF co-operative, as they have shown commendable resolve in fighting the pandemic and helping the needy masses in the hour of crisis.

Let me wish all success to ESAF Cooperative in its future strides and further let me appeal to all the functionaries of ESAF Cooperative to continue with the Member-first approach, in every step forward. As its founder, I assure the readers that ESAF Co-operative will continue to uphold the virtues that ESAF stands for, continue our Trust in God, and surge ahead in the fight against the partiality of prosperity.

**K. Paul Thomas**

Founder, ESAF Group of Social Enterprises  
MD & CEO, ESAF Small Finance Bank.



## ESAF SWASRAYA MULTISTATE AGRO COOPERATIVE SOCIETY LTD

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### NOTICE

NOTICE is hereby given that the 9th Annual General Body Meeting of ESAF Swasraya Multistate Agro Co operative Society Ltd will be held on Saturday, the 19th of December 2020 at 11 AM at Hotel Hyatt Regency, Civil Lines Road, Puzhakkal, Thrissur- 680003, Kerala, to consider the under noted agenda.

### AGENDA

1. Prayer.
2. Welcome Address.
3. Chairman`s Speech
4. Approval of the minutes of the previous Annual General Body Meeting
5. To consider and adopt the Audited financial statements as at 31st March 2020 together with Auditor`s Report and Annual Report
6. Review of Operations and Approval of Annual Budget
7. Review of utilization of Reserves and other Funds including welfare funds.
8. Review of the list of employees who are relatives of members of the Board.
9. Appointment of Auditors for the year 2020-21 and to fix the remuneration.
10. Amendments to Byelaws of the Society.
11. Review of the code of conduct for the members of the board and officers.
12. Review of the annual reports and accounts of subsidiary institutions.
13. Questions and answers.
14. Matters allowed by the Chairman.
15. Vote of Thanks.

(BY ORDER OF THE BOARD)

Sd/-

(MEREENA PAUL)

CHAIRMAN

Date: 01.12.2020

Place: Thrissur

*NB: The meeting will be conducted in complete adherence with the Covid 19 protocol.*

# FROM THE CHAIRMAN'S DESK

“The member-first approach we always uphold, is the key to our success so far. We place the member at the focal point of all our decision-making processes and hence can maintain a loyal member base”



My Dear Members,

I am very much pleased to present before you the 9<sup>th</sup> Annual Report of ESAF Swasraya Multistate Agro Cooperative Society Ltd, along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2020.

I am addressing you at a time when the whole world is fighting unprecedented challenges on multiple fronts. The Government is simultaneously battling a pandemic and trying to rebuild the economy. At this hour of need, we are committed to stand with our beloved nation and its leaders.

The mandatory shutdown of businesses and the confinement of billions of people to their homes have slowed down the entire economic eco-system. The impact is unevenly distributed across segments and thereby exacerbating inequalities that already exist. Co-operative Societies in India have been playing a crucial role in servicing the common man in this hour of crisis, by providing relief to workers, members, and communities. Most local and national governments have integrated co-operatives into their relief strategies due to the alignment in the vision.

The need for a community-driven economic model is more evident now than ever. The dream of our Honourable Prime Minister to turn India as a \$5 trillion economy by the year 2030 can be achieved only through villages and farmers. Here, co-operatives can play a pivotal role. Co-operatives have been instrumental in developing the economy through activities like financial inclusion, finding market access, meeting housing requirements, women & welfare programmes, intervention in educational,

health, and infrastructure sectors, etc. For more than two and a half decades, ESAF has been contributing to all these sectors in various forms.

After the pandemic induced-crisis, we have adopted an immediate response strategy, by providing food, health kits and credit access to the families in the lockdown, as a Business Correspondent of M/s. ESAF Small Finance Bank. We have also initiated livelihood support initiatives for members like healthcare support, child care support, manufacturing of sanitizers/masks and distribution of vegetables/ food to Covid warriors etc., which proved to be a great source of relief to our members and their families.

For the last three years, ESAF Cooperative has been acting as a Business Correspondent of M/s ESAF Small Finance Bank. Having a formidable Human Resources pool nearing to five thousand, who have clinical expertise in the social sector and last-mile delivery of products and services, ESAF Co-operative has carved its niche space as a notable service provider. Using its wide-geographic reach, ESAF Cooperative helps the bank in venturing out to unbanked rural areas, thereby ensuring that the financial inclusion objectives, as mandated by the Government of India, are executed in letter and spirit.

We take pride in having 38 percent of our staff as women, among our total workforce. Also, we have plans to promote high potential women candidates to leadership roles. 30 is the average age of our employees, and it reflects the positivity in them. Last year we conducted multiple Leadership Development Programmes partnering with Manipal Global Education Campus, intended to empower the leadership skills of the employees.

The member-first approach we uphold is the key to our success so far. We place the member at the focal point of all our decision-making processes and hence can maintain a loyal member base. Due to this approach, we are now known for our member-friendly policies and relationship deepening. Also, the absence of complicated formalities for banking transactions like disposing of loans within a maximum of three days has helped us to register a clear differentiation in the minds of the customer. Bringing rural women to the forefront by focusing on skill training, leadership training, and financial literacy programmes were other significant achievements for us. Over the years, we can proudly say that this system has produced many successful women leaders in business and politics.

The Cooperative Facility Management Services (CFMS) is another initiative of ESAF Cooperative that has successfully generated a large number of employment opportunities in the fields of housekeeping and security services. It proves that ESAF Cooperative focusses on delivering long term sustainable value to its members. The vertical has expanded its footprints into areas like House Keeping, Security Services, Event Management, Driver on call, Cash Management, and MEP Services, last year.

India is intrinsically an agriculture powerhouse. No other country can boast of producing as many food and non-food crops as India. The reason is most Indian Agri farmers double up as milk producers, poultry owners or aqua culturists. India's agricultural production leapfrogged in recent times, especially after the year 2000, which shows the potential of Agri-co-operatives in India. Through our Project with International Finance Corporation, which is a member of the World Bank Group, ESAF Cooperative was doing an effective intervention in the development of Farmer Producer Organizations. A series of Capacity Building programmes and workshops were conducted for the promoters of Farmer Producer Organizations to strengthen their partnerships with formal financial institutions and to make their efforts sustainable and scalable.

ESAF Cooperative owns a unique model, through which various interventions are executed by its subsidiaries. We have set high global standards concerning the environment and the communities in which we operate, with a thrust on our triple bottom line approach. I am pleased to note that, we have invested heavily in social programmes, thereby directly benefitting the lives of 2.63 lakh people. The programmes include spreading awareness on financial literacy, skill development, child welfare, healthcare, agriculture, environment protection, etc. The three pillars of people, planet, and prosperity are the basis upon which our model functions. Also our Hundred homes project is ongoing at a very fast pace thereby ensuring shelter to the underprivileged and deprived members of the institution.

CEDAR Retail is another growing subsidiary of the group. Earlier, it was approved as a vendor of IKEA, the Swedish furniture major, and has become the first supplier of natural fibre from India to IKEA. This is indeed a landmark achievement in the journey of CEDAR Retail, as we can take pride in the fact that the produces from the Company are now finding shelf spaces in markets around the world. Also, it

helps the rural producers to earn the best return on their investment, sans any exploitation from the middlemen. Last fiscal the factory of Cedar Retail established in the State of Jharkhand was inaugurated by the Chief Minister of Jharkhand Shri Raghubar Das, which was a matter of pride for all of us. CEDAR Retail is providing employment opportunities to hundreds of tribal artisans in a holistic perspective.

ESAF Cooperative is very active in the Dairy sector through its subsidiary Rhema Dairy Products India P Ltd. Under this initiative, Dairy farmers become part of a uniquely designed supply chain, which ensures quality products to customers at affordable prices.

The larger objective of ESAF as a movement is to fight the partiality of prosperity. This has been achieved through delivering seamless execution of last-mile connectivity and member welfare through insurance coverage. In the financial year 2019-20, our society released a member welfare sum totalling to Rs 30.98 Crore, to the 10169 beneficiaries, under various welfare activities. We reiterate the commitment towards our cause and let me assure you all that ESAF Co-operative will continue with such Member Welfare measures on a larger scale in the years to come, by focussing on our triple bottom line approach.

Recently, we have supported restoring the livelihood of our Sangam members, who were engaged in the production of face masks, by placing bulk orders with them. Last year, we again cancelled our Onam celebrations, and we have utilized the money meant for the same for flood relief initiatives. Our staff also contributed their one month's salary towards forming a welfare fund for supporting the Covid initiatives of Central Government and various State Governments and I take pride to inform you that we could hand over a sum of Rs. 81 lakhs on that front. We are a member of the National Cooperative Union of India and are associating with its activities to promote the awareness of sectoral constituents.

On the Business front we have rolled out 52 Customer Service Centres till 31<sup>st</sup> March 2020, for serving the customers of ESAF Small Finance Bank in most backward locations thereby attaining the financial inclusion targets put forward by the Central Government.

Now, let's have a closer look at the financial position of ESAF Cooperative and the growth we have achieved in number terms during the financial year 2019-20. Across all financial parameters, ESAF Cooperative has achieved considerable strides. The member strength of ESAF Cooperative during the period has grown substantially from 17.0 lakhs to 21.3 lakhs, which shows a growth rate of 25%. The overall balance sheet size has grown from Rs. 541 Crores to Rs 549.65 Crores, showing an increase of 1.6%. As against the Authorised Share Capital of ESAF Cooperative of Rs. 300 Crores, the paid-up share capital stood at Rs. 277.71 Crores.

