

Progressing with **Trust and Confidence**



Annual Report
2021-2022

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Progressing with Trust and Confidence

At Ujjivan Financial Services Limited, we have always been sensitive about the responsibility that we carry towards the less-enabled and less-banked who trust us with their money and their dreams of improving their lives.

The success of our efforts gets reflected in the way we operate our businesses, combining technological prowess with empathetic understanding of customer needs. We ensure safety and stability for our businesses, and help to balance segment-specific challenges, while keeping sight of returns and profitability. We measure the success of our efforts in the trust and confidence that our customers show, expecting more from us each day. Our portfolio growth and service reach stand testimony to our customers' satisfaction, and the economic change that we have helped to catalyse.

Corporate Identity

Trusted custodians, committed to enablement

Ujjivan Financial Services Limited (UFSL) is a Core Investment Company (NBFC-NDSI-CIC) registered with the Reserve Bank of India (RBI). Being a non-operating holding Company, its main objective is to carry on the business of making investments in the group company(ies). Both, the Company and its subsidiary 'Ujjivan Small Finance Bank', are led by highly governed and regulated Boards, and adopt high standards of corporate and social governance, which effectively paves the way for the trust of all the stakeholders including, but not limited to its customers, employees, shareholders, the regulators and the community at large.

UFSL commenced operations as an NBFC in 2005, to provide a full range of financial services to the 'economically active' underbanked/unbanked segment of the population, primarily based on the joint liability group-lending model for providing collateral-free, small ticket-size loans. It also offered individual loans to Micro and Small Enterprises (MSEs). UFSL adopted an integrated approach to lending, which combines a high customer touchpoint similar to microfinance, with the technology infrastructure and back-end support similar to a retail bank.

On October 7, 2015, UFSL received an in-principle approval from the RBI to set up a Small Finance Bank and floated its wholly owned subsidiary, Ujjivan Small Finance Bank Limited (the Bank). UFSL transferred its business to the Bank, which subsequent to the RBI license, commenced its banking operations from February 1, 2017. As of March 31, 2022, UFSL holds 83.32% in the Bank.

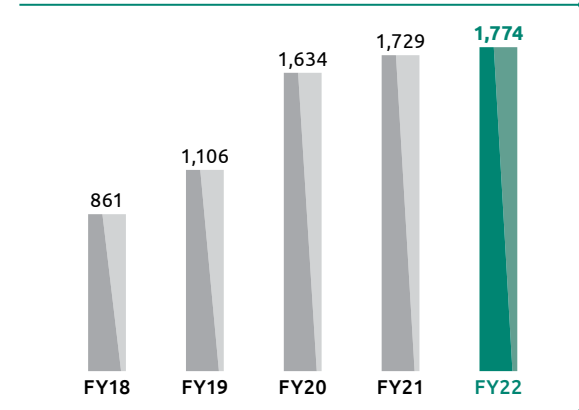
As part of its ongoing CSR initiatives, UFSL has continued its partnerships for CSR projects during the year, by working closely with the Parinaam Foundation, and the Company has granted ₹3.31 lacs to Parinaam Foundation towards their Academic Adoption Program.

About our subsidiary

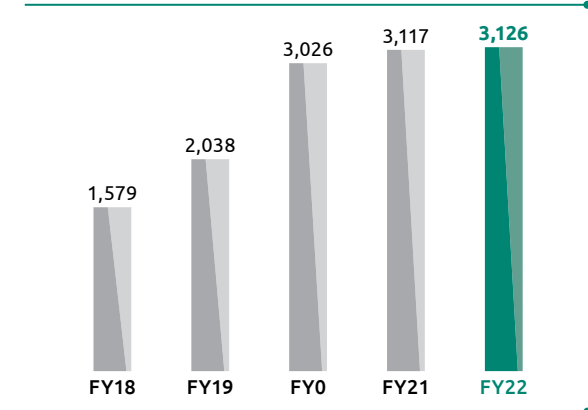
Ujjivan Small Finance Bank (material listed subsidiary of the company) serves over 64.8 lakh customers through 575 branches and 16,895 employees, spread across 248 districts and 24 states and union territories in India. Its gross loan Book stands at ₹18,162 crore with a deposit base of ₹18,292 crore as of March 31, 2022.

Key Performance Indicators (listed subsidiary – Ujjivan Small Finance Bank)

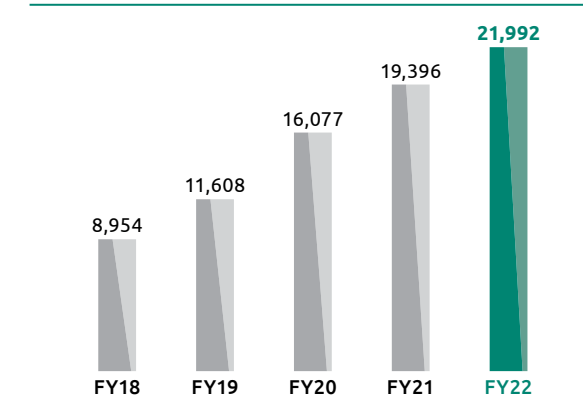
Net Interest Income (NII) (₹ in Crores)



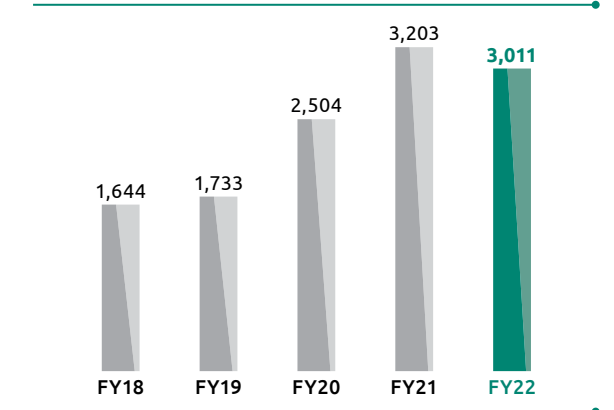
Total Income (₹ in Crores)



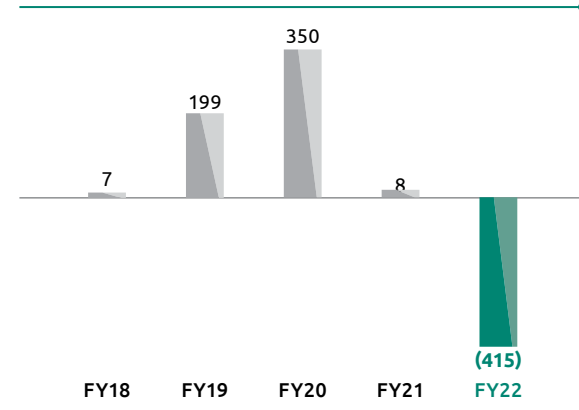
Average Total Assets (₹ in Crores)



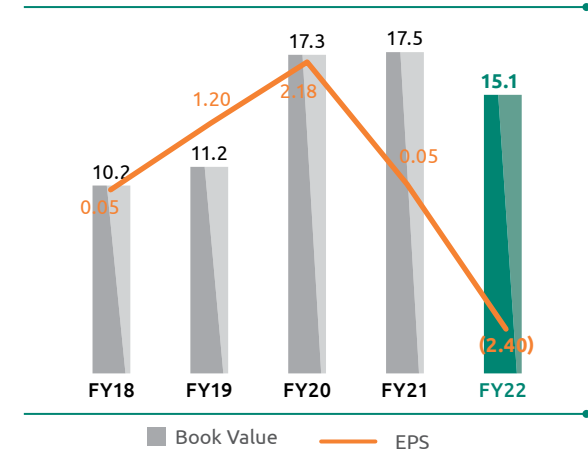
Average Net Worth (₹ in Crores)



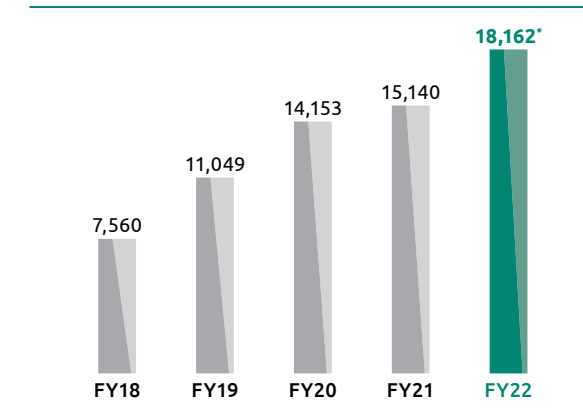
Profit After Tax (₹ in Crores)



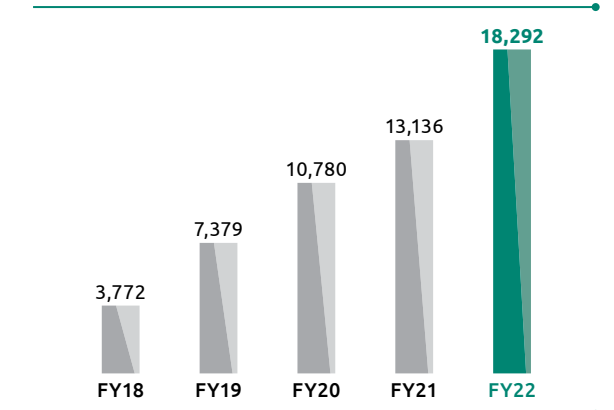
Book Value per share and EPS (In ₹)



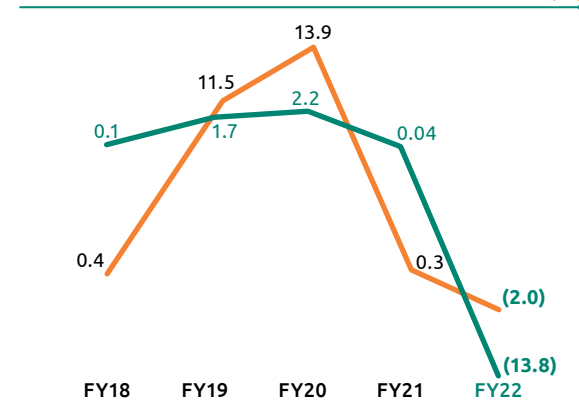
Assets under Management (AUM) (₹ in Crores)



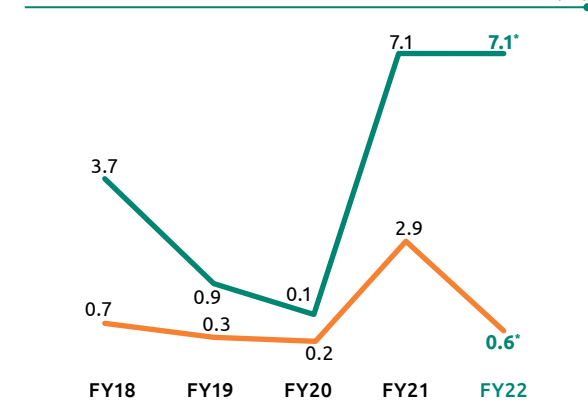
Total Deposits (₹ in Crores)



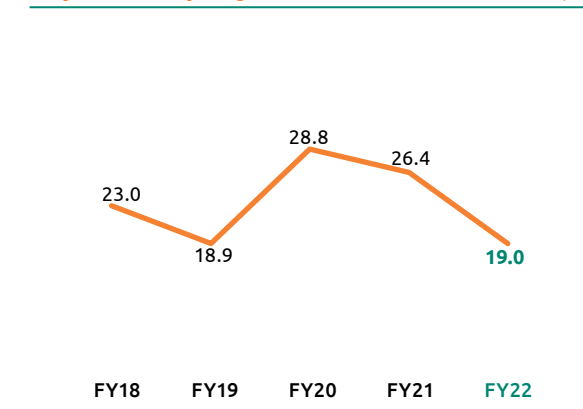
RoA & RoE (%)



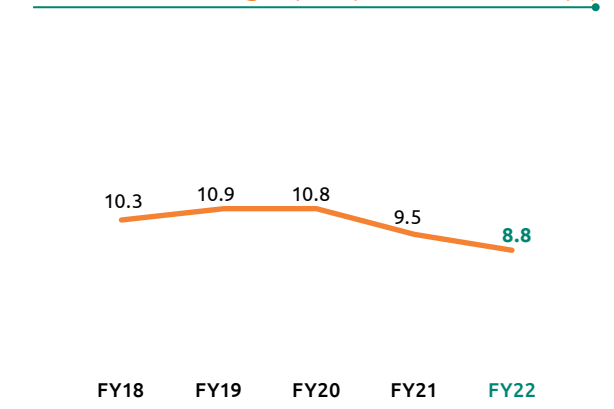
GNPA & NNPA (%)



Capital Adequacy Ratio (%)



Net Interest Margin (NIM) (%)



* Note: Without adjusting for ₹ 674 cr of IBPC/ Securitization as on 31st March 2022

Message from the Chairman

Resolute on the path to improving lives



“ In my last message, I touched upon the effect of Covid 19 on our customers and employees. However, this year as we all know the situation has vastly improved. My last address covered the efforts of Ujjivan Group to bring relief to individuals and institutions through our available resources. ”

Dear Shareholders,

With the economy gradually and steadily recovering and our Bank witnessing a remarkable turnaround during the last quarter of FY21-22 and the first quarter of the FY22-23, we are confident that the future of our Bank looks brighter than ever before as credit demand is back to normalcy. We are confident that the momentum built in the last six months would continue in the current fiscal and in the years to come which would enable our Bank to attain newer heights in terms of growth, size, deposit mobilization and profitability leading to further financial inclusion.

