

UJJIVAN/SE/2021-22/41

November 13, 2021

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 November 13, 2021 - Financial Results for the quarter and half year ended September 30, 2021

Please refer to our letter dated November 06, 2021, wherein we have intimated about the convening of the meeting of the Board of Directors on November 13, 2021 to approve inter alia the Financial Results for the quarter and half year ended September 30, 2021.

In connection therewith, please note that the Board in its meeting held today November 13, 2021 (meeting commenced at 11:45 AM and concluded at 12:30 PM) has approved and taken on record the unaudited financial results of the Company (standalone and consolidated) for the quarter and half ended September 30, 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 and half year ended September 30, 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 half year ended September 30, 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 personnel and analytical procedures applied to financial data and thus provides less assurance than 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 9 of the accompanying standalone financial results, which describes business uncertainties due to the outbreak of Global pandemic SARS-CoV-2 virus (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 carrying value of assets including investment in the subsidiary will depend on future developments which are uncertain.

Our conclusion is not modified in respect of this matter.

Other Matters

- (6.) The review of Unaudited standalone financial results for the quarter ended June 30, 2021, half year ended September 30, 2020 and the audited financial results for the year ended March 31, 2021 included in the Statement were carried out and reported 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.

For VARMA & VARMA
Chartered Accountants
FRN. 004532S

Place: Bengaluru
Date: 13 November 2021

K P SRINIVAS
Partner
M.No. 208520
UDIN: 21208520AAAAOE4629

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2021

Sr. No.	Particulars	(Rs. in lakhs, except per share data)					
		Quarter Ended		For the Half Year Ended		Year Ended	
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations:						
	- Preference dividend	-	-	-	-	-	-
II	Other Income	164.53	171.28	242.52	335.81	490.26	844.38
III	Total Income (I+II)	164.53	171.28	242.52	335.81	490.26	844.38
	Expenses						
	Employee benefits expenses	43.61	24.21	66.94	67.82	137.84	224.79
	Depreciation, amortization and impairment	0.23	0.22	0.25	0.45	0.70	1.14
	Other expenses	53.83	85.75	64.65	139.58	111.91	229.76
IV	Total Expenses	97.67	110.18	131.84	207.85	250.45	455.69
V	Profit / (Loss) before tax (III-IV)	66.86	61.10	110.68	127.96	239.81	388.69
	Tax Expense:						
	(i) Current tax	23.08	15.41	24.05	38.49	61.22	98.70
	(ii) In respect of earlier years	-	-	-	-	(4.07)	(4.07)
	(iii) Deferred tax charge / (credit)	0.56	(0.45)	0.01	0.11	0.73	0.60
VI	Total tax Expense	23.64	14.96	24.06	38.60	57.88	95.23
VII	Profit / (Loss) for the period / year (V-VI)	43.22	46.14	86.62	89.36	181.93	293.46
VIII	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	-	-	(0.30)	-	(0.60)	(0.01)
	(ii) Income tax relating thereto	-	-	0.07	-	0.15	-
	Total other comprehensive income / (loss) for the period / year, net of tax	-	-	(0.23)	-	(0.45)	(0.01)
IX	Total Comprehensive Income / (Loss) for the period / year (VII+VIII)	43.22	46.14	86.39	89.36	181.48	293.45
X	Paid-up equity share capital (face value of Rs. 10 per share)	12,166.73	12,166.16	12,161.42	12,166.73	12,161.42	12,165.60
XI	Earnings per equity share*:						
	(1) Basic	0.04	0.04	0.07	0.07	0.15	0.24
	(2) Diluted	0.04	0.04	0.07	0.07	0.15	0.24
	* Earnings per share for the interim periods are not annualised						

Notes to unaudited standalone financial results :

