

UJJIVAN/SE/2021-22/53

February 11, 2022

**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400 051  
Kind Attention: Manager, Listing Department

**BSE Limited**  
P.J. Tower,  
Dalal Street  
Mumbai 400 001  
Kind Attention: Manager, Listing Compliance

Trading Symbol: UJJIVAN

SCRIP CODE: 539874

Dear Sir/Madam,

**Subject: Outcome of the Board Meeting held on February 11, 2022 - Financial Results for the quarter ended December 31, 2021**

Please refer to our letter dated January 31, 2022, wherein we have intimated about the convening of the meeting of the Board of Directors on February 11, 2022 to approve inter alia the Financial Results for the quarter ended December 31, 2021.

In connection therewith, please note that the Board in its meeting held today February 11, 2022 (meeting commenced at 03:00 PM and concluded at 03:45 PM) has approved and taken on record the unaudited financial results of the Company (standalone and consolidated) for the quarter ended December 31, 2021 together with a copy of the limited review report issued by the statutory auditors of the Company.

A copy of the aforesaid un-audited financial results for the quarter ended December 31, 2021 and limited review report issued by the Statutory Auditors are enclosed herewith.

The above disclosures are being made in compliance with Regulation 30 and 33 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to please take the above on record.

Thanking you,

Yours faithfully,

For Ujjivan Financial Services Limited

  
Sanjeev Barnwal  
CEO & Company Secretary

*Encl: Financial Results and Limited Review Report issued by the auditors*

### INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

Review report to,  
The Board of Directors of Ujjivan Financial Services Limited.

- (1.) We have reviewed the accompanying statement of unaudited standalone financial results of Ujjivan Financial Services Limited ("the Company") for the quarter and nine months period ended December 31, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Regulation").
- (2.) This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in Ind-AS 34 'Interim Financial Reporting' ("Ind-AS 34"), prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI Regulations. Our responsibility is to issue a report on the Statement based on our review.
- (3.) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently doesnot enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- (4.) Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### Emphasis of Matter

- (5.) We draw attention to Note 7 of the accompanying standalone financial results, which describes uncertainties due to the outbreak of Global pandemic COVID-19. As stated therein, in view of these continuing uncertainties, the extent to which the COVID-19 pandemic will continue to impact on the business including that of the subsidiary will depend on future developments which are uncertain.

Our conclusion is not modified in respect of this matter.



# Varma & Varma

## Chartered Accountants

### Other Matters

- (6.) The review of Unaudited standalone financial results for the quarter and nine months period ended December 31, 2020 and the audited financial results for the year ended March 31, 2021 included in the Statement were carried out by predecessor auditors who have expressed unmodified conclusion/opinion, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

Our conclusion is not modified in respect of this matter.



Place: Bengaluru

Date: 11/2/2022

For VARMA & VARMA  
Chartered Accountants  
FRN. 004532S

*Srinivas K.P.*

K P SRINIVAS

Partner

M.No.208520

UDIN: 22 208520 ABJMM 24069

**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 Unaudited Standalone Financial Results for the quarter and nine month period ended December 31, 2021**

(Indian Rupees in lakhs, except per share data)

