

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of **UJJIVAN FINANCIAL SERVICES LIMITED (Formerly Ujjivan Financial Services Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



S. Sundaresan
Partner
(Membership No. 25776)

BENGALURU, May 25, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **UJJIVAN FINANCIAL SERVICES LIMITED (Formerly Ujjivan Financial Services Private Limited)** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



S. Sundaresan
Partner
(Membership No. 25776)

BENGALURU, May 25, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us there is no freehold land and buildings or lease hold land as at the balance sheet date.
- (ii) Having regard to the nature of the Company's business/ activities, reporting under clause (ii) of the Order with regard to inventories is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Companies Act, 2013, hence reporting under Clause (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order with regard to cost records is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (Rs. in lakhs)	Amount Unpaid (Rs. in lakhs)
Finance Act 1994	Service Tax	Commissioner of Service Tax (Appeals)	2011-12 & 2012-13	4,226,041	3,909,088

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, Company has not raised moneys by way of initial public offer or further public offer and money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, the management has identified fraud relating to misappropriation of funds by certain employees which is estimated at Rs. 3,194,706/- of which Rs.1,501,117 /- has been recovered on the Balance Sheet date and no fraud by the Company has been noticed or reported during the year
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

- a) The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-I of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)



S. Sundaresan
Partner
(Membership No. 25776)

BENGALURU, May 25, 2016

UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds:					
(a) Share Capital	3	1,011,860,280		861,329,690	
(b) Reserves and Surplus	4	10,965,714,000	11,977,574,280	6,503,170,122	7,364,499,812
(2) Non-Current Liabilities					
(a) Long-term borrowings	5	17,331,603,052		12,830,934,384	
(b) Long-term provisions	6	130,888,443	17,462,491,495	59,489,303	12,890,423,687
(3) Current Liabilities					
(a) Short-term borrowings	7	10,404,739		45,034,516	
(b) Trade payables	8	151,876,163		117,838,474	
(c) Other current liabilities	9	27,043,945,280		18,919,536,772	
(d) Short-term provisions	10	626,877,421	27,833,103,603	425,258,790	19,507,668,552
Total			57,273,169,378		39,762,592,051
II. Assets					
(1) Non-Current Assets					
(a) Fixed assets					
(i) Tangible assets	11A	167,210,842		142,295,830	
(ii) Intangible assets	11B	74,581,976	241,792,818	37,169,940	179,465,770
(b) Non-current investments	12	1,010,000		1,010,000	
(c) Deferred tax assets (net)	26.7	240,746,179		152,784,274	
(d) Long-term loans and advances	13	155,705,706		68,457,231	
(e) Other non-current assets	14	13,041,538,714	13,439,000,599	5,985,062,268	6,207,313,773
(2) Current Assets					
(a) Receivables under financing activity	15	37,793,436,164		26,298,950,587	
(b) Cash and Bank balances	16	4,912,658,243		6,447,836,212	
(c) Short-term loans and advances	17	296,800,519		206,621,538	
(d) Other current assets	18	589,481,035	43,592,375,961	422,404,171	33,375,812,508
Total			57,273,169,378		39,762,592,051
See accompanying notes forming part of the financial statements	1-30				

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan

S Sundaresan
Partner

For and on behalf of the Board of Directors

Samit Ghosh

Samit Ghosh
Managing Director

Sunil Patel

Sunil Patel
Director

Sanjeev Karnwal

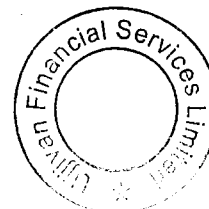
Sanjeev Karnwal
Company Secretary

Sudha Suresh

Sudha Suresh
Chief Financial Officer

Place: Bangalore

Date: 25 May 2016



UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rupees)

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
A. INCOME			
(a) Income from Operations	19	10,072,506,528	5,993,165,034
(b) Other Income	20	203,599,311	125,635,557
Total Income (A)		10,276,105,839	6,118,800,591
B. EXPENDITURE			
(a) Employee benefits expenses	21	1,966,507,150	1,327,695,558
(b) Administrative and other expenses	22	1,021,745,656	654,271,391
(c) Finance cost	23	4,234,998,782	2,713,806,964
(d) Depreciation and amortisation expenses	11	80,245,509	67,417,317
(e) Provision / write off for receivables under financing activity	24	252,722,624	210,476,682
Total Expenditure (B)		7,556,219,721	4,973,667,912
Profit Before Tax (A - B)		2,719,886,118	1,145,132,679
Tax expenses			
(a) Current tax expenses		1,038,000,000	470,000,000
(b) Provision for tax of earlier year		(2,339,755)	(1,952,646)
(c) Deferred tax	26.7	(87,961,905)	(80,802,636)
Profit for the year		1,772,187,778	757,887,961
Earnings per Equity Share:	26.5		
(a) Basic		20.12	11.24
(b) Diluted		19.19	10.62
See accompanying notes forming part of the financial statements	1-30		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan

S Sundaresan
Partner

For and on behalf of the Board of Directors

Samit Ghosh

Samit Ghosh
Managing Director

Sunil Patel

Sunil Patel
Director

Sanjeev Barnwal

Sanjeev Barnwal
Company Secretary

Sudha Suresh

Sudha Suresh
Chief Financial Officer

Place: Bangalore

Date: 25 May 2016



UJJIVAN FINANCIAL SERVICES LIMITED (Formerly Ujjivan Financial Services Private Limited)		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016		
	(Amount in Rupees)	
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash Flows from operating activities		
Profit before tax	2,719,886,118	1,145,132,679
Adjustments for		
Depreciation and amortisation expenses	80,245,509	67,417,317
Profit on Sale of mutual funds	(87,318,455)	(44,659,163)
Bad debts written off -provision reversed	(14,100,092)	(10,078,002)
Deferred Stock Compensation expenses	6,029,871	
Provision for Receivables under Financing Activities	233,767,169	204,504,597
Provision for advances	664,584	1,842,465
Advances written off (net)	8,563,690	928,190
Fixed assets written off	87,407	852,563
Interest on fixed deposits	(88,606,249)	(68,374,237)
Loss /(Profit) on sale of Fixed Assets	(545,209)	432,585
Operating Profit before Working capital changes	2,858,674,343	1,297,998,994
Changes in working capital:		
(Increase) / Decrease in Receivables under Financing Activity	(11,494,485,577)	(12,422,813,226)
(Increase) / Decrease in Loans and advances	(133,264,291)	(116,656,710)
(Increase) / Decrease in Other assets	(7,602,039,130)	(3,780,615,695)
Increase / (Decrease) in Trade payables	34,037,689	67,252,973
Increase / (Decrease) in Other current liabilities	428,212,771	323,397,511
Increase / (Decrease) in Short-term provisions	180,480,281	179,424,326
(Increase) / Decrease in Long-term provisions	(148,267,937)	(157,900,928)
Cash flow from operations	(15,876,651,851)	(14,609,912,755)
Net Tax paid/Refunds	(1,033,844,314)	(469,808,479)
Net Cash from operating activities (A)	(16,910,496,165)	(15,079,721,234)
Cash flows from Investing activities		
Purchase of investments	(33,540,325,077)	(16,975,050,009)
Sale of investments	33,627,643,526	17,019,709,173
Purchase of Fixed Assets	(197,297,900)	(137,511,439)
Sale of Fixed Assets	1,791,706	1,978,171
Interest on fixed deposits	91,811,804	66,434,482
Net Cash from Investing activities (B)	(16,375,941)	(24,439,622)
Cash flows from financing activities		
Proceeds from issue of share capital & securities premium (net)	2,906,013,046	2,940,284,001
Dividend and Dividend Tax Paid	(51,833,808)	(38,414,508)
Borrowings from banks / others	33,930,000,000	28,031,942,584
Repayment of Borrowings from banks / others	(21,767,765,366)	(13,313,852,634)
Net Cash from financing activities (C)	15,016,413,872	17,619,959,443
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	(1,910,458,234)	2,515,798,587
Cash and cash equivalents at the beginning of the year	6,377,836,212	3,862,037,625
Cash and cash equivalents at the end of the year	4,467,377,978	6,377,836,212
Notes:		
1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow Statements.		
2. Cash & cash equivalents at year end includes Rs.13,548,937/- (P.Y.Rs.14,110,750/-) in balance with banks, which is used only for repayment of security deposit of customer.		
3. Refer note 16 for items included in cash & cash equivalents.		
For Deloitte Haskins & Sells Chartered Accountants	For and on behalf of the Board of Directors	
S. Sundaresan		
S Sundaresan Partner	Samit Ghosh Managing Director	Sunil Patel Director
Place: Bangalore	Sanjeev Barnwal Company Secretary	Sudha Suresh Chief Financial Officer
Date: 25 May 2016		



Notes to Financial Statements for the year ended March 31, 2016

1 CORPORATE INFORMATION

Ujjivan Financial Services Limited is a Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a Microfinance institution serving the economically active poor in urban and semi-urban areas. The Company has received registration as NBFC-MFI under Non-Banking Financial Company Micro Finance Institutions (NBFC - MFIs) directions on September 5th 2013. The company has its headquarters in Bangalore with regional offices in New Delhi, Kolkata and Pune. It has 469 branches in 24 states and Union Territories across India as on March 31, 2016.