1 Statement of Unaudited Standalone Assets and Liabilities

Particulars	(Rs. in lakhs)		
	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021
	Unaudited	Unaudited	Audited
ASSETS			
Financial assets			
i. Cash and cash equivalents	63.29	4,113.71	59.25
ii. Bank balances other than (i) above	12,456.53	8,141.76	12,329.52
iii. Investments	1,67,982.96	1,67,851.64	1,67,964.56
Non - Financial assets			
i. Current tax assets (Net)	65.00	61.33	65.00
ii. Deferred tax assets (Net)	2.62	2.74	2.72
iii. Property, plant and equipment	2.00	2.71	2.28
iv. Other non-financial assets	1.13	0.26	26.52
Total assets	1,80,573.53	1,80,174.15	1,80,449.85
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
i. Payables			
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6.04	6.44	21.50
Non Financial liabilities			
i. Current tax liabilities (Net)	24.33	17.51	-
ii. Provisions	11.84	10.38	10.17
iii. Other non-financial liabilities	91.17	104.08	107.29
Total liabilities	133.38	138.41	138.96
Equity			
Equity Share Capital	12,166.73	12,161.42	12,165.60
Other equity	1,68,273.42	1,67,874.32	1,68,145.29
Total equity	1,80,440.15	1,80,035.74	1,80,310.89
Total Liabilities and Equity	1,80,573.53	1,80,174.15	1,80,449.85

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2021

2 Statement of Unaudited Standalone Cash Flow

(Rs. in lakhs)

Particulars	For the half year ended September 30, 2021	For the half year ended September 30, 2020	For the year ended March 31, 2021
	Unaudited	Unaudited	Audited
Cash Flows from Operating Activities			
Profit before tax	127.96	239.81	388.69
Adjustments for:			
Depreciation and amortisation expenses	0.45	0.70	1.14
Share based payments	0.47	4.50	(2.59)
Interest on fixed deposits	(335.81)	(490.26)	(844.38)
Operating cash flows before Working capital changes	(206.93)	(245.25)	(457.14)
Changes in working capital:			
Financial Assets/ Liabilities			
Increase / (Decrease) in Trade Payable	(15.46)	(5.63)	9.43
Non Financial Assets/ Liabilities			
(Increase) / Decrease in Other Assets	25.39	36.66	10.41
Increase / (Decrease) in Provisions	1.67	(2.74)	(2.36)
Increase / (Decrease) in Other Non Financial liabilities	(16.14)	(0.53)	2.69
Cash flow used in operations	(211.47)	(217.49)	(436.98)
Net Tax (paid) / Refunds received	(14.16)	(43.75)	(102.43)
Net Cash generated from / (used in) Operating activities (A)	(225.63)	(261.24)	(539.40)
Cash flows from Investing activities			
Purchase of fixed assets	(0.17)	-	-
Maturity proceeds from Fixed deposit	4,500.00	9,180.00	16,075.80
Placement of Fixed deposits	(4,440.00)	(4,500.00)	(15,650.80)
Interest on Fixed deposits received	148.80	559.39	980.75
Net Cash (used in)/generated from Investing activities (B)	208.63	5,239.39	1,405.75
Cash flows from Financing activities			
Proceeds from share application money (net)	21.04	11.99	69.33
Dividend Paid	-	(972.91)	(972.91)
Net Cash (used in)/ generated from Financing activities (C)	21.04	(960.92)	(903.58)
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	4.04	4,017.23	(37.23)
Cash and cash equivalents at the beginning of the year	59.25	96.48	96.48
Cash & Cash equivalents at the end of the year (Closing)	63.29	4,113.71	59.25

3 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 13, 2021 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, Indian Accounting standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. The financial results for the quarter and half year ended September 30, 2021 have been subjected to limited review by the statutory auditors of the Company and the report

4 The Company 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.

5 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".

6 During the half year ended, Company has allotted 11,269 equity shares (for the half year ended September 30, 2020: 10,958 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 scheme.

