

Date: May 18, 2021

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, Fort,  
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, 2021**

Further to our letter bearing reference number USFB/CS/SE/2021-22/06 dated May 13, 2021 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 May 18, 2021, has, *inter alia*, considered and approved the Audited Financial Results of the Bank for the quarter and financial year ended March 31, 2021 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, 2021 are enclosed herewith.

The meeting of the Board of Directors commenced at 11:30 A.M. and concluded at 04:45 P.M.

This intimation shall also be available on the Bank's website at [www.ujjivansfb.in](http://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

## **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, 2021 ("the Statement") being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 Regulation 33 of the Listing 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, 2021.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's 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 12 to the financial results, which describes that the extent to which the COVID-19 pandemic will continue to impact the Bank's operations and its financial results will depend on ongoing and uncertain future developments.

Our opinion is not modified in respect of this matter.

### **Board of Directors' Responsibility for the Statement**

This Statement has been compiled from the annual audited financial statements. The Bank's Management and 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 of the Bank 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 Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and RBI Guidelines 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 Board of 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 of the Bank are also responsible for overseeing the Bank's financial reporting process.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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 auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 Statement includes the results for the quarter ended March 31, 2021 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 which were subjected to limited review by us.

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

**For MSKA & Associates**  
**Chartered Accountants**

ICAI Firm Registration No.105047W



**Swapnil Kale**  
Partner

Membership No. 117812  
UDIN: 21117812AAAAFH3627  
Mumbai  
May 18, 2021

**UJJIVAN SMALL FINANCE BANK LIMITED**

CIN: L65110KA2016PLC142162

Registered and Corporate Office: Grape Garden, No. 27, 3rd "A" Cross, 18th Main, 6th Block, Koramangala, Bengaluru - 560095, Karnataka  
Website: www.ujjivansfb.in Phone: +91 80 4071 2121

**Audited Financial Results for the Quarter and Year Ended March 31, 2021**

(Rs. in Lacs)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Audited) (Refer Note 6)	(Unaudited)	(Audited) (Refer Note 6)	(Audited)	(Audited)
<b>1</b>	<b>Interest Earned (a)+(b)+(c)+(d)</b>	<b>61,785</b>	<b>68,832</b>	<b>73,749</b>	<b>280,607</b>	<b>270,360</b>
	a) Interest/ discount on advances/ bills	56,443	63,775	69,822	260,038	255,171
	b) Income on Investments	4,217	4,530	3,620	17,298	13,870
	c) Interest on balances with Reserve Bank of India and other interbank funds	1,125	527	307	3,271	773
	d) Others	-	-	-	-	546
<b>2</b>	<b>Other Income (Refer note 10)</b>	<b>11,729</b>	<b>10,043</b>	<b>7,216</b>	<b>31,082</b>	<b>32,221</b>
<b>3</b>	<b>Total Income (1)+(2)</b>	<b>73,514</b>	<b>78,875</b>	<b>80,965</b>	<b>311,689</b>	<b>302,581</b>
<b>4</b>	<b>Interest Expended</b>	<b>24,973</b>	<b>25,604</b>	<b>27,085</b>	<b>107,751</b>	<b>107,001</b>
<b>5</b>	<b>Operating Expenses (i)+(ii)</b>	<b>32,675</b>	<b>32,893</b>	<b>34,820</b>	<b>123,008</b>	<b>131,857</b>
	(i) Employees Cost	16,928	20,394	18,490	74,878	71,849
	(ii) Other Operating Expenses	15,747	12,499	16,330	48,130	60,008
<b>6</b>	<b>Total Expenditure (4)+(5)</b>	<b>57,648</b>	<b>58,497</b>	<b>61,905</b>	<b>230,759</b>	<b>238,858</b>
	[excluding provisions & contingencies]					
<b>7</b>	<b>Operating Profit before Provisions &amp; Contingencies (3)-(6)</b>	<b>15,866</b>	<b>20,378</b>	<b>19,060</b>	<b>80,930</b>	<b>63,723</b>
<b>8</b>	<b>Provisions (other than tax) and Contingencies</b>	<b>(2,522)</b>	<b>58,345</b>	<b>9,688</b>	<b>79,910</b>	<b>17,099</b>
<b>9</b>	<b>Exceptional Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10</b>	<b>Profit/(Loss) from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>18,388</b>	<b>(37,967)</b>	<b>9,372</b>	<b>1,020</b>	<b>46,624</b>
<b>11</b>	<b>Tax Expense</b>	<b>4,739</b>	<b>(10,084)</b>	<b>2,057</b>	<b>190</b>	<b>11,632</b>
<b>12</b>	<b>Net Profit/(Loss) from Ordinary Activities after tax (10)-(11)</b>	<b>13,649</b>	<b>(27,883)</b>	<b>7,315</b>	<b>830</b>	<b>34,992</b>
<b>13</b>	<b>Extraordinary items (net of tax expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>14</b>	<b>Net Profit/(Loss) for the year (12)-(13)</b>	<b>13,649</b>	<b>(27,883)</b>	<b>7,315</b>	<b>830</b>	<b>34,992</b>
<b>15</b>	<b>Paid up equity share capital (Face Value of Rs 10/- each)</b>	<b>172,831</b>	<b>172,825</b>	<b>172,822</b>	<b>172,831</b>	<b>172,822</b>
<b>16</b>	<b>Reserves excluding revaluation reserves</b>				<b>124,671</b>	<b>123,808</b>
<b>17</b>	<b>Analytical Ratios</b>					
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio - BASEL II (Refer note 11)	26.44%	26.93%	28.82%	26.44%	28.82%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*					
	Basic EPS (Rs)	0.79	(1.61)	0.42	0.05	2.19
	Diluted EPS (Rs)	0.79	(1.61)	0.42	0.05	2.18
	(iv) NPA Ratios					
	(a) Gross NPAs	107,060	13,058	13,714	107,060	13,714
	(b) Net NPAs	42,458	640	2,749	42,458	2,749
	(c) % of Gross NPAs to Gross Advances	7.07%	0.96%	0.97%	7.07%	0.97%
	(d) % of Net NPAs to Net Advances	2.93%	0.05%	0.20%	2.93%	0.20%
	(v) Return on assets (average)*	0.69%	(1.51)%	0.42%	0.04%	2.21%