Sr. No.	Particulars	For the quarter ended			For the nine month period ended		For the year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations:						
	- Preference dividend						
II	Other Income	170.53	164.53	184.05	506.34	674.31	844.38
III	<b>Total Income (I+II)</b>	<b>170.53</b>	<b>164.53</b>	<b>184.05</b>	<b>506.34</b>	<b>674.31</b>	<b>844.38</b>
	<b>Expenses</b>						
	Employee benefits expenses	36.91	43.61	67.26	104.73	205.10	224.79
	Depreciation, amortization and impairment	0.20	0.23	0.23	0.65	0.93	1.14
	Other expenses	78.55	53.83	50.14	218.13	162.05	229.76
IV	<b>Total Expenses</b>	<b>115.66</b>	<b>97.67</b>	<b>117.63</b>	<b>323.51</b>	<b>368.08</b>	<b>455.69</b>
V	<b>Profit / (Loss) before tax (III-IV)</b>	<b>54.88</b>	<b>66.86</b>	<b>66.42</b>	<b>182.84</b>	<b>306.23</b>	<b>388.69</b>
	Tax Expense:						
	(i) Current tax	19.49	23.08	16.83	57.98	78.05	98.70
	(ii) In respect of earlier years	-	-	-	-	(4.07)	(4.07)
	(iii) Deferred tax charge / (credit)	(0.70)	0.56	(0.29)	(0.59)	0.44	0.60
VI	<b>Total tax Expense</b>	<b>18.79</b>	<b>23.64</b>	<b>16.84</b>	<b>57.39</b>	<b>74.42</b>	<b>96.23</b>
VII	<b>Profit / (Loss) for the period / year (V-VI)</b>	<b>36.09</b>	<b>43.22</b>	<b>49.58</b>	<b>125.45</b>	<b>231.81</b>	<b>293.46</b>
VIII	<b>Other Comprehensive Income</b>						
	(i) Items that will not be reclassified to profit or loss	-	-	(0.30)	-	(0.90)	(0.01)
	(ii) Income tax relating thereto	-	-	0.08	-	0.23	-
	<b>Total other comprehensive income / (loss) for the period / year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(0.22)</b>	<b>-</b>	<b>(0.67)</b>	<b>(0.01)</b>
IX	<b>Total Comprehensive Income / (Loss) for the period / year (VII+VIII)</b>	<b>36.09</b>	<b>43.22</b>	<b>49.66</b>	<b>125.45</b>	<b>231.14</b>	<b>293.45</b>
X	<b>Paid-up equity share capital (face value of Rs. 10/ share)</b>	<b>12,167.81</b>	<b>12,166.73</b>	<b>12,165.20</b>	<b>12,167.81</b>	<b>12,165.20</b>	<b>12,165.60</b>
XI	<b>Earnings per equity share*:</b>						
	(1) Basic	0.03	0.04	0.04	0.10	0.19	0.24
	(2) Diluted	0.03	0.04	0.04	0.10	0.19	0.24
	* Earnings per share for the interim periods are not annualised						

**Notes to unaudited standalone financial results :**

- These Unaudited Standalone financial results ("hereinafter referred as "Financial Results") for the quarter and nine months period ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 11, 2022 pursuant to 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 laid down in Indian Accounting standards (Ind-AS) 34 'Interim Financial Reporting' notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder including Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other recognized accounting principles generally accepted in India. The financial results have been subjected to a 'Limited review' by the statutory auditors of the Company. The report thereon is unmodified.
- The significant accounting policies applied by the Company in the preparation of these financial results are consistent with those followed in the annual financial statements for the year ended March 31, 2021.
- 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 Managing Director and 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 reportable Segments as per Indian Accounting Standard 108 "Operating Segments".
- During the nine month period ended December 31, 2021, Company has allotted 22,108 equity shares of 10 each and fully paid-up on exercise of options by employees of its subsidiary, in accordance with the Company's employee stock option scheme.
- The following expenses included under 'Other expenses' exceed 10% of the total expenses:

Expense Head	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
Professional charges	24.73	11.13	22.52	52.92	54.12	72.04
Directors' Sitting fee	25.66	28.32	16.05	63.13	32.32	66.84
Donations	-	5.80	-	49.47	-	-



**Statement of Unaudited Standalone Financial Results for the quarter and nine month period ended December 31, 2021**

- 6 During the quarter ended December 31, 2021, at their meeting held on October 30, 2021, the Company's Board have approved a scheme of amalgamation with and into Ujjivan Small Finance Bank Limited which is subject to the approval by the Reserve Bank of India, Securities Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, its members and the Creditors and National Company Law Tribunal.
- 7 Consequent to the outbreak of COVID-19 pandemic, on March 24, 2020, the Indian government had announced lockdown in March 2020. Subsequently, the lockdown has been lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. During the quarter ended June 30, 2021, India experienced a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country. The world is now experiencing another outbreak on account of new coronavirus variant and as a precautionary measure India has started to re-impose localised/regional restrictions.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. The Company is a CIC-NBFC and its activities are limited to its investment which significantly comprises of Investment made in subsidiary, Ujjivan Small Finance Bank Limited ("the Bank"). Numerous government and companies, including our subsidiary, have introduced a variety of measures to contain the spread of virus.

The disruptions following the outbreak, have led to a decrease in loan originations and in collection efforts efficiency. This may lead to a rise in the number of customer defaults and consequently an increase in provisions against the same.

The extent to which the COVID-19 pandemic will continue to impact the Bank's operations and results will depend on ongoing as well as future developments, which are incapable of assessment at this point in time, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank.

Management has made an assessment that there is no material impact of COVID-19 on the Company which is required to be recognised in the standalone financial results. The Company has adequate liquidity and resources to service its obligations in the near future.