7 The following expenses included under 'Other expenses' exceed 10% of the total expenses:

(Rs. in lakhs)

Expense Head	Quarter Ended			For the Half Year Ended		Year Ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Professional charges	11.13	17.06	6.61	28.19	31.60	72.04
Directors' Sitting fee	28.32	9.15	9.19	37.47	16.27	66.84
Donations	5.80	43.67	-	49.47	-	-

8 Subsequent to the quarter ended September 30, 2021, 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 Excnhage Board of India, BSE Limited, National Stock Exchange of India Limited, its members and the Creditors and National Company Law Tribunal.

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2021

9 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 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.

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

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

Bengaluru
November 13, 2021

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 half year ended September 30, 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. 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 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

- (6.) We draw attention to Note 8 of the accompanying consolidated financial results, which describes the extent to which the Covid-19 Pandemic will continue to impact the Bank's (subsidiary) operations and financial results will depend on ongoing and uncertain future developments.

Our conclusion is not modified in respect of this matter.

Other Matters

- (7.) We did not review the financial results of the subsidiary included in the consolidated unaudited financial results, whose interim financial information prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 reflect total assets of Rs.19,42,299 lakhs as at 30 September 2021, and total revenue of Rs.73,144 lakhs and Rs.1,46,717 lakhs and total net loss after tax of Rs.6,860 lakhs and Rs.16,839 lakhs and total comprehensive loss of Rs.6,983 Lakhs and Rs.16,168 Lakhs for the quarter and half year ended September 30, 2021 respectively, and total cash outflows of Rs.49,293 Lakhs for the half year ended September 30, 2021 as considered in the consolidated Financial Results. These interim financial information have been reviewed by the auditors of that company whose review report 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 ended June 30, 2021, half year ended September 30, 2020 and the audit of financial results for the year ended March 31, 2021 included in the Statement were carried out and reported 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.

