

**B K Ramadhyani & Co LLP**  
Chartered Accountants  
4B, Chitrapur Bhavan ,  
No.68, 8th Main,  
15th Cross, Malleshwaram ,  
Bangalore - 560 055

**Mukund M Chitale & Co.**  
Chartered Accountants  
Second Floor, Kapur House, Paranjape B  
Scheme Road No 1, Vile Parle East,  
Mumbai- 400057

## Independent Auditor's Report

To the Board of Directors of Ujjivan Small Finance Bank Ltd.

### Report on the audit of the Annual Financial Results

#### Opinion

We have audited the accompanying annual financial results of Ujjivan Small Finance Bank Limited (hereinafter referred to as the "Bank") for the year ended March 31, 2024, ('Financial Results') attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Annual Financial Results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations and
- give a true and fair view in conformity with the recognition and measurement principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Accounting Standards) Rules 2021, the relevant provisions of the Banking Regulation Act, 1949 and the circulars and guidelines 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, 2024, the Statement of Assets and Liabilities as on that date and the Statement of Cash Flow for the year ended on that date.

#### 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 SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* 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 Financial Results, 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 Annual Financial Results.





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### **Management's and Board of Directors' Responsibilities for the Annual Financial Results**

These Annual Financial Results have been prepared on the basis of annual financial statements. The Bank's Management and the Board of Directors are responsible for the preparation and presentation of these Annual Financial Results that give a true and fair view of the net profit/ loss and other financial information, the Statement of Assets and Liabilities and the Statement of Cash Flow in accordance with the recognition and measurement principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, issued there under, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the RBI from time to time (the "RBI Guidelines") 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 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 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 Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Results, management and 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 is responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the Annual 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 Annual Financial Results.

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





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- Identify and assess the risks of material misstatement of the Annual 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 financial statements on whether the Bank 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 Annual Financial Results made by management and the Board of Directors.
- Conclude on the appropriateness of management and 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 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 Annual 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual 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.



<p><b>B K Ramadhyan &amp; Co LLP</b> Chartered Accountants 4B, Chitrapur Bhavan , No.68, 8th Main, 15th Cross, Malleshwaram , Bangalore - 560 055</p>	<p><b>Mukund M Chitale &amp; Co.</b> Chartered Accountants Second Floor, Kapur House, Paranjape B Scheme Road No 1, Vile Parle East, Mumbai- 400057</p>
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**Other Matters**

1. We have relied on the audit report issued by Varma & Varma, Chartered accountants, auditors of erstwhile holding company Ujjivan Financial Services Limited ('UFSL') on the special purpose financial statements ('SPFS') of UFSL as at March 31, 2023, for the purpose of incorporation of such SPFS in the books of accounts of the Bank pursuant to the scheme of amalgamation as detailed in note 7 of the audited Financial Results published by the Company dated May 18, 2024. We rely on such audit report and SPFS and did not carry out any audit procedures on the same, duly adopted in the audited Financial Results of the Bank as at March 31, 2024.
2. The Annual Financial Results include the results for the quarter ended March 31, 2024 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.

For B K Ramadhyan & Co. LLP  
Chartered Accountants  
FRN: 002878S/ S200021

*Vasuki H S*

(Vasuki H S)  
Partner

Membership No : 212013

UDIN : 24212013BKCLQM8197



Mukund M. Chitale & Co  
Chartered Accountants  
FRN: 106655W

*Nilesh RS Joshi*

(Nilesh RS Joshi)  
Partner

Membership No. 114749

UDIN : 24114749BKCBYM7551



Place: Bengaluru  
Date: May 18, 2024



**UJIVAN SMALL FINANCE BANK LIMITED**

CIN: L65110KA2016PLC142162

Registered and Corporate Office: Grape Garden, No. 27, 3rd "A" Cross, 18th Main, 6th Block, Koramangla, Bengaluru - 560095, Karnataka

