

USFB/CS/SE/2020-21/13

Date: May 19, 2020

To,

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra (E)
Mumbai - 400 051

BSE Limited
Listing Compliance
P.J. Tower,
Dalal Street
Mumbai - 400 001

Symbol: UJJIVANSFB

Scrip Code: 542904

Dear Sir/Madam,

Sub: Outcome of the meeting of the Board of Directors-Approval of Financial Results for the quarter and financial year ended March 31, 2020

Further to our letter bearing reference number USFB/CS/SE/2020-21/08 dated May 11, 2020 and pursuant to Regulation 30 and 33 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that further to the review by the Audit Committee, the Board of Directors of the Bank, at their meeting held on Tuesday, May 19, 2020, has considered and approved, *inter alia*, Audited Financial Results of the Bank for the quarter and financial year ended March 31, 2020 along with the Audit Report thereon issued by the statutory auditors of the Bank, M/s MSKA & Associates, Chartered Accountants.

A copy of aforesaid Audited Financial Results and Audit Report thereon issued by the statutory auditors of the Bank, a copy of press release and the investor presentation on financial and business performance of the Bank for quarter and financial year ended March 31, 2020 are enclosed herewith.

The meeting of the Board of Directors commenced at 12:30 P.M and concluded at 04:30 P.M

This intimation shall also be available on the Bank's website at www.ujjivansfb.in.

We request you to take note of the above.

Thanking You,

Yours faithfully,
For UJJIVAN SMALL FINANCE BANK LIMITED



Chanchal Kumar
Company Secretary and Compliance Officer

Ujjivan Small Finance Bank Ltd.

Registered Office: Plot No. 2364/8, Khampur Raya Village, Shadi Kampur, Main Patel Road, New Delhi-110008.

Tel: +91 11 30432121, Fax: +91 11 30432111.

Head Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru-560095.

Tel: +91 80 40712121, Fax: +91 80 4146 8700.

CIN: L65110DL2016PLC302481 W www.ujjivansfb.in E ujjivan.blr@ujjivan.com

INDEPENDENT AUDITOR'S REPORT**TO THE BOARD OF DIRECTORS OF UJJIVAN SMALL FINANCE BANK LIMITED****Report on the Audit of the Financial Results****Opinion**

We have audited the accompanying Financial Results of **Ujjivan Small Finance Bank Limited** ("the Bank") for the quarter and year ended March 31, 2020 (the "Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Regulations"). Attention is drawn to the fact that the figures for the corresponding quarter ended March 31, 2019, as reported in the Statement have been approved by the Bank's Board of Directors, but have not been subjected to review.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulations; and
- ii. gives a true and fair view, in conformity with the recognition and measurement principle laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014, as amended to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information for the year ended March 31, 2020.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 15 to the financial results, which describes that the extent to which the COVID 19 Pandemic will impact the Bank's result will depend on future developments, which are incapable of assessment at this point in time.

Our opinion is not modified in respect of this matter.

Board of Directors' Responsibility for the Statement

This Statement have been compiled from the annual audited financial statements. The Bank's Board of Directors are responsible for the preparation of the Statement that gives a true and fair view of the net profit and other financial information in accordance with the Accounting Standards specified under section 133 of the Act, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Statement by the Directors of the Bank, as aforesaid.

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

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

Auditors' Responsibilities for the Audit of the Statement

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The Financial Results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared which were subject to limited review by us.

Our opinion on the statement is not modified in respect of the above matter.

For MSKA & Associates **Chartered Accountants**

ICAI Firm Registration No. 105047W

SD/-

Swapnil Kale

Partner

Membership No.117812

UDIN: 20117812AAAAGD6884

Mumbai

May 19, 2020

UJIVAN SMALL FINANCE BANK LIMITED

CIN: L65110DL2016PLC302481

Registered Office: Plot No. 2364/8, Khampur Raya Village, Main Patel Nagar Road, Shadi Khampur, New Delhi - 110 008
Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095