Further, the impact of COVID-19 pandemic on the subsidiary's financial results will depend on the future developments which are uncertain. Accordingly, no adjustments have been made to the standalone financial results.

- 8 Previous period / year figures have been reclassified / re-grouped, wherever necessary, to confirm with current period classification / grouping

Bengaluru  
February 11, 2022



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

Samit Ghosh  
Non-Executive Director and Chairman  
DIN: 00185369



### INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

Review report to,  
The Board of Directors of Ujjivan Financial Services Limited.

- (1.) We have reviewed the accompanying statement of unaudited consolidated financial results of Ujjivan Financial Services Limited ("the Holding Company") and its subsidiary ("the Holding Company and its subsidiary hereinafter collectively referred as "the Group") for the quarter and nine months ended 31 December 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the SEBI Regulation").
- (2.) This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in Ind-AS 34 'Interim Financial Reporting' ("Ind-AS 34"), prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI Regulations. Our responsibility is to issue a report on the Statement based on our review.
- (3.) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently doesnot enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

- (4.) The Statement includes the results of the following entity:

Sl. No.	Name of the Company	Relationship with the holding company
1.	Ujjivan Small Finance Bank Limited	Subsidiary

- (5.) Based on our review conducted as stated in paragraph 3 above and based on the consideration of review report of the auditors of the subsidiary company referred in Paragraph 7 below, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with applicable Indian accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



## Chartered Accountants

### Emphasis of Matter

- (6.) We draw attention to Note 6 of the accompanying unaudited consolidated financial results, which describes uncertainties due to the outbreak of Global pandemic COVID-19. As stated therein, in view of these continuing uncertainties, the extent to which the COVID-19 pandemic will continue to impact the group will depend on future developments which are uncertain.

Our conclusion is not modified in respect of this matter.

### Other Matters

- (7.) We did not review the unaudited condensed information of the subsidiary included in the unaudited consolidated financial results, whose interim financial information prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 reflect total revenue of Rs.73,202 lakhs and Rs.2,19,919 lakhs and total net loss after tax of Rs.18,194 lakhs and Rs.35,033 lakhs and total comprehensive loss of Rs.18,761 Lakhs and Rs.34,929 Lakhs for the quarter and nine month period ended 31 December 2021 respectively as considered in the unaudited consolidated Financial Results. These interim financial information have been reviewed by the Joint Statutory Auditors of the Subsidiary whose review report on special purpose interim Ind AS financial information has been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the said auditors and the procedures performed by us as stated in paragraph 3 above
- (8.) The review of Unaudited consolidated financial results for the quarter and nine month period ended 31 December 2020 and the audit of financial results for the year ended March 31, 2021 included in the Statement were carried out by predecessor auditors who have expressed unmodified conclusion/opinion, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

Our conclusion is not modified in respect of the matters stated in Paragraph 7 and 8 above.



Place: Bengaluru

Date: 11/2/2022

For VARMA & VARMA  
Chartered Accountants  
FRN. 0045325

*Srinivas K.P.*

K P SRINIVAS

Partner

M.No.208520

UDIN: 22 208520 ABJJXG 3450

**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 Unaudited Consolidated Financial Results for the quarter and nine month period ended December 31, 2021**