In my last message, I touched upon the effect of Covid 19 on our customers and employees. However, this year as we all know the situation has vastly improved. My last address covered the efforts of Ujjivan Group to bring relief to individuals and institutions through our available resources.

I. Financial results:

1. Standalone (UFSL)

Ujjivan Financial Services Limited (UFSL), is a Core Investment Company with 83.32% ownership of Ujjivan Small Finance Bank (USFB) and it does not have any other business interest apart from investments in fixed deposits. At the standalone level, the income streams of UFSL, besides interest on these deposits, include dividend income from investments held in its subsidiary. However, dividend from the Bank is dependent on the Bank's profitability and we could not receive any dividends on both preference and equity shares held by UFSL in the Bank. UFSL closed on a standalone level with a profit after tax of ₹2.17 crores in comparison to Rs.2.93 crores in the previous year. Interest rates were lower this year in comparison to the previous year but UFSL also economised on expenses.

2. Consolidated (UFSL with USFB)

UFSL's consolidated loss (which includes Bank's financials) under Ind-AS for the financial year 2021-22 stood at ₹230.50 crores vis-à-vis loss of ₹239.11 crores during the financial year 2020-21. This includes impairment on Financial Assets – Loans, based on Expected Credit Loss (ECL) provisions of ₹846.20 crores due to COVID-19 compared to ₹1,165.19 crores of provisions in the previous year.

83.32%

ownership of Ujjivan Small Finance Bank (USFB) and it does not have any other business interest apart from investments in fixed deposits

3. Bank (IGAAP)

The Bank's operating profit under IGAAP, before provisioning, declined from ₹800.79 crores in FY 2020-21 to ₹590.49 crores in FY 2021-22 and net loss after tax stood at ₹414.58 crores for FY 2021-22 vis-à-vis net profit after tax of ₹8.30 crores, in the previous year. Provisions on Gross Advances as per IGAAP books for the financial year 2021-22 were ₹1,140.84 crores vis-à-vis ₹790.59 crores in the financial year 2020-21.

It is important to note that UFSL, as NBFC is required to prepare its stand-alone and consolidated financials as per Ind-AS whereas the banks continue to operate under IGAAP with resultant differences in the financial figures, mainly due to the difference in the amount of provision. Therefore, the consolidated loss is lower than the Bank IGAAP loss whereas last year it was higher.

II. The Covid Crisis and the Turn Around by the Bank

It will be pertinent here for me to highlight the changes that occurred since the last AGM held in September 2021 in terms of the Bank's performance:

The Bank's business was hit by multiple covid waves and the mobility restrictions that followed each wave. This led to a sharp deterioration of portfolio quality, business, and organizational paralysis and the Bank took a provision of ₹583 Crores in the third quarter of FY 2020-21 and subsequently closed the year with a marginal profit. The asset quality worsened post-Covid 2.0, which not only led to higher credit costs but also impacted the business severely.

The board was very seriously concerned about the extent of damage to the Bank's asset quality. Timely measures were taken to first recognize the problem and undertake appropriate action in terms of collection & recovery.

The RBI approved a Special Committee of Directors (SCOD) comprising of three Independent Directors of the Bank headed by the Chairman, to oversee the Bank effective from September 16, 2021, till such time a new MD & CEO of the Bank is appointed. On September 16, 2021, the Bank appointed the senior most officer, P.S. Martin to be the Officer on Special Duty to oversee the day-to-day operations of the Bank apart from his responsibilities as the Head of Bank's Operations. Carol Furtado was appointed as the Chief Operating Officer with the responsibilities of overseeing the businesses of the Bank. The two of them reported progress & got direction from the SCOD on a fortnightly basis. The Bank set clear priorities with a time frame to turn around the Bank's overall performance

First, the Bank re-assessed the asset quality in the light of the situation and this led to an upward revision in provision. Based on the estimate of the Risk Management Team of the Bank and verified by an independent expert, the estimated additional credit cost was in the range of ₹1,100 crores - 1,200 crores for fiscal 2021-22. In the four quarters of fiscal 2021-22, the Bank had to take provisions of ₹473 crores, ₹414 crores, Rs.187 crores and Rs.44 crores totalling ₹1,118 Crores. The spiral led to the Bank posting a huge loss in the first half of the FY 2021 – 22. By the time Covid 2.0 receded, Ujjivan was saddled by very high PAR (30%+) and rising NPAs (~10%).

The Bank Board & Board Committees reviewed the Bank's businesses in detail and put in a 100 Days revival program for the initial period of September – December 2021. Based on the success of the first, a second 100 Days program was launched to cover the last quarter of the financial year where three key objectives were set:

- Re-organize and strengthen the Credit & Collection teams in-house, outsourced & agencies with the objective to reduce the flow into NPA, start the collection in earnest to bring down the PAR and start a recovery program utilizing the legal team, especially for the Housing & MSE businesses. To be more effective bring closer coordination between the business & collection teams.
- The second area of focus was to rebuild business volumes, both on the loan disbursements and sourcing of retail / wholesale deposits. We estimated that the worst was over with Covid 2.0 and any future impact would be marginal. The Microbanking business which was both demoralized & in disarray in the last two years seemed to have the largest pent-up demand post-Covid. They needed some process & policy changes to remove roadblocks and little encouragement. Excitement was brought in with sales contests like Public Ka Champion which boosted productivity. The Housing & MSE businesses required some strategic changes to pivot the businesses. They were only

volume-driven businesses and needed much more bottom-line focus and needed to get out of high-risk & unprofitable segments of businesses. The Housing business needed to reduce their low margin, high loan to value businesses & focus more on profitable business financing individual homes in Tier II & III towns. MSE vertical needed to grow their short-term working capital business. In the second 100-Day Program, we discontinued the unprofitable Personal Loan Business. The Retail deposit business needed to focus on the key customer segments and increase the individual customer base. In the Wholesale Deposit Business, we diversified away from concentration areas and very successfully were able to organize alternate sources of funding from securitization & IBPC transactions.

- The third area was stabilizing the organization, bringing down attrition and filling open positions in leadership with more experienced & higher quality talent. Firstly, the leadership of all the businesses and some functional areas like Human Resources were filled from internal talent. This speaks of the depth of leadership talent we have in Ujjivan. The younger generation of Ujjivan was able to bring in a lot of energy, an open mind to change and a lot of experience & learnings from the past which enabled them to pivot away from the old and bring refreshing new directions to the business. Along with these changes, the Bank was able to attract top talent in the following positions: Chief Information Officer, Head of Digital, Chief Financial Officer and Head of Internal Audit.

Most importantly, Ittira Davis with the approval of the RBI took charge as the Managing Director of the Bank from January 14th, 2022. With him in place, Ujjivan is in safe hands and is continuing to break all records in terms of business growth and profitability. He is also focussed to ensure that we continue to work well within all legal & regulatory norms as we push ahead.

The results can be seen below: Key Performance Indicators (All amounts in Rupees Crores, including IBPC/ Securitisation book)

	FY'22				FY'23
	Q1	Q2	Q3	Q4	Q1
Disbursement	1,311	3,122	4,809	4,870	4,326
Gross Advances	14,037	14,514	16,463	18,162	19,409
Deposit	13,673	14,090	15,563	18,292	18,449
Cost to Income Ratio	65%	84%	74%	66%	61%
GNPA	1,375	1,713	1,612	1,284	1,147
GNPA %	9.8%	11.8%	9.8%	7.1%	5.9%
PAR	4,322.5	2,741.9	2,447.9	1,741.5	1,541.7
PAR %	30.8%	18.9%	14.9%	9.6%	7.9%
Credit Cost	473	414	187	44	0.2
PpoP	161	71	141	217	271
PAT	(233)	(274)	(34)	127	203

III. Governance

UFSL (Holding Company)

During the year, there was only one addition to the Board of UFSL with the induction of Mr Renzo Viegas an experienced banking professional who joined the Board on December 17, 2021. As per SEBI regulations, we must have a Board of not less than 6 members. Otherwise, the directors are the same as the last year save for Mr Rajesh Jogi who resigned to remain on the Bank's board as an independent director, Mr Abhijit Sen who completed his term as an independent director and Mr Ittira Davis who resigned to join the Bank's Board as the MD & CEO. The Board thanks all of them for their valuable contributions. As I mentioned last year I am also on the Bank's Board since August 2021 as a common director as permitted by the RBI in such cases. At the senior level to strengthen the Bank due to the resignations of two KMPs in a short period, we transferred the Company Secretary and CFO to the Bank. Recently we have appointed Mr Radhakrishnan Ravi a very experienced Chartered Accountant as the CEO and CFO of UFSL.

USFB (Bank)

The Bank was fortunate to induct on the board, on August 20, 2021, Mr. Banavar Anantharamaiah Prabhakar, an eminent banker & ex-CMD of Andhra Bank as the Chairman. Under his matured leadership and guidance, the Board was strengthened by experienced and competent professionals. Mr. Ravichandran Venkataraman, ex-banker; Ms. Sudha Suresh, ex-CFO & MD of UFSL and myself joined the board. Mr. P.N. Raghunath from the Reserve Bank of India also joined the board at the request of the regulator on November 29th, 2021, for a period of two years. Recently the Bank inducted Ms Anita Ramachandran an HR expert on the board. Thus, the Bank's board was strengthened & stabilized.

IV. MERGER

As mentioned last year in July 2021, the RBI permitted small finance banks which were subsidiaries of holding companies (ie the promoters) and which had completed 5 years of operations to merge with the holding companies, thereby permitting the promoters to exit by this route. This was a positive for the holding company shareholders which so far had seen UFSL shares trading at a discount to the bank shares which are also listed. We were to apply for the merger by 1st November 2021, three months before the completion of 5 years ie February 2022.

Although the Bank had a change of senior personnel, the Boards of the Bank and UFSL reviewed and approved the merger scheme documents and submitted the same to the RBI on 1st November 2021. At the same time, we applied to the Securities & Exchange Board of India (SEBI) for adopting a scheme of amalgamation as a method to achieve the Minimum Public Shareholding (MPS) to 25% within 3 years of listing i.e.

by December 11, 2022 condition and request for relaxing the lock-in condition of the promoter holding in the event the merger is made effective and UFSL is dissolved before the lock-in period is over i.e. by December 09, 2022. SEBI waived the second but not the first. Hence, since this MPS condition must be fulfilled, the merger application cannot for now proceed. The merger documents will have to be reworked after achieving the MPS condition as the share capital will change when new shares are issued by the Bank.

To achieve the MPS, the Bank is in the process to undertake an issue of new shares to Qualified Institutional Buyers (QIBs) through a Qualified Institutions Placement (QIP) which will meet the requirement to proceed with the proposed reverse merger of UFSL into and with the Bank. Further, the Bank is also in the process to raise Tier 2 capital by way of subordinated debt. The combination of these will result in a stronger balance sheet and Capital Adequacy Ratio. Although we had hoped to raise the QIP earlier, the market conditions after the sudden change in the economic scenario as well as geopolitical issues were not amenable to making an issue to QIBs at a decent price. As you would appreciate the quality of shareholders in terms of long-term commitment to the Bank is very important and so is the pricing of the issue to minimize dilution to the holding company shareholders.

Further to achieving the MPS, we would apply to the RBI and Stock Exchanges for approval and then to the NCLT. It is unfortunately not possible to give a time frame for final approval as there are many milestones. However, I can assure you that in this process the Boards of the two companies will work towards achieving the merger with the desired parameters of Board structure, shareholder structure, corporate goals, and socio-economic objectives.

Yours sincerely,

Samit Ghosh
Chairman

August 4, 2022

Corporate Social Responsibility

Passage to a brighter future

At UFSL, we began our social responsibility programmes in 2010, much before it was mandated by government policies; and today we undertake various programmes in collaboration with our CSR Partner, Parinaam Foundation

The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives directly or indirectly through its CSR partner Parinaam Foundation. It pursues initiatives to eradicate hunger poverty; promoting preventive health

care and making available safe drinking water; promoting education, including special education, employment enhancing vocational skill training for women, promoting gender equality, programs for empowering women and projects for environmental protection.

Academic Adoption Program

During the year the Company has granted ₹3.31 lakhs to Parinaam Foundation towards the School transportation expenses under its Academic Adoption Program.

Project outline:

Parinaam Foundation provides transport facility to 114 children for going to school. Transportation support is provided to children living in communities which have:

- a) Long distance to school
- b) Lack of child friendly public transport
- c) Little or no transport to school

Parinaam has partnered with transport vendors whose main business is providing transport facility to a lot of renowned schools across Bangalore. This enable all the required safety concerns are taken care from the vendor's end.

Parinaam has also employed 2 helpers from our own communities who will be travelling in the bus along with the children ensuring their safety.