ESAF Cooperative was able to achieve a profit before tax of Rs. 95.95 Crores during the period and also, the total Revenue increased to Rs. 257.35 Crores compared to Rs. 255.87 Crores of the previous year marking an upward trend of 0.58%. Out of the total Reserves outstanding of Rs.187.95 Crores, we

have made appropriations to Statutory Reserves, an amount of Rs. 22.25 Crores during the period and the outstanding statutory reserves stood at Rs. 67.76 Crores. More than 18 lakh loans worth 6136.78 crores were disbursed last year to our members through ESAF Small Finance Bank.

For a balanced form of development, co-operatives need support both as an enterprise and as an association of members. The success of the co-operative should be assessed through both the social and economic impact it delivers. Capacity building, training, and education remain critical for co-operative development in emerging economies, and strengthening of networks and mutual linkages is also crucial. I am confident that we as a nation will come out of all struggles and this pandemic will strengthen our resolve to remain united and take a big step towards achieving our goals of self-reliance, strength and security.

I would like to appreciate and thank the efforts being made by all our Board members in guiding our institution in the right direction. I wish to thank my management team of ESAF Co-operative

for responding positively and proactively to these unprecedented challenges. I would like to wholeheartedly thank the Government of India, Central Registrar of Cooperative Societies and State Governments where our Society operates, for their unstinted support and encouragement. Before I conclude, I would like to thank all our Employees, Board of Directors, Members, Partners, Auditors, Bankers, Insurance Service Providers and all other stakeholders, who are working closely with us for the welfare of the society at large.

Most of all, I thank our members for continuing to repose confidence in our institution. Last but not the least, I would like to thank God the almighty for helping us in continuing our growth story. I urge you all to stay safe and take life forward in the new normal.

For and on behalf of the Board of Directors,

Sd/-

**Mereena Paul**  
Chairman



## OUR VERTICALS

Skill  
Training &  
Financial  
Literacy



Financial  
Inclusion  
as a  
Business  
Correspondent



## Our Verticals



Agri &  
Allied  
activities



Co-operative  
Facility  
Management  
Services

## FROM THE DESK OF THE CHIEF EXECUTIVE OFFICER



“In times of difficulties - whether it is floods, Covid or any natural calamity, the Society could stay close to its members and has been at the forefront in delivering long term sustainable value to its members”

In another few weeks, the curtains will fall for the year 2020 - a year which will go down in the history of mankind that witnessed the most crucial global health calamity of the century and the greatest challenge that the mankind faced since the 2nd World War.

In times of difficulties - whether it is floods, Covid or any natural calamity, the Society could stay close to its members and has been at the forefront in delivering long term sustainable value to its members. We could achieve considerable growth across financial parameters during the FY 2019- 20. The number of members grew substantially from 17 lakhs to 21.3 lakhs which registered a growth of 25%. The core area of our operation as the BC of ESAF Bank is sourcing of loans, disbursal of loans and finally recovery of loans by way of periodic instalments - involving extensive field level operations. The pandemic resulting in mandatory shutdowns, lock downs and containment zones had thrown open a huge challenge to our operation. Our initial response to the pandemic was to protect our employees and our customers. High safety and hygiene standards were introduced in our outlets spread across different states and social distancing norms were enforced. Our team of highly motivated, skilled and committed employees worked hard to meet the aspirations of our members even to the extent of risking their lives. A number of staff members and sangam members were identified as covid positive. Let me take this opportunity to bow my head in respect of those staff members and our sangam members who had lost their lives fighting the cruelty of this pandemic.

It was because of the unstinted support extended to me by the entire top management team and the entire workforce that helped us to roll out 52 customer service centers till 31st March 2020 for serving the members in the most backward locations of our country. When this annual report goes to the press the number of customer service centers opened has reached 124.

I would like to thank our Founder Paul Thomas Sir, Chairman Mereena Madam and all the Board members in guiding me to steer through our institution in the right direction - and last but not the least our sangam members and my dear colleagues who have stood with this organization inspite of the difficulties faced by them during the pandemic. Let me also assure you that when we assemble for the Annual General Body meeting of our organization next year, we would have achieved still greater heights in our journey of serving the under privileged members of our society.

On behalf of the management and staff members let me wish each one of you - Happy 2021, a year of abundance and joy and most importantly a life devoid of day to day fear.

Sd/-

Best Wishes  
**Paul V. L.**

## HIGHLIGHTS OF THE YEAR 2019-20

ESAF Cooperative throughout the financial year 2019-20 has supported ESAF Small Finance Bank in expanding its Microbanking business, as a Business Correspondent. With an objective to promote the interest of all its members in attaining social and economic betterment through self-help and mutual aid, following the cooperative principles and ensuring credit access to rural households, ESAF Cooperative is acting as a Business Correspondent of ESAF Small Finance Bank. ESAF Cooperative during the financial year has successfully rolled out 52 Customer Service Centers for serving the customers of ESAF Small Finance Bank in remote locations.

Apart from this core activity, it has attained tremendous strides in non-financial activities as well. A separate department titled Member Services, is taking care of grass root level Sangam quality training, entrepreneurship development, skill training, financial literacy programmes, market facilitation for members especially women, which has been conducted in various locations.

Co-operative Facility Management Services was launched by ESAF Cooperative in the year 2016, in order to provide employment opportunities in massive scales in unorganized skilled and unskilled sectors like housekeeping, security services, Mechanical, Electrical, Plumbing etc.

Together with ESAF Society which is an implementation agency for the prestigious DDU - GKY Project of the Ministry of Rural Development - Government of India, ESAF Cooperative is providing skill training opportunities to unemployed youths.

### MEMBER SERVICES DEPARTMENT

Member Services Department was launched by ESAF Co-operative to build up the capacity of Sangam members through field level Socio Economic Development Programmes. The Organization has engaged trained staff members across different regions to manage these kinds of programmes. For managing grass-root level activities, Women Resource Persons (WRPs) are also posted.

So far, the member service department of ESAF Cooperative carried out about 20,000 branch level programmes, on economic and social development, benefitting 2,62,766 Sangam members spread across all the banking outlets of the organization. Under the initiative, we have so far carried out programmes related to Financial Access & Capacity Enhancement (FACE), Sangam Quality Enhancement, Environment Awareness, Blood donation, Formation of Blood donor's Forum, Skill development, Medical camps, Business Orientation Training, Entrepreneurship Development and on Sector Training. The programmes have been structured by developing specific training content for the benefit of the Sangam members.

The department has also conducted a detailed survey among 8,848 women entrepreneurs from 62 branches, spread across all the states of operation, and compiled the database, intending to closely understand the customer needs.

SL. NO.	PROGRAMMES	NUMBER OF EVENTS	TOTAL BENEFICIARIES
1	Financial access & capacity enhancement (FACE) programmes	355	67576
2	Sangam quality enhancement programmes	19235	165785
3	Environment awareness programmes	116	12474
4	Blood donation camps	99	6147
5	Skill development programmes	35	1729
6	Medical camps	69	6754
7	Business Orientation Training Programmes	7	784
8	Entrepreneurship Development Programmes	26	1168
9	Sector Training Programmes	9	349
<b>Total</b>		<b>19951</b>	<b>262766</b>

### ESAF Entrepreneur Excellence Award 2019

The Organisation instituted the 'ESAF Entrepreneur Excellence Award' in 2018 to encourage upcoming entrepreneurs. In 2019, the awards were given to 12 successful women entrepreneurs handpicked from across the states in which we operate, based on a selection criteria.

The award consisting of a shield, citation, and a cash prize worth Rs 10,000 was handed over to the successful women entrepreneurs during the 8<sup>th</sup> Annual General Body meeting of ESAF Cooperative held on 28th September 2019 at Lulu International Convention Centre, Thrissur.

### ENVIRONMENT CONSERVATION PROGRAMMES

During the reporting year, ESAF Cooperative associated with ESAF Society to organize various Environment conservation programmes. These include awareness classes on environment protection, promotion of clean energy products, etc.

### Environment protection, Financial education and Justice-Awareness programmes as part of World Environment Day

The Organization observed World Environment Day (WED) in 116 locations across the country. At the Head Office, Mrs. Mereena Paul, Chairman, ESAF Cooperative, formally inaugurated the World Environment Day celebrations. This year the theme of the day was Air pollution. The programmes conducted between June 03rd and 08th across India were attended by thousands of women Sangam members of ESAF.

As part of the programmes, eminent experts took sessions, at each of the locations, on topics such as environmental protection, financial inclusion, and rights of women and children. A pledge was also administered for employees & Sangam members on this occasion, and posters, banners related to the World Environment Day theme were also displayed at all the branches.

### Digital Financial Education programmes

'Financial Access and Capacity Enhancement' (FACE) Programme, the digital financial education initiative of ESAF Small Finance Bank was organized by ESAF Cooperative. Totally 355 FACE programmes were conducted last year, benefitting 67,576 Sangam members. The training programmes were conducted in a structured way, using specific training materials given by the Reserve Bank of India. There were live demonstrations on the usage of ATMs, Micro ATMs, Internet Banking, Mobile banking, etc. The staff of ESAF Cooperative, as well as eminent guest speakers from various other fraternities, including bank staff, elected representatives of LSGD, Government officials, and ESAF co-operative leadership, have taken classes on savings, thrifty habits, fund management, digital banking, etc.

The Sangam members were alerted about ATM frauds and were given instructions on remaining alert against bogus calls from fraudsters, Phishing messages, and emails. They were also advised not to share ATM PIN and card number as well as CVV number with others and were instructed not to share the internet or mobile banking password with others.

### Sangam Quality Awareness Programmes

This is a unique programme meant to educate the Sangam members on qualitative management of Sangam activities. We have developed specific training content to educate the members on topics like Sangam management, the scope of the self-help group, etc. During the reporting year, ESAF Cooperative conducted 19,235 Sangam level programmes benefitting 1,65,785 members.