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

**Statement of audited Financial Results for the year ended March 31, 2024**

(Rs. In Lakhs)

Sl No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		(Refer Note 8)			(Refer Note 8)	
1	Interest Earned (a)+(b)+(c)+(d)	1,52,851	1,47,063	1,18,480	5,67,716	4,16,489
	a) Interest/ discount on advances/ bills	1,34,625	1,28,345	1,03,731	4,97,301	3,70,777
	b) Income on Investments	17,602	18,069	13,448	67,862	41,083
	c) Interest on balances with Reserve Bank of India and other interbank funds	283	336	712	1,056	1,806
	d) Others	341	313	589	1,497	2,823
2	Other income (Refer note 10)	23,613	18,476	17,909	78,675	58,930
3	<b>Total Income (1)+(2)</b>	<b>1,76,464</b>	<b>1,65,539</b>	<b>1,36,389</b>	<b>6,46,391</b>	<b>4,75,419</b>
4	Interest Expended	59,497	61,070	44,682	2,26,770	1,46,709
5	Operating Expenses (i)+(ii)	65,111	58,739	50,650	2,27,910	1,80,206
	(i) Employees Cost	32,729	31,401	25,324	1,18,318	92,025
	(ii) Other Operating Expenses	32,382	27,338	25,326	1,09,592	88,181
6	<b>Total Expenditure (4)+(5)</b> <b>[excluding provisions &amp; contingencies]</b>	<b>1,24,608</b>	<b>1,19,809</b>	<b>95,332</b>	<b>4,54,680</b>	<b>3,26,915</b>
7	<b>Operating Profit before Provisions &amp; Contingencies (3)-(6)</b>	<b>51,856</b>	<b>45,730</b>	<b>41,057</b>	<b>1,91,711</b>	<b>1,48,504</b>
8	Provisions (other than tax) and Contingencies	7,900	6,291	(193)	21,494	1,780
9	Exceptional Items	-	-	-	-	-
10	<b>Profit/(Loss) from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>43,956</b>	<b>39,439</b>	<b>41,250</b>	<b>1,70,217</b>	<b>1,46,724</b>
11	Tax Expense	10,993	9,433	10,300	42,067	36,732
12	<b>Net Profit/(Loss) from Ordinary Activities after tax (10)-(11)</b>	<b>32,963</b>	<b>30,006</b>	<b>30,950</b>	<b>1,28,150</b>	<b>1,09,992</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Net Profit/(Loss) for the period (12)-(13)</b>	<b>32,963</b>	<b>30,006</b>	<b>30,950</b>	<b>1,28,150</b>	<b>1,09,992</b>
15	Paid up equity share capital (Face Value of Rs 10/- each) <sup>¶</sup>	1,93,143	1,95,654	1,95,471	1,93,143	1,95,471
16	Reserves excluding revaluation reserves				3,60,974	2,00,318
17	<b>Analytical Ratios and Other disclosure</b>					
	(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL
	(ii) Capital Adequacy Ratio - BASEL II (Refer Note 11)	24.69%	24.37%	25.81%	24.69%	25.81%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*					
	Basic EPS (Rs)	1.71	1.53	1.47	6.65	5.82
	Diluted EPS (Rs)	1.67	1.50	1.47	6.54	5.81
	(iv) NPA Ratios					
	(a) Gross NPAs	61,252	57,074	63,061	61,252	63,061
	(b) Net NPAs	7,629	4,275	904	7,629	904
	(c) % of Gross NPAs to Gross Advances	2.23%	2.18%	2.88%	2.23%	2.88%
	(d) % of Net NPAs to Net Advances	0.28%	0.17%	0.04%	0.28%	0.04%
	(v) Return on assets (average)*	0.84%	0.78%	0.97%	3.47%	4.04%

\* Figures for the quarter ended are not annualised.