The Reserve Bank of India vide letter dated 7th October 2015, has granted in-principle approval to the Company for setting up of a Small Finance Bank, in accordance with Section 22 of the Banking Regulation Act, 1949.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The Financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with accounting standard specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013 ('the 2013 Act') / Companies Act 1956 ('the 1956 Act') as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements have been prepared on an accrual basis under the historical cost convention and considering the directions issued by the Reserve Bank of India (RBI) to the extent applicable to the Company.

2. Use of estimates

The presentation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liability) and the reported income and expenses during the year. The management believes that the estimate used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known/material.

3. Cash flow statement

The Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on available information.

Cash and cash equivalents (for the purpose of cash flow statement)

Cash comprises of cash on hand and demand deposits with bank. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4. Tangible and Intangible assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost of an asset comprises its purchase price (net of capital grants) and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance

5. Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The useful life being followed by the company as prescribed in Schedule II to the Companies Act, 2013 is as follows:

Asset	Useful Life as per Schedule II (years)
Computer	3
Furniture	10
Office Equipment	5
Motor Vehicle	8
Server	6
Software	6



Notes to Financial Statements for the year ended March 31, 2016

6. Investments

Investments are classified into current investments and Non-current investments. Current investments are carried at lower of cost or fair value. Non-Current investments are carried individually at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Cost of investments include acquisition charges such as brokerage, fees and duties.

7. Receivables under Financing Activity

Loans are classified into 'Performing and Non-Performing' assets in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and NBFC, MFI directions (as applicable) issued by the Reserve Bank of India as amended from time to time.

8. Revenue Recognition

Revenue from Interest on loans financed by the Company is recognized on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. Loans are classified into 'Performing and Non-Performing' assets in terms of the said Directions. Loans in respect of which interest/principal have remained overdue for a period of 90 days or more are considered as Non Performing Assets.

Revenues from loan documentation charges are recognized as income on accrual basis.

Revenue from interest Income on fixed deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Profit / premium arising at the time of securitisation of loan portfolio is amortised over the life of the underlying loan portfolio / securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess interest spread) is recognized in the statement of profit and loss account net of any losses when redeemed in cash in line with the relevant Reserve Bank of India guidelines.

9. Grants

Grants received towards acquisition of tangible and intangible assets are adjusted against the cost of the assets. Grants related to revenue are deducted from the related expenses. Grants against employee loans are included in Reserves and Surplus.

10. Employee benefits

Employee benefits includes Provident Fund, Employee State Insurance scheme, Gratuity fund and compensated absences.

a) Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits for current employees are estimated and measured on an undiscounted basis.

b) Defined Contribution Plan

Company's contributions to Provident Fund, Pension fund and employee state insurance scheme are considered as defined contribution plan and are charged as expense based on amount of contribution required to be made and when services are rendered by the employees.

c) Defined Benefit Plan

Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by Actuarial Valuation on Projected Unit Credit Method made at the end of each balance sheet date. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

d) Long term employee benefits

Liability for compensated absences is provided based on actuarial valuation carried out at the end of the financial period using Projected Unit Credit Method and is not funded but provided for. Past service cost is recognized immediately to the extent that the benefits are already used and otherwise is amortised on straight line base over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognised past service cost, as redeemed by the fair value of scheme assets.

Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are recognised as a liability at the present value of the defined benefit obligations as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the statement of Profit and Loss as income or expense in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.



Notes to Financial Statements for the year ended March 31, 2016

11. Lease

Lease rentals under operating lease are charged to the Statement of Profit and Loss on straight line basis over the lease term.

Assets leased by the company in its capacity as a lessee in which substantially all the risk and rewards of owner ship vest in the Company are classified as finance leases. Lease arrangements where risk and rewards incidental to ownership of an assets substantially vest with the lessor are recognised as operating leases.

12. Earnings per share

In determining the earnings per share, the Company considers the net profit / (loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be diluted only if their conversion to equity share would decrease the net profit per share from continuing ordinary operations. Diluted potential equity shares are determined independently for the each period presented.

13. Borrowing costs

Borrowing costs attributable to qualifying assets as per Accounting Standard 16 (assets which require substantial period of time to get ready for their intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

14. Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

15. Provisions and Contingent Liabilities

A provision is recognized when the enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

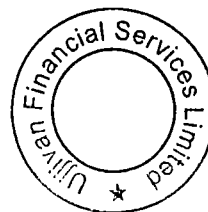
Contingent liabilities are disclosed in notes. Contingent assets are not recognised in the financial statements

16. Employee Stock Option Plan

The Company has Employee Stock Option Plans for the benefit of its employees. Options granted in terms of the Stock option plans on or after April 1, 2005 are accounted in accordance with the Guidance Note on Accounting for Employee Share Based Payment Plans issued by the Institute of Chartered Accountants of India (ICAI). The difference between the intrinsic value of the stock option granted on or after April 1, 2005 and exercise price, if any, is expensed as "Employee Compensation" over the period of vesting.

17. Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash and cash equivalents, the Company has determined operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 3 - Share Capital

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised 125,000,000 Equity Shares of Rs.10/- each (P.Y.100,000,000 Equity Shares of Rs.10/- each)	1,250,000,000	1,000,000,000
Issued 101,186,028 Equity Shares of Rs.10/- each (P.Y.86,132,969 Equity Shares of Rs.10/- each)	1,011,860,280	861,329,690
Subscribed & fully Paid up 101,186,028 Equity Shares of Rs.10/- each (P.Y.86,132,969 Equity Shares of Rs.10/- each)	1,011,860,280	861,329,690
Total	1,011,860,280	861,329,690

i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	Number of shares March 31, 2016	Number of shares March 31, 2015
Number of shares outstanding at the beginning of the year	86,132,969	65,581,363
Add: shares issued during the year - Stock options	817,002	-
Add: shares issued during the year - Institutions/Others	14,236,057	20,551,606
Number of shares outstanding at the end of the year	101,186,028	86,132,969

ii) Reconciliation of equity share capital outstanding at the beginning and at the end of the year

	Amount in Rs. March 31, 2016	Amount in Rs. March 31, 2015
Share capital outstanding at the beginning of the year	861,329,690	655,813,630
Add: shares issued during the year - Stock options	8,170,020	-
Add: shares issued during the year - Institutions/Others	142,360,570	205,516,060
Share capital outstanding at the end of the year	1,011,860,280	861,329,690

iii) Number of shares held by each shareholder holding more than 5% shares in the Company are as follows:

Class of shares / Name of the shareholder	Number of shares as at March 31, 2016	%	Number of shares as at March 31, 2015	%
Equity Shares:				
CDC Group Plc	10,932,696	10.80%	10,932,696	12.69%
Alena Private Limited	10,790,943	10.66%	9,207,251	10.69%
International Finance Corporation	10,202,406	10.08%	10,202,406	11.84%
NewQuest Asia Investments II Limited	8,199,522	8.10%	8,199,522	9.52%
Elevor Equity Mauritius	6,355,684	6.28%	6,355,684	7.38%
Sarva Capital LLC	5,870,426	5.80%	5,870,426	6.82%
WWB Capital Partners.L.P. (formerly known as WWB ISIS Fund Limited Partnership)	5,406,628	5.34%	5,406,628	6.28%
Bajaj Holdings & Investment Limited	5,124,702	5.06%	5,124,702	5.95%

iv) The company has only one class of equity shares with voting rights (one vote per share). The distribution of dividend is in proportion to the number of equity shares held by the shareholders.