### Entrepreneurship Development Programmes

During the reporting year, ESAF Cooperative conducted 26 Entrepreneurship Development Programmes, benefitting 1,168 women entrepreneurs. Furthermore, the department has also conducted seven business orientation training programmes benefitting 784 women entrepreneurs. Experts from the Industries Department, training institutes such as RUDSETI, RSETI, etc., led the classes.

### Medical Camps

During the reporting year, ESAF Cooperative conducted 69 rural level medical camps benefitting 6,754 women Sangam members and their families. We received immense support from Local hospitals/Health departments in conducting these programmes. The camps offered free medical consultation by qualified doctors, free lab tests, and free medicines to patients.

### Energy Conservation Signature Campaign

Two Energy Conservation signature campaigns involving Sangam members were organized as part of the World Energy Conservation meet at Irinjalakuda and Pudukkad. As part of the campaign, 555 people participated and took the pledge to conserve energy.

### Energy Conservation seminar

ESAF Cooperative together with ESAF Society organised Urjakiran campaigns with the support of Energy Management Center (EMC), Kerala for raising awareness on energy management and conservation. During the reporting year, an energy conservation programme for women members was conducted at Pazhayannur in partnership with Pazhayannur Panchayath, and EMC.

During the reporting year, an energy conservation programme for women empowerment was conducted at Pazhayannur, partnering with Pazhayannur Panchayat, and EMC. U.C. Pradeep, MLA., inaugurated the programme, and 196 women beneficiaries attended the same.



(Sri. U.C. Pradeep, MLA inaugurated Energy Awareness seminar at Pazhayannur)

## EMC – Excellence Award – 2019

ESAF Society was the recipient of the 'Excellence Award – 2019', awarded by Energy Management Centre, Kerala, for our outstanding performance in organizing Urjakiran campaigns with active support from ESAF Cooperative.



(EMC Excellence Award – 2019. Christudas K. V., Director, ESAF Society receiving the award from Mr M. M. Mani Hon. Minister for Electricity, Kerala).

## Clean Energy Product Promotion

During the reporting period, 2.6 lakh women in 6 states participated in clean energy awareness meetings conducted in 11782 Sangams. ESAF Cooperative facilitated 87,408 families to access micro-energy products like solar lanterns, cookstoves, water purifiers, inverters, rooftop inverter systems, water heaters, etc.

### CLEAN ENERGY PRODUCTS AND SERVICES REPORT (2019 - 20)

Product	Families Benefitted (Nos.)
Solar Lights	86836
Water Filter	514
Cook Stove	13
Solar Inverters	2
Roof top solar water heater	20
Rooftop Solar Inverter – On grid	10
Water heater	5
<b>Total</b>	<b>87,400</b>

## Carbon Audit

ESAF Society, in partnership with ESAF Cooperative, successfully conducted two carbon audits of Micro energy Credit Corporation during the financial year 2019-20. 4,30,445 tonnes of carbon have been replaced cumulatively through various clean energy activities of ESAF institutions, till March 2020.



Carbon Audit Survey in progress

## Livelihood Restoration Programme – ESAF Flood Relief Project - Kerala

ESAF provided livelihood restoration support to 25 flood-affected families of Edakkara, Nilambur.

### Restoration of livelihood of Sangam member at Puthumala:

A massive landslide at Puthumala near Meppady, Wayanad district of Kerala, buried a large area under debris. Puthumala was the worst affected during the floods that occurred in August 2019. Except for the monotonous grumble of excavators, eerie silence pervaded at Puthumala. Many of our Sangam members lost their lives, in the devastating landslide. Most of the families have been wiped off fully with no living survivors.



A Sangam member, Muneera of Choice Sangam, who was with us for the last three years, also lost her three-year-old son, Mohammed Mistah, due to nature's fury. Her husband also suffered serious injuries, and she lost her house, grocery store, and tea shop, which was her only means of livelihood. She had started this small means of livelihood with the help of loans from ESAF Small Finance Bank in different cycles and was a member without any default history. Seeing her plight, we decided to help her out and restore her means of livelihood by providing a push-cart. Hence an amount of Rs.75000 was approved, using which a mobile push cart was procured and gifted to her.



Mrs. Muneera being offered a pushcart at Puthumala, Wayanad

## Flood Rehabilitation – 100 Homes- Snehaveedu Project

The board of Directors of ESAF Cooperative decided to construct houses for the Flood affected members who lost their shelter during the massive Kerala floods of 2018. The project titled 'Snehaveedu' envisages the construction of 100 houses for the deserving Sangam members of ESAF Cooperative. So far we have completed construction of 12 houses and we recently have taken up construction of 13 more houses. Also, the scope of the project has been widened to include

deserving Sangam members, without limiting the criteria to flood rehabilitation.

The first home in the project was handed over by Shri. C. Raveendranath, Honourable Minister for education, Kerala to Smt. Rema Sashi of Mythree Sangam at Velloopadam, Amballur.



At Alathur, a formal house warming and key handing over function conducted under the initiative of local Panchayath in the presence of Ms. Ramya Haridas, Honourable Member of Parliament, Alathur constituency.



The keys handed over to the beneficiaries of four houses - Vadanapally, Kunnukara, Karumasserry and Alathur by our honourable founders Sri. K. Paul Thomas & Smt. Mereena Paul in a function held on 20th August 2020 held at the Head Office of ESAF Cooperative.

### People initiatives of ESAF Cooperative

Being an organisation having a trained manpower nearing five thousand staff members, we are committed to train and develop our employees and mould them into leaders. We give special focus on attracting talented and committed young minds and retaining them with very conscious efforts to groom them as future leaders. Also, we emphasize on developing their skills. This way we ensure that the right people are placed for the right job.

The HR department primarily develops and monitors employee management strategies and related policies. We have placed emphasis on employee engagement programmes and provide our employees with opportunities to excel in their professional as well as personal lives.

The total manpower of the Organisations has grown from 4386 in March 2019 to 4569 in March 2020. The average employee age of our institution is 30 and we

take pride in the fact that women comprises of 38% of our total workforce making us a gender balanced organisation.

### Highlights of Training Activities:

- 53 induction training programmes conducted during the financial year for newly recruited resources.
- 892 employees benefited from training programmes focused on Capacity Building.
- Training of the Trainer (TOT) programme was conducted by our in-house team for 19 employees, who were empowered to train other employees.
- Excel Essential, a programme was conducted by our in-house faculty for employees at the Head office, Chhattisgarh and Bhopal to increase the soft skills of employees.
- Our MIS staff members attended a week long training on advanced business analytics at CRISIL institute, Mumbai.
- A family enrichment programme was held for improving the quality of life/ attaining work-life balance. The programme was attended by 1962 employees of ESAF Cooperative along with their spouses. This was done with active support from M/s ESAF Staff Welfare Trust.
- 172 students underwent On-the-job training at various branches.
- We engaged Dr. N. Jeyaseelan, CEO of Virutcham Academy, who is a well-known face in the financial inclusion sector, in order to impart field level training to new recruits.
- We engaged M/s Shaishavi Consultants, Bhopal to design specific training curriculum in vernacular languages and to devise a specific strategy for Central India staff training.

A two-day Leadership Development programme was conducted at Manipal Global Education Campus, Bangalore, for the Leadership team, Territory Heads, and Cluster Heads. The programme gave focus on enhancing leadership capabilities and aimed at building a high-performance culture.



Leadership Team at Manipal Global Education Campus, Bangalore.

We organized the quarterly leadership conferences in July and October 2019 at Bangalore and Coimbatore. All the Territory Heads and Department Heads participated in the same.

Promotions of employees at Regional Manager, Area Manager, and Unit Manager levels were put into effect in February and March 2020.

Arts and Sports programmes were organized at the regional, state, and national levels under the aegis of M/s. ESAF Staff Welfare Trust. The national-level sports competition was held on January 24, 25, and 26 at Kerala Agricultural University Campus, Thrissur. The programme was concluded with a cultural event titled ESAF Cultural Night, in which employees from different states performed cultural programmes originated from their respective states.



*Inauguration of National Sports Day by Sri. Adithya R. IPS, City Police Commissioner, Thrissur in the presence of ESAF Senior Management Team.*

To enhance the welfare of the employees and their families, Future Service Gratuity Coverage, a unique Insurance coverage, was launched for all full-time employees of the organisation, in association with M/s SBI Life Insurance Company, thereby ensuring that the dependents of employees receive the full gratuity amount till the age of superannuation, in case of any unfortunate, and untimely demise of an employee. This will further ensure the confidence of our employees.

**Chairman’s Club Employee recognition programme:**

Chairman’s Club is a platform to recognize the high performers amongst the last-mile staff at the field level, who are the driving force behind the growth of this Organization.

The programme for Tamil Nadu employees was conducted at Hotel Le Meridien, Coimbatore, on October 19, 2019. For employees of other states, the programme was conducted at CIAL Convention Centre, Kochi, on Dec 07, 2019. The star performers were felicitated by Shri K Paul Thomas, Founder, ESAF Group of Social Enterprises, and Smt. Mereena Paul, Chairman, ESAF Co-operative, together with the entire leadership team of ESAF.