Board of Directors

Transforming vision into action**Samit Ghosh**

Mr. Samit Ghosh is the Non-Executive Director and Chairman of our Company. He founded the Company in 2004 and served as its MD & CEO until January 31, 2017. With the approval of the Reserve Bank of India, Mr. Samit Ghosh was designated and took charge as the MD & CEO of Ujjivan Small Finance Bank Limited (the listed subsidiary of the Company) effective from February 01, 2017 and he retired on November 30, 2019 from this position on attaining the age of 70 years. Prior to founding Ujjivan, Mr. Samit Ghosh was a career banker with over 30 years of experience in India & overseas with a specialization in retail banking. He was part of the management team which launched retail banking with Citibank in 1985, Standard Chartered Bank in 1993 and HDFC bank in 1996 and his last employment prior to founding Ujjivan was in Bank Muscat. Mr. Samit Ghosh holds a master of business administration degree from the Wharton School of Business at the University of Pennsylvania. He is also a Non-Executive Non-Independent Director of Ujjivan Small Finance Bank Limited.

**K.R. Ramamoorthy**

Mr. K.R Ramamoorthy is the Non-executive, Independent Director of our Company. He holds a bachelor's degree in arts from Delhi University and bachelor's degree in law from Madras University. He is also a fellow member of the Institute of Company Secretaries of India. He is the former Chairman and Managing director, Corporation Bank and former Chairman & Chief Executive Officer, ING Vysya Bank. He has served as an advisor to CRISIL and as consultant to The World Bank. He serves as an independent director on the boards of Subros Limited, Nilkamal Limited and Amrit Corp. Limited.

**Sunil Vinayak Patel**

Mr. Sunil Patel is a chartered accountant from the Institute of Chartered Accountants of India and is a certified management consultant from the Institute of Management Consultants' of India. He was previously consultant and Director of A.F. Ferguson & Co. and Partner, A.F. Ferguson Associates. He served as a director on the boards of L&T Investment Management Limited and retired as the part-time Chairman of Ujjivan Small Finance Bank Limited in January 2020. He was also on the Board of Ujjivan Financial Services Limited from 2006 till 2017 and on the Local Advisory Board of Bank Muscat India from 1998 to 2003.

He holds a bachelor's degree in commerce from Bombay University and a master of business administration degree from the Wharton School, University of Pennsylvania.

**Mona Kachhwaha**

Ms. Mona Kachhwaha is a Non-Executive, Independent Director of our Company. She has over 25 years of financial services industry experience, which includes 12 years with Caspian Impact Investment Advisers (2007-2019) and 13 years with Citibank N.A. (1994-2007). At Caspian, she managed the India Financial Inclusion Fund, a USD 89 Million impact fund with a focus on financial inclusion. She has also been a part of investment and credit committees of other funds managed by Caspian. She also sits on the Boards of Aptus Value Housing Finance Limited and Impact Investors Counsel. She has graduated in Mathematics (Hons.) from Delhi University (1992) and holds an MBA from XLRI, Jamshedpur (1994). She completed an executive program in Private Equity from Said Business School, Oxford University in 2010.

**Anand Narayan**

Mr. Anand Narayan is a Non-Executive Director of our Company. He is Managing Partner of Creador Advisors India LLP from 2011. Prior to Creador, he was a Partner and Director of Veda Corporate Advisors Private Limited, where he was responsible for mergers and acquisitions, sponsor coverage of private equity firms and raising structured debt for a number of mid-market corporates. He had also served in Infrastructure Leasing & Financial Services as Vice President between 1994 -2006 and served various corporate entities like Zuari Agrochemicals and at Eicher Motors Ltd in the past in operational roles. Mr. Narayan holds an M.B.A. from IIM, Bangalore and graduated with honors in Mechanical Engineering from the National Institute of Technology, Jaipur. He is also a non-executive director in Ashiana Housing Limited, Vectus Industries Limited, Paras Healthcare Private Limited and Redrock (India) Offshore Consultants Private Limited and is a designated partner of Creador Advisors India LLP.

**Renzo Christopher Viegas**

Mr. Renzo Viegas is the Non-Executive, Independent Director of the Company. He holds a Bachelor of Commerce from the University of Mumbai, India. He is a Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India and a member of the Malaysian Institute of Accountants. He has extensive experience in the banking industry and started his career with Citibank India in 1985, where he progressively held senior positions in various Asia Pacific countries including leading the Consumer Finance business for Asia Pacific. Thereafter he joined RHB Bank (Asean) in 2008, and was the Deputy Chief Executive officer with primary responsibilities for the Consumer, Commercial and International businesses.

In 2012, he moved to be Deputy Chief Executive Officer of CIMB Group (Asean) and was Executive Director of CIMB Bank leading the Consumer and Commercial franchises for the region. He was a non-independent director of CIMB Bank (Vietnam) Ltd and CIMB Cambodia Bank PLC. He was also a non-executive director of Sun Life Malaysia Assurance and Takaful Berhad. He currently sits as an Independent director on the boards of Manulife Holdings Berhad and Manulife Insurance Berhad as well as Astro Malaysia Holdings Berhad. Both these companies are listed on the Kuala Lumpur Stock Exchange.

Leadership Team



Radhakrishnan Ravi
Chief Executive Officer and Chief Financial Officer

He is a qualified Chartered Accountant from The Institute of Chartered Accountants of India, New Delhi, and is a member of the Institute of Internal Auditors, Florida, USA. He has more than 30 years of experience in Financial Accounting and Planning, Budgetary Cost Control, MIS Reporting and Statutory Compliance for Internal Control Team Management.

His previous work experience includes working as an Independent Fraud Investigation officer for Inteltec, Commercial Director for Calega Resources Investment LLC, as a VP Finance of Commit Group, as a Finance Director/ Compliance Officer of Alcazar Capital Ltd, as a Chief Financial Officer for AGT FZCO, Dubai UAE, as a supervisor with Ernst & Young, Bahrain, SNB Associates (Chartered Accountants), Bangalore, Ravi and Mahadevan (Chartered Accountants), Chennai as Partner.



Shashidhara S.
Company Secretary and Compliance Officer

Mr. Shashidhara S is a qualified Company Secretary from the Institute of Company Secretaries of India and holds a Bachelor's degree in Law. He has a corporate experience of over 13 years and prior to joining Ujjivan, he worked with GMR Groups of Companies - Highways Sector as Company Secretary for GMR OSE Hungund Hospet Highways Private Limited.

He has been in the secretarial department of the Company for over 5 years and has played important roles in several key milestones. His overall secretarial and financial experience plus his active interactions with Internal and Statutory auditors and other regulators will help him in his wider role as the Company Secretary and Compliance Officer of the Company.

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Management Discussion and Analysis

The Company, a RBI registered NBFC-Core Investment Company is the promoter of 'Ujjiyan Small Finance Bank Limited' (hereinafter referred to as "USFB" or "the Bank"). The Company on a standalone basis has no operation of its own and derives its value primarily from its investments in USFB where it holds 83.32%.

Key highlights pertaining to the consolidated financials (as per Ind-AS) are given below:

Particulars	(Rs. in Crores)		
	FY 2021-22	FY 2020-21	y-o-y growth
Total Income	3,092.00	3,181.00	-2.80%
Total Operational Expenses	3,396.00	3,500.32	-2.98%
Profit/(Loss) Before Tax	(303.96)	(319.33)	4.81%
Profit/(Loss) After Tax	(230.50)	(239.11)	3.60%

This report is being presented from the Bank perspective and highlights a synopsis of the banking industry, business and financials of the Bank which predominately dominates the consolidated financials and business of the Company; on a standalone basis the Company is a non-operating Company.

MACROECONOMIC INDICATORS

The beginning of 2022 marked the third year of the COVID-19 pandemic for India and the world, ushering in newer challenges for the healthcare systems and global economies. However, businesses continuity, coupled with rapid vaccination coverage, led to a stronger resilience, pointing towards a GDP growth of 9.2% for FY 2021-22, the highest amongst the world's largest economies.

In FY 2022-23, the Indian economy is expected to bounce back to normalcy, after overcoming COVID's sharp adverse shock. This process has consumed two years, with FY 2020-21, suffering a major contraction, and FY 2021-22, allowing enough recovery to enable the economy to reach back to a real GDP magnitude, only marginally above its pre-pandemic FY 2019-20 level. Even as policymakers have been looking forward to the prospects of a normalised Indian economy, another layer of challenges has gathered momentum in the form of surging prices of global crude and primary products, along with an accentuation of supply-side bottlenecks. These issues in fact, pre-date the recent geopolitical developments.

BANKING INDUSTRY SCENARIO

Bank credit growth revived, post a muted performance last fiscal. Deposit growth, CASA maintained its upward trajectory, reflecting continued preference for precautionary savings; however, it would be interesting to see the deposit trajectory in a rising interest rate scenario.

As per RBI data, on a y-o-y basis, non-food bank credit registered a growth of 9.7% in March 2022 as compared to 4.5% a year ago. Credit to agriculture and allied activities continued to perform well, registering growth of 9.9% in March 2022 as compared to 10.5% in March 2021. A bigger swing came in because of growth in credit to industry, which picked up to 7.1% in March 2022 from a contraction of 0.4% in March 2021. Size-wise, credit to medium industries registered a robust growth of 71.4 % in March 2022 as compared to 34.5 % last year. Credit growth to

micro and small industries accelerated to 21.5% from 3.9%, and credit to large industries recorded a marginal growth of 0.9% against a contraction of 2.5% during the same period last year. Within industry, credit growth to 'all engineering', 'beverage and tobacco', 'chemicals and chemical products', 'construction', 'food processing', 'infrastructure', 'leather and leather products', 'mining and quarrying', 'petroleum, coal products and nuclear fuels', 'rubber plastic and their products', 'textiles' and 'vehicles, vehicle parts and transport equipment,' accelerated in March 2022 as compared to the corresponding month of the previous year. However, credit growth to 'basic metal and metal products', 'cement and cement products', 'glass and glassware', 'gems and jewellery', 'paper and paper products' and 'wood and wood products,' decelerated/contracted.

Credit growth to services sector accelerated to 8.9% in March 2022 as compared to 3.0% a year ago, mainly due to significant improvement in credit growth to NBFCs and robust credit offtake in 'trade' and 'transport operators.'

Personal loans segment continued to expand at a robust rate and grew by 12.4% in March 2022 from 10.7% in March 2021.

As India enters 'Samvat 2079,' the third wave seems to be behind us, and with the removal of all restrictions, alongside a broadening of vaccination coverage, economic activity is returning to speed. Most sectors of the economy are reaching or have exceeded pre-pandemic levels. Notably, bank credit has gathered pace, and the job market is picking up steam. There is an acceleration in the travel and hospitality sectors. The construction and real estate sectors have also seen momentum.

The Bloomberg Commodity Index hit an 8-year high in early March, with prices soaring across the board, on war-induced supply shocks. The 10-year benchmark yields ended the month of March 2022 at 6.85%, hardening by 67 bps compared to previous year. Benchmark yields remained rangebound even as globally, yields continued to rise, owing to higher inflation and the ongoing Russia-Ukraine conflict, which led to significant rise in commodity prices. With no G-sec supply in the month of March, the domestic markets remained in a narrow range, as investors continued their buying spree to fulfil regulatory requirements. Since mid-March, however, it has been exhibiting two-way movements. Crude oil prices rocketed to a 14-year

high of \$ 133 per barrel in the first week of March, as Russia threatened to cut-off supply to the European nations that are heavily dependent on Russia for their oil and gas requirements. Although the prices eased subsequently, the domestic macro-economic conditions have begun to improve with the rapid retreat in COVID-19 infections, and the resumption of economic activity in normal modes of functioning. Daily infections plunged to 861 on April 11, 2022 from a peak of 3.47 Lakhs on January 20, 2022.

CPI for the month of March 2022 stood at 6.95%, recording a 9-month high. The inflation has now breached the RBI MPC upper tolerance band of 6%. Inflation is expected to remain high due to rise in commodity prices in the international markets on the back of the ongoing Russia-Ukraine conflict.

On the expected lines, FED in its FOMC meeting held in the month of May, raised the Federal Funds target range by 50 bps to 0.75% - 1%. The beginning of this hiking cycle came on back of higher inflation, tight labour market conditions, and the current Russia-Ukraine situation, which may also have a long-term bearing on the rates. GST collections continue to be buoyant, touching an all-time high of ₹1.68 Lakhs Crores in April 2022, thus helping the government to further push its initiatives in infrastructure investments.

The Reserve Bank of India (RBI) took various initiatives towards normalisation of liquidity management to pre-pandemic levels by reducing additional liquidity from the market, by conducting regular Variable Reverse Repo Rate (VRRR) Auctions, and with the introduction of the Standing Deposit Facility (SDF) as the basic tool, to absorb excess liquidity, in addition to narrowing the Liquidity Adjustment Facility (LAF) to 0.5% from 0.9%. In the recent off-cycle MPC meeting, RBI hiked the Repo and SDF rate by 40 bps, and also increased the CRR requirement by 50 bps. The increase in CRR will suck out the excess liquidity to about ₹87,000 Crores from the markets.

The RBI, on May 4, 2022, raised repo rate by 40 bps, and also raised CRR by 50 bps to 4.5%. The move has stemmed from rising inflationary pressures and outward flow of the US dollar. Taking note of the said factors, we expect an upward pressure on yields across the curve. We also expect the long-term yields to inch up at higher levels, owing to inflationary and supply pressure in the coming months. Owing to the above factors, we shall remain watchful and stay invested in lower-to-medium duration of the yield curve.

Bank Strategy

The Covid-19 pandemic has ushered in a true VUCA (volatility, uncertainty, complexity and ambiguity) environment. This crisis is dominated by unpredictability and uncertainty about the future with complexities arising in the socio-economic and healthcare structure. Responding with agility and adaptability in decisions and actions is the need of the hour.

