

**USFB/CS/SE/2023-24/18**

**Date:** May 12, 2023

**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: Clarification- Minor changes in the column 'Quarter ended Mar 31, 2022' on account of regrouping based on RBI Master Directions on Financial Statements**

This has reference to our letter bearing reference no. USFB/CS/SE/2023-24/13 where we submitted the financial results for the quarter and year ended March 31, 2023.

Please be informed that with reference to the Master Direction of Financial Statements – Presentation and Disclosures (Updated as on November 15, 2021), for the quarter ended March 31, 2022, there is a re-grouping being made for the Bad Debt recovery of Rs. 2,179 lakhs from Provisions (other than tax) and Contingencies to Other Income. Further, corresponding impact has been given in the segment disclosures accordingly. There is no other change or impact on any other period, i.e., quarter ended March 31, 2022, quarter ended December 31, 2022, year ended March 31, 2022 and year ended March 31, 2023.

The revised financial extracts after incorporating the aforesaid change only in the column 'Quarter ended Mar 31, 2022' together with the Audit Report are being enclosed herewith.

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**

**Sanjeev Barnwal**  
**Company Secretary and Head of Regulatory Framework**

*Encl: As mentioned above*

<p><b>B K Ramadhyani &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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## 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, 2023, 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 Act, relevant provisions of the Banking Regulation Act, 1949 and the circulars and guidelines issued by the RBI from time to time, of the net profit and other financial information for the year ended March 31, 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 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 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 annual financial results.



<p><b>B K Ramadhyani &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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### **Management's and Board of Directors' Responsibilities for the Annual Financial Results**

The 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 in accordance with the recognition and measurement principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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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Chartered Accountants  
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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

- 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 complete set of 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.



**B K Ramadhyani & Co LLP**  
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### Other Matters

The annual financial results include the results for the quarter ended March 31, 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.

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



(Vasuki H S)  
Partner

Membership No : 212013

UDIN : 23212013BGWLDY6299



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



(Nilesh RS Joshi)  
Partner

Membership No. 114749

UDIN : 23114749BGSUJX8054



Place: Bengaluru

Date: May 11, 2023

**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

Statement of audited Financial Results for the year ended March 31, 2023

(Rs. In Lakhs)

Sl No.	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)
		(Refer Note 6)		(Refer Note 6)		
1	<b>Interest Earned (a)+(b)+(c)+(d)</b>	<b>1,18,483</b>	<b>1,08,162</b>	<b>81,824</b>	<b>4,16,500</b>	<b>2,81,281</b>
	a) Interest/ discount on advances/ bills	1,03,731	95,665	75,887	3,70,777	2,57,578
	b) Income on Investments	13,448	11,356	5,279	41,083	18,514
	c) Interest on balances with Reserve Bank of India and other interbank funds	712	441	658	1,806	5,189
	d) Others	592	700	-	2,834	-
2	Other Income (Refer note 10)	17,906	13,892	12,739	58,919	35,988
3	<b>Total Income (1)+(2)</b>	<b>1,36,389</b>	<b>1,22,054</b>	<b>94,563</b>	<b>4,75,419</b>	<b>3,17,269</b>
4	Interest Expended	44,682	38,467	27,426	1,46,709	1,03,921
5	Operating Expenses (i)+(ii)	50,650	44,695	42,932	1,80,206	1,49,638
	(i) Employees Cost	25,324	22,554	22,691	92,025	81,260
	(ii) Other Operating Expenses	25,326	22,141	20,241	88,181	68,378
6	<b>Total Expenditure (4)+(5)</b> <b>[excluding provisions &amp; contingencies]</b>	<b>95,332</b>	<b>83,162</b>	<b>70,358</b>	<b>3,26,915</b>	<b>2,53,559</b>
7	<b>Operating Profit before Provisions &amp; Contingencies (3)-(6)</b>	<b>41,057</b>	<b>38,892</b>	<b>24,205</b>	<b>1,48,504</b>	<b>63,710</b>
8	Provisions (other than tax) and Contingencies	(193)	(22)	6,861	1,780	1,18,745
9	Exceptional Items	-	-	-	-	-
10	<b>Profit/(Loss) from Ordinary Activities before tax (7)-(8)-(9)</b>	<b>41,250</b>	<b>38,914</b>	<b>17,344</b>	<b>1,46,724</b>	<b>(55,035)</b>
11	Tax Expense	10,300	9,595	4,692	36,732	(13,577)
12	<b>Net Profit/(Loss) from Ordinary Activities after tax (10)-(11)</b>	<b>30,950</b>	<b>29,319</b>	<b>12,652</b>	<b>1,09,992</b>	<b>(41,458)</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Net Profit/(Loss) for the period (12)-(13)</b>	<b>30,950</b>	<b>29,319</b>	<b>12,652</b>	<b>1,09,992</b>	<b>(41,458)</b>
15	Paid up equity share capital (Face Value of Rs 10/- each)	1,95,471	1,95,450	1,72,831	1,95,471	1,72,831
16	Reserves excluding revaluation reserves				2,00,318	83,212
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)	25.81%	26.02%	18.99%	25.81%	18.99%
	(iii) Earnings per share (before and after extraordinary items, net of tax expenses)*					
	Basic EPS (Rs)	1.53	1.50	0.73	5.88	(2.40)
	Diluted EPS (Rs)#	1.52	1.50	0.73	5.87	(2.40)
	(iv) NPA Ratios					
	(a) Gross NPAs	63,061	73,755	1,28,408	63,061	1,28,408
	(b) Net NPAs	904	948	9,960	904	9,960
	(c) % of Gross NPAs to Gross Advances	2.88%	3.64%	7.34%	2.88%	7.34%
	(d) % of Net NPAs to Net Advances	0.04%	0.05%	0.61%	0.04%	0.61%
	(v) Return on assets (average)*	0.97%	1.04%	0.57%	4.04%	(2.04%)
	* Figures for the quarter ended are not annualised					
	# The effect of potential equity shares on EPS is anti - dilutive except for the current financial year.					