For VARMA & VARMA
Chartered Accountants
FRN. 004532S

Place: Bengaluru
Date: 13 November 2021

K P SRINIVAS
Partner
M.No. 208520

UDIN 21208520AAAAOF4731

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2021

Sr. No.	Particulars	Quarter ended			For the Half Year ended		Year Ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations						
	Interest Income	71,591.94	67,706.00	78,288.40	1,39,297.94	1,55,124.09	2,96,778.73
	Fees and Commission Income (Includes Revenue from contracts with customers)	1,503.40	1,130.15	1,030.38	2,633.55	1,479.64	4,860.32
	Net gain on derecognition of financial instruments at amortised cost	524.64	1,205.13	58.35	1,729.77	1,154.77	4,959.04
		73,619.98	70,041.28	79,377.13	1,43,661.26	1,57,758.50	3,06,598.09
II	Other Income	(429.74)	3,566.42	3,470.27	3,136.68	7,917.10	11,501.46
III	Total Income (I+II)	73,190.24	73,607.70	82,847.40	1,46,797.94	1,65,675.60	3,18,099.55
	Expenses						
	Finance Costs	26,164.78	26,584.34	28,942.43	52,749.12	58,364.49	1,12,095.09
	Impairment on Financial Instruments	18,506.52	30,343.66	11,405.40	48,850.18	25,731.59	1,16,519.02
	Employee benefits Expenses	19,896.92	17,658.43	19,221.20	37,555.35	38,001.08	75,909.98
	Depreciation, amortization and impairment	4,019.11	3,963.24	3,665.69	7,982.35	7,142.26	16,990.34
	Other expenses	13,686.12	8,351.68	7,260.58	22,037.80	13,494.76	28,517.88
IV	Total expenses	82,273.45	86,901.35	70,495.30	1,69,174.80	1,42,734.18	3,50,032.31
V	Profit / (loss) before tax (III-IV)	(9,083.21)	(13,293.65)	12,352.10	(22,376.86)	22,941.42	(31,932.76)
	Tax expense:						
	(i) Current tax	222.08	15.41	4,168.05	237.49	6,004.25	17,199.28
	(ii) In respect of earlier years	-	-	(4.07)	-	(4.07)	(4.07)
	(iii) Deferred tax charge / (credit)	(2,487.04)	(3,375.67)	(787.75)	(5,862.71)	176.88	(25,217.27)
VI	Total tax expense	(2,264.96)	(3,360.26)	3,376.23	(5,625.22)	6,177.06	(8,022.06)
VII	Profit / (loss) for the period / year (V-VI)	(6,818.25)	(9,933.39)	8,975.87	(16,751.64)	16,764.36	(23,910.70)
VIII	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	(184.96)	1,057.07	39.98	872.11	(53.96)	206.55
	(i) Items that will be reclassified to profit or loss	17.70	6.22	199.34	23.92	146.34	7.70
	(ii) Income tax relating thereto	42.10	(267.61)	(60.24)	(225.51)	(23.25)	(53.93)
	Total other comprehensive income / (loss) for the period / year, net of tax	(125.16)	795.68	179.08	670.52	69.13	160.32
IX	Total Comprehensive Income / (Loss) for the period / year (VII+VIII)	(6,943.40)	(9,137.71)	9,154.95	(16,081.12)	16,833.49	(23,750.38)
	Net Profit attributable to:						
	Owners	(5,673.93)	(8,268.97)	7,493.44	(13,942.90)	13,999.20	(19,876.25)
	Non-controlling interests	(1,144.31)	(1,664.42)	1,482.43	(2,808.74)	2,765.16	(4,034.45)
	Other Comprehensive Income / (Loss) attributable to:						
	Owners	(104.26)	662.94	149.13	558.68	57.53	133.57
	Non-controlling interests	(20.90)	132.74	29.95	111.84	11.60	26.75
	Total Comprehensive Income / (Loss) attributable to:						
	Owners	(5,778.20)	(7,606.03)	7,642.56	(13,384.22)	14,056.73	(19,742.69)
	Non-controlling interests	(1,165.21)	(1,531.69)	1,512.38	(2,696.89)	2,776.76	(4,007.69)
X	Paid-up equity share capital (face value of Rs. 10 per share)	12,166.73	12,166.16	12,161.42	12,166.73	12,161.42	12,165.60
XI	Earnings per equity share*:						
	(1) Basic	(4.66)	(6.80)	6.16	(11.46)	11.51	(16.34)
	(2) Diluted	(4.66)	(6.80)	6.16	(11.46)	11.50	(16.34)
	* Earnings per share for the interim periods are not annualised						

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 half year ended September 30, 2021

Notes to Unaudited Consolidated Financial Results:

1 Statement of Consolidated Assets and Liabilities

Particulars	September 30, 2021	September 30, 2020	(Rs. in lakhs) March 31, 2021
	Unaudited	Unaudited	Audited
ASSETS			
Financial Assets			
Cash and cash equivalents	1,44,105.33	1,05,826.78	1,93,393.45
Bank balances other than above	69,546.50	5,498.03	67,511.58
Loans	13,11,984.80	13,39,564.21	13,84,741.42
Investments	3,01,343.38	3,39,247.94	2,55,170.64
Other financial assets	5,496.63	3,486.54	3,918.79
Non Financial Assets			
Current tax assets (net)	6,546.90	147.56	4,772.40
Deferred tax assets (net)	39,721.16	8,720.43	34,083.93
Property, plant and equipment	15,178.78	19,281.26	17,340.54
Right of use asset	40,231.84	32,393.84	44,176.23
Capital work-in-progress	962.20	1,441.07	478.72
Other intangible assets	10,238.38	8,963.50	10,256.77
Other non financial assets	2,217.95	5,443.28	4,826.33
Total Assets	19,47,573.85	18,70,014.44	20,20,670.80
Liabilities And Equity			
Liabilities			
Financial Liabilities			
Payables			
(a) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10,213.44	4,326.38	5,160.55
Borrowings (Other than Debt Securities)	1,67,717.29	3,94,858.31	3,24,717.75
Deposits	14,01,973.83	10,66,486.72	13,04,537.42
Lease Liability	47,193.17	35,651.18	50,664.97
Other Financial Liabilities	34,286.98	25,196.04	31,460.42
Non Financial Liabilities			
Current Tax Liabilities	24.33	17.51	-
Provisions	4,218.48	6,134.00	5,320.28
Other Non Financial Liabilities	3,393.38	2,652.26	3,777.05
Total Liabilities	16,69,020.90	15,35,322.40	17,25,638.44
Equity			
Equity Share Capital	12,166.73	12,161.42	12,165.60
Other Equity	2,39,928.30	2,86,634.13	2,53,711.95
Total Equity	2,52,095.03	2,98,795.55	2,65,877.55
Non-Controlling Interests	26,457.92	35,896.49	29,154.81
Total Liabilities and Equity	19,47,573.85	18,70,014.44	20,20,670.80