Website: www.ujivansfb.in Phone: +91 80 4071 2121

Audited Financial Results for the Quarter and Year Ended March 31, 2020

(Rs. in Lacs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited) (Refer Note 12)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	73,749	70,642	53,590	2,70,360	1,83,161
	a) Interest/ discount on advances/ bills	69,822	66,647	50,277	2,55,171	1,72,849
	b) Income on Investments	3,620	3,602	2,859	13,870	9,310
	c) Interest on balances with Reserve Bank of India and other interbank funds	307	292	58	773	243
	d) Others	-	101	396	546	759
2	Other income (Refer note 9)	7,216	7,489	6,633	32,221	20,596
3	Total Income (1)+(2)	80,965	78,131	60,223	3,02,581	2,03,757
4	Interest Expended	27,085	27,989	21,619	1,07,001	72,520
5	Operating Expenses (i)+(ii)	34,820	35,741	30,146	1,31,857	1,00,335
	(i) Employees Cost	18,490	19,641	15,061	71,849	51,880
	(ii) Other Operating Expenses	16,330	16,100	15,085	60,008	48,455
6	Total Expenditure (4)+(5)	61,905	63,730	51,765	2,38,858	1,72,855
	[excluding provisions & contingencies]					
7	Operating Profit before Provisions & Contingencies (3)-(6)	19,060	14,401	8,458	63,723	30,902
8	Provisions (other than tax) and Contingencies	9,688	3,053	1,237	17,099	4,060
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7)-(8)-(9)	9,372	11,348	7,221	46,624	26,842
11	Tax Expense	2,057	2,382	843	11,632	6,920
12	Net Profit from Ordinary Activities after tax (10)-(11)	7,315	8,966	6,378	34,992	19,922
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit for the year (12)-(13)	7,315	8,966	6,378	34,992	19,922
15	Paid up equity share capital (Face Value of Rs 10/- each)	1,72,822	1,72,822	1,44,004	1,72,822	1,44,004
16	Reserves excluding revaluation reserves	-	-	-	1,23,808	17,959
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio - BASEL II (Refer note 10)	28.82%	28.38%	18.95%	28.82%	18.95%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*					
	Basic EPS (Rs)	0.42	0.58	1.20	2.19	1.20
	Diluted EPS (Rs)	0.42	0.58	1.20	2.18	1.20
	(iv) NPA Ratios					
	(a) Gross NPAs	13,714	12,945	9,785	13,714	9,785
	(b) Net NPAs	2,749	5,149	2,755	2,749	2,755
	(c) % of Gross NPAs to Gross Advances	0.97%	0.95%	0.92%	0.97%	0.92%
	(d) % of Net NPAs to Net Advances	0.20%	0.38%	0.26%	0.20%	0.26%
	(v) Return on assets (average)*	0.42%	0.54%	0.51%	2.21%	1.88%