*Ms. Gayathri Chidambaram, Woman Entrepreneur, Motivational Speaker, and renowned Classical dancer was the special guest for the programme at Coimbatore.*



*Dr. Manu Melwin Joy, Assistant Professor, CUSAT, an expert in Gamification, was the special guest for the programme at Kochi.*

## CHAIRMAN'S CLUB EVENT 2019



### CHAIRMAN'S CLUB PERFORMERS

STATE/STAR	1 Star	2 Star	3 Star	4 Star	5 Star	6 Star	7 Star	8 Star	9 Star	10 Star	11 Star	12 Star	Total
<b>KERALA</b>	17	43	22	33	49	32	24	40	39	25	20	153	497
<b>MADHYAPRADESH</b>	1	0	0	0	0	0	1	0	0	1	0	0	3
<b>MAHARASHTRA</b>	0	1	2	1	1	2	0	0	0	0	0	0	7
<b>TAMIL NADU</b>	25	34	10	20	25	16	9	7	5	16	7	34	208
<b>TOTAL</b>	<b>43</b>	<b>78</b>	<b>34</b>	<b>54</b>	<b>75</b>	<b>50</b>	<b>34</b>	<b>47</b>	<b>44</b>	<b>42</b>	<b>27</b>	<b>187</b>	<b>715</b>

## BUSINESS HIGHLIGHTS

- ESAF Cooperative is a leading Multistate Agro Co-operative Society in India with over 21.34 Lakh members.
- We have direct operations in 92 districts covering five states, Kerala, Tamil Nadu, Maharashtra, Madhya Pradesh, and Chhattisgarh.
- The geographic presence during the reporting period is as below:-

PARTICULARS	BANKING OUTLETS OF ESAF SFB (BOs)	CUSTOMER SERVICE CENTRES (CSCs)
Existing location as on March 2020	293	52
<b>Total Outlets</b>	<b>345</b>	

### Facilities to Members

- 19.08 Lakhs members obtained credit access through ESAF Small Finance Bank.
- 18.14 Lakhs Loans benefitted by our members during the Financial year 2019-2020.
- Rs. 6136.78 Crores benefitted by our members during the Financial year 2019-2020
- Our members maintain Rs. 6012.45 Crore Loan outstanding with ESAF SFB as on 31<sup>st</sup> March 2020.

AS ON MARCH 31 <sup>ST</sup> 2020	No. of Members	2134403
	Share Capital	277 Crores

The Member Welfare Programme is a type of financial assistance given to our members on payment of a subscription fee. When a member expires, the financial liability of the member poses an additional burden on the family, who in turn will find it difficult to cope with the repayment. Hence, ESAF Cooperative provides financial assistance to such families through a well-defined process set by the Member Welfare Department. The Claim benefits are available only to the members who pay a nominal subscription amount at the time of loan disbursement, which acts as a shield for them in times of their untimely death. When a member expires, ESAF Cooperative helps to tide over the immediate financial crisis by settling the loan outstanding of the member with Banks. Also, if the spouse or the earning member of the family expires, ESAF Cooperative provides a nominal amount to the member and give a supporting hand to the family.

PARTICULARS	NUMBERS	AMOUNT (In Lakhs)
Member Death(Normal) Claim Sanctioned	2496	1912.17
Member Death(Accident) Claim Sanctioned	94	94
Spouse Death (Normal) Claim Sanctioned	7673	1185.98
Spouse Death (Accident) Claim Sanctioned	427	427

## National Business Planning Meet 2020:

A Business Planning meeting was held at Lakkidi, Wayanad, on February 24 & 25 to evaluate the achievements of 2019-2020 against the target. Also, the meeting was meant to formulate the target for the year 2020-21. Head of Departments from different departments made presentations on way-forward strategies. State Heads, Regional Managers, Area Managers, and selected departmental representatives also attended the workshop.



## Lock down period activities

Face masks procurement from Sangam members: In an attempt to support the livelihood of our members, in the times of pandemic, we decided to procure face masks from Sangam members, subject to prescribed quality standards and pricing guidelines for distributing among our staff, other Sangam members and, the public at large.



Salary for March 2020 was disbursed a week early on March 24, 2020, as a gesture to give the staff moral support in the fight against the pandemic, especially when the nation was heading to a month long lockdown.

To make sure that we were honouring the efforts of Police Personnel and Health workers who were untiringly extending efforts for fighting the COVID 19 pandemic, staff members in and around the branch locality were encouraged to hand over packets containing mineral water, bottled fresh juices, fruits and snacks to them.

As an agri cooperative, we have encouraged Sangam members to start kitchen gardens throughout the lockdown period. The project was named "Subhiksham".

## ALL INDIA COOPERATIVE WEEK CELEBRATION



ESAF Cooperative celebrated 66<sup>th</sup> All India Cooperative Week from November 14<sup>th</sup> to November 20<sup>th</sup>, 2019 and Smt. Mereena Paul, Chairman of ESAF Cooperative hoisted Cooperative Flag in the Head Office premises.



On 20<sup>th</sup> November 2019, conducted a seminar on the topics - (1) Financial Inclusion, Technology, Adoption & Digitalization through Cooperatives. (2) Financial Inclusion challenges ahead, (3) Digital Micro Insurance for Cooperative Sector, (4) How to plan Inclusive Growth through Digitalization at Hotel Dass Continental, Thrissur. Sri. K. Paul Thomas, Founder ESAF Group of Social Enterprises inaugurated the seminar, Smt. Mereena Paul, Chairman ESAF Cooperative presided over the function. Prof. Philip Sabu, former Director, MBA Agri business, Kerala Agricultural University and Sri. E. Madhavan, Rtd. General Manager, RBI & former Banking Ombudsman, Kerala presented papers in the seminar.

## INFRA AND INFORMATION TECHNOLOGY INITIATIVES

### From Shop-in-shop concept to independent infrastructure model- Customer Service Centres

Hitherto, the Business Correspondent operations of ESAF Cooperative was mostly centered around the Banking outlets of ESAF Small Finance Bank. As a new initiative, ESAF Cooperative started rolling out Customer Service Centres, in the second half of 2019, which were primarily established to capture new Micro-banking business in highly remote areas not covered by the existing ESAF Small Finance Bank Branches. The idea is to establish customer touchpoints at a

very minimalistic level, by emphasizing functional and practical designs. Microfinance in India is not yet moved to a fully digital platform, hence conventional brick and mortar is needed for expanding to newer territories. ESAF Cooperative has envisaged a large scale expansion plan, which is well in tandem with the Business Plan of ESAF Small Finance Bank.

So far, we have rolled out 52 operational locations during the year under consideration, and plans are on the anvil to launch more such touch points in the next Financial Year.

The newly established model has been well received by the Customers. Currently, they serve newly acquired micro-banking customers. The units are self-sufficient, and it facilitates sourcing, disbursement and collection of services to customers of the Bank. We are also in the process of widening the scope by introducing Micro ATMs through agency banking channels. This will allow customers to enjoy cash related services like cash withdrawal and domestic fund transfer. In short, the Customer Service (CSC) touch-points are extended banking outlets operated for ESAF Small Finance Bank. It also covers non-banking activities, including Agri and Allied initiatives, thereby is instrumental in spreading the larger footprint of ESAF's unique triple bottomline approach.

## COOPERATIVE FACILITY MANAGEMENT SERVICES (CFMS)

### At a glance

Cooperative Facility Management Services (CFMS) was launched in 2016 to provide integrated facility management services to business houses, individual houses, and other entities. The idea is to integrate people, place, process, and technology to ensure efficient and safe functionality of the built environment. In line with the social business ownership concept, ESAF Co-operative has a unique corporate structure, wherein the self-help group members, who are at the bottom of the pyramid, will be the ultimate beneficiaries and the eventual owners of the entity.

Within a short period, CFMS was able to carve a niche for itself in its chosen area of specialization. The Organization has expanded its footprints into areas like House Keeping, Security Services, Event Management, Driving Management, Cash Management, and MEP Services. Also, the Organization has proved to be the right launch pad for aspiring job seekers, a fact which jells well with the values of ESAF, i.e., creating opportunities.

### CFMS and its Values

The brand identity of CFMS represents its values of handholding people from different classes of society. The Organization stands for creating employment opportunities to all, thereby upholding its larger motto of fighting the partiality of prosperity.

**CFMS Partners with valued customers**

CFMS is a customer-oriented facility management system that considers customer satisfaction as the cornerstone of success. The Organization now partners with multidisciplinary industries like Banks, Schools, Administrative Offices, and Hospitals.

**Specialities**

The availability of trained personnel at an affordable cost is the most important specialty of CFMS. We recruit personnel through a process and ensure high levels of quality and hygiene. Other specialties of our services include -

- Efficient workflow through the usage of ERP enabled ICT platform
- Engagement of authentic service personnel after conducting background checks & police verification
- Provision for deep cleaning
- Eco-friendly Waste Management System
- Adherence of legal rules in compliance with minimum wages act, ESI, PF, etc
- 24x7 e-care help desk
- Regular monitoring and supervision by trained supervisors

**CFMS TODAY**

<b>Head Office</b>	Mannuthy, Kerala
<b>Operations</b>	16 States + 2 Union Territories
<b>No. of Staff</b>	More than 700+



## JOYFUL STORIES OF TRANSFORMATION

### BAMBOOS BRING SHADE TO HER LIFE



Malti was born in a poor family in a village near Mandla in Madhya Pradesh. She was the youngest among seven siblings. Her parents were engaged in making bamboo products, and the money was not enough to survive for long. She got married to a daily wage laborer at a young age of 16. When she was 20, she lost her husband and was pregnant with her first child. Due to differences with her in-laws, she came back to her ancestral home. Soon, she gave birth to a girl child but didn't want to be a burden for her old parents. She had decided to launch a bamboo making unit of her own, as that was the only skill she knew for a living.

She invested the first loan of Rs 15000 from ESAF JLG for buying bamboo in bulk, so that she can make enough products that can be sold regularly. At first, she managed to earn Rs 5,000 per month. Gradually, with higher loan amounts, she could buy and store the raw materials, which was enough for regular production that could bring her a monthly profit of Rs 5000. Her parents are happy that Malti is financially independent now. She was willing to work hard to lead a quality life. In 2018, she invested an IGL loan amount of Rs 50000 into animal husbandry and poultry farming " Now, I have a regular income to meet my family's needs. Also, I can give my daughter a quality life", said Malti. She is thankful to ESAF for being a pillar of strength during her hour of need. This venture has helped her to lead a life of dignity and self-worth.