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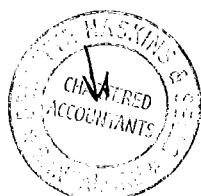
Notes forming part of financial statements

Note 4 - Reserves & Surplus

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Securities premium account		
Opening balance	4,818,756,040	2,083,988,099
Add : Premium on shares issued during the year on stock options	22,645,860	-
Add : Premium on shares issued during the year on Institutions/Others	2,776,031,115	2,802,211,478
Less : Utilised during the year for writing off share issue expenses	43,194,519	67,443,537
Closing balance	7,574,238,496	4,818,756,040
b. Other reserves - Statutory reserve *		
Opening balance	374,884,005	223,306,413
Add: Additions during the year	354,437,556	151,577,592
Closing balance	729,321,561	374,884,005
c. Other reserves - Employee loan grant	1,300,000	1,300,000
d. Share options outstanding account		
Opening balance	-	-
Add: Amounts recorded on grants during the year	59,144,752	-
Less: Grants forfeited during the year	2,010,793	-
	57,133,959	-
Less: Deferred stock compensation expense	51,104,088	-
Closing balance	6,029,871	-
e. Surplus in Statement of Profit and Loss		
Opening balance	1,308,230,077	760,863,750
Add: Profit for the year	1,772,187,778	757,887,961
Less: Dividends proposed to be distributed	59,120,653	43,066,485
Less: Tax on proposed dividend	12,035,574	8,767,323
Less: Depreciation adjustment	-	7,110,234
Less: Transferred to statutory reserve	354,437,556	151,577,592
Closing balance	2,654,824,072	1,308,230,077
Total	10,965,714,000	6,503,170,122

* Transfer of 20% of the profit after Tax to the statutory reserves in accordance with the provisions of section 45 – IC Reserve Bank of India Act, 1934.



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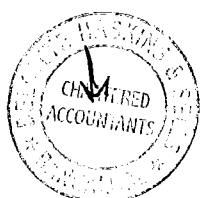
Notes forming part of financial statements

Note 5 - Long-term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Non Convertible Debentures		
Secured		
Nil (PY. 40) 12.75% Secured Redeemable Non Convertible Debentures of Rs.10,000,000/- each redeemable at par at the end of 3 years from the date of allotment July 31, 2013 (Refer Note (i) below)	-	400,000,000
600 (PY. 600) 12.60% Secured Redeemable Non Convertible Debentures of Rs.1,000,000/- each redeemable at par at the end of 5 years from the date of allotment July 01, 2014 (Refer Note (i) below)	600,000,000	600,000,000
Nil (PY. 500) 13.65% Secured Redeemable Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par at the end of 2 years from the date of allotment December 12, 2014 (Refer Note (i) below)	-	500,000,000
250 (PY.400) 13.25% Secured Redeemable Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par Rs. 15 Crs by December 26, 2016 and Rs. 250 Crs by December 26, 2017 from the date of allotment December 26,2014 (Refer Note (i) below)	250,000,000	400,000,000
500 (PY.750) 13.00% Secured Redeemable Non Convertible Debentures of Rs. 750,000/- each (PY. Rs. 1,000,000/- each) Rs.18.75 Crs by September 20, 2016 and Rs. 18.75 Crs by March 20, 2017 from the date of allotment March 20, 2015 (Refer Note (i) below)	187,500,000	375,000,000
1,000 (PY.NIL) 12.15% Secured Redeemable Non Convertible Debentures of Rs. 10,00,000/- each redeemable at par by May 12, 2017 from the date of allotment May 12, 2015 (Refer Note (i) below)	1,000,000,000	-
1,000 (PY.NIL) 12.15% Secured Redeemable Non Convertible Debentures of Rs. 10,00,000/- each redeemable at par by June 23, 2017 from the date of allotment June 23, 2015 (Refer Note (i) below)	1,000,000,000	-
1,000 (PY.NIL) 12.35% Secured Redeemable Non Convertible Debentures of Rs. 10,00,000/- each redeemable at par by August 5, 2021 with put/call option August 5, 2018 from the date of allotment August 5, 2015 (Refer Note (i) below)	1,000,000,000	-
Total - (A)	4,037,500,000	2,275,000,000
(b) Term loans		
Secured		
from Banks (Refer Note (ii) below)	9,891,437,910	7,774,185,538
from NBFCs (Refer Note (ii) below)	1,019,332,642	1,130,315,283
from other parties (Refer Note (ii) below)	1,883,332,500	1,151,433,563
	12,794,103,052	10,055,934,384
Unsecured		
from other parties (Refer Note (ii) below)	500,000,000	500,000,000
	500,000,000	500,000,000
Total - (B)	13,294,103,052	10,555,934,384
Total - (A+B)	17,331,603,052	12,830,934,384

i) Debentures are secured by hypothecation of book debts.



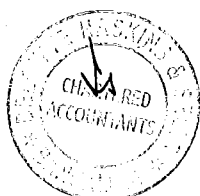
Ujjivan Financial Services Limited
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Notes forming part of financial statements

(ii) Terms of repayment for borrowings including current maturities :

Secured

Terms of Repayment and Interest			Amount Outstanding (Rs.) March 31, 2016	
Rate of Interest	Maturity	Instalments	Current	Non Current
Repayable in Monthly Instalments				
At Base Rate	< 1 Year 2 Year	9	400,000,000	-
Base Rate + 0.35%	< 1 Year 2 Year	12 12	1,000,000,000	1,000,000,000
Base Rate + 0.40%	< 1 Year 2 Year	60 48	1,090,908,658	863,636,364
Base Rate + 0.75%	< 1 Year 2 Year	31 32	450,000,000	450,000,000
Base Rate + 0.80%	< 1 Year 2 Year	9 12	428,571,429	571,428,571
Base Rate + 1.00%	< 1 Year 2 Year	24 4	500,000,000	83,333,333
Base Rate + 1.15%	< 1 Year 2 Year	12 7	84,999,996	49,583,339
Base Rate + 1.25%	< 1 Year 2 Year	20 11	288,095,238	261,904,762
Base Rate + 1.50%	< 1 Year 2 Year	17 6	483,695,694	187,500,000
Base Rate + 1.55%	< 1 Year 2 Year	12 8	125,000,004	83,333,328
Base Rate + 1.65%	< 1 Year	5	27,083,331	-
Base Rate + 1.75%	< 1 Year 2 Year	95 64	1,840,416,269	1,141,667,208
Base Rate +1.80%	< 1 Year 2 Year	12 5	285,714,286	119,047,619
Base Rate + 1.85%	< 1 Year 2 Year	35 21	354,166,663	249,997,031
Base Rate + 2.00%	< 1 Year 2 Year	12 4	166,666,667	55,555,555
Base Rate + 2.05%	< 1 Year	14	211,111,111	-
Base Rate + 2.20%	< 1 Year 2 Year	12 6	249,999,996	124,980,137
Base Rate + 2.25%	< 1 Year 2 Year	47 6	1,182,552,000	45,428,654
Base Rate +2.35%	< 1 Year	10	199,898,869	-
Base Rate +2.40%	< 1 Year 2 Year	36 21	897,142,857	523,333,333
Base Rate + 2.50%	< 1 Year 2 Year	65 8	988,266,680	108,900,000
Base Rate + 2.60%	< 1 Year	3	22,500,000	-
Base Rate + 3.70%	< 1 Year	22	699,999,998	-



Ujjivan Financial Services Limited
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Notes forming part of financial statements

(ii) Terms of repayment for borrowings including current maturities :

Terms of Repayment and Interest			Amount Outstanding (Rs.) March 31, 2016	
Rate of Interest	Maturity	Instalments	Current	Non Current
Repayable in Quarterly Instalments				
Base Rate + 0.15%	< 1 Year 2 Year	3 4	214,285,714	285,714,286
Base Rate + 0.25%	< 1 Year 2 Year	3 4	321,428,571	428,571,429
Base Rate + 0.40%	< 1 Year 2 Year	4 8	150,000,000	900,000,000
Base Rate + 0.80%	< 1 Year 2 Year	3 4	139,285,714	185,714,286
Base Rate + 0.95%	< 1 Year 2 Year	16 12	675,000,000	462,500,000
Base Rate + 1.00%	< 1 Year 2 Year 3 Year	3 4 3	60,000,000	80,000,000 60,000,000
Base Rate + 1.10%	< 1 Year 2 Year	4 2	150,000,000	75,000,000
Base Rate + 1.15%	< 1 Year	8	1,500,000,000	
Base Rate + 1.25%	< 1 Year 2 Year 3 Year	17 12 9	266,666,667	166,638,575 124,989,878
Base Rate + 1.40%	< 1 Year 2 Year	12 9	714,285,713	535,714,287
Base Rate + 1.5%	< 1 Year 2 Year	10 2	800,200,000	187,200,000
Base Rate + 1.85%	< 1 Year 2 Year	4	428,571,429	
Base Rate + 2.00%	< 1 Year 2 Year	3 2	75,000,000	24,984,178
Base Rate + 2.05%	< 1 Year 2 Year	8 7	208,336,000	176,865,091
Base Rate + 2.20%	< 1 Year 2 Year	4 1	125,000,000	31,250,000
Base Rate + 2.25%	< 1 Year	6	589,285,714	
Base Rate + 2.30%	< 1 Year 2 Year	11 4	850,750,000	80,000,000
Base Rate + 2.35%	< 1 Year	4	269,285,714	
Base Rate + 2.4%	< 1 Year	3	280,000,000	
Base Rate + 2.60%	< 1 Year	2	102,500,000	
Base Rate + 2.80%	< 1 Year 2 Year	8 2	143,333,333	41,666,666
Base Rate + 3.05%	< 1 Year	4	83,333,161	
Repayable in annually				
At Base Rate	< 1 Year 2 Year	1 1	125,000,000	125,000,000
Repayable in Bullet				
Base Rate + 1.05%	< 1 Year	1	600,000,000	-
Base Rate + 0.5%	< 1 Year	1	600,000,000	
Base Rate + 2.0%	< 1 Year	1	180,000,000	-
Total			21,628,337,476	9,891,437,910