¶ Includes Share Capital pending Allotment as described in note 7 below



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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:

(Rs. In Lakhs)

Sl No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		(Refer Note 8)	-	-	(Refer Note 8)	-
<b>1</b>	<b>Segment Revenue</b>					
(a)	Treasury	19,108	18,774	14,320	71,523	43,172
(b)	Retail Banking	1,53,645	1,43,410	1,19,418	5,61,776	4,22,899
(c)	Wholesale Banking	3,711	3,355	2,651	13,092	9,348
(d)	Unallocated	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-
	<b>Income From Operations</b>	<b>1,76,464</b>	<b>1,65,539</b>	<b>1,36,389</b>	<b>6,46,391</b>	<b>4,75,419</b>
<b>2</b>	<b>Segment Results</b>					
(a)	Treasury	3,535	2,545	957	9,304	3,648
(b)	Retail Banking	39,832	36,572	38,035	1,60,458	1,43,897
(c)	Wholesale Banking	1,827	1,554	3,446	5,445	4,408
(d)	Unallocated	(1,238)	(1,232)	(1,188)	(4,990)	(5,229)
	<b>Total Profit Before Tax</b>	<b>43,956</b>	<b>39,439</b>	<b>41,250</b>	<b>1,70,217</b>	<b>1,46,724</b>
<b>3</b>	<b>Segment Assets</b>					
(a)	Treasury	12,21,317	12,58,664	10,50,307	12,21,317	10,90,307
(b)	Retail Banking	26,26,888	25,24,440	21,03,076	26,26,888	21,03,076
(c)	Wholesale Banking	1,71,269	1,42,074	1,10,314	1,71,269	1,10,314
(d)	Unallocated	22,748	27,849	27,991	22,748	27,991
	<b>Total Assets</b>	<b>40,42,222</b>	<b>39,53,027</b>	<b>33,31,688</b>	<b>40,42,222</b>	<b>33,31,688</b>
<b>4</b>	<b>Segment Liabilities</b>					
(a)	Treasury	10,51,711	10,96,823	9,52,563	10,51,711	9,52,563
(b)	Retail Banking	22,62,088	21,99,843	18,37,382	22,62,088	18,37,382
(c)	Wholesale Banking	1,47,485	1,23,806	96,378	1,47,485	96,378
(d)	Unallocated	19,589	24,268	24,455	19,589	24,455
	<b>Total Liabilities</b>	<b>34,80,873</b>	<b>34,44,740</b>	<b>29,10,778</b>	<b>34,80,873</b>	<b>29,10,778</b>
<b>5</b>	<b>Capital Employed</b>					
(a)	Treasury	1,69,606	1,61,841	1,37,744	1,69,606	1,37,745
(b)	Retail Banking	3,64,800	3,24,597	2,65,694	3,64,800	2,65,693
(c)	Wholesale Banking	23,784	18,268	13,936	23,784	13,936
(d)	Unallocated	3,159	3,581	3,536	3,159	3,536
	<b>Total</b>	<b>5,61,349</b>	<b>5,08,287</b>	<b>4,20,910</b>	<b>5,61,349</b>	<b>4,20,910</b>

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure and guidelines prescribed by the RBI and in compliance with the Accounting Standard 17 - "Segment Reporting". The business operations of the Bank are in India and for the purpose of segment reporting as per Accounting Standard-17 (Segment reporting) the bank is considered to operate only in domestic segment.