### HARDWORK AND DETERMINATION SHOWS THE WAY

50 years of Sakunthala's life is an example of how perseverance pays off in one's life. Her life exemplifies that "a dream doesn't become reality through magic; it takes sweat, determination and hard work". Sakunthala from Ramanattukara, Kozhikode has been with ESAF for more than six years. She decided to join ESAF, when she realized that relying on the inconsistent income of her husband would not help her aim of leading a quality life. Being a daily wage earner, her husband did not have regular source of income. She said "I remember it was really tough time for us as the income earned was not at all enough to meet the daily expenses of the family that consisted of four members. It was during such struggling times I heard about ESAF self-help group from our relatives".

On hearing about the activities and services provided by ESAF she thought of being part of such a growing institution and took the initiative of understanding the rules and policies of forming an ESAF Sangam, named Pooja in her locality, she says enthusiastically. Although her husband did not allow her to be employed outside the village he nodded his head in agreement to indulge in the activities of ESAF.



Having learnt about ESAF's activities, she started associating with ESAF in 2014 and soon succeeded in availing an Income generation loan of Rs. 15000. To supplement her husband's tiny income, she opened a bakery and tea shop in her locality with the first loan amount provided by ESAF. It was undoubtedly a turning point in her life. She used the loan amount to complete patch work of rented room and to buy bakery products. She was confident about her new venture in the beginning and was fully committed to her job. No wonder her business began to flourish. Last year she got business loan of Rs. 75000. She invested it in her business. Now she earns around Rs. 2000 per day from bakery business of which she enjoys Rs.1000 as profit after meeting expenses of running a business. With the support of ESAF business loan she is planning to introduce live healthy snacks and meals at her shop. She believes this step would help her to generate more income and develop competitive edge.

She believes success of her business boosted up the confidence level of her whole family. She is thankful to ESAF for giving her loan at the nick of time. "I was the first women who started business in our locality and it was all possible because of the support of ESAF", she said thankfully.

### SHE INVESTS IN QUALITY LIFE



Latha Thilakan aged 59, lives in Cherpu, Thrissur and she is the secretary of Sruthilaya Sangham

promoted by ESAF. She once attended an awareness class conducted by ESAF on Clean Energy and Safe Drinking Water. She came to know about the water purifiers and its benefits. Since she has an open well, she was not having much worries about the water quality. By attending the awareness class, she understood the importance of purification. She has been using the water purifier since 2015, and appreciates the initiative of ESAF.

### LIGHTING LIVES



Sujatha Sasidharan, aged 40 is the owner of Devika Tea Shop at Athipotta, Alathur. This is the third year, she runs her tea shop with Solar light only. Her tea shop does not have any grid connection. Since she opens her shop early morning, she was depending a lot on emergency light. Every year she was forced to purchase a new emergency light, because all these lights were not working beyond the one year warranty period. To solve this problem, her husband supported her to go for a solar light. They approached ESAF and purchased a solar light. Today she runs the tea shop without any difficulties. She says that, ESAF's solar light helps her to increase her income.

### KNEADING DOUGH FOR A HEALTHY CULTURE

Keralites are now becoming more health-conscious, and Chappathi has become an integral part of their

daily diet. In most houses, Chappathi is now a more common option for dinner. Also, the wheat-eating migratory population has increased the demand for Chappathis, which are sold like hotcakes in most bakeries in Kerala.

Rency Pious from Upputhara, Idukki, was quick to sense this opportunity. At a time when her husband's business venture collapsed and when the family was going through severe financial distress, a loan from ESAF proved as a saving grace for her family. Using the first loan, she launched the Chappathi making unit and gave employment to women around her neighbourhood. She attributed her success to her team of ten women and their quality conscious approach. "We use the best wheat flour and do not compromise on the quality. Even after a day or two, the chappathis would remain soft" says, Rency proudly.



Over the last six years, her business grew in terms of profit and size, thanks to the timely loans provided by ESAF. She now earns a profit of Rs 25,000 after paying off all her expenses. Achoos Chappathy has become a household name in her area. People now place large orders with her for small parties and events. Of late, she has launched Achoos curry powder, which is also in high demand in her area. Like a true professional, she believes in studying the market and investing in products that are useful to them.

Rency's success shows that one should have faith in their abilities and never feel disheartened due to setbacks. She thanks ESAF for being a faithful companion, upon whom she could fall back on, during her troubled times. No wonder she was recognized for her initiatives by the Responsible Tourism Mission of Government of Kerala for offering quality home-made edible products. Her journey continues with enthusiasm, and ESAF SFB is here to handhold her venture through thick and thin.



Honourable Jharkhand Chief Minister Shri Raghubar Das inaugurating the factory of our Subsidiary Cedar Retail P Ltd at Dumka, Jharkhand.



### COOPERATIVE VALUES

ESAF Co-operative believes in the values of **self-help, self-responsibility, democracy, equality, equity and solidarity.**

# SUBHIKSHAM

An initiative to encourage Vegetable farming during the lockdown



## COVID RELIEF ACTIVITY



## FLOOD REHABILITATION-100 HOMES - SNEHAVEEDU PROJECT



Smt. Renju Kuttan & Family, Angamaly



Smt. Nalini & Family, Vadanapilly



Smt. Karthu & Family, Varantharapilly



Smt. Ambily Unnikrishnan & Family, North Paravur

## INDEPENDENT AUDITOR'S OPINION

To the Members of "M/s.Esaf Swasraya Multi State Agro Co-operative Society Limited"

### OPINION

We have audited the accompanying financial statements of M/s.Esaf Swasraya Multistate Agro Co-operative Society Limited ("hereinafter the Society") 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, 2020, Statement of Profit and Loss Account, and its cash flows for the year ended on that date.

### BASIS OF OPINION

We conducted the audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent to the society in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our opinion.

### RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the society in accordance with the accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, which due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to ease the operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE 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 section 73(4) of Multi-State Co-operative Societies Act,2002 read with Section 27(2) of Multi-State Co-operative Societies Rules,2002 we report that:

1. We have obtained all the information and explanations to the best of his knowledge and belief were necessary for the purposes of his audit.
2. In our opinion, proper books of account have been kept by the multi-state co-operative society as far as appears from his examination of those books, and proper returns adequate for the purposes for our audit have been received from branches or offices of the Society.
3. The Society's balance-sheet and profit and loss account dealt with by this report are in agreement with the books of accounts and returns.
4. There is no material impropriety or irregularity in the expenditure or in the realization of money due to multi-state co-operative society.

As per the information and explanation given to us and based on our examination of books of accounts and other records, we have not come across any material instances which need to be reported under Rule 27(3) of Multistate Co-operative Societies Rules,2002.

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

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

Place: Chennai  
Date: 01-09-2020

## M/s. ESAF SWASRAYA MULTI STATE AGRO CO-OPERATIVE SOCIETY LTD.

(Formerly known as ESAF Swasraya Multistate Cooperative Credit Society Ltd)  
1st Floor, JSR SQUARE, KALATHODE, THRISSUR, KERALA - 680655

### Balance Sheet as at 31<sup>st</sup> March 2020

Particulars	Notes	As on 31 st March 2020 (Rs)	As on 31 st March 2019 (Rs)
<b>CAPITAL AND LIABILITIES</b>			
SHAREHOLDER'S FUNDS			
Share Capital	3	2,777,139,420.00	2,995,494,270.00
Reserves and Surplus	4	1,879,546,584.12	1,261,285,722.42
		<b>4,656,686,004.12</b>	<b>4,256,779,992.42</b>
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	3,329,432.00	4,159,836.00
Other Long Term Liabilities	6	340,096,389.55	624,355,075.63
		<b>343,425,821.55</b>	<b>628,514,911.63</b>
CURRENT LIABILITIES			
Other Current Liabilities	7	203,776,255.91	154,174,757.65
Short Term Provisions	8	292,674,695.62	370,551,110.07
		<b>496,450,951.53</b>	<b>524,725,867.72</b>
<b>Total</b>		<b>5,496,562,777.20</b>	<b>5,410,020,771.77</b>
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	9	109,929,068.64	16,237,849.72
Intangible Assets		1,939,236.00	2,081,877.46
		<b>111,868,304.64</b>	<b>18,319,727.18</b>
Non-Current Investments	10	4,249,527,362.51	3,848,977,362.51
Long Term Loans and Advances	11	66,403,267.00	81,202,089.00
		<b>4,315,930,629.51</b>	<b>3,930,179,451.51</b>
CURRENT ASSETS			
Short term loans and advances	12	4,496,901.00	6,458,063.00
Cash and Bank Balances	13	729,258,013.68	1,389,659,457.42
Other Current Assets	14	335,008,928.37	65,404,072.66
		<b>1,068,763,843.05</b>	<b>1,461,521,593.08</b>
<b>Total</b>		<b>5,496,562,777.20</b>	<b>5,410,020,771.77</b>

In terms of our report attached.  
For A. JOHN MORIS & CO.,  
Chartered Accountants  
FRN. 007220 S

Sd/-  
(G. KUMAR)  
Partner  
M.No.023082  
Place: Thrissur  
Date : 01.09.2020

For and on behalf of the Board of Directors

Sd/-  
Mereena Paul  
Chairman

Sd/-  
Jacob Samuel  
Director

Sd/-  
Paul.V.L  
Chief Executive Officer

**M/s. ESAF SWASRAYA MULTI STATE AGRO CO-OPERATIVE SOCIETY LTD.**

(Formerly known as ESAF Swasraya Multistate Cooperative Credit Society Ltd.)