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 half year ended September 30, 2021

2 Statement of Consolidated Cash Flows

(Rs. in lakhs)			
	For the period ended September 30, 2021	For the period ended September 30, 2020	For the year ended March 31, 2021
	Unaudited	Unaudited	Audited
Cash Flow from Operating Activities			
Net Profit before tax	(22,376.86)	22,941.42	(31,932.76)
Adjustments for :			
Depreciation, amortization and impairment	7,982.35	7,288.62	16,998.04
Loss on sale of Fixed Asset	127.89	(3,613.40)	(926.67)
Share Based Payments	(423.99)	1,718.64	2,572.08
Provision for Advances & Investment	48,850.18	25,700.75	1,16,519.02
Interest income	(82.33)	-	(47.91)
Operating cash flows before Working Capital changes	34,077.24	54,036.03	1,03,181.80
Adjustments for :			
Financial Assets / Liabilities			
(Increase)/Decrease in Loans	-	28,093.11	(1,07,884.77)
(Increase)/Decrease in Other Bank Balances	23,915.43	(5,041.37)	(64,587.43)
(Increase)/Decrease in Other Financial Assets	(1,577.83)	(502.03)	(432.70)
Increase/ (Decrease) in Trade Payable	5,052.90	(2,079.01)	(1,244.84)
Increase in Deposits (Net)	97,436.40	997.03	2,38,978.60
Increase/ (Decrease) in Other Financial Liabilities	2,985.79	5,860.24	12,073.86
Non Financial Assets / Liabilities			
(Increase)/Decrease in Other Assets	2,628.82	637.79	1,205.12
Increase/ (Decrease) in Provisions	(230.09)	1,401.66	848.44
Increase/ (Decrease) in Other Liabilities	(473.54)	(638.03)	666.81
Cash generated from / (used in) Operations	1,63,815.12	82,765.42	1,82,804.89
Net Tax (paid)/ refunds received	(1,987.67)	(5,794.00)	(21,630.90)
Net Cash generated from/(used in) Operating Activities (A)	1,61,827.45	76,971.42	1,61,173.99
Cash Flow from Investing Activities			
Purchase of Mutual funds	-		(3,047.62)
Sale / (purchase) of Investments (Net)	(48,086.89)	(97,613.29)	(13,550.30)
Proceeds from sale of property, plant and equipment	(104.68)	20.12	(4,884.51)
Purchase of property, plant and equipment including WIP and intangibles	(2,473.00)	17,723.53	3.73
Net Cash generated from / (used in) Investing Activities (B)	(50,664.57)	(79,869.63)	(21,478.70)
Cash Flow from Financing Activities			
Proceeds from share application money (Net)	21.04	11.99	112.11
Dividend Paid	-	(972.91)	(972.91)
Payment of Lease Liability	(3,471.97)	(23,896.81)	(8,883.01)
Increase/(decrease) in Borrowings (Net)	(1,57,000.07)	(403.09)	(70,543.85)
Net Cash generated from/(used in) Financing Activities (C)	(1,60,451.00)	(25,260.81)	(80,287.66)
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(49,288.12)	(28,159.04)	59,407.63
Cash and Cash Equivalents at the beginning of the year	1,93,393.45	1,33,985.82	1,33,985.82
Cash and Cash Equivalents at the end of the period / year	1,44,105.33	1,05,826.78	1,93,393.45

- 3 The aforesaid consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 13, 2021 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, Indian Accounting Standards (Ind-AS) notified 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 above results for the quarter and half year ended September 30, 2021 have been subjected to an "Limited review" by the auditors of the Group. The report thereon is unmodified.
- 4 The financial results of Ujjivan Small Finance Bank Limited ("USFB"), the subsidiary, as published on November 08, 2021, 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 3 above.