**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 a portion of income/loss from sale/purchase 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, other related incomes and a portion of income/loss from sale/purchase of Priority Sector Lending Certificates ("PSLC"). 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, 2024 is given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
	(Refer Note 8)	
<b>CAPITAL AND LIABILITIES</b>		
Capital	1,93,143	2,15,471
Employees Stock Options and Purchase Outstanding	7,232	5,122
Reserves and Surplus	3,60,974	2,00,318
Deposits	31,46,216	25,53,768
Borrowings	2,17,082	2,64,146
Other Liabilities and Provisions	1,17,575	92,863
<b>Total</b>	<b>40,42,222</b>	<b>33,31,688</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	2,51,831	2,30,527
Balances with Banks and Money at Call and Short notice	1,848	17,832
Investments	9,76,602	8,51,031
Advances	26,88,292	21,28,966
Fixed Assets	42,666	28,288
Other Assets	80,983	75,044
<b>Total</b>	<b>40,42,222</b>	<b>33,31,688</b>

2) Statement of Cashflow as at March 31, 2024 is given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
	(Refer Note 8)	
<b>Cash flow from Operating Activities</b>		
Profit before tax	1,70,217	1,46,724
Adjustments for:		
Depreciation on Bank's Property	9,829	9,028
(profit)/Loss on sale of Land, Building & Other assets (net)	147	67
Expense on employee stock option	1,162	902
Provision for Non Performing Assets	18,853	4,981
Provision for Standard Assets	2,641	(3,224)
Provision for depreciation on investments	-	(34)
Interest earned on fixed deposits	(1,038)	(1,086)
Profit on sale of available for sale (AFS) securities	(1,171)	-
Amortisation of premium on HTM securities	2,415	2,556
Preference dividend to eIFSL adjusted pursuant to the scheme of amalgamation	1,100	-
<b>Operating Profit before working capital changes</b>	<b>2,04,156</b>	<b>1,59,914</b>
Adjustments for:		
(Increase)/Decrease in Advances	(5,78,179)	(5,03,630)
Decrease/(increase) in Investments in other than HTM securities	(49,006)	(2,55,773)
Decrease/(increase) in Other Assets	(43,965)	(10,652)
(Decrease)/Increase in Deposits	6,09,581	7,24,547
(Decrease)/Increase in Other Liabilities	20,589	19,609
<b>Cash Flow from Operating Activities</b>	<b>1,63,176</b>	<b>1,34,015</b>
Direct taxes paid (net of refunds)	(4,929)	(28,037)
<b>Net Cash Flow generated from/(used in) Operating Activities (A)</b>	<b>1,58,246</b>	<b>1,05,978</b>
<b>Cash Flow from investing Activities</b>		
Proceeds from sale of Fixed Assets	216	92
Investment in HTM securities (Net)	(77,809)	(1,82,487)
Deposits (created)/encashed with Banks and financial institutions (Net)	16,745	(14,640)
Purchase of Fixed Assets including WIP	(24,568)	(12,536)
<b>Net Cash Flow used in Investing Activities (B)</b>	<b>(85,416)</b>	<b>(2,09,571)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (net of issue expenses)	2,026	46,612
Decrease in Borrowings (Net)	(47,065)	87,790
Dividend paid during the year	(6,834)	(15,759)
<b>Net Cash Flow generated from Financing Activities (C)</b>	<b>(51,873)</b>	<b>1,18,643</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>20,958</b>	<b>15,050</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>2,31,369</b>	<b>2,16,319</b>
<b>Cash and Cash Equivalents acquired pursuant to scheme of amalgamation (refer note 7)</b>	<b>69</b>	<b>-</b>
<b>Cash and Cash Equivalents at the end of the year *</b>	<b>2,52,396</b>	<b>2,31,369</b>

\* Exclusion of Bank Deposits of Rs. 1,283 lakhs as at March 31, 2024 and Rs. 16,990 lakhs as at March 31, 2023.