**UJJIVAN SMALL FINANCE BANK LIMITED**

CIN: L65110KA2016PLC142162

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

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

		Quarter ended			Year ended	
Sl No.	Particulars	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		(Refer Note 6)		(Refer Note 6)		
<b>1</b>	<b>Segment Revenue</b>					
(a)	Treasury	14,683	11,895	5,981	45,805	28,213
(b)	Retail Banking	1,19,030	1,07,719	86,525	4,20,266	2,81,588
(c)	Wholesale Banking	2,676	2,440	2,057	9,348	7,468
(d)	Unallocated	-	-	-	-	-
	Less: Inter-segment revenue	-	-	-	-	-
	<b>Income From Operations</b>	<b>1,36,389</b>	<b>1,22,054</b>	<b>94,563</b>	<b>4,75,419</b>	<b>3,17,269</b>
<b>2</b>	<b>Segment Results</b>					
(a)	Treasury	(951)	(85)	3,688	5,269	4,695
(b)	Retail Banking	39,918	40,789	12,523	1,42,276	(59,997)
(c)	Wholesale Banking	3,471	(444)	2,190	4,408	3,752
(d)	Unallocated	(1,188)	(1,346)	(1,057)	(5,229)	(3,485)
	<b>Total Profit Before Tax</b>	<b>41,250</b>	<b>38,914</b>	<b>17,344</b>	<b>1,46,724</b>	<b>(55,035)</b>
<b>3</b>	<b>Segment Assets</b>					
(a)	Treasury	10,90,307	9,81,641	6,17,666	10,90,307	6,17,666
(b)	Retail Banking	21,03,076	19,31,063	16,17,066	21,03,076	16,17,066
(c)	Wholesale Banking	1,10,314	99,300	84,361	1,10,314	84,361
(d)	Unallocated	27,991	34,071	41,353	27,991	41,353
	<b>Total Assets</b>	<b>33,31,688</b>	<b>30,46,075</b>	<b>23,60,446</b>	<b>33,31,688</b>	<b>23,60,446</b>
<b>4</b>	<b>Segment Liabilities</b>					
(a)	Treasury	9,52,563	8,50,675	5,44,990	9,52,563	5,44,990
(b)	Retail Banking	18,37,382	16,73,428	14,26,798	18,37,382	14,26,798
(c)	Wholesale Banking	96,378	86,052	74,434	96,378	74,434
(d)	Unallocated	24,455	29,526	36,487	24,455	36,487
	<b>Total Liabilities</b>	<b>29,10,778</b>	<b>26,39,681</b>	<b>20,82,709</b>	<b>29,10,778</b>	<b>20,82,709</b>
<b>5</b>	<b>Capital Employed</b>					
(a)	Treasury	1,37,744	1,30,966	72,677	1,37,744	72,677
(b)	Retail Banking	2,65,694	2,57,635	1,90,269	2,65,694	1,90,269
(c)	Wholesale Banking	13,936	13,248	9,926	13,936	9,926
(d)	Unallocated	3,536	4,545	4,865	3,536	4,865
	<b>Total</b>	<b>4,20,910</b>	<b>4,06,394</b>	<b>2,77,737</b>	<b>4,20,910</b>	<b>2,77,737</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/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 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, 2023 is given below:

(Rs. In Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>CAPITAL AND LIABILITIES</b>		
Capital	2,15,471	1,92,831
Employees Stock Options and Purchase Outstanding	5,122	4,220
Reserves and Surplus	2,00,318	83,212
Deposits	25,53,768	18,29,222
Borrowings	2,64,146	1,76,356
Other Liabilities and Provisions	92,863	75,377
<b>Total</b>	<b>33,31,688</b>	<b>23,61,218</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	2,30,527	1,68,997
Balances with Banks and Money at Call and Short notice	17,832	48,585
Investments	8,51,031	4,15,293
Advances	21,28,966	16,30,317
Fixed Assets	28,288	24,939
Other Assets	75,044	73,087
<b>Total</b>	<b>33,31,688</b>	<b>23,61,218</b>

2) Statement of Cashflow as at March 31, 2023 is given below:

(Rs. In Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>Cash Flow from Operating Activities</b>		
Profit before tax	1,46,724	(55,036)
<b>Adjustments for :</b>		
Depreciation on Bank's Property	9,028	8,044
(profit)/Loss on sale of Land, Building & Other assets (net)	67	200
Expense on employee stock option	902	(153)
Expense on employee stock purchase	-	-
Fixed Assets Written off	-	-
Provision for Non Performing Assets	4,981	1,32,705
Provision for Standard Assets	(3,224)	(16,259)
Provision for depreciation on investments	(34)	34
Interest earned on fixed deposits	(1,086)	(2,419)
Profit on sale of Held-to-maturity (HTM) securities	-	(369)
Amortisation of premium on HTM securities	2,556	2,180
<b>Operating Profit before working capital changes</b>	<b>1,59,914</b>	<b>68,927</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in Advances	(5,03,630)	(3,13,627)
Decrease/(Increase) in Investments in other than HTM securities	(2,55,773)	(20,950)
Decrease/(Increase) in Other Assets	(10,652)	(6,182)
(Decrease)/Increase in Deposits	7,24,547	5,15,645
(Decrease)/Increase in Other Liabilities	19,609	13,774
<b>Cash Flow from Operating Activities</b>	<b>1,34,015</b>	<b>2,57,587</b>
Direct taxes paid (net of refunds)	(28,037)	(2,145)
<b>Net Cash Flow generated from/(used In) Operating Activities (A)</b>	<b>1,05,978</b>	<b>2,55,442</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from sale of Fixed Assets	92	38
Investment in HTM securities (Net)	(1,82,487)	(1,44,543)
Deposits (created)/encashed with Banks and financial institutions (Net)	(14,640)	65,556
Purchase of Fixed Assets including WIP	(12,536)	(5,148)
<b>Net Cash Flow used In Investing Activities (B)</b>	<b>(2,09,571)</b>	<b>(84,097)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (net of issue expenses)	46,612	-
Decrease in Borrowings (Net)	87,790	(1,48,376)
Interim dividend paid during the year	(15,759)	-
<b>Net Cash Flow generated from Financing Activities (C)</b>	<b>1,18,643</b>	<b>(1,48,376)</b>
<b>Net Increase In Cash and Cash Equivalents (A+B+C)</b>	<b>15,050</b>	<b>22,969</b>
Cash and Cash Equivalents at the beginning of the year	2,16,319	1,93,350
<b>Cash and Cash Equivalents at the end of the period/ year *</b>	<b>2,31,369</b>	<b>2,16,319</b>