1st Floor, JSR SQUARE, KALATHODE, THRISSUR, KERALA - 680655

**Statement of Profit and Loss for the Period ended 31<sup>st</sup> March 2020**

Particulars	Notes	As on 31 st March 2020 (Rs)	As on 31 st March 2019 (Rs)
<b>INCOME</b>			
Revenue from Operations	15	2,338,292,545.28	2,309,266,652.17
Other Income	16	235,267,207.01	249,498,808.54
<b>TOTAL REVENUE (A)</b>		<b>2,573,559,752.29</b>	<b>2,558,765,460.71</b>
<b>EXPENSES</b>			
Finance Cost	17	347,324.00	272,739.90
Employee benefits expense	18	1,326,369,121.23	1,216,991,101.14
Administration expenses	19	277,635,933.26	292,222,181.01
Depreciation and amortization exps	9	9,692,297.00	4,074,520.00
<b>TOTAL EXPENSES (B)</b>		<b>1,614,044,675.49</b>	<b>1,513,560,542.05</b>
Profit before exceptional and extraordinary items and tax (A) - (B)		959,515,076.80	1,045,204,918.66
Less: Exceptional items & Extraordinary Items		-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>959,515,076.80</b>	<b>1,045,204,918.66</b>
Less: Tax Expenses			
Current Tax		341,254,215.10	372,121,946.80
Previous Year Tax Provision reversed		-	-
		341,254,215.10	372,121,946.80
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>618,260,861.70</b>	<b>673,082,971.86</b>

In terms of our report attached.  
 For A. JOHN MORIS & CO.,  
 Chartered Accountants  
 FRN. 007220 S

Sd/-  
 (G. KUMAR)  
 Partner  
 M.No.023082  
 Place: Thrissur  
 Date : 01.09.2020

For and on behalf of the Board of Directors

Sd/-  
 Mereena Paul  
 Chairman

Sd/-  
 Jacob Samuel  
 Director

Sd/-  
 Paul .V.L  
 Chief Executive Officer

### Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2020

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	(Rs)	(Rs)	(Rs)	(Rs)
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	959,515,076.80		1,045,204,918.66	
<u>Adjustments for:</u>				
Depreciation and amortisation	9,692,297.00		4,074,520.00	
Operating profit / (loss) before working capital changes		<b>969,207,373.80</b>		<b>1,049,279,438.66</b>
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Trade receivables			-	
Short-term loans and advances	1,961,162.00		(359,688.00)	
Long-term loans and advances	14,798,822.00		(10,610,336.00)	
Other current assets	(269,604,855.71)		(15,277,905.92)	
		<b>(252,844,871.71)</b>		<b>(26,247,929.92)</b>
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Other current liabilities	49,601,498.26		40,004,182.59	
Short Term Provisions	3,370,651.27		99,901,020.27	
		52,972,149.53		139,905,202.86
Cash generated from operations		769,334,651.62		1,162,936,711.60
Net income tax (paid) / refunds		(422,501,280.82)		(236,540,679.30)
Net cash flow from / (used in) operating activities (A)		<b>346,833,370.80</b>		<b>926,396,032.30</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(57,033,264.46)		(6,940,933.34)	
Fixed Assets sold during the year			11,652.54	
Investments made during the year	(400,550,000.00)		(1,253,974,009.51)	
		(457,583,264.46)		(1,260,903,290.31)
Cash flow from extraordinary items				-
Net cash flow from / (used in) investing activities (B)		<b>(457,583,264.46)</b>		<b>(1,260,903,290.31)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	(218,354,850.00)		71,749,250.00	
Proceeds from long-term borrowings	(285,089,090.08)		123,905,615.58	
		(503,443,940.08)		195,654,865.58
Net cash flow from / (used in) financing activities (C)		<b>(503,443,940.08)</b>		<b>195,654,865.58</b>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(614,193,833.74)		(138,852,392.43)
Cash and cash equivalents at the beginning of the year		<b>1,389,659,457.42</b>		<b>1,528,511,849.85</b>
Cash and cash equivalents at the end of the year		<b>775,465,623.68</b>		<b>1,389,659,457.42</b>
Note: (i) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow Statements. (ii) Refer Note: 13 for items included in cash & cash equivalents.				

In terms of our report attached.  
For A. JOHN MORIS & CO.,  
Chartered Accountants  
FRN. 007220 S

Sd/-  
(G. KUMAR)  
Partner  
M.No.023082  
Place: Thrissur  
Date : 01.09.2020

For and on behalf of the Board of Directors

Sd/-  
Mereena Paul  
Chairman

Sd/-  
Jacob Samuel  
Director

Sd/-  
Paul.V.L  
Chief Executive Officer

## Notes forming part of the Financial Statements as on 31<sup>st</sup> March, 2020

Note	Particulars
1	<p>Society's Basic Information</p> <p>M/s.ESAF Swasraya Multi State Agro Cooperative Society Limited is registered with the central Registrar of Multi state cooperative societies, New Delhi as as Multi state cooperative Society on October 13, 2011, having Registration No. MSCS/CR/442/2011.</p> <p>The Society was originally having the name ESAF Swasraya Multistate Cooperative Credit Society Limited. As per the decision taken in the Annual General Body Meeting dated 27th May 2016, the Society decided to change its name as ESAF Swasraya Multistate Agro Cooperative Society Limited. The decision was approved by the Central Registrar of Cooperative Societies vide its Letter No. L-11015/77/2011 - L&amp;M dated 10th October 2016.</p> <p>The registered and Administrative Office of the Society is located at 1st Floor JSR Square, Kalathod, Thrissur - 680655</p> <p>The Principal activities of the Society is to engage in microfinance activities with the ultimate objective of benefiting the poor and downtrodden, mostly women (organized in the form of Self Help Groups) for enhancement of their livelihoods in a financially viable manner. The Operations of the Society is mostly concentrated within the State of Tamilnadu.</p> <p>The Society is a Business Correspondent of M/s ESAF Small Finance Bank Ltd and is having a separate vertical for providing House Keeping and Security Services called Cooperative Facility Management Services. Being an agri society, it is involved in creating market linkages for agri and allied products along with its subsidiaries like ESAF Swasraya Producers Company Ltd and Rhema Dairy Products India P Ltd. Apart from this Society is very active in EDP, skill training and livelihood support initiatives and was earlier partnering with International Finance Corporation on related projects.</p> <p>The Operations of the Society is mostly concentrated within the States of Kerala,Tamil Nadu, Madhya Pradesh, Chattisgarh and Maharashtra and the society is further licensed to operate also in the states of Rajasthan, Haryana and New Delhi.</p> <p>The Society has in its member fold 21,34,403(Twenty one lakhs thirtyfour thousand four hundred and three) members at the end of the financial year, spread over five states where the society is functioning.</p>
2	Significant accounting policies
2.1	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements of the Society have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies of society have been consistently applied with those used in the previous year.</p>
2.2	<p>Use of estimates</p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.</p>
2.3	<p>Fixed Assets</p> <p>Fixed assets are stated at cost net of depreciation. The cost of an asset comprises its purchase price and any other cost directly attributable for bringing the asset to the location in working condition for its intended use.</p>
2.4	<p>Depreciation and amortisation</p> <p>(i) Depreciation has been provided on the Written Down value method .</p> <p>(ii) Depreciation on additions is charged proportionately from the date of acquisition/installation.</p> <p>(iii) The society has decided to account as expenses the individual assets costing less than Rs.5000/- fully on the year of acquisition as it is not material as per the Society's management estimates</p>
2.5	<p>Revenue recognition</p> <p>Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured.</p> <p>Operating Income is recognised as and when they accrue.</p>
2.6	<p>Other income</p> <p>Interest income on Fixed Deposits with Banks is accounted on accrual basis.</p> <p>Dividend income is accounted as and when the right to receive it is established and in the year under consideration Dividend Income of investments made in Compulsorily Convertible Preference Shares are recognised.</p>

2.7	Investments
	Investments are classified into Current Investments and Non-Current Investments. Current Investments are carried at lower of Cost or Market price on the relevant date.
	Non-Current Investments on Quoted Equity shares are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Cost of investments include acquisition charges such as brokerage, fees and duties.
2.8	Employee benefits
	<p>a. Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, incentives and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits for current employees are estimated and measured on a undiscounted basis.</p> <p>b. Provident Fund and other defined benefit contribution</p> <p>Society is contributing to Provident fund and pension fund in accordance with Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the amount paid/payable during the year to Provident Fund is recognised in the Profit and Loss Account.</p> <p>c. Gratuity</p> <p>The society provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the ESAF Cooperative employees Gratuity Fund Trust (the "Trust"). Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by the statute.</p>
2.9	Borrowing costs
	Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings, if applicable, to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.
2.10	Segment reporting
	The Segmental reporting regulations are not applicable to the Society.
2.11	Taxes on income
	<p>Current tax is the amount of tax payable on the taxable income for the year after taking into consideration the benefits /disallowances admissible under the provisions of the Income Tax Act, 1961. Accordingly Minimum Alternate Tax which is in excess of Current Year Tax Liability is being carried forward as a Current Asset in the Balance Sheet.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.</p> <p>Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.</p> <p>Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Society has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.</p> <p>Current and Deferred Tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.</p>
2.12	Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with Current Year's classification disclosure

### Notes forming part of the Financial Statements as on 31<sup>st</sup> March 2020

#### NOTE 3. SHARE CAPITAL

PARTICULARS	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
Authorised Share Capital		
30,00,00,000 shares of face value of Rs.10/- each	3,000,000,000.00	3,000,000,000.00
Subscribed and Paid up Capital	2,777,139,420.00	2,995,494,270.00
<b>Total</b>	<b>2,777,139,420.00</b>	<b>2,995,494,270.00</b>