\* Figures for the quarters are not annualised



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Segment information in accordance with Accounting Standard on Segment Reporting (AS-17) of the operating segment of the Bank is as under:

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Audited) (Refer Note 6)	(Unaudited)	(Audited) (Refer Note 6)	(Audited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>					
(a)	Treasury	8,259	9,805	3,965	31,931	19,781
(b)	Retail Banking	63,899	67,712	75,421	274,084	277,268
(c)	Wholesale Banking	1,356	1,358	1,579	5,674	5,532
(d)	Unallocated	-	-	-	-	-
	Less: Inter-segment revenue					
	<b>Income from operations</b>	<b>73,514</b>	<b>78,875</b>	<b>80,965</b>	<b>311,689</b>	<b>302,581</b>
<b>2</b>	<b>Segment Results</b>					
(a)	Treasury	2,834	4,157	(272)	10,293	4,241
(b)	Retail Banking	16,545	(41,153)	11,513	(4,817)	48,845
(c)	Wholesale Banking	1,001	864	(123)	2,974	153
(d)	Unallocated	(1,992)	(1,835)	(1,746)	(7,430)	(6,615)
	<b>Total Profit Before Tax</b>	<b>18,388</b>	<b>(37,967)</b>	<b>9,372</b>	<b>1,020</b>	<b>46,624</b>
<b>3</b>	<b>Segment Assets</b>					
(a)	Treasury	493,033	496,623	355,489	493,033	355,489
(b)	Retail Banking	1,454,524	1,370,573	1,426,435	1,454,524	1,426,435
(c)	Wholesale Banking	64,865	50,795	54,916	64,865	54,916
(d)	Unallocated	25,623	23,582	4,284	25,623	4,284
	<b>Total Assets</b>	<b>2,038,045</b>	<b>1,941,573</b>	<b>1,841,124</b>	<b>2,038,045</b>	<b>1,841,124</b>
<b>4</b>	<b>Segment Liabilities</b>					
(a)	Treasury	493,033	496,623	355,489	493,033	355,489
(b)	Retail Banking	1,175,425	1,099,870	1,127,772	1,175,425	1,127,772
(c)	Wholesale Banking	47,712	37,116	39,091	47,712	39,091
(d)	Unallocated	-	-	-	-	-
	<b>Total Liabilities</b>	<b>1,716,170</b>	<b>1,633,609</b>	<b>1,522,352</b>	<b>1,716,170</b>	<b>1,522,352</b>
<b>5</b>	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>					
(a)	Treasury	-	-	-	-	-
(b)	Retail Banking	279,099	270,703	298,663	279,099	298,663
(c)	Wholesale Banking	17,153	13,679	15,825	17,153	15,825
(d)	Unallocated	25,623	23,582	4,284	25,623	4,284
	<b>Total</b>	<b>321,875</b>	<b>307,964</b>	<b>318,772</b>	<b>321,875</b>	<b>318,772</b>