**Notes:**

- 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, 2024. The financial results for the year ended March 31, 2024, have been subjected to audit by the statutory auditors (B. K. Ramadhyani & Co LLP, Chartered Accountants and Mukund M Chitale & Co, Chartered Accountants) of the Bank. An unqualified report has been issued by them thereon.
- 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 read with relevant rules thereunder, 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 these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2023. Any circular/direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars / directions.
- 6) During the year ended March 31, 2024, the Bank had allotted 40,56,651 equity shares pursuant to the exercise of stock options under the approved Employee Stock Option Plan (ESOP) 2019.  
During the year ended March 31, 2024, the erstwhile Ujjivan Financial Services Limited (eUFSL) has allotted 1,06,564 equity shares pursuant to the exercise of stock options under the approved Employee Stock Option Plan (ESOP) 2015 which are equivalent to 12,36,142 shares of Ujjivan Small Finance Bank having nominal value of Rs 10 per share.
- 7) The Board of Directors of the Bank and eUFSL in their respective meetings held on October 14, 2022, have approved a scheme of amalgamation of UFSL with the Bank in terms of Sections 230 to 232 of the Companies Act, 2013 and other applicable laws including rules and regulations (Scheme). The Scheme was approved by the shareholders at the National Company Law Tribunal ("NCLT") convened meeting of the equity shareholders of the Bank held on November 03, 2023. The NCLT, in accordance with Section 230 to 232 of the Companies Act, 2013 and Rules thereunder, vide its order dated April 19, 2024, sanctioned the Scheme. Upon receipt of all approvals, the Bank filed Form INC 28 (Initiation to ROC) with ROC on April 30, 2024 and accordingly, in terms of provisions of the Scheme, the 'Effective Date' of the Scheme is April 30, 2024. The Appointed Date under the said Scheme as approved by the NCLT is April 01, 2023.

The amalgamation has been accounted under the "pooling of interest" method as prescribed in AS-14 "Accounting for Amalgamation". The outstanding balance between the eUFSL and the Bank were eliminated as on April 1, 2023. All assets and liabilities of UFSL have been recognised by the Bank at the carrying amounts as on that date except for the adjustments to bring about the uniformity in accounting policies as required under AS-14. The relevant Committee of the Board of the Bank vide its resolution dated May 06, 2024, has approved the allotment of 1,41,27,02,033 fully paid equity shares of Rs.10/- each of Bank to the eligible shareholders of the eUFSL, who were holding equity shares of eUFSL as on the Record date i.e., May 03, 2024, as per the share exchange ratio determined in the aforesaid Scheme i.e. 116 equity shares of the face value of Rs. 10/- each of Bank for every 10 equity shares of eUFSL. The difference between fresh equity shares to be allotted as aforementioned and share capital of eUFSL has been adjusted in the Share Premium Account, as per the terms of the Scheme.

Summarised values of assets and liabilities taken over in accordance with the terms of the Scheme as detailed below:

**Summary of Assets and Liabilities taken over as on April 1, 2023**

Particulars	Rs. (In lakhs)
Balances with banks and money at call and short notice	17,064
Investments	1,67,983
Fixed assets	3
Other assets	385
<b>Total assets (A)</b>	<b>1,85,435</b>
Reserves and Surplus	1,73,150
Other liabilities and provisions	117
<b>Total Liabilities, Reserves and surplus (B)</b>	<b>1,73,267</b>
<b>Net Assets (C=A-B)</b>	<b>12,168</b>
Fresh equity share capital to be issued to the shareholders of the UFSL (D)	1,41,147
<b>Difference adjusted to Share Premium Account (E= D-C)</b>	<b>1,28,979</b>





Pursuant to the effect of the Scheme, the Committee has also taken on record the extinguishment of 1,44,00,36,800 equity shares and 20,00,00,000 preference shares of the Bank held by eUFSL.