* Figures for the quarters are not annualised



UJIVAN SMALL FINANCE BANK LIMITED CIN: L65110DL2016PLC302481 Registered Office: Plot No. 2364/8, Khampur Raya Village, Main Patel Nagar Road, Shadi Khampur, New Delhi - 110 008 Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095 Website: www.ujivansfb.in Phone: +91 80 4071 2121						
Segment information in accordance with Accounting Standard on Segment Reporting (AS-17) of the operating segment of the Bank is as under: (Rs. in Lacs)						
S.No	Particulars	Quarter ended			Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
		March 31, 2020 (Audited) (Refer Note 12)	December 31, 2019 (Unaudited)	MARCH 31, 2019 (Unaudited)		
1	Segment Revenue					
(a)	Treasury	3,965	4,004	3,386	19,781	13,113
(b)	Retail Banking	75,421	72,478	56,344	2,77,268	1,90,006
(c)	Wholesale Banking	1,579	1,649	493	5,532	638
(d)	Unallocated	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-
	Income from operations	80,965	78,131	60,223	3,02,581	2,03,757
2	Segment Results					
(a)	Treasury	(272)	36	253	4,241	2,612
(b)	Retail Banking	11,513	11,744	8,463	48,845	30,081
(c)	Wholesale Banking	(123)	(25)	41	153	12
(d)	Unallocated	(1,746)	(407)	(1,536)	(6,615)	(5,863)
	Total Profit Before Tax	9,372	11,348	7,221	46,624	26,842
3	Segment Assets					
(a)	Treasury	3,55,489	3,01,709	2,52,354	3,55,489	2,52,354
(b)	Retail Banking	14,26,434	13,73,624	10,94,596	14,26,434	10,94,596
(c)	Wholesale Banking	54,916	54,628	22,505	54,916	22,505
(d)	Unallocated	4,284	6,080	4,766	4,284	4,766
	Total Assets	18,41,123	17,36,041	13,74,221	18,41,123	13,74,221
4	Segment Liabilities					
(a)	Treasury	3,55,489	3,01,709	2,52,354	3,55,489	2,52,354
(b)	Retail Banking	11,27,771	10,84,377	9,17,399	11,27,771	9,17,399
(c)	Wholesale Banking	39,091	39,126	22,505	39,091	22,505
(d)	Unallocated	-	-	-	-	-
	Total Liabilities	15,22,351	14,25,212	11,92,258	15,22,351	11,92,258
5	Capital Employed (Segment Assets - Segment Liabilities)					
(a)	Treasury	-	-	-	-	-
(b)	Retail Banking	2,98,663	2,89,247	1,77,197	2,98,663	1,77,197
(c)	Wholesale Banking	15,825	15,502	-	15,825	-
(d)	Unallocated	4,284	6,080	4,766	4,284	4,766
	Total	3,18,772	3,10,829	1,81,963	3,18,772	1,81,963

A) **Treasury:** The Treasury Segment primarily consists of net interest earnings from the Bank's Investment portfolio, money market borrowing and lending, gains or losses on Investment operations and income from sale of Priority Sector Lending Certificates ("PSLC").

B) **Retail Banking:** The Retail Banking Segment serves retail customers through a branch network and other delivery channels. Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment. This segment raises deposits from customers and provides loans and other services to customers. Revenues of the retail banking segment are derived from interest earned on retail loans, processing fees earned and other related incomes. Expenses of this segment primarily comprise interest expense on deposits & borrowings, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

C) **Whole Sale Banking:** The Wholesale Banking Segment provides loans to Corporates and Financial Institutions. Revenues of the wholesale banking segment consist of interest earned on loans made to customers. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses of delivery channels, specialist product groups, processing units and support groups.

Notes :

- 1) Statement of Assets and Liabilities as at March 31, 2020 is given below:

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
CAPITAL AND LIABILITIES		
Capital	1,92,822	1,64,004
Employees Stock Options and Purchase Outstanding	2,142	-
Reserves and Surplus	1,23,808	17,959
Deposits	10,78,048	7,37,944
Borrowings	3,95,327	4,16,609
Other Liabilities and Provisions	48,976	37,705
Total	18,41,123	13,74,221
ASSETS		
Cash and Balances with Reserve Bank of India	1,22,487	44,646
Balances with Banks and Money at Call and Short notice	11,842	64,800
Investments	2,39,614	1,52,662
Advances	14,04,364	10,55,245
Fixed Assets	30,048	28,445
Other Assets	32,768	28,423
Total	18,41,123	13,74,221



2) Statement of Cashflow as at March 31, 2020 is given below:

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
Cash Flow from Operating Activities		
Profit before taxation	46,624	26,842
Adjustments for :		
Depreciation on Bank's Property	7,263	6,060
Loss on sale of Land, Building & Other assets (net)	19	114
Expense on employee stock option	2,142	-
Expense on employee stock purchase	797	-
Fixed Assets Written off	9	1
Provision for Non Performing Assets	10,451	2,317
Provision for Standard Assets	6,641	1,742
Amortisation of premium on HTM investments	455	249
	74,401	37,325
Adjustments for :		
(Increase) /Decrease in Advances	(3,59,570)	(3,23,941)
(Increase)/Decrease in Investments	(87,407)	(29,663)
(Increase)/Decrease in Other Assets	(3,595)	(8,621)
Increase/ (Decrease) in Deposits	3,40,104	3,60,692
Increase/ (Decrease) in Other Liabilities	4,629	15,876
	(31,438)	51,668
Direct Taxes paid (net of funds)	(11,150)	(3,896)
Net Cash Flow generated from/(used in) Operating Activities (A)	(42,588)	47,772
Cash Flow from Investing Activities		
Proceeds from sale of Fixed Assets	59	113
Purchase of Fixed Assets including WIP	(8,953)	(14,899)
Net Cash Flow used in Investing Activities (B)	(8,894)	(14,786)
Cash Flow from Financing Activities		
Proceeds from issue of equity shares (net of issue expenses)	1,00,204	-
Increase/(Decrease) in Borrowings (Net)	(21,282)	31,324
Preference dividend paid during the year	(1,100)	(2,200)
Dividend distribution tax paid during the year	(226)	(452)
Net Cash Flow generated from Financing Activities (C)	77,596	28,672
Net Increase in Cash and Cash Equivalents (A+B+C)	26,114	61,658
Cash and Cash Equivalents at the beginning of the year	1,07,765	46,107
Cash and Cash Equivalents at the end of the year	1,33,879	1,07,765



- 3) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 19, 2020. The financial results for the quarter and year ended March 31, 2020 have been subjected to an audit by the statutory auditors of the Bank and the report thereon is unmodified.
- 4) The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the guidelines issued by the Reserve Bank of India (RBI).
- 5) The Bank has consistently applied its significant accounting policies in the preparation of its quarterly financial results and its annual financial statements during the years ended March 31, 2020 and March 31, 2019.
- 6) During the year, the Bank successfully raised capital of Rs 74,595 lacs through Initial Public Offer by issuing 20,27,02,702 equity shares of Rs 10/-each and Rs 25,000 lacs through private placement by issuing 7,14,28,570 equity shares of Rs 10 each at premium ranging from Rs 25 to Rs 27. The equity shares of the Bank got listed on December 12, 2019 on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
- 7) Bank has allotted 1,40,55,097 equity shares to eligible employees (including employees of Ujjivan Financial Services Limited "holding company") under Employee Stock Purchase Scheme (ESPS) 2019 at a price of Rs 35 per equity share including premium of Rs 25. The Bank has granted 4,07,99,100 options under the Employee Stock Option Plan (ESOP) 2019 to eligible employees of the Bank (including employees of the Bank's holding company). No options have vested as at March 31, 2020.
- 8) The Reserve Bank of India, vide its circular dated April 17, 2020 has directed that Banks shall not make any further dividend payouts from profits pertaining to the financial year ended March 31, 2020 until further instructions, with a view that Banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors of the Bank, at their meeting held on May 19, 2020, has not proposed any dividend for the year ended March 31, 2020.
- 9) Other income includes income from commission, exchange and brokerage, processing fees, profit on sale of investments, PSLC fee income and recoveries from accounts previously written off.
- 10) The Capital Adequacy Ratio ("CAR") has been computed as per operating guidelines for Small Finance Bank in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 06, 2016. The Bank has followed BASEL II standardized approach for credit risk in accordance with the operating guidelines issued by the RBI for Small Finance Banks. Further, the RBI vide its Circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk.
- 11) The Bank has appointed Mr. Nitin Chugh as Managing Director and Chief Executive Officer with effect from December 01, 2019.
- 12) The figures for the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial and the published year to date figures upto the end of the third quarter of the respective financial year.
- 13) Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.
- 14) Bank has considered ESOP reserve as Tier 1 capital for the computation of Capital Adequacy Ratio -BASEL II.
- 15) The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and companies, including the Bank, have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 46 days up till May 31, 2020 across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are incapable of assessment at this point in time, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning Norms). The Bank has made total provision of Rs 7,000 lacs for COVID 19 as on March 31, 2020 out of which Rs 4,897 lacs is in respect of accounts in default but standard against the potential impact of COVID-19. The provision held by the Bank are in excess of the RBI prescribed norms.
- 16) Figures for the previous year have been regrouped and reclassified wherever necessary to confirm to the current year presentation.

Bengaluru
May 19, 2020

By order of the Board
For Ujjivan Small Finance Bank Limited


Nitin Chugh
DIN: 01884659
Managing Director & CEO