Diversify product offerings to enable multiple customer relationships

Offering a comprehensive suite of products and services as well as personalised customer experience continues to be a significant objective. With a strong base of liability customers built over the past four years and our legacy microfinance customer base, we are poised to offer our other product offerings to them. Our focus will be on creating need-based products for each of our segments. We shall expand our offerings to MSE customers by offering products for the formal segment and introducing bill discounting and non-fund based credit facilities. In housing, we intend to launch specific offerings targeted towards rural borrowers and tie-up with government bodies and focus on ready to move-in constructions projects. We plan to add balance transfer, and pre-approved personal loans to our offerings. Strengthening of fintech alliances will provide access to new customers. For institutional segments, new products such as Bank Guarantee will be launched with further enhancement of interbank and exposure limit from various mutual funds, insurance companies and various cooperative banks. On the liability front, our emphasis will be on implementing digital solutions for government and institution businesses, such as Public Funds Management System (PFMS). We plan to increase our reach among small and medium size retailers so POS and QR led acquisition shall be a key area of focus.

Focus on digital banking and analytics

The Bank has set up a dedicated Digital Banking team to drive a central digital strategy to leverage technology in order to enhance customer experience while maximising returns on technology investments and reducing cost of operations. The main drivers of this initiative are digital innovation, application programming interface (API) banking, fintech engagements and partnerships, robotic process automation, artificial intelligence, digital lending, payments, digital marketing and data analytics and insights. During the year, the focus will be on end-to-end process digitisation to strengthen the contactless disbursements and repayments. Data analytics will be utilised for actionable insights to make informed decisions. We will leverage our full-stack API Banking platform to partner with the fintech ecosystem for innovative products and solutions for our customers. Digital channels will be utilised for new customer acquisition and delivery of service.

Strengthening liability franchise, and increasing our retail base

The Bank has been focusing on creating a sticky base of granular retail deposits to fund its asset growth. Our growth on the retail deposit base, CASA deposits, and customer acquisition, has been significantly healthy and encouraging. Also, we offer the best-in-class deposit rates to our customers, which further aids in garnering deposits. We propose to meet a majority of our funding requirements through current account saving account (CASA) deposits as well as recurring, and fixed deposits, by building a sticky deposit base, and attracting new customers. We shall drive the usage of our accounts by leveraging our dedicated customer service, and user-friendly apps. Our

focus will be on improving the right sourcing mix of customer segments and product variants, with nearly 50% contribution from flagship products with higher balances.

Increased customer penetration

We are continually adding more channels to enhance our customer outreach. We will develop fintech alliances, as an avenue for low cost acquisition of customers, and providing innovative solutions to them. Our phone banking unit provides additional support in terms of servicing and also generating/ converting leads for businesses. We extensively use the digital platform to market our products and services through dedicated programs, which use analytics and customise messages for target audience. We shall scale up our neighbourhood transaction points to seamlessly service our customers, staying far away from our branches. We plan to use the right combination of physical and digital channels, and partnerships, to expand our reach and deliver value to our customers.

Responsible banking for the unserved/ underserved segments

Committed to financial inclusion of the unserved and underserved segments, and driven towards fostering financial discipline among our customers, we intend to continue training and educating our customers about the risks of over-indebtedness, and multiple borrowing, and the benefits of putting their savings in a bank, and availing insurance products. We shall continue to partner with Parinaam Foundation, to offer financial literacy programs to drive financial awareness. We are also developing an AI platform to help our customers fulfil service requests, and basic transactions in the language and channel of their choice. We shall drive adoption of digital channels among our customers to facilitate a low cost, convenient, safe, and seamless transaction experience, for the customers.

Diversify revenue streams, control costs

Our focus is on supplementing the revenue stream through fee and non-fund-based revenues. We shall leverage our banking outlet network, digital channels, diversified product and service portfolio, and our large customer base, to develop our fee and commission-based business. Our treasury team effectively trades and manages our funds, by capitalising on the opportunities presented by the market. New products for institutional clients will also add to the fee incomes. RBI relief measures have classified lending by SFBs to MFIs as priority sector lending. This will help build priority sector advances in surplus of the targets mandated by the RBI, and trading of priority sector lending certificates will continue to be an important source of fee income.

Key business and financial performance highlights of the material listed subsidiary 'Ujjivan Small Finance Bank Limited' (USFB) (in I-GAAP) for the FY2021-22 :

- Gross advances at ₹ 18,162 crore as on March 31, 2022 as against ₹ 15,140 crore as on March 31, 2021; growth of 20% Y-o-Y

- Disbursement during FY 2021-22 was ₹ 14,113 crore as against ₹ 8,397 crore during FY 2020-21; growth of 68%
- Total deposit of ₹ 18,292 as on March 31, 2022 as against ₹ 13,136 crore as on March 31, 2021; growth of 39%; retail deposits grew 59% during the year from ₹ 6,242 crore in March 2021 to ₹ 9,921 crore in March 2022
- CASA increased by 85% from ₹ 2,699 crore in March 2021 to 4,993 crore in March 2022
- 64.8 lakh customers in March 2022 as against 59.2 lakh customers in March 2021
- 37.9 lakh borrowers in March 2022 as against 40.1 lakh in March 2021
- CRAR of 19.0% in March 2022 as against 26.4% in March 2021
- Number of branches remained unchanged at 575 in March 2022 when compared to previous year and number of ATMs increased from 491 to 492 during FY 2021-22
- Total income increased to ₹ 3,126 crore in March 2022 from ₹ 3,108 crore in March 2021; an increase of .6%
- Net interest income grew to ₹ 1,744 crore in March 2022 from ₹ 1,729 in March 2021; an increase of .9%
- Profit after Tax (PAT) declined to ₹ (415) crore in March 2021 from ₹ 8 crore in March 2021 primarily due to significant increase in provisions and contingencies;
- Return on Asset (ROA) for FY 2021-22 is (1.89%) as against 0.04% in FY 2020-21
- Return on Equity (ROE) for FY 2021-22 is (13.8%) as against 0.3% in FY 2020-21
- GNPA at 7.3% in March 2022 as against 7.1% in March 2021
- NNPA at 0.6% in March 2022 as against 2.9% in March 2021
- Cost to income ratio increased to 72% in FY 2021-22 from 61% in FY 2020-21
- Cost of fund improved to 6.3% in March 2022 from 7.3% in March 2021
- IBA – Banking Technology Award 2021 Best IT Risk & Cyber Security Initiatives (amongst SFB / Payments Bank)
- DSCI Excellence Awards 2021: Winner Best Security Practices in NBFCs & Small Financial Institutions
- Great Place To Work® Institute: Ranked 11th among 'India's Best Companies to Work For 2021. Certified by GPTW for 12th consecutive year
- BFSI Excellence Awards 2021 Best Omni channel Campaign Management
- IDEX Legal award 2021 Litigation Department of the Year

USFB - Key Ratios as on March 31, 2022

Particulars	FY 2021-22
Average Yield – across segment	16.6%
Cost of Funds (CoF)	6.3%
Net Interest Margin (NIM)	8.8%
Return on Assets (ROA)	(1.9)%
Return on Equity (RoE)	(13.8)%
Cost to income	72.0%
Capital Adequacy (CRAR)	19.0%
NNPA	0.6
LCR	152%

Future Outlook

With the economy gradually and steadily recovering and our Bank witnessing a remarkable turnaround during the last quarter of FY21-22 and first quarter of the FY22-23, we are confident that the future of our Bank looks brighter than ever before as credit demand is back to normalcy. We are confident that the momentum built in the last six months would continue in the current fiscal and in the years to come which would enable our Bank to attain newer heights in terms of growth, size, deposit mobilization and profitability.

Internal control systems and adequacy

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Further, the management regularly reviews the control for any possible changes and takes appropriate actions.

Risk Management

The Company is a non-operating holding Company and its main objects are to carry on the business of making investments in group company(ies) in the form of securities and providing guarantees etc. and to carry on financial activities, whether in India or outside, in the nature of investment in bank deposits, money market instruments (including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment companies from time to time.

Since the Bank is a separate listed entity, the Company can only have a distant oversight on the risk management practices adopted by the Bank. The Company expects that the risk management committee of the Bank adopts the best risk practices, reviews its risk management framework and verifies adherence to various risk parameters and compliances in the best possible way. The Company has a duly constituted Risk Management Committee of the Board and has in place its risk management policy which highlights the functions, implementation and the role of the committee and the board.

HUMAN RESOURCES

The year 2021-22 proved that with persistence, all hurdles and impediments can be eradicated, and we can rebuild and achieve progress with a team of passionate and industrious people. Our faith in our people, came through at a time when the organisation most needed it, after the first two quarters marred by Covid issues. We saw the impact of people coming together and aligning to the organisational goals and outperforming in the third and fourth quarters. This was also a year, where the people pillar of USFB's mission was put to test, 'provide professionally rewarding careers to employees and, attract and retain quality talent.' We were able to attract seasoned senior management professionals for the Bank in important roles like Business Head -Vehicle Finance, Chief Information Officer, Head of Digital Banking, and Chief Financial Officer. At the same time, we were able to grow some of the internal talent to senior management level as well. In line with our mission, we are driven to build better lives for our customers as well as employees. This drive has resulted in many accolades. We were ranked 11 amongst India's Best Companies to Work for in 2021 as per the study conducted by Great Place to Work® Institute and Economic Times across 20 industries yet again, for the eleventh consecutive year. The two areas most impacted during the pandemic were physical interaction with the front-end teams, and also physical induction and trainings. We were able to bring back physical interaction forums like Branch Representative meetings with the branch employees. Physical induction training for the front-end business teams was started across India. The focus of hybrid model of training and certifications was also quite high and the same was driven through our Learning Management System – SWAY@M. This was also a year, where we leveraged the HRMS, implemented last FY, and all HR processes were digitally implemented through the system.

In continuation with the focus on health and safety of our employees, a vaccination drive for employees was prioritised and propelled across the organisation. The result was that 99.68% of employees are vaccinated, and the third Covid wave did not have any major impact on employee health and safety. We also took forward our well-crafted benefits program, which focused on wellness and preventive care. We extended our work-from-home policy, and continued to provide the infrastructure for remote working. We also ensured that services like 'Doctor on Site' from registered medical practitioners, were made available for our employees. Unlimited audio and video consultations with general physicians and dieticians for employees and their families, using 'Doctor on Call' and mental health counsellor services, were made available.

We have a well-established Welfare and Relief Charitable Trust to strengthen our contribution towards employees. The Trust supports beneficiaries affected by unforeseen exigencies. We continued to extend financial support to our colleagues, and their family members, through the Trust, for treatment expenses, related to COVID-19, among others.

Directors' Report

To the Members,

Your Directors are pleased to present the 18th Annual Report of Ujjivan Financial Services Limited together with the audited financial statements for the financial year ended March 31, 2022.

1. Financial Results

The Directors' submit the Annual Report of **Ujjivan Financial Services Limited** (the "Company" or "Ujjivan") together with the audited financial statements for the financial year (FY) ended March 31, 2022.

(₹ in Crores)

Particulars	Standalone*		Consolidated*	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Operating Income	-	-	2995.16	3,065.98
Other Income	6.74	8.44	97.02	115.01
Total Income	6.74	8.44	3092.18	3,180.99
Less: Operational Expenses				
Personnel Expenses	1.12	2.25	821.89	759.10
Administrative & CSR Expenses	2.61	2.30	501.90	285.18
Finance Charges	-	-	1071.08	1,120.95
Depreciation	0.01	0.01	155.07	169.90
Impairment Losses on Financial Instruments	-	-	846.20	1,165.19
Total Operational Expenses	3.74	4.56	3396.15	3,500.32
Profit/(Loss) Before Tax	3.01	3.88	(303.97)	(319.33)
Less: Income tax	0.85	0.94	0.84	171.95
Less: Deferred tax	0.01	0.01	74.31	(252.17)
Profit/(Loss) After Tax	2.17	2.93	(230.50)	(239.11)

* as per Indian Accounting Standards (Ind-AS)

statutory reserves is in accordance with the provisions of section 45 – IC Reserve Bank of India Act, 1934.

2. Dividend

The Directors have not recommended any dividend for the FY 2021-22.

The Company, on a standalone basis, has no operation of its own and it is pertinent to note that the investments of the Company are primarily in the shares of its material listed subsidiary 'Ujjivan Small Finance Bank Limited' wherein it holds 83.32% equity shares and preference shares of Rs. 200 crores and therefore dividend income constitutes a significant part of the total income of the Company. The Company has not received any dividend from its subsidiary during the year which has impacted its income and profitability. In view of inadequate profits of the Company, the Board has not recommended any dividend for the FY 2021-22.

The Dividend Distribution policy of the Company is available on the Company's website and can be accessed from the link https://www.ujjivan.com/pdf/policy/Ujjivan_Dividend_Distribution_Policy.pdf

3. Transfer to reserves

The Company transferred Rs. 44 lacs to Statutory Reserves. Transfer of 20% of the Profit after Tax to the

4. Credit Rating

The Company has zero debt; hence no rating has been obtained from any rating agencies during the year.

5. Capital Requirements

Adjusted Net Worth of a CIC-ND-SI shall at no point of time be less than 30% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at the end of the financial year as per RBI CIC Master Directions.

