

INDEPENDENT AUDITORS REPORT

To the Board of Directors of Ujjivan Financial Services Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone financial results of Ujjivan Financial Services Limited (hereinafter referred to as the “Company”) for the quarter and year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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 aforesaid standalone financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter and year ended 31 March 2023.

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 SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company, 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 financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial results.

Management's and Board of Directors' Responsibilities for the Standalone Financial Results

These standalone financial results have been prepared on the basis of the standalone financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing 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 Company 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Management and the Board of Directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 standalone financial results.

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 standalone financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate 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 in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 appropriateness of this assumption. 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 standalone financial results 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results 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.

Varma & Varma

Chartered Accountants

Other Matter

- (a.) The Standalone Financial Results include the results for the quarter ended 31 March 2023 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 subject to limited review by us.

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

For **VARMA & VARMA**
Chartered Accountants
Firm Registration No. 004532S

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K P SRINIVAS
Partner

M. No. 208520

UDIN: 23208520BGUHDM4546

Place: New Delhi
Date: 18 May 2023

Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2023

(Indian Rupees in lakhs, except per share data)

Sr. No.	Particulars	For the quarter ended			For the year ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited [Refer note 5]	Unaudited	Audited [Refer note 5]	Audited	Audited
I	Revenue from operations	11,900	-	-	11,900	-
II	Other Income	247	218	168	825	675
III	Total Income (I+II)	12,147	218	168	12,725	675
	Expenses					
	Employee benefits expenses	17	16	7	61	112
	Depreciation	0	0	0	1	1
	Other expenses	67	71	43	251	261
IV	Total Expenses	84	87	50	313	374
V	Profit before tax (III-IV)	12,063	131	118	12,412	301
	Tax Expense:					
	Current tax	1,505	34	27	1,594	84
	In respect of earlier year(s)	(3)	4	-	2	-
	Deferred tax charge / (credit)	0	(0)	0	(0)	(0)
VI	Total tax Expense	1,502	38	27	1,596	84
VII	Profit for the period / year (V-VI)	10,561	93	91	10,816	217
VIII	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	Remeasurements of defined benefit plan	1	-	7	1	7
	Income tax relating thereto	(0)	-	(2)	(0)	(2)
	Total other comprehensive income for the period / year, net of tax	1	-	6	1	6
IX	Total Comprehensive Income for the period / year (VII+VIII)	10,562	93	97	10,817	222
X	Paid-up equity share capital (face value of Rs. 10/ share)	12,168	12,168	12,168	12,168	12,168
XI	Earnings per equity share:*					
	Basic (Rs.)	8.68	0.08	0.08	8.89	0.18
	Diluted (Rs.)	8.68	0.08	0.08	8.89	0.18

* Earnings per share for the interim periods are not annualised.

Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2023

Notes to standalone financial results :

1 Statement of Standalone Assets and Liabilities	(Rs. in lakhs)	
Particulars	March 31, 2023	March 31, 2022
ASSETS		
Financial assets		
Cash and cash equivalents	69	13
Bank balances other than above	17,297	12,616
Investments	1,67,983	1,67,983
Non - Financial assets		
Current tax assets (net)	72	70
Deferred tax assets (net)	1	1
Property, plant and equipment	3	1
Other non-financial assets	10	8
Total assets	1,85,435	1,80,694
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
Payables		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	17	15
Other financial liabilities	16	9
Non Financial liabilities		
Provisions	2	3
Other non-financial liabilities	82	82
Total liabilities	117	109
Equity		
Equity share capital	12,168	12,168
Other equity	1,73,150	1,68,416
Total equity	1,85,318	1,80,584
Total Liabilities and Equity	1,85,435	1,80,694

Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2023

2 Statement of Standalone Cash Flows	(Rs. in lakhs)	
Particulars	March 31, 2023	March 31, 2022
Cash flows from operating activities		
Profit before tax	12,412	301
Adjustments for:		
Depreciation expenses	1	1
Share based payments	-	0
Interest on fixed deposits	(823)	(675)
Operating cash flows before working capital changes	11,590	(372)
Changes in working capital:		
Financial Assets/ Liabilities		
Increase / (decrease) in trade payable	2	(7)
Non Financial Assets/ Liabilities		
(Increase) / decrease in other assets	(2)	18
(Increase) / decrease in bank balances other than cash and cash equivalents	(7)	-
Increase / (decrease) in provisions	0	1
Increase / (decrease) in other non financial liabilities	6	(16)
Cash flow used in operations	11,589	(376)
Income tax (paid) / refunds received, net	(1,598)	(90)
Net Cash generated from / (used in) operating activities (A)	9,992	(466)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2)	(0)
Proceeds from sale of property, plant and equipment	-	0
Maturity proceeds from fixed deposit placed with banks	12,410	12,330
Placement of fixed deposits with banks	(16,979)	(12,610)
Interest received on fixed deposits placed with banks	719	677
Net Cash (used in)/generated from investing activities (B)	(3,852)	397
Cash flows from financing activities		
Proceeds from share application money (net) received on exercise of ESOP	-	32
Interim dividend paid	(6,084)	-
Net Cash (used in)/ generated from Financing activities (C)	(6,084)	32
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	56	(37)
Cash and cash equivalents at the beginning of the year	13	50
Cash & Cash equivalents at the end of the year	69	13

Note: The above Standalone Cash Flow Statement has been prepared as per Ind AS 7 Statement of Cashflow specified under section 133 of the Companies Act, 2013.

- 3 The above financial results have been reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on May 18, 2023 in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. These financial results have been prepared in accordance with the recognition and measurement principles, prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 and other relevant rules issued thereunder and other recognized accounting principles generally accepted in India. The statutory auditors have issued an unmodified opinion on the above results.
- 4 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO of the Company. The Company being a NBFC-ND-SI-CIC (Core Investment Company) registered with the RBI under section 45-IA of the Reserve Bank of India Act, 1934, operates only in one Business Segment, accordingly it does not have any separate reportable segment as per Indian Accounting Standard 108 "Operating Segments".
- 5 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.

Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2023

- 6 During the year ended March 31, 2023, the Company has not allotted any equity shares to its employees or employees of the Subsidiary Bank under the Employees Stock Option Scheme. (Year ended 31 March 2022: 22,108 shares were issued).

As at March 31, 2023, the Company had granted 55,15,880 (March 31, 2022: 55,15,880) options under ESOP scheme of the Company, of which 8,28,182 (March 31, 2022: 8,28,182) options have been exercised, 39,14,746 (March 31, 2022: 30,06,810) options are expired/ lapsed, 7,72,952 (March 31, 2022: 16,80,888) vested options are yet to be exercised and Nil (March 31, 2022: Nil) Options are yet to be vested.

- 7 The following expenses included under 'Other expenses' exceed 10% of the total expenses: (Rs. in lakhs)

Particulars	Quarter Ended			Year Ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
Professional charges	16	34	8	73	61
Directors' Sitting fee	42	26	27	114	90
Donations	-	-	-	-	49

- 8 During the quarter ended March 31, 2023, the Board of Directors vide its meeting held on March 10, 2023 declared an interim dividend of Rs.5 per equity shares of Rs.10 each (March 31, 2022 - Nil).
- 9 The Board of Directors of the Company and Ujjivan Small Finance Bank, the Subsidiary ("the Bank") in their respective meetings held on October 14, 2022 have approved a scheme of amalgamation of the Company with the Bank in terms of Sections 230 to 232 of the Companies Act, 2013. In terms of the said scheme, the Company will be amalgamated into and with the Bank and all its assets, liabilities, contracts, employees, licenses, records and approvals will be transferred to and will be deemed to have been transferred to and vested in the Bank, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein. All the Key Managerial Personnel, and other employees of the Company who are in employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Bank, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by the Company as on the Effective Date. All proceedings by or against the Company shall continue by or against the Bank. The appointed date under the said Scheme is April 01, 2023 or such other date as may be approved by the NCLT. In consideration of the proposed merger, the Bank will allot to the shareholders of the Company as on the Record Date (to be fixed by the Board of the Bank), 116 (One hundred and sixteen) equity shares of the face value of Rs. 10/- each of the Bank, credited as fully paid-up, for every 10 (ten) equity shares of the face value of Rs. 10/- each fully paid-up held by such shareholders of the Company. The shares held by the Company in the Bank shall stand extinguished on the amalgamation taking effect. The RBI vide its letter dated February 01, 2023, has conveyed its "no-objection" to the said proposal for voluntary amalgamation of the Company with the Bank subject to NCLT and other regulatory approvals. Further, the Bank on March 09, 2023 has received the no-observation letters from the Stock Exchanges (NSE and BSE), based on which a joint application has been filed with the NCLT on March 29, 2023, by the Company and Bank. The Company is now awaiting the directions / orders from the Hon'ble NCLT, Bengaluru Bench.
- 10 The COVID-19, a global pandemic has affected the world economy over the last two to three years. The extent to which any new wave of COVID-19 will impact the Subsidiary's (Ujjivan Small Finance Bank Limited) operations will depend on ongoing as well as future developments, 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 us.
- 11 The amounts included in these financial results are reported in lakhs of Indian rupees (INR) except for shares and per share data, unless otherwise stated. The sign "0" in these financial results indicate that the amounts involved are below rounding off norms adopted by the Company and the sign "-" indicates that the amount is "NIL".