(Rs. in lakhs, except per share data)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year Ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I</b>	<b>Revenue from operations</b>						
	Interest Income	68,927.33	71,591.94	72,010.25	2,08,225.27	2,27,134.34	2,96,778.73
	Fees and Commission Income (Includes Revenue from contracts with customers)	1,923.99	1,503.40	1,388.08	4,557.54	2,867.72	4,860.02
	Net gain on derecognition of financial instruments at amortised cost	(42.59)	524.64	3,775.83	1,687.18	4,930.60	4,959.94
		<b>70,808.73</b>	<b>73,619.98</b>	<b>77,174.16</b>	<b>2,14,469.99</b>	<b>2,34,932.66</b>	<b>3,06,598.09</b>
<b>II</b>	<b>Other Income</b>	2,439.02	(429.74)	2,034.32	5,575.70	9,951.42	11,501.46
<b>III</b>	<b>Total Income (I+II)</b>	<b>73,247.75</b>	<b>73,190.24</b>	<b>79,208.48</b>	<b>2,20,045.69</b>	<b>2,44,884.08</b>	<b>3,18,099.55</b>
	<b>Expenses</b>						
	Finance Costs	26,137.27	26,164.78	26,215.47	78,886.39	84,579.96	1,12,095.09
	Impairment on Financial Instruments	33,058.54	18,506.52	84,495.02	81,908.71	1,10,226.61	1,16,519.02
	Employee benefits Expenses	21,514.24	19,896.92	20,558.50	59,069.59	58,559.58	75,909.98
	Depreciation, amortization and impairment	3,751.65	4,019.11	3,627.22	11,734.00	10,769.48	16,990.34
	Other expenses	13,085.34	13,686.12	10,574.49	35,123.14	24,069.25	28,517.88
<b>IV</b>	<b>Total expenses</b>	<b>97,547.04</b>	<b>82,273.45</b>	<b>1,45,470.69</b>	<b>2,66,721.84</b>	<b>2,88,204.88</b>	<b>3,50,032.31</b>
<b>V</b>	<b>Profit / (loss) before tax (III-IV)</b>	<b>(24,299.29)</b>	<b>(9,083.22)</b>	<b>(66,262.22)</b>	<b>(46,676.15)</b>	<b>(43,320.80)</b>	<b>(31,932.76)</b>
	Tax expense:						
	(i) Current tax	227.69	222.08	11,200.93	465.18	17,205.18	17,199.28
	(ii) In respect of earlier years	-	-	-	-	(4.07)	(4.07)
	(iii) Deferred tax charge / (credit)	(6,370.49)	(2,487.04)	(28,390.28)	(12,233.21)	(28,213.40)	(25,217.27)
<b>VI</b>	<b>Total tax expense</b>	<b>(6,142.81)</b>	<b>(2,264.96)</b>	<b>(17,189.35)</b>	<b>(11,768.03)</b>	<b>(11,012.29)</b>	<b>(8,022.06)</b>
<b>VII</b>	<b>Profit / (loss) for the period / year (V-VI)</b>	<b>(18,156.48)</b>	<b>(6,818.26)</b>	<b>(49,072.87)</b>	<b>(34,908.12)</b>	<b>(32,308.50)</b>	<b>(23,910.70)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>						
	(i) Items that will not be reclassified to profit or loss	(735.61)	(184.96)	(162.57)	136.51	(70.19)	206.55
	(i) Items that will be reclassified to profit or loss	(22.32)	17.70	-	1.60	-	7.70
	(ii) Income tax relating thereto	190.76	42.10	40.92	(34.76)	17.67	(53.93)
	<b>Total other comprehensive income / (loss) for the period / year, net of tax</b>	<b>(567.17)</b>	<b>(125.16)</b>	<b>(121.65)</b>	<b>103.35</b>	<b>(52.52)</b>	<b>160.32</b>
<b>IX</b>	<b>Total Comprehensive Income / (Loss) for the period / year (VII+VIII)</b>	<b>(18,723.66)</b>	<b>(6,943.41)</b>	<b>(49,194.52)</b>	<b>(34,804.77)</b>	<b>(32,361.02)</b>	<b>(23,750.38)</b>
	<b>Net Profit attributable to:</b>						
	Owners	(15,121.76)	(5,673.95)	(40,880.96)	(29,064.66)	(26,881.75)	(19,876.25)
	Non-controlling interests	(3,034.73)	(1,144.31)	(8,191.91)	(5,843.46)	(5,426.75)	(4,034.45)
	<b>Other Comprehensive Income / (Loss) attributable to:</b>						
	Owners	(472.62)	(104.26)	(101.40)	86.06	(43.87)	133.56
	Non-controlling interests	(94.56)	(20.90)	(20.25)	17.28	(8.65)	26.75
	<b>Total Comprehensive Income / (Loss) attributable to:</b>						
	Owners	(15,594.37)	(5,778.21)	(40,982.36)	(28,978.60)	(26,925.62)	(19,742.69)
	Non-controlling interests	(3,129.28)	(1,165.21)	(8,212.16)	(5,826.18)	(5,435.40)	(4,007.70)
<b>X</b>	<b>Paid-up equity share capital (face value of Rs. 10 per share)</b>	12,167.81	12,166.73	12,165.20	12,167.81	12,165.20	12,165.60
<b>XI</b>	<b>Earnings per equity share*:</b>						
	(1) Basic	(12.43)	(4.66)	(33.61)	(23.89)	(22.10)	(16.34)
	(2) Diluted	(12.43)	(4.66)	(33.61)	(23.89)	(22.10)	(16.34)

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

**Notes:**

- These Unaudited consolidated financial results ("hereinafter referred as "Financial Results") for the quarter and nine months period ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 11, 2022 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 laid down in Ind AS 34 'Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. It has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2021. The financial results have been subjected to an "Limited review" by the statutory auditors of the Group. The report thereon is unmodified.
- The financial results of Ujjivan Small Finance Bank Limited ("USFB"), the subsidiary, as published on February 05, 2022, 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 aforesaid unaudited consolidated financial results of the Company, these standalone results of USFB have been restated to comply with the recognition and measurement principles as referred to in paragraph 1 above.