The Company as of March 31, 2022 is in compliance with the below capital requirements and all other mandatory ratios as required under RBI CIC Master Directions:

Ratios	RBI Requirement	Actuals (%)
Adjusted Networth (ANW)	>30% of RWA	147.69%
Investment ratio	>90% of Net Assets	105.60%
Equity Investment Ratio	>60% of Net assets	107.39%
Leverage Ratio	<2.5 Times	0.05%

6. Corporate Governance and Management Discussion and Analysis Report

In accordance with SEBI LODR Regulations, Management Discussion and Analysis Report and Corporate Governance Report together with the Certificate thereon from the Independent Practicing Company Secretary is provided separately and forms part of this Directors' Report.

7. Extract of Annual Return

The Annual Return of the Company as on March 31, 2022 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of our Company at www.ujjivan.com.

8. No. of Meetings of the Board during the FY 2021-22

During the Financial Year 2021-22, our Board has met 9 (nine) times and the meetings of our Board of Directors were held on May 28, 2021, July 20, 2021, August 12, 2021, September 09, 2021, October 30, 2021, November 13, 2021, December 16, 2021, February 11, 2022 and March 31, 2022. For further details, please refer to the Corporate Governance Report, which forms part of this report.

9. Directors Resignation / Appointment / Reappointments / Retiring Director

(a) Retirement of Independent Director on completion of tenure

Mr. Abhijit Sen (DIN: 00002593) was appointed as an Independent Director by the shareholders for a term of 5 years commencing from September 13, 2016 to September 12, 2021 in accordance with the provisions of the Companies Act, 2013. He has communicated his inability to be considered to be appointed for a second term on completion of his tenure due to other commitments. He ceased to be a Director on completion of his tenure on September 12, 2021.

(b) Resignation of Mr. Rajesh Jogi from the position of Non-Executive Director

Mr. Rajesh Jogi (DIN: 03341036) resigned from the Board of the Company effective from August 22, 2021 to be eligible to qualify as an Independent Director in "Ujjivan Small Finance Bank Limited" (USFB) since the common director between the Holding Company and USFB cannot be termed as Independent Director in the Bank on account of restrictions imposed by the Reserve Bank of India.

(c) Appointment and Resignation of Mr. Ittira Davis from the position of Non-Executive Director effective

Mr. Ittira Davis (DIN: 06442816) got appointed as the Non-Executive Director w.e.f. November 01, 2021 with the approval of the shareholders and the RBI. However, he

resigned from the Board effective from January 13, 2022 to take charge as the MD & CEO of USFB.

(d) Appointment of Mr. Renzo Christopher Viegas as Non-Executive Director

On the recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Renzo Christopher Viegas (DIN: 07560087) as an additional director (non-executive, independent category) with effect from December 17, 2021 for a term of 3 (years). The proposal for his appointment is being placed for consideration of shareholders of the Company at the ensuing 18th AGM. Mr. Renzo Christopher Viegas is eligible for appointment and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director of the Company. The Board recommends the shareholders to approve his appointment. Please refer item 3 of the 18th AGM notice for further details.

(e) Re-appointment of director retiring by rotation

As per the provisions of the Companies Act, 2013, Mr. Samit Ghosh (DIN: 00185369) retires by rotation at the ensuing 18th AGM and being eligible, seeks his re-appointment. The Board recommends his re-appointment. Please refer item no. 2 of the 18th AGM Notice for further details.

10. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms and state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in
- accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;

- (vi) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vii) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, audit of internal financial controls and the reviews performed by management and the audit committee of the board, the board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2021-22.

11. Declaration by Independent Directors

The Company has received necessary declarations of independence from each of its Independent Directors under section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independent director envisaged in section 149 (6) of the Companies Act, 2013.

All Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Act and including the added criteria prescribed under SEBI LODR Regulations, stating that they meet the criteria of Independence as provided in section 149(6) of the Companies Act, 2013 and they are not disqualified from continuing as Independent Directors of our Company.

In the opinion of the Board, all the Independent Directors meet the criteria with regards to integrity, expertise and experience as required under applicable laws.

The UFSL has also received from its directors a statement that they have complied with the Code of Conduct for Directors and Senior Management of the UFSL.

12. Nomination and Remuneration Policy

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 has formulated and adopted a nomination and remuneration policy which is disclosed on our website at the below link- <https://www.ujjivan.com/mandatory-policies>

13. Statutory Auditors

The Reserve Bank of India (RBI) through its Circular No.DoS.CO.ARG/ SEC.01/08.91. 001/2021-22 dated April 27, 2021 has restricted audit firms from undertaking audit of maximum 8 (eight) NBFCs in a financial year and accordingly M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W) tendered their resignation from their position as statutory auditors of the Company stating that they have reached the aforesaid maximum

limit. Pursuant to the aforesaid resignation of MSKA, the Company had appointed Varma & Varma, Chartered Accountants (FRN - 004532S) as the Statutory Auditors of the Company for a term of 3 (three) consecutive financial years from 2021- 22 to 2023-24 with the approval of the shareholders in the 17th Annual General Meeting held on September 29, 2021.

14. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made –

(i) Statutory Auditor's Report

There are no disqualifications, reservations, adverse remarks or disclaimers in the auditor's report for the FY 2021-22.

(ii) By the Company Secretary in practice in his secretarial audit report;

Secretarial Auditor

Mr. K. Jayachandran, Practicing Company Secretary (ACS No. 11309 and Certificate of Practice No. 4031) was appointed as the Secretarial Auditor of the Company to conduct secretarial audit of the Company for the year ended March 31, 2022 as required under Section 204 of the Companies Act, 2013 and the Rules made thereunder. The secretarial audit report for FY 2021-22 is appended as "Annexure 1" to the Board's Report.

As required under regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate secretarial audit report for the year ended March 31, 2022 given by the Secretarial Auditor Mr. K. Jayachandran, in the format as prescribed by SEBI in this regard is appended as "Annexure 2"

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark made by the Secretarial Auditor.

Further, Mr. K. Jayachandran, Practicing Company Secretary (ACS No. 11309 and Certificate of Practice No. 4031) has through his certificate dated May 19, 2022 has certified that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The said certificate is appended as "Annexure 3" to the Board's Report and should also form a part of the Corporate Governance Report of the Board as required under the SEBI Listing Regulations.

15. Compliance with Secretarial Standards

The Company has complied with the provisions of Secretarial Standards specified by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs under Section 118(10) of the Companies Act, 2013.

16. Particulars of loans, guarantees or investments under Section 186

During the FY 2021-22, the Company has not given any loans and guarantees to any-body corporate and has not made any investment under Section 186.

17. Transaction with related parties

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Act in Form AOC-2.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

Your Directors draw attention of the members to Note 25 to the Financial Statements which sets out other related party disclosures.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in Note 25 - Notes to Accounts of the Standalone financial statements of the Company.

18. The state of the Company's affairs

The Company is registered with RBI as a Non Deposit taking Systemically Important Core Investment Company (NBFC-ND-SI-CIC). The Company is in compliance with the conditions of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 as amended. Prior to its conversion to a Core Investment Company, the Company was one of the largest microfinance institutions in the country. The conversion was done based on the stipulation of the Reserve Bank of India while approving the Company to set up the small finance bank business.

The Company is the promoter of 'Ujjivan Small Finance Bank Limited' (hereinafter referred to as "USFB/Bank") and being a CIC the Company has its investments primarily in USFB. The Company as on March 31, 2022 holds 83.32% equity in USFB and holds preference shares of Rs. 200 crores.

19. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

Proposed Reverse Merger

In terms of the RBI In-Principle Approval, RBI Final Approval and Guidelines for licensing of "Small Finance Banks" in the private sector issued by RBI on November 27, 2014 ("SFB Licensing Guidelines"), the Bank was required to list its equity shares on the Stock Exchange within 3 (Three) years from the date of commencement

of business, i.e., by January 31, 2020. Bank's equity shares got listed on Stock Exchanges on December 12, 2019 well within the prescribed timeline in accordance with SFB Licensing Guidelines.

Further, pursuant to the SFB Licensing Guidelines, Promoter of the Bank was required to reduce its shareholding in the Bank to 40% of the paid-up Equity Share capital of the Bank within a period of five years from the date of commencement of business operations by the Bank i.e. by January 31, 2022 and thereafter required to reduce its shareholding in the Bank to 30% and 26% of its paid-up Equity Share capital within a period of 10 years and 12 years, respectively, from the date of commencement of the business operations.

However, RBI vide its letter dated July 09, 2021 permitted the Bank to apply for the amalgamation of holding company with small finance bank, in terms of provisions of Master Direction on Amalgamation of Private Sector Banks, Directions, 2016 dated April 21, 2016, Three (3) months prior to completing five years from the date of commencement of business of small finance bank.

Accordingly, the Bank has initiated necessary steps for the reverse merger of Ujjivan Financial Services Limited with the Bank in accordance with applicable laws and guidelines. Merger of the Promoter entity with the Bank will suffice the requirement of promoter shareholding dilution.

Therefore, the Board of the Bank at its meeting held on October 30, 2021 considered and approved a Scheme of Amalgamation ("Scheme") between Ujjivan Financial Services Limited (UFSL, the promoter of the Bank) and the Bank and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Accordingly, the Bank submitted an application to SEBI on November 01, 2021 seeking their approval / exemption on the following:

To relax three-year minimum promoter lock in requirements in the Bank under Regulation 16(1)(a) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent required to implement the Scheme of Amalgamation.

For adopting proposed scheme of amalgamation as a method to achieve minimum public shareholding (MPS) by the Bank.

Subsequently, SEBI, vide its letter dated December 02, 2021 acceded to relax the three-year minimum promoter lock-in requirements in the Bank to the extent required to implement the Scheme soon after receiving final NCLT approval. However, SEBI advised the Bank to ensure

compliance with MPS as prescribed by SEBI Circulars dated November 30, 2015 and February 22, 2018 and then proceed with the filing of the scheme documents with the exchanges.

During the period internal working group of the RBI, pursuant to the Recommendations of the Internal Working Group to Review Extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks dated October 20, 2020 and November 20, 2020, had recommended that no intermediate sub-targets between five to 15 years may be required and that promoters may submit a dilution schedule which may be examined and approved by the RBI. The progress in achieving the agreed milestones must be periodically reported by the banks and shall monitored by the RBI. ("Dilution Requirement")

Pursuant to the circular issued by the RBI dated November 26, 2021 ("November 26 Circular"), the RBI inter alia accepted the recommendation on the Dilution Requirement without any modification subject to submission of a dilution schedule with the RBI. However, the proposed recommendations have not been notified as yet by the RBI by way of a separate notification.

However, to ensure that the MPS compliance is met well before the due date i.e. by December 11, 2022 (within 3 years of listing of the Bank), the Board at its Meeting on February 05, 2022 evaluated various methods to achieve the MPS by reducing UFSL's holding in the Bank from present 83.32% to 75% or lower. After deliberations, the Board of the Bank approved the option to carry out a Qualified Institutions Placement ("QIP") in terms of the SEBI ICDR Regulations to the extent necessary to achieve the MPS norms, provided the total issue proceeds shall not exceed Rs. 600 crores.

The Bank has obtained an approval from its Shareholders for the aforesaid QIP through a postal ballot and the Bank is in the process of undertaking its QIP.

20. The conservation of energy, technology absorption, foreign exchange earnings and outgo, in the manner as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014

Conservation of energy and technology absorption

Since the Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption are not applicable.

The Foreign Exchange earnings and outgo

There was no Foreign Exchange inflow and outflow during the year.

21. Development and implementation of risk management policy

The Company is a non-operating holding Company and its main objects are to carry on the business of making investments in group company(ies) in the form of securities and providing guarantees etc. and to carry on financial activities, whether in India or outside, in the nature of investment in bank deposits, money market instruments (including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment companies from time to time.

Since USFB is a listed entity, the Company can only have a distant oversight on the risk management practices adopted by USFB. The Company expects that the risk management committee of USFB adopts the best risk practices, reviews its risk management framework and verifies adherence to various risk parameters and compliances in the best possible way.

The Company has a duly constituted Risk Management Committee of the Board and has in place its risk management policy which highlights the functions, implementation and the role of the committee and the board. Please refer the Corporate Governance section for the composition and terms of reference of the Risk Management Committee.

22. Corporate Social Responsibility

The Corporate Social Responsibility (CSR) programs were started by the Company in the year 2010 much before it was made mandatory under the Companies Act, 2013.

During the year, the Company has continued its partnership with Parinaam Foundation and the Company has granted Rs. 3.31 lacs to Parinaam Foundation towards their Academic Adoption Program. Please refer the separate section on Corporate Social Responsibility in the annual report for a detailed write up on the CSR activities of the Company during the year.

A brief outline of the company's CSR policy is disclosed on our website at the below link <https://www.ujjivan.com/mandatory-policies>

The initiatives undertaken by the Company on CSR activities are set out in "Annexure 4" of the Board's Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of the Board's Report.

23. Board Evaluation

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations") and SEBI guidance note on Board Evaluation.

Performance evaluation criteria for Board, Committees of the Board and Directors were adopted by the Nomination Committee of the Board at its meeting held on March 31, 2022. Evaluation formats and criteria of evaluation duly incorporated the criteria and other parameters as suggested by SEBI vide their guidance note on evaluation through their circular dated January 05, 2017.