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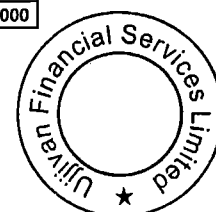
Notes forming part of financial statements

(ii) Terms of repayment for borrowings including current maturities :

Terms of Repayment and Interest			Amount Outstanding (Rs.) March 31, 2016	
Rate of Interest	Maturity	Instalments	Current	Non Current
Borrowings from NBFCs				
Repayable in Monthly Instalments				
Interest Rate - 10.00%	< 1 Year	12	360,000,000	
	2 Year	12		360,000,000
	3 Year	7		220,000,000
Interest Rate - 10.90%	< 1 Year	12	7,951,033	
	2 Year	12		8,862,328
	3 Year	36		33,186,639
Interest Rate - 12.25%	< 1 Year	12	130,434,783	
Interest Rate - 12.50%	< 1 Year	24	196,612,346	
	2 Year	12		109,404,887
Interest Rate - 13.00%	< 1 Year	12	130,434,782	
Interest Rate - 13.75%	< 1 Year	9	63,428,483	
Interest Rate - 11.30%	< 1 Year	12	181,818,182	
	2 Year	12		181,818,182
	3 Year	7		106,060,606
Repayable in Quarterly Instalments				
Repayable in Bullet				
Interest Rate - 13.75%	< 1 Year	1	500,000,000	-
Total			1,570,679,609	1,019,332,642

Borrowings from Others				
Repayable in Monthly Instalments				
Interest Rate - 11.75%	< 1 Year	9	450,000,000	
	2 Year	12		600,000,000
	3 Year	9		450,000,000
Interest Rate - 12.75%	< 1 Year	17	481,413,336	
Interest Rate - 13.00%	< 1 Year	5	3,353,560	
Total			934,766,896	1,050,000,000
Bullet				
Interest Rate - 10.25%	< 1 Year	2	333,333,334	
	2 Year	2		333,332,500
Interest Rate - 11%	< 1 Year	2	333,333,333	
	2 Year	2		333,333,333
	3 Year	1		166,666,667
Total			666,666,667	833,332,500
Grand Total			1,601,433,563	1,883,332,500

Unsecured				
Borrowings from Others				
Repayable in Bullet				
Interest Rate - 15%	> 3 Year		-	500,000,000
Total			-	500,000,000



Ujjivan Financial Services Limited
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Notes forming part of financial statements

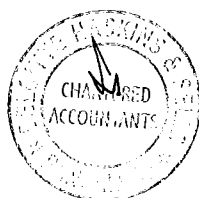
(ii) Terms of repayment for borrowings including current maturities :

Secured

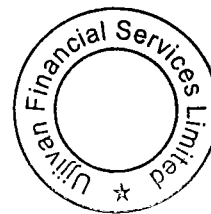
Terms of Repayment and Interest			Amount Outstanding (Rs.) March 31, 2015	
Rate of Interest	Maturity	Instalments	Current	Non Current
Repayable in Monthly Instalments				
Base Rate + 1.00%	< 1 Year	12	250,000,000	
	2 Year	12		250,000,000
Base Rate + 1.25%	< 1 Year	12	60,000,000	
	2 Year	10		50,000,000
Base Rate + 1.50%	< 1 Year	12	260,869,565	
	2 Year	5		108,695,654
Base Rate + 1.55%	< 1 Year	2	12,500,000	
Base Rate + 1.65%	< 1 Year	23	133,750,000	
	2 Year	5		27,083,331
Base Rate + 1.70%	< 1 Year	33	548,333,333	
	2 Year	22		297,361,112
Base Rate + 1.75%	< 1 Year	57	1,174,476,151	
	2 Year	21		540,315,538
Base Rate + 1.85%	< 1 Year	7	145,833,339	
Base Rate + 1.90%	< 1 Year	12	75,000,000	
Base Rate + 1.95%	< 1 Year	15	173,333,339	
Base Rate + 2.00%	< 1 Year	74	1,344,710,130	
	2 Year	49		822,916,676
	3 Year	10		180,555,561
Base Rate + 2.05%	< 1 Year	9	75,000,005	
Base Rate + 2.25%	< 1 Year	107	2,452,613,876	
	2 Year	48		1,049,252,000
	3 Year	6		45,446,316
Base Rate + 2.30%	< 1 Year	1	8,333,676	
Base Rate + 2.50%	< 1 Year	65	767,164,454	
	2 Year	22		368,266,666
	3 Year	3		46,400,000
Base Rate + 2.80%	< 1 Year	8	180,796,107	
Base Rate + 3.00%	< 1 Year	35	1,298,666,685	
	2 Year	22		699,999,998

Repayable in Quarterly Instalments

Base Rate + 1.25%	< 1 Year	4	100,000,000	
	2 Year	4		100,000,000
Base Rate + 1.50%	< 1 Year	8	525,000,000	
	2 Year	6		425,000,000
Base Rate + 1.75%	< 1 Year	9	509,987,639	
Base Rate + 1.85%	< 1 Year	3	321,428,571	
	2 Year	4		428,571,429
Base Rate + 2.00%	< 1 Year	12	391,250,000	
	2 Year	8		130,000,000
	3 Year	5		92,500,000
Base Rate + 2.05%	< 1 Year	4	83,333,333	
	2 Year	4		83,333,334
		4		83,333,334
Base Rate + 2.10%	< 1 Year	2	50,000,000	
Base Rate + 2.25%	< 1 Year	14	1,616,071,429	
	2 Year	6		589,285,714
Base Rate + 2.30%	< 1 Year	12	405,000,000	
	2 Year	5		158,750,000
Base Rate + 2.35%	< 1 Year	4	285,714,285	
	2 Year	3		214,285,714
Base Rate + 2.50%	< 1 Year	11	720,499,382	
	2 Year	8		774,500,000
Base Rate + 2.60%	< 1 Year	4	82,500,000	
Base Rate + 2.75%	< 1 Year	2	20,000,000	
Base Rate + 2.80%	< 1 Year	15	439,583,333	
	2 Year	4		83,333,333
	3 Year	2		41,666,667
Base Rate + 3.00%	< 1 Year	4	450,000,000	
Base Rate + 3.05%	< 1 Year	4	83,333,334	
	2 Year	4		83,333,161
Repayable in Bullet				
Base Rate + 1.75%	< 1 Year	1	600,000,000	
Base Rate + 2.60%	< 1 Year	1	250,000,000	
Total			15,895,081,966	7,774,185,538



Terms of Repayment and Interest			Amount Outstanding (Rs.) March 31, 2015	
Rate of Interest	Maturity	Instalments	Current	Non Current
Borrowings from NBFCs				
Repayable in Monthly Instalments				
Interest Rate - 12.25%	< 1 Year	11	119,565,217	
	2 Year	12		130,434,783
Interest Rate - 12.50%	< 1 Year	18	143,982,766	
	2 Year	24		196,612,346
	3 Year	12		109,404,887
Interest Rate - 13.00%	< 1 Year	11	119,565,217	
	2 Year	12		130,434,783
Interest Rate - 13.75%	< 1 Year	24	157,354,959	
	2 Year	10		63,428,484
Repayable in Bullet				
Interest Rate - 13.75%	> 1 Year	1		500,000,000
Total			540,468,159	1,130,315,283
Terms of Repayment and Interest			Amount Outstanding (Rs.) March 31, 2015	
Rate of Interest	Maturity	Instalments	Current	Non Current
Borrowings from Others				
Repayable in Monthly Instalments				
Interest Rate - 11%	< 1 Year	12	20,658,120	
	2 Year	5		3,353,560
Interest Rate - 11.75%	< 1 Year	8	12,000,000	
Interest Rate - 12.75%	< 1 Year	24	777,813,333	
	2 Year	17		481,413,336
Total			810,471,453	484,766,896
Repayable in Bullet				
Interest Rate - 10.25%	< 1 Year	2	333,333,333	
	2 Year	2		333,333,333
	3 Year	2		333,333,334
Total			333,333,333	666,666,667
Grand Total			1,143,804,786	1,151,433,563
Unsecured				
Borrowings from Others				
Repayable in Monthly Instalments				
Interest Rate - 4%	< 1 Year	6	57,400,000	
Repayable in Bullet				
Interest Rate - 15%	> 3 Year	6		500,000,000
Total			57,400,000	500,000,000



Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)

Notes forming part of financial statements

Note 6 - Long-term provisions

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision - Others		
(i) Provision for receivables under financing activity		
Provision for standard assets (Refer Note 25.5)	128,480,354	58,873,439
Provision for non performing assets (Refer Note 25.5)	2,408,089	615,864
Total	130,888,443	59,489,303

Note 7 - Short-term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash credit from banks (Refer Note (i) below)	10,404,739	45,034,516
Total	10,404,739	45,034,516

Note: i) Cash credit from banks are secured by hypothecation of book debts

Note 8 - Trade payables

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade payables	151,876,163	117,838,474
Total	151,876,163	117,838,474



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note- 9 Other current liabilities

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of non convertible debentures (Refer Note (i) below)	1,237,500,000	705,000,000
(b) Provision for gratuity (net) (Refer Note 26.1)	40,519,009	25,470,955
(c) Current maturities of long-term debt (Refer Note (i) below)	24,800,450,648	17,636,754,911
(d) Interest accrued but not due on borrowings	434,570,409	216,468,638
(e) Other payables		
(i) Statutory remittances	51,188,197	31,617,948
(ii) Security deposits from customers	1,337,902	9,514,589
(iii) Unclaimed security deposits from customers	13,352,327	13,756,512
(iv) Deposit from vendors	125,000	125,000
(v) Other payables	464,901,788	280,828,219
Total	27,043,945,280	18,919,536,772

Note (i) :Current maturities of long term debts

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Non Convertible Debentures *		
<u>Secured</u>		
Nil (PY 330) 12.75% Secured Redeemable Non Convertible Debentures of Rs.1,000,000/- each redeemable at par at the end of 2 years from the date of allotment August 30, 2013	-	330,000,000
500 (PY 750) 13.00% Secured Redeemable Non Convertible Debentures of Rs. 750,000/-each (PY Rs.1,000,000/- each) Rs. 18.75 Crs by September 20, 2016 and Rs. 18.75 Crs by March 20, 2017 from the date of allotment March 20, 2015	187,500,000	375,000,000
40 (PY. 40) 12.75% Secured Redeemable Non Convertible Debentures of Rs.10,000,000/- each redeemable at par at the end of 3 years from the date of allotment July 31, 2013	400,000,000	-
500 (PY. 500) 13.65% Secured Redeemable Non Convertible Debentures of Rs. 1,000,000/- each redeemable at par at the end of 2 years from the date of allotment December 12, 2014 (Refer Note (i) below)	500,000,000	-
400 (PY.400) 13.25% Secured Redeemable Non Convertible Debentures of Rs. 1,000,000/-each redeemable at par Rs. 15 Crs by December 26, 2016 and Rs. 250 mio by December 26, 2017 from the date of allotment December 26,2014 (Refer Note (i) below)	150,000,000	-
Total	1,237,500,000	705,000,000
(b) Term loans (Refer Note 5 (ii))		
From banks		
-Secured	21,628,337,476	15,895,081,966
From Non Banking Financial Companies		
-Secured	1,570,679,609	540,468,159
From other parties		
-Secured	1,601,433,563	1,143,804,786
-Unsecured	-	57,400,000
Total	24,800,450,648	17,636,754,911

*Debentures are secured by hypothecation of book debts.



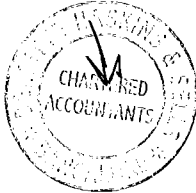
Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note -10 Short-term provisions

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits		
(i) Compensated absences	88,173,725	55,961,380
(b) Provision - Others		
(i) Provision for tax (net of advance tax Rs.1,802,356,464/- (as at March 31, 2015 Rs. 927,200,486/-)	22,615,445	20,799,514
(ii) Provision for proposed equity dividend	59,120,653	43,066,485
(iii) Provision for tax on proposed equity dividend	12,035,574	8,767,323
(iv) Provision for receivables under financing activity		
Provision for standard assets (Refer Note 25.5)	389,828,600	279,813,055
Provision for non performing assets (Refer Note 25.5)	55,103,424	16,851,033
Total	626,877,421	425,258,790



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 12 - Non-current investments

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade investments, at cost (unquoted) in other entities		
Investment in equity instruments		
Alpha Micro Finance Consultants Pvt Ltd, 100,000 Equity shares (P.Y.100,000) of Rs.10/- each fully paid up	1,000,000	1,000,000
Ujjivan Social Services Foundation 1,000 Equity shares (P.Y. 1,000) of Rs.10/- each at cost fully paid up	10,000	10,000
Total	1,010,000	1,010,000
Aggregate amount of unquoted investments	1,010,000	1,010,000

Note 13 Long-term loans and advances

(Unsecured, considered good unless otherwise stated)

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Capital advances	57,969,145	4,577,706
(b) Security deposits	83,151,683	56,575,847
(c) Employees loans and advances	9,468,463	7,303,678
(d) Prepaid expenses	4,799,462	-
(e) Other deposit	316,953	-
Total	155,705,706	68,457,231

Note 14 Other non current assets

(Unsecured, considered good unless otherwise stated)

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Receivable under financing activity (long-term) unsecured (Refer Note 25.5)		
Considered good	12,848,035,376	5,887,343,934
Considered doubtful	2,408,089	615,864
(b) Interest accrued on long term deposits	3,037,523	2,211,269
(c) Term deposits (more than 12 months maturity) *	188,057,726	94,891,201
Total	13,041,538,714	5,985,062,268

* Under lien against loans availed by the Company.



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note-15 Trade receivables under financing activity

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer Note 25.5)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	12,882,916	3,908,103
	12,882,916	3,908,103
Other trade receivables (Refer Note 25.5)		
Secured, considered good	-	-
Unsecured, considered good	37,717,973,114	26,276,105,683
Doubtful	62,580,134	18,936,801
	37,780,553,248	26,295,042,484
Total	37,793,436,164	26,298,950,587

i) Assets derecognised on account of securitization of receivables is Rs.3,242,158,514/- (P.Y.Rs. 554,464,340/-)

Note - 16 Cash and Bank balances

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
I. Cash & cash equivalents		
a) Cash in hand	3,275,627	2,199,306
b) Balances with Banks		
(i) In Current account (Refer Note i below)	874,102,351	814,636,906
(ii) In deposit accounts with original maturity less than 3 months	3,590,000,000	5,561,000,000
	4,467,377,978	6,377,836,212
II. Other bank balances		
a) In earmarked deposits (Refer Note ii below)	445,280,265	70,000,000
	445,280,265	70,000,000
Total	4,912,658,243	6,447,836,212

Note

(i) Balance with banks of Rs.13,548,937/- (P.Y. Rs.14,110,750/-) is used only for repayment of Security deposit of customers.

(ii) Under lien against loans availed by the Company.



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 17 Short-term loans and advances

(Amount in Rupees)

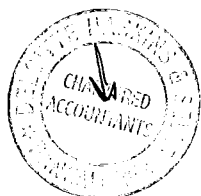
Particulars	As at March 31, 2016	As at March 31, 2015
(a) Deposits - Unsecured, considered good	1,049,456	639,058
(b) Loans and advances		
Unsecured, considered good	32,617,290	31,553,095
Unsecured, considered doubtful	2,070,307	1,574,593
	34,687,597	33,127,688
Less: Provision for doubtful loans and advances	2,070,307	1,574,593
	32,617,290	31,553,095
(c) Prepaid expenses	22,489,322	12,029,779
(d) Other advances *		
Unsecured, considered good	240,644,451	162,399,606
Unsecured, considered doubtful	3,429,707	5,780,476
	244,074,158	168,180,082
Less: Provision for doubtful advances	3,429,707	5,780,476
	240,644,451	162,399,606
Total	296,800,519	206,621,538

* Includes advance for expenses and amounts towards collateral for securitisation of receivables.