**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 Unaudited Consolidated Financial Results for the quarter and nine month period ended December 31, 2021**

3 Segment wise Revenue, Results and Capital employed for unaudited consolidated financial results under Regulation 33 of the Listing Regulations, 2015:

Particulars	(Rs. in lakhs)			(Rs. in lakhs)		(Rs. in lakhs)
	Quarter ended			Nine Months ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue</b>						
a. Banking	73,203.11	73,142.20	79,193.89	2,19,918.72	2,44,869.49	3,18,051.64
b. Others*	44.64	48.04	14.59	126.97	14.59	47.91
<b>Total Revenue</b>	<b>73,247.75</b>	<b>73,190.24</b>	<b>79,208.48</b>	<b>2,20,045.69</b>	<b>2,44,884.08</b>	<b>3,18,099.55</b>
<b>Segment Results</b>						
a. Banking	(24,228.27)	(9,033.58)	(66,159.18)	(46,479.61)	(42,967.31)	(31,524.98)
b. Others*	(71.02)	(49.63)	(103.04)	(196.54)	(353.49)	(407.78)
<b>Profit before tax</b>	<b>(24,299.29)</b>	<b>(9,083.21)</b>	<b>(66,262.22)</b>	<b>(46,676.15)</b>	<b>(43,320.80)</b>	<b>(31,932.76)</b>
<b>Segment Assets</b>						
a. Banking	21,00,327.38	19,42,293.31	18,52,173.62	21,00,327.38	18,52,173.62	20,17,427.78
b. Others*	2,215.32	5,280.54	3,129.62	2,215.32	3,129.62	3,243.02
<b>Total</b>	<b>21,02,542.69</b>	<b>19,47,573.85</b>	<b>18,55,303.24</b>	<b>21,02,542.69</b>	<b>18,55,303.24</b>	<b>20,20,670.80</b>
<b>Segment Liabilities</b>						
a. Banking	18,42,517.22	16,68,887.53	15,69,066.57	18,42,517.22	15,69,066.57	17,25,499.48
b. Others*	137.72	133.37	125.81	137.72	125.81	138.96
<b>Total</b>	<b>18,42,654.93</b>	<b>16,69,020.90</b>	<b>15,69,192.38</b>	<b>18,42,654.93</b>	<b>15,69,192.38</b>	<b>17,25,638.44</b>
<b>Capital Employed (Segment Assets less Segment Liabilities)</b>						
a. Banking	2,57,810.17	2,73,405.78	2,83,107.05	2,57,810.17	2,83,107.05	2,91,928.30
b. Others*	2,077.60	5,147.17	3,003.81	2,077.60	3,003.81	3,104.06
<b>Total</b>	<b>2,59,887.76</b>	<b>2,78,552.95</b>	<b>2,86,110.86</b>	<b>2,59,887.76</b>	<b>2,86,110.86</b>	<b>2,95,032.36</b>

Banking includes Micro finance, Housing loans, Micro and small enterprise loans, Personal loans, Vehicle loans and Institutional loans. Revenue from these segment include interest earned and processing fees. Expenses comprise of interest expense, premises expense and personnel expense, credit costs, other direct overheads and allocated expenses.

\*Others include NBFC Operations of the Group.

- 4 During the nine months ended December 31, 2021, Holding Company has allotted 22,108 equity shares of Rs 10 each, fully paid-up, on exercise of options by employees of its subsidiary, in accordance with the Company's employee stock option schemes.
- 5 During the quarter ended December 31, 2021, at its meeting held on October 30, 2021, the Company's Board have approved a scheme of amalgamation with and into Ujjivan Small Finance Bank Limited which is subject to the approval by the Reserve Bank of India, Securities Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, its members and the Creditors and National Company Law Tribunal.
- 6 Consequent to the outbreak of COVID-19 pandemic, on March 24, 2020, the Indian government had announced lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. During the quarter ended June 30, 2021, India experienced a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country. The world is now experiencing another outbreak on account of new coronavirus variant and as a precautionary measure India has started to re-impose localised/regional restrictions.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. The disruptions following the outbreak, have led to a decrease in loan originations and in collection efforts efficiency. This may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. Numerous government and companies, including our subsidiary, Ujjivan Small Finance Bank Limited ('the Bank'), have introduced a variety of measures to contain the spread of virus.