\* Exclusive of Bank Deposits under lien of Rs. 16,000 ( in lakhs ) (PY- Rs. 1,263) ( in lakhs )



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 11, 2023. The financial results for the year ended March 31, 2023, 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, 2022.
- 6) 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.
- 7) During the year ended March 31, 2023, the bank has raised equity capital of Rs 475 crores through Qualified Institutions Placement (QIP) by issuing 22,61,90,476 equity shares of Rs 10/-each at premium of Rs 11/-each. Further, the Bank allotted 2,01,944 equity shares pursuant to the exercise of stock options under the approved Employee Stock Option Plan (ESOP) 2019. During the year, the bank has granted 4,82,29,093 fresh stock options to its eligible employees.
- 8) During the year ended March 31, 2023, the Bank has raised Rs 300 crore by issuing 30,000 subordinated, rated, unlisted, unsecured, transferable, redeemable, fully paid up, non convertible debentures having face value of Rs. 1,00,000/- each, allotted Rs.225 crore on August 26, 2022 and Rs.75 crore on September 9, 2022, for a tenure of 5 years 8 months with a coupon rate of 11.95%.
- 9) As at March 31, 2023, 3,10,14,992 options have been lapsed, 1,48,71,749 options vested and are yet to be exercised and balance 7,38,21,209 options remains unvested out of the total options granted under the approved Employee Stock Option Plan (ESOP) 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, PSLC fee income and recoveries from accounts previously written off. Recoveries from written off accounts, which was hitherto included as credit to provisions and contingencies have been reclassified as part of other income. There is no impact of this change on the net profit/loss of the current or earlier years. The change has been effected from quarter ended September 30, 2022 and accordingly comparative figures have been regrouped.
- 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, 2023, the Bank carries a floating provision of Rs. 250 crore. Of which, Rs. 120 crore is used for calculation of net NPA and provision coverage ratio and remaining Rs. 130 crore is disclosed as other liabilities. Out of Rs.130 crore, Rs. 30 crore is used for calculation of Tier II capital and Rs. 100 crore 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. 100 crores been utilised for calculation of Net NPA and provision coverage ratio, the same would have gone below 0% and above 100% respectively.
- 13) The COVID-19 virus, a global pandemic that affected the world economy over the last two to three years. The extent to which any new wave of COVID-19 will impact the Bank'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 the Bank.



14) 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:

(Rs. in '000)					
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, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year ended March 31, 2023	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	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, 2023
Personal Loans	7,58,311	21,401	75,083	2,22,694	4,60,534
Corporate persons*					
Of which MSMEs					
Others	21,56,760	58,848	4,17,167	8,51,320	8,88,273
<b>Total</b>	<b>29,15,071</b>	<b>80,249</b>	<b>4,92,250</b>	<b>10,74,014</b>	<b>13,48,807</b>

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

15) Details of loans transferred / acquired during the quarter ended March 31, 2023 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.

16) The Bank has restructured NIL accounts which fall under the RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2023.

17) a) The Bank has paid an interim preference dividend of Rs.0.55 per share to the preference share holders. Also, an interim preference dividend of Rs 0.55 per share has been approved by the board for the financial year 2022-23.

b) The Bank has paid an interim equity dividend of Rs. 0.75 per share to the equity share holders. Also, the Board of Directors at its meeting held on May 11, 2023, proposed final equity dividend of Rs.0.5 per share ( previous year - Nil), subject to the approval of the members at the ensuing Annual General Meeting.

18) 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.



- 19) The Board of Directors of the Bank and Ujjivan Financial Services Limited ( UFSL ) 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. In terms of the said scheme, UFSL 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 UFSL 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 UFSL as on the Effective Date. All proceedings by or against UFSL 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 UFSL 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 UFSL. The shares held by UFSL 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 UFSL 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), basis which a joint application has been filed with the NCLT on March 29, 2023, by the Bank and UFSL. The Bank is now awaiting the directions / orders from the Hon'ble NCLT, Bengaluru Bench.
- 20) Figures of the previous periods/year have been regrouped / reclassified, wherever considered necessary to conform to the current period's /year's presentation.

By order of the Board  
For Ujjivan Small Finance Bank Limited

  
Ittira Davis

Managing Director & CEO  
DIN: 06442816

Bengaluru  
May 11, 2023