For and on behalf of the Board of Directors of;

Ujjivan Financial Services Limited

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Samit Ghosh

Non-Executive Director and Chairman

DIN: 00185369

Bengaluru

May 18, 2023

INDEPENDENT AUDITORS REPORT

To the Board of Directors of Ujjivan Financial Services Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying consolidated financial results of Ujjivan Financial Services Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), for the quarter and year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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 and based on the consideration of report of other auditors on separate audited financial statements of the subsidiary referred to in "Other Matters" section below, the aforesaid consolidated financial results:

a. include the financial results of the following entity:

Sl. No.	Name of the component	Relationship
1.	Ujjivan Small Finance Bank	Subsidiary

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the group for the quarter and year ended 31 March 2023.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, 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 financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of report of the other auditors referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Results

These consolidated financial results have been prepared on the basis of the consolidated financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each entity 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 consolidated financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Management and the Board of Directors of the entities included in the Group are responsible for assessing the Company'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 respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 consolidated financial results.

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 consolidated financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate 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 in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 appropriateness of this assumption. 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 consolidated financial results 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated financial results, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. (a) of the “Other Matters” paragraph in this audit report

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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a. The consolidated financial results include the audited financial results of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs.35,48,495 lakhs as at 31 March 2023, total income (before consolidation adjustments) of Rs.1,32,824 and Rs.4,67,846 lakhs for the quarter and year ended 31 March 2023 respectively and total net profit after tax (before consolidation adjustments) of Rs.24,509 lakhs and Rs.1,15,116 lakhs for the quarter and year ended 31 March 2023 respectively and net cash inflows (before consolidation adjustments) of Rs.15,060 lakhs for the year ended on that date, as considered in the consolidated financial results, which have been audited by its independent joint auditors. The independent auditor's report on these special purpose financial statements of this entity have been furnished to us by the management.

Our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

- b. The consolidated financial results include the results for the quarter ended 31 March 2023 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 subject to limited review by us.

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

For **VARMA & VARMA**
Chartered Accountants
Firm Registration No. 004532S

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K P SRINIVAS

Partner

M. No. 208520

UDIN: 23208520BGUHDN5044

Place: New Delhi
Date: 18 May 2023

UJJIVAN FINANCIAL SERVICES LIMITED

CIN No: L65999KA2004PLC035329

Registered Office : Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru 560 095

Website: www.ujjivan.com

Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2023

(Indian Rupees in Lakhs, except per share data)