The extent to which the COVID-19 pandemic will continue to impact the subsidiary's operations and results will depend on ongoing as well as future developments and which the Group is unable to assess currently, 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 subsidiary.

- 7 The Bank's Results for the quarter and nine months ended December 31, 2021 were declared on February 05, 2022 and prepared as per the recognition and measurement principles as referred to in paragraph 2 above (or IGAAP). Provision (other than tax) and contingencies as per that and impairment on Financial Instruments (or Expected Credit loss provisioning or ECL) under Ind-AS as per Consolidated Financial Results for nine month period ended December 31, 2021 are as follows:

Particulars	Charge in statement of profit and loss
Provision (other than tax) and contingencies as per IGAAP	1,07,429.58
Impairment on Financial Instruments as per ECL methodology under Ind-AS	81,908.71
<b>Difference</b>	<b>25,520.87</b>

The Consolidated Financial results are prepared as per the recognition and measurement principles as referred in para 1 above (or Ind-AS). Ministry of Corporate Affairs (MCA), in 2015, had notified the Companies (Indian Accounting Standards (IND AS) Rules 2015, which stipulated the adoption and applicability of Ind-AS in a phased manner wherein Ind-AS applicability and adoption was made mandatory for all Non-Banking Financial Companies (NBFCs). As per the rules, the Company being a NBFC adopted Ind-AS with effect from April 1, 2018 having Net worth of more than Rs. 500 crores. However, with respect to applicability of Ind-AS to our subsidiary, RBI through its notification dated March 22, 2019 have deferred the implementation of Ind-AS for Banks till further notice.

The Consolidated Financial Results largely represents the standalone results of Ujjivan Small Finance Bank restated as mentioned in para 2 above and standalone Ind-AS results of Ujjivan Financial Services Limited. The Bank Results (after restatement to Ind-AS) were also adopted by the Board of Directors of the Bank in their meeting dated February 05, 2022 and were subjected to review by statutory auditors of the Bank.

The broad reasons for the difference between provision as per Bank Results under IGAAP and ECL provision as per Consolidated Financial Results under Ind-AS are listed below:

- (i) One fundamental reason is both Bank Results and Consolidated Financial Results are prepared under different recognition and measurement principles as mentioned above; i.e. IGAAP and Ind-AS respectively.



**Statement of Unaudited Consolidated Financial Results for the quarter and nine month period ended December 31, 2021**

(ii) IGAAP provisioning is based on RBI prudential norms, which is more like a rule based provisioning and based on the days past due concept. Under IGAAP, Non-Performing Assets (NPA) borrowers are classified into Sub Standard (SSD), Doubtful (DBF) and Loss assets (LOA).

Whereas Ind-AS 109 refers to the expected credit losses and much more stringent than the IGAAP provisioning. Under Ind-AS, the assets are classified under three stages:

- Stage I reflects that the expected credit loss is insignificant and twelve month credit loss assessment is done.
- Stage II reflects the medium risk enhancement and
- Stage III is where the higher risk is envisaged basis the expected deterioration of the loan portfolio considering the both internal and external factors

Stage II & stage III works on the life time assessment of the loan portfolio by following the NPV concept of net cash flows expected from the stress book portfolio

To summarize, the credit loss is calculated following forward looking approach by discounting the future expected cash flows whereas IGAAP based on days past due concept and follows prudential norms.

Further, the provision rates under IGAAP are also different for each of these NPA classes. Once an account is classified as Stage III asset, ECL is calculated at a higher rate for the entire period till the time it is in Stage III whereas the same account under IGAAP once becomes NPA will be first classified as SSD and then moves to DBF or LOA as time passes by. The rate of provisioning for SSD, BDF and LOA category assets are different and increases from SSD to LOA as the time passes by and in compliance with the IRAC norms.

(iii) Hence, this lifecycle of NPA assets causes a higher charge in statement of profit and loss under Ind-AS during the initial period of an asset when it becomes NPA and write back of provision under Ind-AS at a later stage of NPA.

- 8 Subsequent to quarter ended December 31, 2021, the Board of Directors of subsidiary company has considered and approved the issuance of equity shares upto Rs.600 Crores including premium through Qualified Institutional Placement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which is subject to approval of shareholders.
- 9 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 Ghosh  
Non-Executive Director and Chairman  
DIN: 00185369

Bengaluru  
February 11, 2022