#### NOTE 4. RESERVES AND SURPLUS

PARTICULARS	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
Statutory Reserves *		
Opening Balance	455,045,113.56	212,735,243.56
Reserve Fund @25%	154,565,215.00	168,270,743.00
Education Fund for National Cooperative Union @ 1%	6,182,609.00	6,730,830.00
Fund For Unforeseen Losses @10%	61,826,086.00	67,308,297.00
<b>Sub - Total</b>	<b>677,619,023.56</b>	<b>455,045,113.56</b>
Balance of Profit & Loss A/c		
Opening Balance	806,240,608.86	375,467,507.00
Add: Profit for the year	618,260,861.70	673,082,971.86
Less: Transfer to Statutory Reserves	222,573,910.00	242,309,870.00
<b>Sub - Total</b>	<b>1,201,927,560.56</b>	<b>806,240,608.86</b>
<b>Total</b>	<b>1,879,546,584.12</b>	<b>1,261,285,722.42</b>

\*Note: Reserves created as per Section 63 of Multi state Cooperative Act, 2002

#### NOTE 5. LONG TERM BORROWINGS/DEPOSITS

PARTICULARS	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
Secured:		
Kotak Prime Vehicle loan	3,329,432.00	4,159,836.00
	<b>3,329,432.00</b>	<b>4,159,836.00</b>

**NOTE 6. OTHER LONG TERM LIABILITIES**

PARTICULARS	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
Members welfare fund	176,021,568.60	465,268,198.60
Contingency fund	144,801,083.95	144,448,403.03
Employee Leave Encashment Policy	19,273,737.00	14,638,474.00
<b>Total</b>	<b>340,096,389.55</b>	<b>624,355,075.63</b>

**NOTE 7. OTHER CURRENT LIABILITIES**

Particulars	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
<b>Statutory Payables</b>		
TDS	332,287.00	52,900.00
EPF, ESI ,PT & Labour Welfare Fund	18,068,926.00	14,504,312.00
GST Payable	50,773,221.33	62,814,083.02
<b>Payables to Related Parties for Assets acquired</b>		
Esaf Enterprise Development Foundation	18,846,900.00	18,846,900.00
Trade Payables	15,195,481.32	8,275,230.91
<b>Other Payables</b>		
Audit Fees	700,000.00	550,000.00
Caution Money	4,392,000.00	3,450,500.00
Project Funds (International Finance Corporation - (World Bank Group)	3,801,718.72	3,801,718.72
Expenses payable	91,665,721.54	41,879,113.00
<b>Total</b>	<b>203,776,255.91</b>	<b>154,174,757.65</b>

**NOTE 8. SHORT TERM PROVISIONS**

Particulars	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
Provision for Taxation	341,254,215.10	372,121,946.80
Less:		
TDS	119,058,628.02	123,662,114.00
TCS	-	17,180.00
Advance Tax for A.Y 2019-20	215,000,000.00	160,000,000.00
	<b>7,195,587.08</b>	<b>88,442,652.80</b>
Provision for Bonus to Employees	119,171,511.00	122,227,300.00
Provision for Gratuity to Employees	-	18,205,000.00
Provision for Salary, Allowances and Incentives	108,873,166.00	79,704,144.00
Other Provisions	57,434,431.54	61,972,013.27
<b>Total</b>	<b>292,674,695.62</b>	<b>370,551,110.07</b>

### Notes forming part of Financial Statements as on 31<sup>st</sup> March 2020

#### NOTE: 9 DETAILS OF FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31 st March 2019	As at 31 st March 2020	Rate %	As on 31.03.2019	Depreciation during the year	As at 31 st March 2020	As at 31 st March 2020	As at 31 st March 2019
	Additions							
	First Half Year	Second Half Year						
Tangible Assets								
Land	-	46,207,610.00	-	-	-	-	46,207,610.00	-
Computer & Accessories	10,015,045.94	2,441,808.25	40%	7,379,903.88	3,026,312.00	10,406,215.88	7,028,295.87	2,635,142.06
Vehicle	5,654,566.43	-	15%	1,279,741.00	656,224.00	1,935,965.00	3,718,601.43	4,374,825.43
Plant & Machineries	1,133,862.14	32,000.00	15%	434,914.31	109,642.00	544,556.31	621,305.83	698,947.83
Office Equipments	2,033,378.70	6,510,266.74	15%	804,106.91	2,417,132.00	3,221,238.91	22,071,752.05	1,229,271.79
Furniture & Fixtures	13,331,728.93	6,977,455.51	10%	6,032,066.32	2,345,191.00	8,377,257.32	30,281,503.46	7,299,662.61
<b>Sub Total</b>	<b>32,168,582.14</b>	<b>15,961,530.50</b>		<b>15,930,732.42</b>	<b>8,554,501.00</b>	<b>24,485,233.42</b>	<b>109,929,068.64</b>	<b>16,237,849.72</b>
Intangible Assets								
Software	6,482,427.42	530,071.84	40%	4,400,549.96	1,137,796.00	5,538,345.96	1,939,236.00	2,081,877.46
<b>Total</b>	<b>38,651,009.56</b>	<b>16,491,602.34</b>		<b>20,331,282.38</b>	<b>9,692,297.00</b>	<b>30,023,579.38</b>	<b>111,868,304.64</b>	<b>18,319,727.18</b>

**NOTE 10. NON CURRENT INVESTMENTS**

Particulars	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
<b>Investment in Equity Shares of subsidiary companies</b>		
Rhema Dairy Products India (P) Ltd.	48,956,650.00	48,956,650.00
ESAF Swasraya Producers Company Ltd	4,212,380.00	4,212,380.00
Esaf Financial Holdings (P) Ltd	1,791,054,453.00	1,371,054,453.00
Cedar Retail (P) Ltd.	1,368,690.00	1,368,690.00
ESAF Healthcare Services (P) Ltd.	20,200,100.00	19,700,100.00
ESAF Small Finance Bank Ltd	855,374,009.51	855,374,009.51
Lahanti Lastmile Services Pvt Ltd	30,000,000.00	-
<b>Investment in Preference Shares</b>		
Esaf Financial Holdings (P) Ltd	151,251,500.00	151,251,500.00
Cedar Retail (P) Ltd.	14,384,580.00	14,384,580.00
ESAF Healthcare Services (P) Ltd.	2,675,000.00	2,675,000.00
<b>Investment in Non Convertible Debentures/PDIs</b>		
NCDs - ESAF Small Finance Bank Ltd (SUBORDINATE DEBT)	850,000,000.00	850,000,000.00
PDIs - ESAF Small Finance Bank Ltd	480,000,000.00	480,000,000.00
CEDAR INCLUSIVE FINANCE TRUST 1	-	50,000,000.00
New India Travel Co operative Society	50,000.00	-
<b>Total</b>	<b>4,249,527,362.51</b>	<b>3,848,977,362.51</b>

**NOTE 11. LONG TERM LOANS & ADVANCES**

Particulars	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
Advance for land	44,365,104.00	69,365,104.00
<b>Security Deposits</b>		
Rent Advances & Deposits	21,541,408.00	11,368,771.00
Telephone Deposit	3,350.00	3,350.00
Electricity Deposit	493,405.00	464,864.00
<b>Total</b>	<b>66,403,267.00</b>	<b>81,202,089.00</b>

**NOTE 12. SHORT TERM LOANS & ADVANCES**

Particulars	As on 31 st Mar 2020	31 st March 2019
	(Rs)	(Rs)
Staff Advances	4,496,901.00	6,458,063.00
<b>Total</b>	<b>4,496,901.00</b>	<b>6,458,063.00</b>

**NOTE 13. CASH AND BANK BANK BALANCES**

Particulars	As on 31 st Mar 2020 (Rs)	31 st March 2019 (Rs)
a)Cash in Hand	-	-
b) Balances with Banks		
Current/Savings Account	687,773,707.68	1,384,584,457.42
Term Deposit	41,484,306.00	5,075,000.00
<b>Total</b>	<b>729,258,013.68</b>	<b>1,389,659,457.42</b>

**NOTE 14. OTHER CURRENT ASSETS**

Particulars	As on 31 st Mar 2020 (Rs)	31 st March 2019 (Rs)
Receivable from Redemption of Non Convertible Debentures	-	1,400,000.00
Income Receivable as Business Correspondent	238,853,339.60	6,801,057.50
Facilitation charges receivable	35,871,134.21	8,314,854.68
Income from NCDs/PDI/FD receivable	17,445,193.58	17,627,396.00
Employees Leave Encashment Scheme	20,702,600.00	14,828,338.83
<b>Other Receivables</b>		
Dividend on CCPs receivable	12,819,349.00	12,100,120.00
Esaf Financial Holdings (P) Ltd	-	453,002.00
Staff receivables	4,069,881.26	647,924.76
Other receivables	5,247,430.72	2,775,864.00
TDS receivable	-	455,514.89
<b>Total</b>	<b>335,008,928.37</b>	<b>65,404,072.66</b>

### Notes forming part of the Financial Statements as on 31<sup>st</sup> March 2020

#### 15 REVENUE FROM OPERATIONS

PARTICULARS	As on 31 st Mar 2020 (Rs)	As on 31 st March 2019 (Rs)
(a) Admission fees	2,062,500.00	47,727,280.00
(b) Members Welfare Admin charges	494,285.00	36,845,492.00
(c) Income from Business Correspondent Services	2,228,441,449.14	2,155,438,183.18
(d) Income from Facility Management Services	96,415,690.14	69,255,696.99
(e) Facilitation Charges	10,878,621.00	-
<b>Total</b>	<b>2,338,292,545.28</b>	<b>2,309,266,652.17</b>