**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 comprises of 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, 2021 is given below:

Particulars	(Rs. in Lacs)	
	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>CAPITAL AND LIABILITIES</b>		
Capital	192,831	192,822
Employees Stock Options and Purchase Outstanding	4,372	2,142
Reserves and Surplus	124,671	123,808
Deposits	1,313,577	1,078,048
Borrowings	324,732	395,327
Other Liabilities and Provisions	77,862	48,977
<b>Total</b>	<b>2,038,045</b>	<b>1,841,124</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	171,153	122,487
Balances with Banks and Money at Call and Short notice	86,597	11,842
Investments	251,645	239,614
Advances	1,449,395	1,404,364
Fixed Assets	28,073	30,048
Other Assets	51,182	32,769
<b>Total</b>	<b>2,038,045</b>	<b>1,841,124</b>





2) Statement of Cashflow as at March 31, 2021 is given below:

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2021 (Audited)	For the year ended March, 31 2020 (Audited)
<b>Cash Flow from Operating Activities</b>		
Profit before taxation	1,020	46,624
Adjustments for :		
Depreciation on Bank's Property	7,680	7,263
Loss on sale of Land, Building & Other assets (net)	77	19
Expense on employee stock option	2,230	2,142
Expense on employee stock purchase	-	797
Fixed Assets Written off	-	9
Provision for Non Performing Assets	61,074	10,451
Provision for Standard Assets	18,822	6,641
Interest earned on fixed deposits	830	95
Profit on sale of Held-to-maturity (HTM) securities	5,092	140
Amortisation of premium on HTM securities	1,301	455
	<b>98,126</b>	<b>74,636</b>
Adjustments for :		
(Increase) in Advances	(106,105)	(359,570)
Decrease/(Increase) in Investments in other than HTM securities	46,227	(20,787)
Decrease/(Increase) in Other Assets	2,729	(3,690)
Increase in Deposits	235,528	340,104
Increase in Other Liabilities	10,063	4,629
	<b>286,568</b>	<b>35,322</b>
Direct taxes paid (net of funds)	(20,900)	(11,150)
<b>Net Cash Flow generated from/(used in) Operating Activities (A)</b>	<b>265,668</b>	<b>24,172</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from sale of Fixed Assets	32	59
Purchase of Fixed Assets including work in progress	(5,814)	(8,953)
Investment in HTM securities (Net)	(64,651)	(66,760)
Deposits (created)/encashed with Banks and financial institutions	(65,212)	-
<b>Net Cash Flow used in Investing Activities (B)</b>	<b>(135,645)</b>	<b>(75,654)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (net of issue expenses)	43	100,204
Decrease in Borrowings (Net)	(70,595)	(21,282)
Preference dividend paid during the year	-	(1,100)
Dividend distribution tax paid during the year	-	(226)
<b>Net Cash Flow generated from Financing Activities (C)</b>	<b>(70,552)</b>	<b>77,596</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>59,471</b>	<b>26,114</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>133,879</b>	<b>107,765</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>193,350</b>	<b>133,879</b>

**Note:**

- 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 18, 2021. The financial results for the quarter and year ended March 31, 2021 have been subjected to an audit by the statutory auditors of the Bank. The report thereon is unmodified.
- 4) The above financial results 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, as amended, 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, 2021 and March 31, 2020.
- 6) The figures of the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year.
- 7) The RBI, vide notification dated December 04, 2020, stated that in view of the ongoing stress and heightened uncertainty on account of COVID-19, banks should continue to conserve capital to support the economy and absorb losses. The notification also stated that in order to further strengthen the banks' balance sheets, while at the same time support lending to the real economy, banks shall not make any dividend payment on equity/preference shares from the profits pertaining to the financial year ended March 31, 2020. The Bank did not declare final equity/preference dividend for the financial year ended March 31, 2020. However, the bank in its board meeting held on July 30, 2019, declared an interim preference dividend of 5.5% i.e. Rs 0.55 per preference share of Rs 10 each (within the maximum permissible coupon rate of 11%) amounting to Rs 1,100 lacs (excluding Dividend Distribution Tax) was paid during the financial year ended March 31, 2020.  
Given that the current "second wave" has significantly increased the number of COVID-19 cases in India and uncertainty remains, the Board of Directors of the Bank, at its meeting held on May 18, 2021, have considered it prudent to currently not propose any dividend for the financial year ended March 31, 2021.
- 8) During the year ended March 31, 2021, the Bank allotted 29,069 equity shares under Employee Stock Purchase Scheme (ESPS) 2019 and 61,967 equity shares pursuant to the exercise of options under the approved Employee Stock Option Plan (ESOP) 2019.
- 9) During the quarter ended December 31, 2020, the Bank had granted, 3,04,549 options to Senior Management under the ESOP 2019. However, as at March 31, 2021, 59,91,126 options have been lapsed, 81,70,136 options vested and are yet to be exercised and balance 2,68,80,420 options remains unvested.