The Board was evaluated comprehensively inter alia on the structure of the Board, competency, experience and qualifications of directors, diversity in board, regularity of the board meetings, effectiveness of board processes, independence of Board, information sharing and overall functioning of the Board.

The performance of the board was evaluated by the board after seeking inputs from all the directors on each of the

above parameters of evaluation and the performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the above parameters of evaluation.

The Board committees were evaluated inter alia on the basis of their mandate, composition, attendance, functioning and independence.

Independent Directors' Evaluation of Non-Independent Directors

In a separate meeting of independent directors held on March 31, 2022, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

Performance of independent directors was evaluated by the entire board, excluding the independent director being evaluated and was satisfied that each of the independent director fulfills the independence criteria as specified in SEBI regulations and that they are independent of the management.

24. Details as required under Rule 8 of the Companies (Accounts) Rules, 2014

(i) The financial summary or highlights;

(₹ in Crores)

Particulars	Standalone*		Consolidated*	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Operating Income	-	-	2995.16	3,065.98
Other Income	6.74	8.44	97.02	115.01
Total Income	6.74	8.44	3092.18	3,180.99
Less: Operational Expenses				
Personnel Expenses	1.12	2.25	821.89	759.10
Administrative & CSR Expenses	2.61	2.30	501.90	285.18
Finance Charges	-	-	1071.08	1,120.95
Depreciation	0.01	0.01	155.07	169.90
Impairment Losses on Financial Instruments	-	-	846.20	1,165.19
Total Operational Expenses	3.74	4.56	3396.15	3,500.32
Profit/(Loss) Before Tax	3.01	3.88	(303.97)	(319.33)
Less: Income tax	0.85	0.94	0.84	171.95
Less: Deferred tax	0.01	0.01	74.31	(252.17)
Profit/(Loss) After Tax	2.17	2.93	(230.50)	(239.11)

* as per Indian Accounting Standards (Ind-AS)

(ii) highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period

'Ujjivan Small Finance Bank Limited' ("USFB") is a material listed subsidiary of the Company and is a small finance bank licensed by the RBI in terms of Section 22 of the Banking Regulation Act, 1949. USFB was incorporated on July 04, 2016 and commenced its operations as a small finance bank w.e.f. February 01, 2017. The Company as on March 31, 2022 holds 83.32% equity in USFB.

Pursuant to the provisions of section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed as "Annexure 5" to this report.

Key business and financial performance highlights of the material listed subsidiary 'Ujjivan Small Finance Bank Limited' (USFB) (in I-GAAP):

- Gross advances at ₹ 18,162 crore as on March 31, 2022 as against ₹ 15,140 crore as on March 31, 2021; growth of 20% Y-o-Y
- Disbursement during FY 2021-22 was ₹ 14,113 crore as against ₹ 8,397 crore during FY 2020-21; growth of 68%
- Total deposit of ₹ 18,292 as on March 31, 2022 as against ₹ 13,136 crore as on March 31, 2021; growth of 39%; retail deposits grew 59% during the year from ₹ 6,242 crore in March 2021 to ₹ 9,921 crore in March 2022
- CASA increased by 85% from ₹ 2,699 crore in March 2021 to 4,993 crore in March 2022
- 64.8 lakh customers in March 2022 as against 59.2 lakh customers in March 2021
- 37.9 lakh borrowers in March 2022 as against 40.1 lakh in March 2021
- CRAR of 19.0% in March 2022 as against 26.4% in March 2021
- Number of branches remained unchanged at 575 in March 2022 when compared to previous year and number of ATMs increased from 491 to 492 during FY 2021-22
- Total income increased to ₹ 3,126 crore in March 2022 from ₹ 3,108 crore in March 2021; an increase of .6%
- Net interest income grew to ₹ 1,744 crore in March 2022 from ₹ 1,729 in March 2021; an increase of .9%
- Profit after Tax (PAT) declined to ₹ (415) crore in March 2021 from ₹ 8 crore in March 2021 primarily due to significant increase in provisions and contingencies;

- Return on Asset (ROA) for FY 2021-22 is (1.89%) as against 0.04% in FY 2020-21
- Return on Equity (ROE) for FY 2021-22 is (13.8%) as against 0.3% in FY 2020-21
- GNPA at 7.3% in March 2022 as against 7.1% in March 2021
- NNPA at 0.6% in March 2022 as against 2.9% in March 2021
- Cost to income ratio increased to 72% in FY 2021-22 from 61% in FY 2020-21
- Cost of fund improved to 6.3% in March 2022 from 7.3% in March 2021
- IBA – Banking Technology Award 2021 Best IT Risk & Cyber Security Initiatives (amongst SFB / Payments Bank)
- DSCI Excellence Awards 2021: Winner Best Security Practices in NBFCs & Small Financial Institutions
- Great Place To Work® Institute: Ranked 11th among 'India's Best Companies to Work For 2021. Certified by GPTW for 12th consecutive year
- BFSI Excellence Awards 2021 Best Omni channel Campaign Management
- IDEX Legal award 2021 Litigation Department of the Year

USFB - Key Ratios as on March 31, 2022

Particulars	FY 21-22
Average Yield – across segment	16.6%
Cost of Funds (CoF)	6.3%
Net Interest Margin (NIM)	8.8%
Return on Assets (ROA)	(1.9)%
Return on Equity (RoE)	(13.8)%
Cost to income	72.0%
Capital Adequacy (CRAR)	19.0%
NNPA	0.6
LCR	152%

The Company currently carries on financial activity business in the nature of investments in bank deposits or other permissible securities and investment in shares of subsidiary and derives its value primarily from its investments in the Bank. The Bank contributes 99.78% of the consolidated total income of the Company.

(iii) The change in the nature of business, if any;

There is no change in the nature of the business of the Company during the FY 2021-22. The Company continues to be a Non Deposit taking Systemically Important Core Investment Company (NBFC-ND-SI-CIC).

(iv) The details of directors or key managerial personnel who were appointed or have resigned during the year;

Sr. No.	Name	Designation	DIN / PAN	Date of Appointment/ Change/ Cessation	Reason
1	Ms. Carol Kripanayana Furtado	CEO	AADPF4769J	August 13, 2021	Appointment
2	Mr. Rajesh Kumar Jogi	Independent Director	03341036	August 22, 2021	Cessation
3	Ms. Carol Kripanayana Furtado	CEO	AADPF4769J	August 25, 2021	Cessation
4	Mr. Abhijit Sen	Non-Executive, Independent	00002593	September 12, 2021	Cessation
5	Mr. Sanjeev Barnwal	CEO	AHUPB6433D	September 10, 2021	Appointment
6	Mr. Ittira Davis	Non-Executive Director	06442816	November 1, 2021	Appointment
7	Mr. Barun Kumar Agarwal	CFO	AIUPA9828Q	November 15, 2021	Cessation
8	Mr. Renzo Christopher Viegas	Non-Executive, Independent	07560087	December 17, 2022	Appointment
9	Mr. Ittira Davis	Non-Executive Director	06442816	January 13, 2022	Cessation
10	Mr. Sanjeev Barnwal	CEO & CS	AHUPB6433D	February 14, 2022	Cessation
11	Mr. Shashidhara S	CS	BOXPS7477B	February 15, 2022	Appointment

(v) the names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;

None

(vi) Deposits from public

During the year, the Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

However, the subsidiary of the Company 'Ujjivan Small Finance Bank Limited' which is a Small Finance Bank has outstanding deposits of Rs. 18,162 crores as on March 31, 2022.

(vii) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;

None

(viii) The details in respect of adequacy of internal financial controls (IFC) with reference to the Financial Statements

In respect of internal financial control, the Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Further, the management regularly reviews the control for any possible changes and takes appropriate actions.

25. ESOP related & other disclosures

(i) Details of equity shares with differential rights

The Company has not issued any equity shares with differential rights during the year

(ii) Details of sweat equity shares issued

The Company has not issued any sweat equity shares during the year

(iii) Details of employee stock option scheme

The Company has established Employee Stock Option Plan (ESOP) for compensation to its employees, being ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010, MD-ESOP 2010 and ESOP 2015.

As on March 31, 2022, only ESOP 2015 scheme is active.

ESOP 2015

The ESOP 2015 pool comprises of 65,79,899 options which includes the original pool of 47,82,129 options and 17,97,770 options added from the lapsed options of ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010 with the approval of the shareholders at their meetings held on November 03, 2015 and June 27, 2018.

As on March 31, 2022, out of the 55,15,880 options granted, 8,28,182 options has been exercised, 30,06,810 options are lapsed, 16,80,888 vested options are unexercised and there is no option left to be vested. The Board (including its authorized committee) has been authorized by the shareholders to include the lapsed / cancelled options under its ESOP 2010 and ESOP 2015 back to the pool of ESOP 2015 and that the Board is hereby authorized to grant such added back options to its eligible employees (which includes the employees of its subsidiary).

The vesting period for the options granted under ESOP 2015 is for a period of three years as under:

Tranche	Year of Grant	Options Granted	Year 1	Year 2	Year 3
ESOP 2015 (Tranche 1)	2015	14,69,800	34%	33%	33%
ESOP 2015 (Tranche 2)*	2016	16,96,850	33%	33%	34%
ESOP 2015 (Tranche 3)	2018	23,37,670	34%	33%	33%
ESOP 2015 (Tranche 4)	2018	11,560	34%	33%	33%
Total		55,15,880			

* Post IPO, options were granted subsequent to the ratification of the shareholders

No options were granted by the Company during the FY 2021-22.

The ESOP 2015 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI ESOP Regulations), the Companies Act, 2013, and is implemented in accordance with guidance notes issued by ICAI and the relevant accounting standards.

Revisions in the ESOP Schemes during the Year

None;

ESOP Schemes Compliance Status

The ESOP 2015 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI ESOP Regulations) and the Companies Act, 2013. The Company has received a certificate from the Secretarial Auditors of the Company certifying that ESOP 2015 Scheme of the Company is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is in accordance with the resolutions passed by the Members of the Company at a general meeting. The Certificate being enclosed as "Annexure 6".

The ESOP Schemes are implemented in accordance with guidance notes issued by ICAI and the relevant accounting standards.

The weighted average fair value of the share options granted during the financial year ended March 31, 2022 and March 31, 2021 is Nil. Options were priced using Black

and Scholes Model. Vested ESOPs can be exercised within three years from their corresponding dates of vesting. Vested ESOPs can be exercised between the dates of vesting and on or before option expiry dates. The term of the option is assumed to be the sum of a) duration till vesting; and b) the midpoint of the remaining exercise period from date of vesting, in absence of historical exercise pattern. While the Company has been listed since 2016, the period of listing up to the Grant Dates is not commensurate with the expected term of the granted ESOPs. Accordingly, volatility of comparable companies has been considered for the purposes of valuation.

ESOP arrangement with subsidiary

With effect from February 1, 2017, the business undertaking of the Company was transferred to USFB and all the employees of the Company except few identified personnel have been transferred to USFB as part of the transfer of the business undertaking. This has resulted in the transfer of options from the employees of the Company to the employees of USFB. As per Ind AS 102 Share-based Payment, stock options have to be fair valued on the grant date and expense has to be recognised over the vesting period. Pursuant to management decision, Impact of Ind AS 102 on account of options granted to the employees of subsidiary is treated as deemed investment in subsidiary in the Company's books.

Administration of ESOP Schemes

The Governance, Nomination and Remuneration Committee of the Board administer the Employee Stock Option Schemes, formulated by the Company from time to time.

Mandatory ESOP Disclosures

Disclosures as required under Section 62 of the Companies Act, 2013 (to be read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, and SEBI ESOP Regulations:

Sr.	Particulars	March 31, 2022
1.	Number of options granted and outstanding at the beginning of the year (A)	26,14,942
2.	Number of options granted during the year (B)	Nil
3.	Number of options vested during the year	5,30,301
4.	Number of options exercised during the year	22,108
5.	Number of shares arising as a result of exercise of options (C)	22,108

Sr.	Particulars	March 31, 2022
6.	Money realized during the year by exercise of options (in Rs.)	32,35,506
7.	Number of options Forfeited/Expired during the year (D)	9,11,946
8.	The exercise price of the outstanding options (in Rs.)	146.35, 417.15 & 385.05
9.	Number of options granted and in force at the end of year = (A)+(B)-(C)-(D)	16,80,888
10.	Weighted average of remaining contractual life (years) at the year end	0.92
11.	Variation of terms of the options	None

* Please refer to note 24 of the standalone financials for further details on ESOP data

Options Granted to Key Managerial Personnel (KMP) during the year

No option was granted to any of the KMP or to any other employee of the Company or its subsidiary (USFB) during the year.

Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year:

- None

Identified employees who were granted options during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

- None

26. Vigil Mechanism

The Company in compliance with Section 177 of the Companies Act, 2013 has a duly constituted Audit Committee of the Board. The composition of the Audit Committee is as under:

Sr. No.	Directors	Designation
1.	Mr. Sunil Vinayak Patel	Chairman (Independent Director)
2.	Mr. K.R. Ramamoorthy	Independent Director
3.	Ms. Mona Kachhwaha	Independent Director
4.	Mr. Samit Ghosh	Non-Independent, Non-Executive

Please refer to the Section on Corporate Governance for further details on the Board Committees.

Further in compliance to Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, the Company has established a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. The Company has a vigil mechanism process wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to the whistle and ethics officer of the Company. Further, this policy also specifically enables the employees of the Company and those of its subsidiary to report instances of any leak of unpublished price sensitive information by the employees of the Company and its subsidiary to any outsider which is not for legitimate business purposes. This is to ensure the compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015

and Code of Conduct for Prevention of Insider Trading of the Company.