Consequent to the aforesaid extinguishment of UFSL shares in the Bank and issue of equity shares to the shareholders of UFSL, the paid-up equity capital of the Bank is revised from Rs. 195,913 lakhs to Rs. 193,180 lakhs as on the record date. Further, since the preference capital of Rs. 20,000 lakhs stands extinguished, the issued capital of the Bank is reduced from Rs. 215,913 lakhs to Rs. 193,180 lakhs. Furthermore, the authorised share capital of the Bank is Rs. 262,500 lakhs divided into 2,625,000,000 equity shares of Rs. 10/- each as per terms of the Scheme. As of March 31, 2024, 1,41,27,02,033 shares are pending allotment. The allotment of the said shares to the entitled shareholders of eUFSL was approved by the Merger & Placement Committee of the Board of the Bank vide its resolution dated May 06, 2024, and the same was intimated to the Exchange on the same day. The allotment has been intimated to the Registrar of Companies on May 15, 2024, by submission of PAS 3 return. The corporate action regarding crediting shares to Demat account of shareholders of eUFSL is in process.

Further, based on a legal opinion obtained by the Bank, the stamp duty of Rs. 2,500 lakhs for shares issued pursuant to the scheme of amalgamation has been written off to the share premium account.

- 8) The figures of the last quarter in each of the financial year are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto the end of the third quarter of the respective financial year. The results for the quarter and year ended March 31, 2024, include the operations of eUFSL for the period from April 1, 2023 to March 31, 2024 and hence not comparable with the corresponding periods of the previous quarters/year.
- 9) As at March 31, 2024, 4,16,73,465 options were lapsed, 2,52,97,478 options were vested and yet to be exercised and balance 7,73,50,994 options remains unvested out of the total options granted under the approved Employee Stock Option Plan (ESOP) 2019.
- Further, pursuant to the Scheme of Amalgamation, with respect to the stock options granted to eligible employees by the eUFSL under its ESOP scheme which remains unexercised upon coming into effect of this Scheme, the Bank agreed to issue stock options to such eligible employees taking into account the share exchange ratio and on the same terms and conditions. Accordingly, the relevant Committee of the Bank on May 13, 2024, has granted 28,66,569 options to such eligible employees under its Bank ESOP Scheme 2019.
- 10) Other income includes fees earned from providing services to customers, income from commission, exchange and brokerage, processing fees, selling of third party products, profit on sale of investments, PSFC 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.
- 12) As per RBI guidelines, as at March 31, 2024, the Bank carries a floating provision of Rs. 25,000 lakhs. Of which, Rs. 12,000 lakhs is used for calculation of net NPA and provision coverage ratio and remaining Rs. 13,000 lakhs is disclosed as other liabilities. Out of Rs. 13,000 lakhs, Rs. 3,000 lakhs is used for calculation of Tier II capital and Rs. 10,000 lakhs is unutilised, which can be utilised in future for calculation of net NPA and provision coverage ratio. The Bank has informed RBI about the same. Had Rs. 10,000 lakhs been utilised for calculation of Net NPA and provision coverage ratio, the same would have gone below 0% and above 100%, respectively.



13) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circulars

dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) is given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year, i.e, September 30, 2023 (A)	(Rs. in Lakhs)				Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e, March 31, 2024
		Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	
Personal Loans	3,239	53	293	591	2,356	
Corporate persons*	-	-	-	-	-	
Of which MSMEs	-	-	-	-	-	
Others	5,093	134	851	972	3,269	
<b>Total</b>	<b>8,332</b>	<b>187</b>	<b>1,144</b>	<b>1,563</b>	<b>5,625</b>	

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

14) Details of loans transferred / acquired during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

- (i) The Bank has not transferred any non-performing assets (NPAs).
- (ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
- (iii) The Bank has not acquired any loans through assignment.
- (iv) The Bank has not acquired any stressed loan.

15) As per the RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment reporting, 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, as the proposed Digital Banking Unit (DBU) of the Bank has not yet commenced operations and having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), held on July 14, 2022, reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank based on the decision of the DBU Working Group.

16) Figures of the previous periods/year have been regrouped / reclassified, wherever considered necessary to conform to the current year's presentation.

Bengaluru  
May 18, 2024

By order of the Board  
For Ujjivan Small Finance Bank Limited  
  
Ittira Davis  
Managing Director & CEO  
DIN: 06442816