Sr. No.	Particulars	Quarter ended			For the Year ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited [Refer note 7]	Unaudited	Audited [Refer note 7]	Audited	Audited
I	Revenue from operations					
	Interest Income	1,19,857	1,12,116	82,630	4,32,448	2,90,855
	Fees and Commission Income (Includes Revenue from contracts with customers)	3,127	2,192	2,332	9,508	6,890
	Net gain / (loss) on derecognition of financial instruments at amortised cost	141	118	84	178	1,771
		1,23,125	1,14,426	85,046	4,42,134	2,99,516
II	Other Income	9,700	5,008	4,127	25,742	9,702
III	Total Income (I+II)	1,32,825	1,19,435	89,172	4,67,876	3,09,218
	Expenses					
	Finance Costs	45,260	39,070	28,222	1,49,314	1,07,108
	Impairment on financial instruments (net of reversals)	6,198	(2,673)	2,712	(9,922)	84,620
	Employee benefits expenses	25,634	22,841	23,119	92,975	82,189
	Depreciation and amortization expenses	4,195	4,276	3,773	16,279	15,507
	Other expenses	19,732	16,360	15,067	66,150	50,191
IV	Total expenses	1,01,019	79,874	72,893	3,14,796	3,39,615
V	Profit / (loss) before tax (III-IV)	31,806	39,561	16,279	1,53,080	(30,397)
	Tax expense:					
	Current tax	9,475	5,766	(381)	30,754	84
	In respect of earlier year(s)	(3)	4	-	2	-
	Deferred tax charge / (credit)	(835)	3,992	4,802	8,296	(7,431)
VI	Total tax expense	8,637	9,762	4,422	39,052	(7,347)
VII	Profit / (loss) for the period / year (V-VI)	23,169	29,799	11,858	1,14,029	(23,050)
VIII	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	Remeasurements of defined benefit plan	77	73	316	128	452
	Deferred tax on remeasurements of the defined benefit plan	(19)	(18)	(79)	(32)	(114)
	Items that will be reclassified to profit or loss					
	Remeasurement of investments at fair value - cumulative gains/(loss) reclassified to profit and loss on sale of FVOCI	(70)	56	(0)	78	1
	Deferred tax on remeasurements of investments	18	(14)	-	(20)	-
	Total other comprehensive income / (loss) for the period / year, net of tax	6	97	236	154	339
IX	Total Comprehensive Income / (Loss) for the period / year (VII+VIII)	23,175	29,896	12,094	1,14,183	(22,711)
	Net Profit attributable to:					
	Owners of the parent	16,717	22,045	9,895	89,072	(19,169)
	Non-controlling interests	6,452	7,754	1,963	24,956	(3,881)
	Other Comprehensive Income/(Loss) attributable to:					
	Owners of the parent	5	72	198	118	283
	Non-controlling interests	1	25	38	36	57
	Total Comprehensive Income / (Loss) attributable to:					
	Owners of the parent	16,721	22,117	10,093	89,190	(18,886)
	Non-controlling interests	6,454	7,779	2,001	24,992	(3,825)
X	Paid-up equity share capital (face value of Rs. 10 per share)	12,168	12,168	12,168	12,168	12,168
XI	Earnings/(loss) per equity share:*					
	Basic	13.74	18.12	8.13	73.20	(15.76)
	Diluted	13.74	18.12	8.13	73.20	(15.76)

* Earnings per share for the interim periods are not annualised.

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Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2023

Notes to Audited Consolidated Financial Results:

1 Statement of Audited Consolidated Assets and Liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
Assets		
Financial assets		
Cash and cash equivalents	2,31,413	2,15,544
Bank balances other than above	17,006	3,263
Loans	23,15,287	16,77,854
Investments	8,60,417	4,21,520
Other financial assets	9,602	3,624
Non financial assets		
Current tax assets (net)	1,143	6,931
Deferred tax assets (net)	33,289	41,401
Property, plant and equipment	16,159	13,994
Capital work-in-progress	1,757	579
Right of use asset	41,826	42,229
Other intangible assets	10,374	10,368
Other non financial assets	10,341	4,972
Total assets	35,48,614	24,42,278
Liabilities and equity		
Liabilities		
Financial liabilities		
Payables		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9,144	13,297
Debt Securities	30,000	-
Borrowings (other than debt securities)	4,61,362	2,62,526
Deposits	25,36,780	18,13,857
Lease liability	49,449	49,642
Other financial liabilities	17,559	20,613
Non financial liabilities		
Provisions	6,000	5,573
Other non financial liabilities	14,099	4,540
Total liabilities	31,24,393	21,70,048
Equity		
Equity share capital	12,168	12,168
Other equity	3,10,186	2,20,093
Total equity attributable to owners of the company	3,22,354	2,32,260
Non-controlling interests	1,01,867	39,969
Total liabilities and equity	35,48,614	24,42,278