Note 18 Other current assets

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Interest accrued on		
(i) Fixed deposits	16,713,815	20,745,624
(ii) Receivables under financing activity	571,597,723	400,254,458
(b) Accrued income	1,169,497	1,404,089
Total	589,481,035	422,404,171



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 19 Income from Operations

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest on loans	9,309,641,501	5,508,316,784
Loan processing fees	708,085,628	472,722,340
Other financial services	54,779,399	12,125,910
Total	10,072,506,528	5,993,165,034

Note 20 Other Income

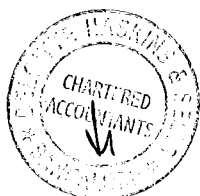
(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest on fixed deposits	88,606,249	68,374,237
Profit on sale of current investments	87,318,455	44,659,163
Fee income, other than financing activity	4,464,716	1,547,797
Profit on sales of fixed assets (net)	545,209	-
Miscellaneous income	22,664,682	11,054,360
Total	203,599,311	125,635,557

Note 21 Employee benefits expense

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages (net)	1,692,389,530	1,148,753,295
Expenses on employee stock option	6,029,871	-
Contributions to provident and other funds (Refer Note 26.1)	132,625,907	90,768,740
Staff welfare expenses	135,461,842	88,173,523
Total	1,966,507,150	1,327,695,558



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 22 Administrative and Other expenses

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Electricity & water charges	20,459,544	15,066,067
Rent	121,422,881	92,189,270
Donation	2,500,000	500,000
Repairs & maintenance		
Buildings	4,047,911	4,392,249
Others	50,006,386	18,088,563
Security & house keeping expenses	37,312,677	25,777,246
Office maintenance	14,132,345	13,972,758
Insurance	3,904,527	4,808,570
Rates & taxes	52,700,249	16,172,026
Audit fees (Refer Note (i) below)	2,926,412	2,171,901
Professional charges	230,258,761	116,018,207
Sitting fee	4,480,275	1,077,727
Postage & courier	31,815,262	21,293,039
Printing & stationery	49,950,441	38,901,974
Recruitment expenses	12,095,434	10,487,042
Telephone charges	67,305,732	34,891,794
Training & conference charges	32,791,035	45,418,764
Travelling & conveyance expenses	220,000,572	148,604,603
Expenditure on Corporate social responsibility (Refer Note 29)	17,778,393	14,664,484
Advances written off	11,083,329	928,190
Less: Provision reversed	2,519,639	-
Fixed Assets Written off	87,407	852,563
Loss on sale of fixed assets (net)	-	432,585
Provision for other advances	664,584	1,842,465
Miscellaneous expenses	36,541,138	25,719,304
Total	1,021,745,656	654,271,391

Note (i)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(i) Payments to the auditors comprises (net of service tax input credit)		
Audit services	1,900,000	1,500,000
Tax audit	300,000	300,000
Other attest services	500,000	150,000
Reimbursement of expenses and levies	226,412	221,901
Total	2,926,412	2,171,901
Services related to IPO adjusted against securities premium	5,375,000	-



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 23 Finance costs

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(a) Interest expense on		
(i) Borrowings	4,075,589,047	2,551,522,441
(ii) Others	4,057,944	461,078
(b) Loan processing fees, bank charges and other related costs	155,351,791	161,823,445
Total	4,234,998,782	2,713,806,964

Note 24 Provision / write off for receivables under financing activity

(Amount in Rupees)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Bad debts written off	33,055,547		16,050,087	
Less: Provision reversed	(14,100,092)	18,955,455	(10,078,002)	5,972,085
Provision for receivables under financing activities		233,767,169		204,504,597
Total		252,722,624		210,476,682



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Notes forming part of financial statements

25.1 Contingent liabilities and commitments (to the extent not provided for)

(Amount in Rupees)		
Particulars	As at March 31, 2016	As at March 31, 2015
(i) Contingent liabilities		
(a) Disputed taxes – Service tax	4,226,041	4,226,041
(ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	1,266,650	1,725,895
Intangible assets	86,030,000	2,800,000

During the year, the Company had received demand order from service tax authorities against show cause notices received in earlier years. The Order pertains to applicability of service tax on securitisation. The amount of service tax demand aggregated to Rs.42,26,041/- (plus penalty and interest, as applicable). The Company had filed appeal against the demand order with The Commissioner of Service Tax (Appeals) and has deposited Rs.3,16,953/- (amounting to 7.5% of the demand) as pre deposit against demand.

Based on the merits of the case, the Company and its tax advisors believe that its position is likely to be upheld in the appellate process for the above matters. Accordingly, no provision has been made for the amounts mentioned above as at March 31, 2016.

25.2 Earnings in foreign currency - Rs. Nil (PY - Nil)

25.3 Expenditure in foreign currency - Rs. Nil (PY - Nil)

25.4 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

25.5 Asset Classification & Provisioning:

The Company follows Prudential Norms of the Reserve Bank of India (RBI) with regard to classification in respect of all loans extended to its customers. Loans where the Installment is overdue for a period of ninety days or more or on which interest amount remained overdue for a period of ninety days or more is treated as Non performing assets.

The Company complies with the prudential norms of the Reserve Bank of India (RBI) with regard to income recognition, asset classification and provisioning. The Company is following provisioning norms as recommended vide DNBS.CC.PD.No.250/03.10.01/2011-12 dated 2 December 2011, DNBS.PD/CC.No. 263/03.10.038/2011-12 dated 20 March 2012 and DNBS.(PD).CC. No. 347 /03.10.38/2013-14 dated 1 July 2013.

Accordingly the Company in line with guidelines laid down under the DNBS(PD)CC.No.347/30.10.038/ 2013-14 dated July 01,2013 has provided 1% of the total outstanding portfolio as at March 31, 2016. The Company has made Rs.69,381,671/- in addition to the above mentioned RBI norms

Classification of Loans and provision made for Standard / sub standard / doubtful / loss assets are as given below:

(Amount in Rupees)		
Classification of Assets	As at March 31, 2016	As at March 31, 2015
Standard assets	50,566,008,490	32,163,449,617
Sub-standard assets	40,719,252	11,987,744
Doubtful assets	37,151,887	11,473,025
Total	50,643,879,629	32,186,910,386
Note: 14 Non current- Receivable under financing activity- Standard assets	12,848,035,376	5,887,343,934
Note: 14 Non current- Receivable under financing activity- Non performing assets	2,408,089	615,864
Note-15 Current-Trade receivables under financing activity- Standard assets	37,780,553,248	26,295,042,485
Note-15 Current-Trade receivables under financing activity- Non performing assets	12,882,916	3,908,103
Total	50,643,879,629	32,186,910,386

Provision	As at March 31, 2016	As at March 31, 2015
Standard assets	518,308,954	338,686,494
Sub-standard assets	20,359,626	5,993,872
Doubtful assets	37,151,887	11,473,025
Total	575,820,467	356,153,391
Note: 6 Long term -Provision for standard assets	128,480,354	58,873,439
Note: 6 Long term -Provision for non performing assets	2,408,089	615,864
Note: 10 Short term -Provision for standard assets	389,828,600	279,813,055
Note: 10 Short term -Provision for non performing assets	55,103,424	16,851,033
Total	575,820,467	356,153,391



Notes forming part of financial statements

25.6 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)-2008 dated 1st August 2008

(i) **Capital to Risk asset ratio**

(ii) **Exposure to Real Estate Sector**

Direct exposure towards residential mortgages

(iii) **Exposure to Capital Market**

The Company does not have any exposure to Capital Market as at March 31, 2016

(iv) **Maturity Pattern of Assets and Liabilities**

Maturity pattern of certain items of assets and liabilities as on March 31, 2016

Notes:

1. The above borrowing excludes interest accrued but not due.
2. The above information has been considered as per the Asset Liability Management (ALM) Report compiled by the Management and reviewed by the ALM committee.



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Notes forming part of financial statements

25.7 Additional disclosure

Disclosure of frauds reported during the year vide DNBS PD.CC NO. 256 / 03.10.042 / 2012 -13 dated March 02, 2012

March 31, 2016

	Less than Rs. 1 lakh		Rs. 1 to Rs. 5 lakhs		Rs. 5 - 25 lakhs		Total	
	No. of Accounts	Value Rs.	No. of Accounts	Value Rs.	No. of Accounts	Value Rs.	No. of Accounts	Value Rs.
A) Person Involved								
Staff	659	3,194,706	-	-			659	3,194,706
Customer								
Staff and customer								
Total	659	3,194,706	-	-	-	-	659	3,194,706
B) Type of fraud								
Misappropriation and criminal breach of trust	659	3,194,706	-	-			659	3,194,706
Fraudulent encashment / Manipulation of books of accounts								
Unauthorised credit facility extended								
Cheating and forgery								
Total	659	3,194,706	-	-	-	-	659	3,194,706

March 31, 2015

	Less than Rs. 1 lakh		Rs. 1 to Rs. 5 lakhs		Rs. 5 - 25 lakhs		Total	
	No. of Accounts	Value Rs.	No. of Accounts	Value Rs.	No. of Accounts	Value Rs.	No. of Accounts	Value Rs.
A) Person Involved								
Staff	437	1,411,065					437	1,411,065
Customer								
Staff and customer								
Total	437	1,411,065	-	-	-	-	437	1,411,065
B) Type of fraud								
Misappropriation and criminal breach of trust	437	1,411,065					437	1,411,065
Fraudulent encashment / Manipulation of books of accounts								
Unauthorised credit facility extended								
Cheating and forgery								
Total	437	1,411,065	-	-	-	-	437	1,411,065

Note:

The above summary is prepared based on the information available with the Company and relied upon by the auditors.