- 10) 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.
- 11) The Capital Adequacy Ratio ("CAR") has been computed as per RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 06, 2016 on 'Operating Guidelines for Small Finance Banks'.  
The Bank has followed BASEL II standardized approach for credit risk in accordance with the aforesaid guidelines. 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.  
Further, the Bank has not considered contingent provisions created on account of COVID-19 stress for the purpose of computing CAR.
- 12) Consequent to the outbreak of COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.  
The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. The slowdown during the year has led to a decrease in loan originations and in collection efforts' efficiency. This may lead to a rise in the number of customers defaults and consequently an increase in provisions there against.  
The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Bank's operations and financial results will depend on ongoing as well as future developments, which are highly uncertain, 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 order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, the RBI through its circulars dated March 27, 2020 and April 17, 2020, permitted Banks to grant a moratorium, on the payment of all instalments and/ or interest, falling due between March 01, 2020 and May 31, 2020 to their borrowers. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

The quantitative disclosures as required by RBI circular dated April 17, 2020 for the year ended March 31, 2021 are given below:

Particulars	(Rs in lacs)
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular*	12,020
Term Loan Instalments: Rs 11,996 lacs Cash Credit / Overdraft: Rs 24 lacs	
Respective amount where asset classification benefits is extended*	12,020
Term Loan Instalments: Rs 11,996 lacs Cash Credit / Overdraft: Rs 24 lacs	
Provisions made during Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the circular	1,147
Provisions adjusted during the respective accounting periods against slippages in terms of paragraph 6 of the circular	929
Residual provisions as on March 31, 2021 in terms of paragraph 6 of the circular	218

\*represents outstanding balance as on March 31, 2021 in respect of such accounts.

Above disclosure includes all the accounts which were standard but overdue as on February 29, 2020 and remained overdue as on June 30, 2020.

- 13) The Honourable Supreme Court of India (Hon'ble SC), vide an interim order dated September 03, 2020 in the writ petition - Gajendra Sharma Vs Union of India & Anr., had directed that the accounts which were not declared Non-Performing Assets ('NPA') till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, an account, which was not declared NPA as at August 31, 2020, was not declared NPA subsequently as per the RBI's Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances ('IRAC Norms').

However, if the Bank had classified borrower accounts as NPA after August 31, 2020, the Bank's proforma Gross NPA ratio and proforma Net NPA ratio as at December 31, 2020 would have been 4.83% and 2.05% respectively. Pending disposal of the case, as a matter of prudence, the Bank had created provisions for interest reversal and loan loss in respect of these accounts, which was included in 'Provisions and Contingencies'.  
The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association Vs UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions/IRAC norms.

- 14) Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 6, 2020 are given below:

	(Rs in lacs, except number of accounts)				
Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window*	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan **
Personal Loans	36,412	10,099	-	-	1,010
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	226,664	50,357	-	-	5,036
<b>Total</b>	<b>263,076</b>	<b>60,456</b>	<b>-</b>	<b>-</b>	<b>6,046</b>

\* represents accounts which were restructured and active as on March 31, 2021.

\*\* Provisions held as on March 31, 2021.





- 15) The Bank has restructured accounts in accordance with RBI Circular on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances' - DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 06, 2018, DBR.No.BP.BC.18/21.04.048/2018-19 January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020.

(Rs in lacs except number of accounts)

Particulars	As at March 31, 2021	As at March 31, 2020
No. of Accounts Restructured	91,308	-
Amount	23,518	-

- 16) In accordance with the instructions in the aforesaid RBI circular dated April 07, 2021, the Bank shall refund/ adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been circulated by the Indian Banks Association ('IBA'). Based on the methodology recommended by the IBA, the Bank has calculated the said amount to be refunded and accordingly reduced Rs 3.50 lacs from the interest income for the year ended March 31, 2021.
- 17) The Code on Social Security, 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Bank will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 18) Figures of the previous period/ year have been regrouped/ reclassified wherever necessary to confirm to the current period's/ year's presentation.

Bengaluru  
May 18, 2021

By order of the Board  
For Ujjivan Small Finance Bank Limited

*Nitin Chugh*

Nitin Chugh  
DIN: 01884659  
Managing Director & CEO