Name and Address of the Whistle and Ethics Officer

Mr. Shashidhara S – Company Secretary and Compliance Officer

Ujjivan Financial Services Limited
Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block,
Bangalore – 560095, Karnataka
Email- shashidhara.s@ujjivanfin.com

Protected Disclosure against the Whistle and Ethics Officer in the absence of the MD & CEO should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman of the Company should be addressed to the Chairman of the Audit Committee.

Name and Address of the Chairman of the Company:

Mr. Samit Ghosh

Ujjivan Financial Services Limited
Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block,
Bangalore – 560095, Karnataka
Email: samit.ghosh@ujjivanfin.com

Name and Address of the Chairman (Audit Committee):

Mr. Sunil Vinayak Patel

G-1, Avant Garde 193, 6th Main Road, Defence Colony,
Indiranagar, Bengaluru 560038, Karnataka
Email: cpcon.blr@gmail.com

The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice

The whistle blower policy of the Company is disclosed on our website at the below link- <https://www.ujjivan.com/mandatory-policies>

27. Remuneration details of Directors, KMPs, employees

Sr.	Particulars	Disclosures	
1.	The ratio of the remuneration of each Whole time director to the median remuneration of the employees of the company for the financial year	Not applicable since the Company doesn't have a whole time director	
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	KMP	% increase in remuneration
		Mr. Sanjeev Barnwal – CS (Until Feb 14, 2022)	16.50%
		Mr. Barun Agarwal – CFO (Until Nov 15, 2021)	10.20%
		Mr. Shashidhara S (w.e.f. Feb 15, 2022)	12.60%
3.	The percentage increase in the median remuneration of employees in the financial year;	12.6% increase in the median remuneration of employees in the FY 2021-22.	
4.	The number of permanent employees on the rolls of company as on March 31, 2022	2	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the salaries of employees (other than managerial personnel) was 12.6% and the average increase in the managerial remuneration during the last financial year was 13.30%.	
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

A statement showing the name of every employee of the company other than disclosed above, who-

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;
- None
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;
- None
- if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
- None

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**The names of the top ten employees in terms of remuneration drawn:**

The Company during the year ended March 31, 2022 had only the following employees:

Sr.	Particulars	Shashidhara S.	Aakash Jaiswal
i.	Designation	Company Secretary and Compliance Officer (wef Feb 15, 2022)	Assistant Manager – Investor Relations
ii.	Remuneration received	14,07,523	12,92,544
iii.	nature of employment, whether contractual or otherwise;	Permanent	Permanent
iv.	qualifications and experience of the employee	CS, LLB, M.Com 13+ years' experience	MBA (Finance) 4 years' experience
v	date of commencement of employment	November 01, 2017	May 20, 2019

Sr.	Particulars	Shashidhara S.	Aakash Jaiswal
vi.	the age of such employee	37	31
vii.	the last employment held by such employee before joining the company	GMR Ose Hungund Hospet Highways Private Limited	State Bank of India
viii.	the percentage of equity shares held by the employee in the company	Nil	Nil
ix.	whether any such employee is a relative of any director or manager of the company	No	No

28. Business Responsibility Reporting

The Board of the Company in its meeting held on May 19, 2022 has approved the Business Responsibility Report ("BRR") of the Company as stipulated under Regulation 34 (as amended) of SEBI Listing Regulations which mandates that top 1000 listed companies based on market capitalization as on March 31 should include its BRR in its Annual Report. The Company is ranked 869 in the list as on March 31, 2022.

A copy of the BRR is appended as **"Annexure 7"** and has also been hosted on the website of the Company at www.ujjivan.com and can be accessed from the link below <https://www.ujjivan.com/mandatory-policies>

Compliance of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has only 2 employees as on March 31, 2022 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints filed during the year : Nil
- Number of complaint dismissed during the year : Nil
- Number of complaint pending as on end of the financial year : Nil

Other disclosures

- The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: Not Applicable
- There are no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

Green Initiatives

Electronic copies of the Annual Report for the FY 2021-22 and the Notice of the 18th AGM are being sent to all the members whose email addresses are registered with the Company / Depository Participants. As per the relaxation given by SEBI on account of Covid situation, physical copies of the Annual Report are not being sent to members who have not registered their email address with their depositories.

ACKNOWLEDGEMENT

Your Directors wishes to gratefully acknowledge the assistance and guidance received from the RBI, ROC, Investors, Banks, Auditors, Lawyers, Accountants, Vendors, Partner NGOs, Institutions and Foundations and Government Authorities and all our well-wishers. The Board also wishes to place on record their warm appreciation for the creative and dedicated efforts of staff at all levels.

For and on behalf of the Board of Directors

Samit Ghosh
Chairperson
DIN: 00185369

Date: May 19, 2022
Place: Bangalore

Sunil Vinayak Patel
Independent Director (Audit Committee Chairman)
DIN: 00050837

Annexure 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
UJJIVAN FINANCIAL SERVICES LIMITED
Grape Garden, No. 27, 3rd 'A' Cross,
18th Main, 6th Block, Koramangala,
Bangalore, KA - 560095

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UJJIVAN FINANCIAL SERVICES LIMITED** having CIN: L65999KA2004PLC035329 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (was not applicable to the Company during the period under review)
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (was not applicable to the Company during the period under review)

Annexure 1

- (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018; (was not applicable to the Company during the period under review) and
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (was not applicable to the Company during the period under review).
- (vi) Following laws, Norms and Directions as applicable specifically to Core Investment Company(CIC):
 - (a) Reserve Bank of India Act, 1934;
 - (b) Master Directions - The Core Investment Companies (Reserve Bank) Directions, 2016;
 - (c) Core Investment Companies – Overseas Investments (Reserve Bank) Directions, 2016;
 - (d) Master Circular– Regulatory Framework for Core Investment Companies (CICs); and
 - (e) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 and Modifications thereof.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited; and
- (ii) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above and labour laws.

I further report that:

Based on the information provided by the Company, its officers and authorized representatives, during the conduct of the audit and also on the review of the details, records, documents and papers provided, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and to ensure compliance with applicable general laws like Labour Laws, Competition Law and Environmental Law.

The compliance of applicable Financial Laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and independent director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried unanimously and there were no dissenting views.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that during the Audit Period:

1. The Company has issued and allotted 22,108 (Twenty Two Thousand One Hundred and Eight) Equity shares under its ESOP Schemes.
2. The Company has entered into related party transactions on arm's length basis with Ujjivan Small Finance Bank Limited (CIN: L65110KA2016PLC142162), a material listed Subsidiary and the Company has obtained necessary approvals from the Audit Committee and the Board of Directors.
3. The Board has approved the proposed Scheme of Amalgamation of the Company ("Ujjivan Financial Services Limited/Transferor Company") into and with the Ujjivan Small Finance Bank Limited, ("the Subsidiary Company/ "Bank"/"Transferee Company"). However, SEBI has advised the Bank to achieve minimum public shareholding (MPS) of 25% within 3 (three) years of its listing i.e. by December 11, 2022 before filing scheme related documents with the stock exchanges and as notified, the Bank is in process

Annexure 1

to achieve this MPS compliance through its proposed Qualified Institutions Placement.

4. The Reserve Bank of India (RBI) through its Circular No.DoS.CO.ARG/ SEC.01/08.91. 001/2021-22 dated April 27, 2021 has restricted audit firms from undertaking audit of maximum 8 (eight) NBFCs in a financial year and accordingly M/s. MSKA & Associates, Chartered Accountants (FRN: 105047W) tendered their resignation from their position as statutory auditors of the Company stating that they have reached the aforesaid maximum limit. Pursuant to the aforesaid resignation of MSKA, the Company has appointed Varma & Varma, Chartered Accountants (FRN - 004532S) as the Statutory Auditors of the Company for a term of 3 (three) consecutive financial

years from 2021- 22 to 2023-24 with the approval of the shareholders in the 17th Annual General Meeting held on 29th September, 2021. The Company has complied with the requirement as stated in SEBI Circular CIR/CFD/ CMD1/114/2019 dated October 18, 2019.

This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.

Date: 19/05/2022
Place: Bengaluru

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN: A011309D000345291
Peer Review No: 784/2020A

Annexure A

To,
The Members,
UJJIVAN FINANCIAL SERVICES LIMITED
Grape Garden, No. 27, 3rd 'A' Cross,
18th Main, 6th Block, Koramangala,
Bangalore, KA - 560095

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 19/05/2022
Place: Bengaluru

K. Jayachandran
Company Secretary
ACS No.: 11309/CP No.: 4031
UDIN: A011309C000383802
Peer Review No: 784/2020A

Annexure 2

Annexure 2

Secretarial Compliance Report

of
Ujjivan Financial Services Limited
 For the year ended 31st March, 2022

To,
 The Board of Directors,
UJJIVAN FINANCIAL SERVICES LIMITED
 Grape Garden, No. 27, 3rd 'A' Cross,
 18th Main, 6th Block, Koramangala,
 Bangalore, KA - 560095

I, K. Jayachandran, Practicing Company Secretary have examined:

- (a) all the documents and records made available to us and explanation provided by **UJJIVAN FINANCIAL SERVICES LIMITED (CIN: L65999KA2004PLC035329)** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) the website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The

Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (was not applicable to the Company during the period under review)

- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (was not applicable to the Company during the period under review)
- (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018; (was not applicable to the Company during the period under review) and
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (was not applicable to the Company during the period under review).
- and circulars/guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars, guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Nil	Nil	Nil

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars, guidelines issued thereunder insofar as it appears from my examination of those records.

- (c) The following are the details of actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
1.	Nil	Nil	Nil	Nil

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Action taken by Observations of the Practicing Company Secretary in the previous report	Observations made in the Secretarial Compliance Report for the year ended 31st March, 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

- (e) I hereby certify that the listed entity has complied with the requirements as mentioned in 6(A) and 6(B) of Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019 issued by the Securities and Exchange Board of India.

- (f) During the period under review, there were instances of violation of the "Code of Conduct for Prevention of Insider Trading of Ujjivan Financial Services Limited" ("Code"), wherein the designated Person (DP) and his spouse have inadvertently carried on trading of Shares of the Company during the trading window closure period, which resulted in violation of the Code. The Company has obtained explanations from the designated Person and has given necessary instructions to them. These instances of violation were brought to the notice of the Chairman of the Board and also timely reported to the concerned authorities in terms of applicable provisions the SEBI Insider Trading Regulations and circulars issued thereunder.

Place: Bengaluru
 Date: 19/05/2022

K. Jayachandran
 Company Secretary
 ACS No.: 11309/ C P No.: 4031
 UDIN: A011309D000345302
 Peer Review No: 784/2020A

Annexure 3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
UJJIVAN FINANCIAL SERVICES LIMITED
Grape Garden, No. 27, 3rd 'A' Cross, 18th Main, 6th Block,
Koramangala, Bangalore, KA - 560095

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UJJIVAN FINANCIAL SERVICES LIMITED** having CIN **L65999KA2004PLC035329** and having Registered Office at **Grape Garden, No. 27, 3rd "A" Cross, 18th Main, 6th Block, Koramangala, Bengaluru – 560 095, Karnataka** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN (Director Identification Number)	Date of appointment in Company
01.	Mr.Sunil Vinayak Patel	00050837	11/02/2021
02.	Mr.Kuttalam Rajagopalan Ramamoorthy	00058467	28/12/2004
03.	Mr.Samit Kumar Ghosh	00185369	01/04/2020
04.	Mrs.Mona Kachhwaha	01856801	22/09/2019
05.	Mr.Narayan Anand	02110727	01/05/2019
06.	Renzo Christopher Viegas	07560087	17/12/2021

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore
Dated:19/05/2022

K. JAYACHANDRAN
COMPANY SECRETARY
ACS No. 11309/CP No. 4031
UDIN: A011309C000384143
Peer Review No: 784/2020A

Annexure 4

Annual Report on CSR Activities

1. A brief outline of the CSR Policy of the Company

The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives directly or indirectly through its CSR partner Parinaam Foundation. It pursues initiatives to eradicate hunger poverty; promoting preventive health care and making available safe drinking water; promoting education, including special education, employment enhancing vocational skill training for women, promoting gender equality, programs for empowering women and projects for environmental protection.

CSR KEY INITIATIVES: FY 2021-22

During the year, Ujjivan has undertaken its CSR responsibilities through external NGOs with a focus on the community development programs and gave aid to other NGOs.

Brief note on the work undertaken by Parinaam Foundation for and on behalf of the Company:

Parinaam Foundation

During the year, the Company has continued its partnership with Parinaam Foundation and the Company has granted Rs. 3.31 lacs to Parinaam Foundation towards their Academic Adoption Program. Please refer the separate section on Corporate Social Responsibility in the annual report for a detailed write up on the CSR activities of the Company during the year.

Parinaam in collaboration with Ujjivan has undertaken to execute an Academic Adoption Program (AAP) is designed to transform the lives of desperately poor children by providing them access to good quality education in good private through academic scholarships.