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Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2023

2 Statement of Audited Consolidated Cash Flows

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Audited	Audited
Cash flow from Operating activities		
Net profit before tax	1,53,080	(30,397)
Adjustments for :		
Depreciation, amortization and impairment of property, plant & equipment and intangible assets	16,279	15,507
Loss/(gain) on sale of property, plant and equipment	(67)	200
Employee stock option plan expense	903	(132)
Impairment on financial instruments (net of reversals)	(9,922)	84,620
Interest income	(823)	(149)
Operating cash flows before working capital changes	1,59,450	69,650
Adjustments for :		
Financial assets / liabilities		
(Increase)/decrease in loans	(6,27,422)	(3,77,701)
(Increase)/decrease in other bank balances	(15,734)	63,137
(Increase)/decrease in other financial assets	(5,977)	294
Increase/ (decrease) in trade payable	(4,152)	8,136
Increase/ (decrease) in other financial liabilities	(1,600)	7,806
Increase/ (decrease) in deposits (net)	7,22,923	5,12,159
Non financial assets / liabilities		
(Increase)/decrease in other assets	(5,372)	(120)
Increase/ (decrease) in provisions	554	705
Increase/ (decrease) in other liabilities	9,562	793
Cash generated from / (used in) operations	2,32,232	2,84,860
Net Tax (paid) / refunds received, net	(24,967)	(2,243)
Net cash generated from/(used) in operating activities (A)	2,07,265	2,82,617
Cash flow from investing activities		
(Increase) / decrease in investments (net)	(4,36,968)	(1,68,080)
Proceeds from sale of property, plant and equipment	92	38
Purchase of PPE and intangible assets (including CWIP)	(19,253)	(10,654)
Interest received on fixed deposits	719	151
Net cash generated from / (used) in investing activities (B)	(4,55,410)	(1,78,545)
Cash flow from financing activities		
Proceeds from share application money (net)	-	32
Issue of debt securities	30,000	-
Issue of equity shares	46,613	-
Interim dividend paid - preference shares	(1,100)	-
Interim dividend paid - equity shares	(9,943)	-
Payment of lease liability	(193)	(1,023)
Increase/(decrease) in borrowings (net)	1,98,638	(80,921)
Net cash generated from/(used) in financing activities (C)	2,64,015	(81,912)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	15,869	22,159
Cash and cash equivalents at the beginning of the year	2,15,544	1,93,385
Cash and cash equivalents at the end of the year	2,31,413	2,15,544

Note: The above Consolidated Cash Flow Statement has been prepared as per Ind AS 7 Statement of Cashflow specified under section 133 of the Companies Act, 2013.

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Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2023

- 3 The aforesaid consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 18, 2023 in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These financial results have been prepared in accordance with the recognition and measurement principles (Indian Accounting Standards), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Their opinion thereon is unmodified.
- 4 The financial results of Ujjivan Small Finance Bank Limited ("USFB"), the subsidiary, as published on May 11, 2023, were 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 Reserve Bank of India ("RBI"). For the purpose of preparing the consolidated financial results of the Parent Company, these financial results of USFB have been restated to comply with the recognition and measurement principles as referred to in paragraph 3 above (Special Purpose Ind AS financial statements). The auditors of the subsidiary company have issued unmodified opinion on these special purpose Ind AS financial statements vide their report dated May 11, 2023.
- 5 Segment information in accordance with the 'Indian Accounting Standards (Ind AS) - 108 - Operating Segments' is as under:

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Audited	Unaudited	Audited	Audited	Audited
Segment Revenue					
a. Banking	1,32,823	1,19,435	89,151	4,67,844	3,09,069
b. Others*	12,147	218	168	12,725	675
c. Inter- segment elimination adjustments	(12,145)	(218)	(147)	(12,693)	(526)
Total Revenue	1,32,825	1,19,435	89,172	4,67,876	3,09,218
Segment Results#					
a. Banking	19,742	39,430	16,161	1,40,668	(30,698)
b. Others*	12,063	131	118	12,412	301
Profit / (loss) before tax	31,806	39,561	16,279	1,53,080	(30,397)
Segment Assets					
a. Banking	35,48,444	32,15,057	24,40,184	35,48,444	24,40,184
b. Others*	17,451	12,988	12,711	17,451	12,711
c. Inter- segment elimination adjustments	(17,281)	(12,864)	(10,617)	(17,281)	(10,617)
Total	35,48,614	32,15,181	24,42,278	35,48,614	24,42,278
Segment Liabilities					
a. Banking	31,41,557	29,08,718	21,80,556	31,41,557	21,80,556
b. Others*	117	132	109	117	109
c. Inter- segment elimination adjustments	(17,281)	(12,864)	(10,617)	(17,281)	(10,617)
Total	31,24,393	28,95,986	21,70,048	31,24,393	21,70,048
Capital Employed (Segment Assets less Segment Liabilities, including non controlling interest)					
a. Banking	4,06,887	3,06,339	2,59,628	4,06,887	2,59,628
b. Others*	17,334	12,856	12,601	17,334	12,601
Total	4,24,221	3,19,195	2,72,229	4,24,221	2,72,229

*Others include NBFC Operations of the Group.

Figures for the previous period/ year have been regrouped.

Banking Segment includes Micro finance, Housing loans, Micro and small enterprise loans, Personal loans, Vehicle loans and Institutional loans. Revenue from these segments include interest earned and processing fees. Expenses comprise of interest expense, premises expense and personnel expense, credit costs, other direct overheads and allocated expenses. Interest income earned by the parent company from the deposits held with other banks have been considered under revenue from operations, as opposed to other income in the standalone financial results of the Company.

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- 6 During the year ended March 31, 2023, there was no allotment of equity shares (March 31, 2022: 22,108 equity shares of Rs 10 each, fully paid-up) on exercise of options by employees of the Group, in accordance with the Company's employee stock option scheme.
- 7 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.
- 8 As at March 31, 2023, the Parent Company had granted 55,15,880 (March 31, 2022: 55,15,880) options under ESOP scheme of the Company, of which 8,28,182 (March 31, 2022: 8,28,182) options have been exercised, 39,14,746 (March 31, 2022: 30,06,810) options are expired/ lapsed, 7,72,952 (March 31, 2022: 16,80,888) vested options are yet to be exercised and Nil (March 31, 2022: Nil) Options are yet to be vested.