25.8 Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012 .

Margin Cap of the Company as on 31 March 2016 is 9.96%. This has been computed as suggested by MFIN in their representation to The Reserve Bank of India dated August 29, 2012 (Subject reference : RBI/2012-13/161 ONBS (PO) CC.No.300 /03.10.038/2012-13. dated August 3, 2012).



Notes forming part of financial statements

25.9 Disclosure as required under DNBR (PD) CC. No. 002 / 03.10.001/2014-15 dated November 10, 2014.

25.9.1 Concentration of Advances

(Amount in Rupees)

Particulars	March 31, 2016	March 31, 2015
Total Advances to twenty largest borrowers	19,084,909	11,546,325
Percentage of Advances to twenty largest borrowers to Total Advances	0.03%	0.02%

25.9.2 Concentration of Exposures

(Amount in Rupees)

Particulars	March 31, 2016	March 31, 2015
Total Exposure to twenty largest customers	18,839,843	11,083,898
Percentage of Exposures to twenty largest customers to Total Exposure on customers	0.04%	0.04%

25.9.3 Concentration of NPAs

Particulars	March 31, 2016	March 31, 2015
Total Exposure to top four NPA accounts	385,539	562,799

25.9.4 Sector-wise NPAs

(Amount in Percentage)

Particulars	March 31, 2016	March 31, 2015
Agriculture & allied activities	0.09%	0.04%
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	0.12%	0.06%
Auto loans	-	-
Other personal loans	0.47%	0.23%

25.9.5 Movement of NPAs

Particulars	March 31, 2016	March 31, 2015
(i) Net NPAs to Net advances (%)	0.04%	0.02%
Movement of NPAs (Gross)		
(a) Opening balance	23,460,769	11,840,239
(b) Additions during the year	144,266,164	35,872,502
(c) Reductions during the year	89,855,795	24,251,972
(d) Closing balance	77,871,138	23,460,769
Movement of Net NPAs		
(a) Opening balance	5,993,872	2,235,217
(b) Additions during the year	72,109,259	17,936,251
(c) Reductions during the year	57,743,506	14,177,596
(d) Closing balance	20,359,625	5,993,872
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	17,466,897	9,605,022
(b) Provisions made during the year	72,156,905	17,936,251
(c) Write-off / write-back of excess provisions	32,112,289	10,074,376
(d) Closing balance	57,511,513	17,466,897

25.9.6 During the period there are no instances of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeding the sanctioned limit or outstanding or entire outstanding whichever is higher.

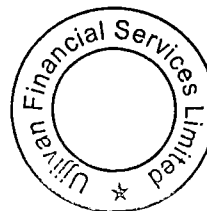
25.9.7 During the period company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

25.9.8 Registration obtained from other financial sector regulators

During the period the company has not obtained any registrations from other financial regulators.

25.9.9 Penalties imposed by RBI and other regulators

During the period there is no penalties imposed by RBI and other regulators.



25.9.10 Ratings assigned by credit rating agencies and migration of ratings during the year.

Particulars	Rating Assigned
1. MFI Grading	CRISIL MFR 1
2. Long Term Bank Facilities /Non convertible Debentures	Long Term Borrowing Rs. 3500 Crs - CARE A
	NCD_100 Crs CARE A
	NCD_100 Crs CARE A
	NCD_100 Crs CARE A
	NCD_40 Crs CARE A
	NCD_60 Crs CARE A
	NCD_50 Crs ICRA A (Stable)
	NCD_40 Crs ICRA A - (Stable)
	NCD_75 Crs ICRA A - (Stable)
3. Short Term Bank Facilities / Commercial Paper	50 Crs CRISIL A1
3. Securitization Transactions	1.Oread PTC Series A1 - ICRA A-(SO) PTC Series A2 - ICRA BBB+(SO)
	2. Salka PTC Series A1 - ICRA A+(SO) PTC Series A2 - ICRA A-(SO)
	3. Opalina PTC Series A - ICRA A- (SO)
	4.Hoshi PTC Series A - ICRA A (SO)
	5. Pholbe PTC Series A - ICRA A (SO)
	6. Megumi PTC Series A1 - ICRA A (SO)
	7. Juventas PTC Series A1 - ICRA A (SO) PTC Series A2 - ICRA BBB+(SO)

25.9.11 Disclosure of Customer/Borrower Complaints

Particulars	March 31, 2016	March 31, 2015
No. of complaints pending at the beginning of the year	11	13
No. of complaints received during the year	2,200	1,433
No. of complaints redressed during the year	2,197	1,435
No. of complaints pending at the end of the year	14	11

25.9.12 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

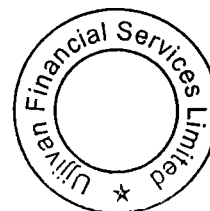
Particulars	March 31, 2016	March 31, 2015
Provisions for depreciation on Investment	-	-
Provision for NPA	72,156,905	17,936,251
Provision for Standard Assets	161,610,264	186,568,346
Provision for Income tax	1,038,000,000	470,000,000
Provision for Doubtful Advances	664,584	1,842,465

25.9.13 Investments

Particulars	March 31, 2016	March 31, 2015
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,010,000	1,010,000
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	1,010,000	1,010,000
(b) Outside India.	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess	-	-
(iv) Closing balance	-	-

25.9.14 Derivatives:

The Company has no transactions / exposure in derivatives in the current period and previous year.



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 26 Disclosures under Accounting Standards

26.1 Employee Benefits:

The details of employee benefits are as given below:

I Defined Contribution Plans

During the year, the Company has recognized the following amounts in the statement of profit and loss

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employers' Contribution to Provident & Pension Fund	92,106,898	60,211,165
Employers' Contribution to ESI	32,969,687	25,644,353

II Defined Benefit Plan

Contribution to Gratuity Fund:

Details of defined benefit plan of gratuity are given below:

Particulars	As at March 31, 2016	As at March 31, 2015
Components of employer expense		
Current Service cost	24,768,187	20,212,119
Interest cost	5,865,822	4,052,181
Expected return on plan assets	(5,224,440)	(5,074,490)
Actuarial Losses/(Gains)	15,109,440	11,367,765
Total expense/(Income) recognized in the Statement of Profit & Loss	40,519,009	30,557,575
Actual Contribution and Benefit Payments for the Year ended		
Actual benefit payments	(5,966,535)	(3,850,213)
Actual Contributions	25,470,955	19,813,137
Change in Defined Benefit Obligation (DBO) during the year ended		
Present Value of DBO at the beginning of the year	80,986,224	54,278,862
Current service cost	24,768,187	20,212,119
Interest cost	5,865,822	4,052,181
Actuarial (gains)/losses	19,586,392	6,293,275
Actual return on plan assets	-	-
Benefits paid	(5,966,535)	(3,850,213)
Present Value of DBO at the end of the year	125,240,090	80,986,224

Particulars	As at March 31, 2016	As at March 31, 2015
Net asset/(liability) recognized in balance sheet as at		
Fair value of plan assets	84,721,081	55,515,269
Present Value of Defined Benefit Obligation	(125,240,090)	(80,986,224)
Excess of plan assets over present value of obligation	-	-
Net (liability) recognized in balance sheet	(40,519,009)	(25,470,955)
Present Value of DBO at the end of the year	(40,519,009)	(25,470,955)
Current Liability		
Non current liability	-	-
Change in Fair Value of Assets during the year ended		
Plan assets at the beginning of the year	55,515,269	39,552,345
Expected return on plan assets	5,224,440	5,074,490
Actuarial gain/(loss)	4,476,952	(5,074,490)
Actual Company Contributions	25,470,955	19,813,137
Benefit Paid	(5,966,535)	(3,850,213)
Plan assets at the end of the year	84,721,081	55,515,269
Actuarial Assumptions		
Discount Rate	7.52%	7.74%
Expected Return on plan assets	8.00%	8.00%
Rate of increase in compensation	12.50%	10.00%
Attrition rate	18.41%	17.32%
Retirement age	60	60

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Information of investment details of plan assets are not available hence not disclosed



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 26 Disclosures under Accounting Standards

Details relating to experience adjustment and expected future cashflow is given below

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined Benefit Obligation at end of the year	125,240,090	80,986,224	54,278,862	38,848,414
Plan Assets at end of the period	84,721,081	55,515,269	39,552,345	21,225,930
Funded Status - Assets/ (Liabilities)	(40,519,009)	(25,470,955)	(14,726,517)	(17,622,484)
Experience Gain/(Loss) adjustments on plan liabilities	19,586,392	6,293,275	(340,486)	(340,486)
Experience Gain/(Loss) adjustments on plan Assets	4,476,951	5,074,490	29,246	299,427
Actuarial Gain/(Loss) due to change on assumptions	-	34,575,013	103,246	103,246

In absence of details relating to experience adjustment for the periods prior to March 2013 and expected future cash flow the same are not furnished.