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2021

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

Particulars	Quarter ended			For the Half Year ended		(Rs. in lakhs)
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	Year Ended March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
a. Banking	73,142.20	73,573.41	82,847.40	1,46,715.61	1,65,675.60	3,18,051.64
b. Others*	48.04	34.29	-	82.33	-	47.91
Total Revenue	73,190.24	73,607.70	82,847.40	1,46,797.94	1,65,675.60	3,18,099.55
Segment Results						
a. Banking	(9,033.58)	(13,217.76)	12,483.94	(22,251.34)	23,191.87	(31,524.98)
b. Others*	(49.63)	(75.89)	(131.84)	(125.52)	(250.45)	(407.78)
Profit before tax	(9,083.21)	(13,293.65)	12,352.10	(22,376.86)	22,941.42	(31,932.76)
Segment Assets						
a. Banking	19,42,293.31	19,41,835.48	18,65,833.69	19,42,293.31	18,65,833.69	20,17,427.78
b. Others*	5,280.54	3,332.27	4,180.75	5,280.54	4,180.75	3,243.02
Total	19,47,573.85	19,45,167.75	18,70,014.44	19,47,573.85	18,70,014.44	20,20,670.80
Segment Liabilities						
a. Banking	16,68,887.53	16,58,930.23	15,35,183.99	16,68,887.53	15,35,183.99	17,25,499.48
b. Others*	133.37	118.03	138.41	133.37	138.41	138.96
Total	16,69,020.90	16,59,048.26	15,35,322.40	16,69,020.90	15,35,322.40	17,25,638.44
Capital Employed (Segment Assets less Segment Liabilities)						
a. Banking	2,73,405.78	2,82,905.25	3,30,649.70	2,73,405.78	3,30,649.70	2,91,928.30
b. Others*	5,147.17	3,214.24	4,042.34	5,147.17	4,042.34	3,104.06
Total	2,78,552.95	2,86,119.49	3,34,692.04	2,78,552.95	3,34,692.04	2,95,032.36

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 represents NBFC Operations of the Group.

- 6 During the half year ended September 30, 2021, the Company has allotted 11,269 equity shares (for the half year ended September 30, 2020: 10,958 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 scheme.
- 7 Subsequent to the quarter ended September 30, 2021, 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 Excnhage Board of India, BSE Limited, National Stock Exchange of India Limited, its members and the Creditors and National Company Law Tribunal.
- 8 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 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.

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2021

- 9 The Bank's (subsidiary) Results for the quarter and half year ended September 30, 2021 were declared on November 08, 2021 which were prepared as per the recognition and measurement principles as referred to in paragraph 4 above (or IGAAP). Provision (other than tax) and contingencies as per IGAAP and impairment on Financial Instruments (or Expected Credit loss provisioning or ECL) under Ind-AS as per Consolidated Financial Results for the half year ended September 30, 2021 are as follows:

Particulars	Charge in profit and loss
Provision (other than tax) and contingencies as per IGAAP	91,008.57
Impairment on financial instruments as per ECL methodology under Ind-AS	48,850.18
Difference	42,158.39

The Consolidated Financial results are prepared as per the recognition and measurement principles as referred in para 3 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 4 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 November 08, 2021 and were subjected to review by statutory auditors of the Bank.

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

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

- 10 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**

Bengaluru
November 13, 2021

Samit Ghosh
Non-Executive Director and Chairman
DIN: 00185369