Employee Stock Options (ESOPs) of Subsidiary Company: The ESOP 2019 is the scheme under which the Bank has issued options to the employees (which includes the employees of the Holding Company). The Bank has approved its ESOP Plan, 2019 in the Shareholders meeting held on March 29, 2019. During the year, the Bank has granted 4,82,29,093 (March 31, 2022: 3,06,39,119) options under the ESOP 2019 to eligible employees. As at March 31, 2023, out of the 11,99,71,861 (March 31, 2022: 7,17,42,768) options granted, 2,63,911 (March 31, 2022: 61,967) options have been exercised and 3,10,14,992 (March 31, 2022: 17,185,468) options are lapsed/cancelled. Further, 1,48,71,749 (March 31, 2022: 97,14,703) options are vested and 7,38,21,209 (March 31, 2022: 44,780,630) are yet to be vested.
- 9 The Board of Directors of the Company and Ujjivan Small Finance Bank, the Subsidiary ("the Bank") in their respective meetings held on October 14, 2022 have approved a scheme of amalgamation of the Company with the Bank in terms of Sections 230 to 232 of the Companies Act, 2013. In terms of the said scheme, the Company will be amalgamated into with the Bank and all its assets, liabilities, contracts, employees, licenses, records and approvals will be transferred to and will be deemed to have been transferred to and vested in the Bank, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein. All the Key Managerial Personnel, and other employees of the Company who are in employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Bank, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by the Company as on the Effective Date. All proceedings by or against the Company shall continue by or against the Bank. The appointed date under the said Scheme is April 01, 2023 or such other date as may be approved by the NCLT. In consideration of the proposed merger, the Bank will allot to the shareholders of the Company as on the Record Date (to be fixed by the Board of the Bank), 116 (One hundred and sixteen) equity shares of the face value of Rs. 10/- each of the Bank, credited as fully paid-up, for every 10 (ten) equity shares of the face value of Rs. 10/- each fully paid-up held by such shareholders of the Company. The shares held by the Company in the Bank shall stand extinguished on the amalgamation taking effect. The RBI vide its letter dated February 01, 2023, has conveyed its "no-objection" to the said proposal for voluntary amalgamation of the Company with the Bank subject to NCLT and other regulatory approvals. Further, the Bank on March 09, 2023 has received the no-observation letters from the Stock Exchanges (NSE and BSE), based on which a joint application has been filed with the NCLT on March 29, 2023, by the Company and Bank. The Company is now awaiting the directions / orders from the Hon'ble NCLT, Bengaluru Bench.
- 10 The COVID-19, a global pandemic has affected the world economy over the last two to three years. The extent to which any new wave of COVID-19 will impact the Group's results will depend on ongoing as well as future developments, 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 us.
- 11 During the year ended March 31, 2023, the Subsidiary Bank has raised capital of Rs.47,500 lakhs through Qualified Institutional Placement (QIP) by issuing 22,61,90,476 equity shares of Rs 10/-each at premium Rs 11/-each. The said equity shares of the Subsidiary Bank was listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on September 19, 2022.
- 12 During the year ended March 31, 2023, the Subsidiary Bank has raised a debt of Rs.30,000 lakhs by issuing 30,000 subordinated, unlisted, unsecured, transferable, fully paid debentures having face value of Rs.1,00,000/- each, allotted Rs.22,500 Lakhs on August 26, 2022 and Rs. 7,500 Lakhs on September 9, 2022, for a tenure of 5 years 8 months with a coupon rate of 11.95%.

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- 13** During the quarter ended March 31, 2023, the Board of Directors of the Company vide its meeting held on March 10, 2023 declared an interim dividend of Rs.5 per equity shares of Rs.10 each (March 31, 2022 - Nil).

The Board of Directors of the subsidiary bank vide its meeting held on February 21, 2023 has paid an interim equity dividend of Rs. 0.75 per share to the equity share holders and interim preference dividend of Rs.0.55 per share to the preference share holders. Further, the Board of Directors at its meeting held on May 11, 2023, proposed final equity dividend of Rs.0.5 per share subject to the approval of the members at the ensuing Annual General Meeting of the Subsidiary Bank and interim preference dividend of Rs 0.55 per share has been approved by the Board of Directors of subsidiary bank.

- 14** Reserve and Surplus includes Special Reserve created by the Bank (subsidiary entity) u/s 36(i)(viii) of the Income Tax Act, 1961 amounting to Rs.3,000 lakhs (March 31, 2022: Nil). This Special Reserve will never be utilised for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base under Ind AS. Hence, deferred tax liability on Special Reserve has not been created.
- 15** During the year ended March 31, 2023 the Subsidiary Bank has assigned standard advances to Special Purpose Entities (SPEs) as a Securitisation transaction for an aggregate amount of Rs.12,114 lakhs. Further the Bank has entered into Direct assignment of standard advances of Rs.12,240 Lakhs and also entered into InterBank Participation Certificate ('IBPC') transaction of Rs.2,18,339 lakhs. Further, the outstanding amount of IBPC as at March 31, 2023 is 1,86,000 lakhs.
- 16** The amounts included in these consolidated financial results are reported in lakhs of Indian rupees (INR) except for shares and per share data, unless otherwise stated. The sign "0" in these financial results indicate that the amounts involved are below rounding off norms adopted by the Company and the sign "-" indicates that the amount is "Nil".
- 17** Figures of the previous period / year have been reclassified/re-grouped, wherever necessary, to confirm with current period's/year's presentation.

**For and on behalf of the Board of Directors of;
Ujjivan Financial Services Limited**

**SAMIT
KUMAR
GHOSH**

Digitally signed by
SAMIT KUMAR GHOSH
Date: 2023.05.18
14:39:30 +05'30'

Samit Ghosh

Non-Executive Director and Chairman

DIN: 00185369

Bengaluru

May 18, 2023