III Other Long term employee benefits – Compensated absences

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Charge in statement of Profit & Loss	42,700,012	27,808,935
Liability as at the period end	88,173,725	55,961,380
Actuarial Assumptions		
Discount Rate	7.52%	7.74%
Rate of Increase in compensation	12.50%	10.00%
Attrition rate	18.41%	17.32%
Retirement age	60	60

26.2 Segment Reporting

The company's business segment is micro finance services and the principal geographical segment is India. Accordingly no separate disclosure is required to be made under accounting standard 17, Segment Reporting

26.3 Related Party Disclosure

A. List of Related Parties are given below:

Key Management Personnel

Mr. Samit Ghosh, Managing Director
Mrs. Sudha Suresh, Chief Financial Officer
Mr. Sanjeev Barnwal, Company Secretary
Parinaam Foundation
Ujjivan Social Services Foundation

Enterprises owned by Key Management Personnel

B. Transactions with Related Parties during the year

Particulars	Key Management Personnel	
	March 31, 2016	March 31, 2015
Remuneration:		
Mr. Samit Ghosh		
- Salary	7,378,214	7,255,064
- Perquisite - ESOP	20,864,688	-
Mrs. Sudha Suresh		
- Salary	4,968,015	4,355,182
- Perquisite - ESOP	5,014,123	-
Mrs. Suhasini Ashok (upto August 31, 2014)	-	542,816
Mr. Sanjeev Barnwal (with effect from September 1, 2014)	2,146,996	1,178,236

Enterprises owned by Key Management Personnel

Particulars	March 31, 2016	March 31, 2015
Parinaam Foundation		
Amount received towards reimbursement of expenses	2,540,492	7,278,705
Donations paid	2,500,000	500,000
Ujjivan Social Services Foundation		
Investment in shares	-	-

C. Outstanding balance with related parties

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding Balance with key managerial personnel		
Due to Mr. Samit Ghosh	89,250	357,000
Due to Mrs. Sudha Suresh	60,375	210,000
Due to Mrs. Suhasini Ashok	-	26,273
Due to Mr. Sanjeev Barnwal	-	24,471
Outstanding balance with enterprises owned by Key Management Personnel		
Due from Parinaam foundation	-	-



Ujjivan Financial Services Limited
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Notes forming part of financial statements

Note 26 Disclosures under Accounting Standards

26.4 Details of leasing arrangements

The Company has taken on operating lease certain facilities and office premises for a period ranging from 11 months to 120 months which are non-cancellable for the period as reflected in the respective agreements. These lease agreements provide for increase in the lease payments by 10% to 15% over the period as mentioned in the agreements. The total minimum lease payments for the current period, in respect of operating leases, included under rent, aggregates to Rs.121,422,881/- (P.Y. Rs.92,189,270/-)

The future lease payments in respect of the above are as follows:

Particulars	(Amount in Rupees)	
	Year ended March 31, 2016	Year ended March 31, 2015
Not later than one year	133,266,252	43,061,728
Later than one year but not later than five years	296,513,939	58,774,804
Later than 5 years	177,805,085	-

26.5 Earnings per share

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net profit / (loss) after tax (Rs.)	1,772,187,778	757,887,961
Weighted average shares outstanding – Basic (Nos.)	88,102,590	67,427,464
Weighted average shares outstanding – Diluted (Nos.)	92,366,982	71,375,884
Earnings / (loss) per share – Basic (Rs.)	20.12	11.24
Earnings / (loss) per share – Diluted (Rs.)	19.19	10.62

26.6 Other ratios are indicated below

Particulars	As at March 31, 2016	As at March 31, 2015
Debt Service Ratio	0.11	0.07
Interest Coverage Ratio	1.67	1.45
Debt Equity Ratio	3.86	4.46

26.7 Deferred Tax

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", the company has recognized Rs.87,961,905/- (PY Rs.80,802,636/-) as deferred tax credit as detailed below:

Particulars	(Amount in Rupees)		
	Deferred Tax (Assets) / Liabilities as on April 1, 2015	Current period (credit) / charge *	Deferred Tax (Assets) / Liabilities as on March 31, 2016
Difference between book and tax depreciation	(1,548,897)	6,524,091	4,975,194
Provision for Employee benefits	(27,678,851)	(16,859,130)	(44,537,981)
Provision for doubtful assets/standard assets	(123,556,526)	(77,626,866)	(201,183,392)
Net Deferred Tax (Asset) / Liability	(152,784,274)	(87,961,905)	(240,746,179)

26.8 Information on dividend for the year ended 31 March 2016

The Board of Directors recommend a final dividend of Rs.0.50 per equity share for the financial year ended March 31, 2016. The payment is subject to approval of the share holders in the ensuing Annual General Meeting of the Company as per the share holdings as on the book closure date.

However, the Company has made provision in the books amounting to Rs.59,120,653/- based on share holdings as on 13 May 2016.

26.9 Initial Public Offer/Listing

The company has issued and allotted 17,055,277 shares at Rs.10 each at a premium of Rs.200 per share subsequent to the year end by way of Initial Public Offer(IPO). The shares of the company have been listed in National Stock Exchange and Bombay Stock Exchange subsequent to the IPO.

27 Employee Stock Option Plan

The Company has established Employee Stock Option Plan (ESOP) for compensation to its employees, being ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and Earnings Per Share (EPS) both basic & diluted, had the Company adopted the fair value method amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2016 would have been lower by Rs.28,081,792/- and the basic and diluted EPS would have been revised to Rs.19.80/- and Rs.18.88/- respectively.

Option activity under the plans is as given as below:

Particulars	Number	
	March 31, 2016	March 31, 2015
Options granted, beginning of year	3,948,420	4,138,088
Granted during the year	1,469,800	-
Exercised during the year	817,002	-
Forfeited/Expired during the year	336,826	189,668
Options granted, as of March 31, 2016	4,264,392	3,948,420
Option exercisable at the year end	2,578,271	2,312,633
Weighted average of remaining contractual life (years) at the year end	1.11	2.09



Ujjivan Financial Services Limited
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Notes forming part of financial statements

- 28 As per RBI guidelines on Securitisation DNBR (PD) CC. No.002/03.10.001/2014-15 dated November 10, 2014 the details of securitisation are given below:

Particulars	March 31,2016	March 31,2015
	Numbers/Amount (Rs.)	Numbers/Amount (Rs.)
No of SPVs sponsored by the NBFC for securitisation transactions	7	3
Total amount of securitised assets as per books of the SPVs Sponsored	3,942,200,847	836,401,002
Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet		
a) Off-balance sheet exposures		
First loss	246,531,114	-
Others		
b) On-balance sheet exposures		
First loss	199,180,491	66,047,037
Others		
Amount of exposures to securitisation transactions Other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitizations		
First loss	NIL	NIL
Loss	NIL	NIL
ii) Exposure to third party securitisations		
First loss	NIL	NIL
Others	NIL	NIL
b) On-balance sheet exposures		
i) Exposure to own securitizations		
First loss	NIL	NIL
Others	NIL	NIL
ii) Exposure to third party securitisations		
First loss	NIL	NIL
Others	NIL	NIL

28.1 Details of Financial Assets sold to Securitisation Company

Particulars	(Amount in Rupees)	
	March 31,2016	March 31,2015
No. of accounts	311,925	92,572
Aggregate value of accounts sold to Securitisation Company	3,942,200,847	836,401,002
Aggregate Consideration	3,694,171,165	817,732,668
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Quantum of credit enhancement in the form of deposits	199,180,491	47,378,703
Aggregate gain /(loss) over net book value excluding service fee	52,870,277	11,909,768



Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)

Notes forming part of financial statements

29 Corporate Social Responsibility

- a) Gross amount required to be spent by the company during the period ended March 31, 2016 Rs. 16,500,523/-
(PY Rs.9,012,511/-)

b) Amount spent during the period on:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	14,226,398	-	14,226,398
On purposes other than above	3,551,995	-	3,551,995

Amount spent during the year 2014-15 on:

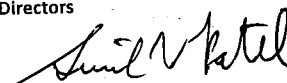
Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	12,659,621	-	12,659,621
On purposes other than above	2,004,863	-	2,004,863

30 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification /

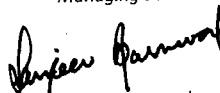
For and on behalf of the Board of Directors




Samit Ghosh
Managing Director



Sunil Patel
Director


Sanjeev Barnwal
Company Secretary


Sudha Suresh
Chief Financial Officer

Place: Bangalore

Date: 25 May 2016