#### 16 OTHER INCOME

PARTICULARS	As on 31 st Mar 2020 (Rs)	As on 31 st March 2019 (Rs)
(a) Interest on Savings bank accounts	51,997,849.00	68,395,764.51
(b) Interest on Term deposits	8,977,339.00	10,467,226.00
(c) Dividend from Investments	13,639,691.00	13,538,578.00
(d) Income from Investments	159,685,473.01	156,171,135.53
(e) Other income	966,855.00	926,104.50
<b>Total</b>	<b>235,267,207.01</b>	<b>249,498,808.54</b>

#### 17 FINANCE COST

PARTICULARS	As on 31 st Mar 2020 (Rs)	As on 31 st March 2019 (Rs)
Interest paid on vehicle Loan	347,324.00	272,739.90
<b>Total</b>	<b>347,324.00</b>	<b>272,739.90</b>

#### 18 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	As on 31 st Mar 2020 (Rs)	As on 31 st March 2019 (Rs)
Salaries, Allowances & Incentives	1,286,674,766.75	1,183,169,777.86
Staff welfare expenses	27,189,328.42	9,914,529.60
Staff Recruitment & Training	12,505,026.06	5,701,793.68
Gratuity Expenses	-	18,205,000.00
<b>Total</b>	<b>1,326,369,121.23</b>	<b>1,216,991,101.14</b>

**19 ADMINISTRATION EXPENSES**

<b>PARTICULARS</b>	<b>As on 31 st Mar 2020 (Rs)</b>	<b>As on 31 st March 2019 (Rs)</b>
Facilitation charges	6,872,394.00	108,835,219.00
Members Training Programmes	4,854,430.00	5,116,608.50
Travelling Expenses	181,353,403.09	50,008,857.23
Meeting Expenses	5,598,680.65	3,995,162.00
Annual Maintanance Charge	866,464.00	361,836.00
Rates and Taxes	21,640.00	4,000.00
Consultancy Fees	9,727,986.00	5,837,887.00
Members Welfare programmes	1,053,417.00	7,380,429.84
GST Expenses	3,795,322.82	15,423,244.20
Interest on Taxes	11,884,033.20	12,752,314.70
Rent	13,003,764.00	5,232,612.00
Water & Electricity Charges	2,018,919.00	1,335,619.00
Office Maintenance & warehousing	3,888,185.75	1,848,520.85
Telephone and Internet charges	13,128,339.81	12,654,761.43
Postage & Courier	1,183,449.64	1,336,906.55
Printing & Stationery	2,958,509.76	1,337,700.02
Agri Expenses	256,988.00	169,175.00
Bank charges	132,272.43	71,011.79
Payment to Auditors	1,226,282.25	765,872.18
Insurance Expenses	333,076.00	132,748.00
General Expenses	10,255,784.86	6,573,868.02
Flood relief Expenses	3,222,591.00	51,047,827.70
<b>Total</b>	<b>277,635,933.26</b>	<b>292,222,181.01</b>

**Note 19.1**

<b>Payment to auditors comprises of the following net of service tax wherever applicable</b>	<b>As on 31 st Mar 2020 (Rs)</b>	<b>As on 31 st March 2019 (Rs)</b>
Statutory Audit	700,000.00	600,000.00
GST Audit	200,000.00	-
Reimbursement of expenses	326,282.25	165,872.18
<b>Total</b>	<b>1,226,282.25</b>	<b>765,872.18</b>

## Notes forming part of the Financial Statements as on 31<sup>st</sup> March 2020

### Note 20 Disclosures under Accounting Standard - 18

#### Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Chairman	Mereena Paul
Subsidiaries	Cedar Retail (P) Ltd (formerly known as ESAF Retail (P) Ltd.
	ESAF Financial Holdings (P) Ltd( formerly known as ESAF Micro Finance and Investments Private Limited)
	ESAF Swasraya Producers Company Ltd.
	Rhema Dairy Products India (P) Ltd.
	ESAF Healthcare Services (P) Ltd.
	Lahanti Lastmile Services (P) Ltd.
Entities in which Society can Exercise Significant Influence	Evangelical Social Action Forum
	ESAF Financial Holdings (P) Ltd( formerly known as ESAF Micro Finance and Investments Private Limited)
	Rhema Dairy Products India (P) Ltd.
	Cedar Retail (P) Ltd (formerly known as ESAF Retail (P) Ltd.)
	ESAF Healthcare Services (P) Ltd.
	ESAF Cooperative Employees Group Gratuity Fund Trust
	ESAF Swasraya Producers Company Ltd

Note: Related parties have been identified by the Management.

### Disclosure of transactions and Outstanding Balances as on 31st March 2020

Particulars	Related Party	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>A. Transactions during the Year</b>			
1. Facilitation charges received	Cedar Retail (P) Ltd (formerly known as ESAF Retail (P) Ltd.)	10,878,621.00	-
2. Contractual consideration		7,971,976.00	3,617,331.00
3. Payment to Gratuity Trust	ESAF Cooperative Employees Group Gratuity Fund Trust	-	18,205,000.00
<b>B. Balances outstanding at the end of the year</b>			
4. Short Term Loans & Advances	Cedar Retail (P) Ltd (formerly known as ESAF Retail (P) Ltd.)	7,759,345.00	63,952.00
5. Advance for Land	ESAF Homes & Infrastructure (P) Ltd.	44,365,104.00	44,365,104.00
6. Investment in Compulsory Convertible Preference shares of Subsidiary companies	ESAF Financial Holdings (P) Ltd( formerly known as ESAF Micro Finance and Investments Private Limited)	151,251,500.00	151,251,500.00
	Cedar Retail (P) Ltd formerly known as ESAF Retail (P) Ltd.	14,384,580.00	14,384,580.00
	ESAF Healthcare Services (P) Ltd.	2,675,000.00	2,675,000.00

7. Investment in Equity Shares of subsidiary companies			
	Rhema Dairy Products India (P) Ltd.	48,956,650.00	48,956,650.00
	ESAF Swasraya Producers Company Ltd	4,212,380.00	4,212,380.00
	ESAF Financial Holdings (P) Ltd( formerly known as ESAF Micro Finance and Investments Private Limited)	1,791,054,453.00	1,371,054,453.00
	Cedar Retail (P) Ltd (formerly known as ESAF Retail (P) Ltd.)	1,368,690.00	1,368,690.00
	ESAF Healthcare Services (P) Ltd.	20,200,100.00	19,700,100.00
	Lahanti Lastmile Services (P) Ltd.	30,000,000.00	-
8. Interest on Compulsorily Convertible Preference Shares from Subsidiary Companies	ESAF Financial Holdings (P) Ltd( formerly known as ESAF Microfinance and Investments Private Limited)	12,100,120.00	12,100,120.00
9. Interest on Compulsorily Convertible Preference Shares from Subsidiary Companies	Cedar Retail (P) Ltd (formerly known as ESAF Retail (P) Ltd.)	719,229.00	1,438,458.00
10. Short Term Provision	ESAF Cooperative Employess Group Gratuity Fund Trust	-	18,205,000.00

### Note 21 Disclosures under Accounting Standard 15

#### 21 Employee Benefit Plans

##### a) Defined contribution Plans:-

The Society makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Society is required to contribute a specified percentage of the payroll costs to fund the benefits. The Society recognised Rs. 7,17,32,967/-for Provident Fund contributions and Rs. 2,83,74,213/- for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Society are at rates specified in the rules of the schemes.

##### b) Defined Benefit Plans:-

The Society 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	Rs in Thousands	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Current Service Cost	18,836	23,876
Interest cost	7,350	6,205
Expected return on plan assets	-6,522	-4,008
Actuarial Loss/(Gain)	-20,615	-7,868
Employer expense/(Income)	-951	18,205

Net (asset) / liability recognised in the Balance Sheet	Rs in Thousands	Rs in Thousands
Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of defined benefit obligation	102,123	100,679
Fair Value of plan assets	103,078	82,478
Net Liability /(Assets)	-955	18,201
Less: Unrecognised Past Service Cost	-	-
Net liability recognised in the Balance Sheet of Fund Trust	-955	18,201
<b>Change in defined benefit obligations (DBO) during the year</b>	<b>Rs in Thousands</b>	<b>Rs in Thousands</b>
<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
Present Value of DBO at the start of the year	100,679	81,639
Transfer In/(Out)		
Current Service Cost	18,836	23,876
Interest Cost	7,350	6,205
Benefits Paid		-
Past Service Cost	(4,508)	(3,486)
Actuarial Loss/(Gain)	(20,234)	(7,555)
Present Value of DBO at end of the year	102,123	100,679
<b>Actuarial Assumptions</b>	<b>Rs in Thousands</b>	<b>Rs in Thousands</b>
<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>For the year ended 31-March-2019</b>
Discount Rate	5.1%	7.3%
Salary escalation	10.0%	10.0%
Attrition rate	30.0%	10.0%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	8 years	8 years
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		
<b>Experience Adjustments</b>	<b>Rs in Thousands</b>	<b>Rs in Thousands</b>
<b>Particulars</b>	<b>2019-2020</b>	<b>2017-18</b>
Present value of DBO	102,123	100,679
Fair value of plan assets	103,078	82,478
Funded status [Surplus/(Deficit)]	955	(18,201)
Experience adjustment on plan liabilities: (Gain)/Loss	22	(10,194)
Experience adjustment on plan assets: Gain/(Loss)	114	630



## Cooperative Principles

### 1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

### 2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

### 3. Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

### 4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

### 5. Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

### 6. Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

### 7. Concern for Community

Cooperatives work for the sustainable development of their communities through policies accepted by the members.



**ESAF Swasraya Multi State Agro Co-operative Society Ltd.**  
Admin Office : 1<sup>st</sup> Floor, JSR Square Building  
Kalathode, Mannuthy Road, P.O. Ollukkara, Thrissur - 680 655, India.  
Ph.: 0487 2626324 | [www.esafcooperative.in](http://www.esafcooperative.in) | [communications@esafcooperative.com](mailto:communications@esafcooperative.com)