2. The Composition of the CSR Committee

The CSR Committee has been dissolved by the Board wef September 28, 2022 since the amount which the Company need to spend does not exceed Rs. 50 lacs during the current year and the requirement for constitution of the CSR Committee shall not be applicable as per Companies Act 2013, the functions of such CSR Committee be discharged by the Board of Directors.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)					
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).			
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.	
Rs. 3,31,000	-	-	-	-	-	-

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.ujjivan.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	Nil	Nil	Nil
Total			

6. Average Net Profit of the Company for as per Section 135 (5) - the last three financial years for the purpose of computation of CSR:
(Rs. in Lacs)

Financial Year	2018-19	2019-20	2020-21
Profit before Tax	189.61	(81.57)	388.69
(less: Dividend Income)			
Average for last three FYs	165.49		

7. (a) Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 3.31 lacs;
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil
- (c) Amount required to be set off for the financial year, if any – Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). – INR 3.31 lacs;

Annexure 4

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name Registration number.
1.	-	-	-	-	-	-	-	-	-	-
Total										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name. CSR registration number.
1.	Academic	Promoting education	Yes	Karnataka Bangalore	3,31,000	No	Indirect (through Parinaam Foundation) CSR00000807
Total					3,31,000		

(d) Amount spent in Administrative Overheads - NA

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 3,31,000

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 3,31,000
(ii)	Total amount spent for the Financial Year	Rs. 3,31,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund Amount (in Rs). Date of transfer.	Amount remaining to be spent in succeeding financial years. (in Rs.)
1.	-	-	-	-	-
Total					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1	-	-	-	-	-	-	-	-
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset. NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not applicable

For Ujjivan Financial Services Limited

Mr. Samit Ghosh

Chairman – Non Executive Director

DIN: 00185369

Annexure 5

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Sl. No	1
2.	Name of the subsidiary	Ujjivan Small Finance Bank Limited
3.	The date since when subsidiary was acquired	04/07/2016
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
6.	Share capital	Rs. 19,28,31,42,050
7.	Reserves and surplus	Rs. 8,32,12,39,230
8.	Total assets	Rs. 2,36,04,46,41,543
9.	Total Liabilities	Rs. 2,08,01,83,03,309
10.	Investments	Rs. 41,52,93,48,424
11.	Turnover	Rs. 31,26,07,35,851
12.	Profit before taxation	Rs. -5,50,35,85,411
13.	Provision for taxation	Rs. -1,35,76,81,474
14.	Profit after taxation	Rs. -4145903,937
15.	Proposed Dividend	NIL
16.	Extent of shareholding (in percentage):	

Annexure 6

To
The Board of Directors,
UJJIVAN FINANCIAL SERVICES LIMITED
CIN: L65999KA2004PLC035329
Grape Garden, No.27, 3rd 'A' Cross,
18th Main 6th Block, Koramangala
Bangalore – 560095

Certificate as per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Based on my examination and according to the information and explanations given to me, I certify that the Company has implemented the Scheme called **"Ujjivan Employee Stock Option Plan 2015"** in accordance and compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Companies Act, 2013 with the Regulations and accordance with the resolutions passed by the Members of the Company at a general meeting.

This Certificate is addressed and provided to the Board of Directors of the Company pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 solely for the purpose of placing it before the Board of Director at their meeting and should not be used by any other person or for any other purpose. As prescribed under the SEBI Regulations, this report will also available for inspection by Shareholders of the Company during Annual General Meeting.

Date: July 08, 2022

Place: Bengaluru

K. Jayachandran

Company Secretary

ACS No.: 11309/CP No.: 4031

UDIN: A011309D000588380

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

The Company continues to recognize its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

Ujjivan has been balancing its dual objectives of "social" and "financial goals since its inception. "Responsible financing", "ethical values" and "transparency in all its dealings" with all its stakeholders have been the cornerstone of its operations. Transparency in the decision making process has been providing comfort to all stakeholders, particularly the shareholders.

2. Board of Director's

The Company is in compliance with the corporate governance provisions, as contained under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the Companies Act, 2013 and Reserve Bank of India Master Directions applicable to NBFC-CIC, in connection with the following:

- a. the Board of Directors (the "Board");
- b. the independent directors on the Board;
- c. the Audit Committee;
- d. the Stakeholders Relationship Committee;
- e. the Governance, Nomination and Remuneration Committee; and
- f. the Corporate Social Responsibility Committee.
- g. the Risk Management Committee
- h. IT Strategy Committee
- i. As on March 31, 2022, the Board of Directors of the Company consists of 6 (six) directors out of which 4 (four) are Independent Directors and 2 are Non-Executive Non-Independent Directors. All 4 (four) Independent Directors meets the eligibility criteria as required under SEBI Listing Regulations and the Companies Act, 2013. The Board of Directors of the Company has one woman independent director Ms. Mona Kachhwaha;
- ii. As on March 31, 2022, the Company doesn't have any Executive Director since Mr. Ittira

Davis, the erstwhile MD & CEO resigned w.e.f. March 12, 2021 (close of business hours).

- iii. During the Financial Year 2021-22, our Board has met 9 (nine) times and the meetings of our Board of Directors were held on May 28, 2021, July 20, 2021, August 12, 2021, September 09, 2021, October 30, 2021, November 13, 2021, December 16, 2021, February 11, 2022 and March 31, 2022. There has not been a time gap of more than 120 days between any two meetings of the Board;
- iv. No Director is related to each other;
- v. Not less than one-half of the board of directors of the Company comprise of non-executive directors;
- vi. Every director has duly informed the Company about the committee positions he/she occupies in other Companies;
- vii. None of the directors of the Company is a member of more than ten committees, across all public limited companies in which he/she is a director; and
- viii. None of the directors of the Company is a chairman of more than five committees across all public limited companies in which he/she is a director.
- ix. None of the directors of the Company is a director in more than 8 (eight) listed entities and no independent director of the Company serves as an independent director in more than 7 (seven) listed entities.
- x. During the year, a separate meeting of independent directors was held on March 31, 2022. The Independent Directors inter alia, reviewed the performance of non-independent directors, Chairman and the Board as a whole.
- xi. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company.
- xii. The details of the familiarisation programme of the Independent Directors are available on the website of the Company <https://www.ujjivan.com/mandatory-policies>

CORPORATE GOVERNANCE REPORT

- xiii. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2022 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013. Chairmanships/ Memberships of Board Committees include Audit Committee and Stakeholders Committee only.

Name of the Director	Category	Number of Board Meetings during the Year 2021-22		Whether attended last AGM held on Sep 29, 2021	Number of Directorships in other Public Companies		No of Committee positions held in other Public Companies	
		Held during their tenure	Attended		Chairman	Member	Chairman	Member
Mr. Samit Ghosh	Non-Executive Chairman	9	9	Yes	-	-	-	-
Mr. K.R. Ramamoorthy DIN: 00058467	Independent Director	9	9	Yes	-	3	2	1
Mr. Abhijit Sen* DIN: 00002593 (Until Sept 12, 2021)	Independent Director	4	4	NA	-	-	-	-
Ms. Mona Kachhwaha DIN: 01856801	Independent Director	9	9	Yes	-	2	-	3
Mr. Sunil Vinayak Patel DIN: 00050837	Independent Director	9	9	Yes	-	-	-	-
Mr. Rajesh Kumar Jogi** DIN: 03341036 (Until August 22, 2021)	Independent Director	3	3	NA	-	1	-	1
Mr. Narayan Anand DIN: 02110727	Non-Executive Director	9	9	Yes	-	1	-	1
Mr. Renzo Christopher Viegas# DIN: 07560087 (w.e.f December 17, 2021)	Independent Director	2	2	NA	-	-	-	-
Mr. Ittira Davis*** DIN: 06442816 (From Nov 1, 2021 to Jan 13, 2022)	Non-Executive Director	2	2	NA	-	-	-	-

* Abhijit Sen retired from the Board effective from September 12, 2021

** Rajesh Kumar Jogi resigned from the Board effective from August 22, 2021

***Mr. Ittira Davis resigned from the Board effective from January 13, 2022

Renzo Christopher Viegas appointed as Non-Executive - Independent director effective from December 17, 2021

- xiv. Existing Board members directorships in other listed entities and the category of their directorships

Name of the Director	Category	Directorships in other listed entities
Mr. Samit Ghosh DIN: 00185369	Non-Executive, Non-Independent Director – Chairman	Ujjivan Small Finance Bank Limited
Mr. K.R. Ramamoorthy DIN: 00058467	Independent Director	1. Amrit Corp Limited – Independent Director 2. Nilkamal Limited – Independent Director 3. Subros Limited – Independent Director
Mr. Sunil Vinayak Patel DIN: 00050837	Independent Director	None

Name of the Director	Category	Directorships in other listed entities
Ms. Mona Kachhwaha DIN: 01856801	Independent Director	1. Ujjivan Small Finance Bank Limited – Non-Executive Director 2. Aptus Value Housing Finance Limited
Mr. Narayan Anand DIN: 02110727	Non-Executive Director	1. Aashina Housing Limited – Non-Executive Director
Mr. Renzo Christopher Viegas# DIN: 07560087 (w.e.f December 17, 2021)	Independent Director	None

- xv. Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:

Name	Category	No. of Equity Shares
Mr. Samit Ghosh	Non-Executive, Non-Independent Director – Chairman	36,076
Mr. K.R. Ramamoorthy*	Independent, Non-Executive	1,000
Mr. Renzo Christopher Viegas (Appointed w.e.f. Dec 17, 2021)	Independent, Non-Executive	37,548

* jointly held with Ms. Vasantha Ramamoorthy

Chart or Matrix setting out the skills / expertise / competence of the Board:

The Board of Directors of the Company is comprised of various professionals from diverse backgrounds in the field of finance, banking, investments, management etc. which brings to the table different dimensions for its effective functioning.

2. Committees of the Board

A. Audit Committee

- The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations.
- The composition of the Audit Committee and the details of meetings attended by its members during the year are given below:

Sr. No.	Directors	Designation	Number of meetings during the financial year 2021-22	
			Held during their tenure	Attended
1.	Mr. Sunil Vinayak Patel	Chairman (Independent Director)	5	5
2.	Mr. K.R. Ramamoorthy	Independent Director	5	5
3.	Mr. Abhijit Sen (Until Sept 12, 2021)	Independent Director	2	2
4.	Ms. Mona Kachhwaha	Independent Director	5	5
5.	Mr. Samit Ghosh	Non-Independent, Non-Executive	5	5

All the members of the Audit Committee are financially literate, as defined in the SEBI LODR Regulations and all have accounting or related financial management expertise.

- The Audit Committee has met 5 (five) times during the year and the gap between two meetings did not exceed one hundred and twenty days. The Audit Committee meetings were held on May 28, 2021, August 12, 2021, October 30, 2021, November 13, 2021 and February 11, 2022.
- The terms of powers, role and terms of reference of the Audit Committee are in accordance with the Companies Act, 2013 and the SEBI LODR Regulations.

The scopes of the Audit Committee are:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.
- (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- (22) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable,

submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.

- (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI (LODR) Regulations, 2015.

B. Governance, Nomination and Remuneration Committee (Nomination Committee)

- i. For the remuneration of Directors, key managerial personnel and other employees, the Company has constituted a Governance, Nomination and Remuneration Committee as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations. The Nomination Committee has powers of formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending a policy relating to the remuneration for the directors, key managerial personnel and other employees as per the requirements of Regulation 20 of the SEBI LODR Regulations.

- ii. The composition of the Governance, Nomination and Remuneration Committee and the details of meetings attended by its members during the year are given below:

Sr. No.	Directors	Designation	Number of meetings during the financial year 2021-22	
			Held during their tenure	Attended
1.	Mr. Abhijit Sen (Until Sept 12, 2021)	Independent Director	2	2
2.	Mr. K.R. Ramamoorthy	Independent Director	5	5
3.	Mr. Sunil Vinayak Patel	Chairman (Independent Director)	5	5
4.	Mr. Narayan Anand	Non-Independent, Non-Executive	3	3
5.	Mr. Samit Ghosh (w.e.f. Sept 13, 2021)	Non-Independent, Non-Executive	3	3
6.	Mr. Renzo Christopher Viegas (w.e.f Feb 11, 2022)	Independent Director	1	1

- iii. All of the members of the Nomination Committee are non-executive directors, and at least half of the members of the Governance, Nomination and Remuneration Committee are independent directors.
 - (2) To ensure 'fit and proper' status of proposed/ existing Directors
 - (3) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- iv. The chairman of the Nomination and Remuneration Committee is an independent director.
- v. The Nomination Committee has met 5 (five) times during the year on August 12, 2021, September 09, 2021, December 16, 2021, February 11, 2022 and March 31, 2022.
 - (4) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi. The scope of the Governance, Nomination and Remuneration Committee are:
 - (1) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
 - (5) To recommend to the Board the appointment and removal of Senior Management

- (6) Recommend to the board, all remuneration, in whatever form, payable to senior management
- (7) To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- (8) To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- (9) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- (10) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- (11) To devise a policy on Board diversity;
- (12) To develop a succession plan for the Board and to regularly review the plan;
- (13) To also act as the ESOP committee for the purposes of SEBI (Share Based Employee Benefits) Regulations 2014 and administer and manage the ESOP Schemes

C. Stakeholders Relationship Committee

- i. For redressing the grievances of the stakeholders, the Company has formed Stakeholders Relationship Committee as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations.
- ii. The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members during the year are given below:

Sr. No.	Directors	Designation	Number of meetings during the financial year 2021-22	
			Held during their tenure	Attended
1.	Mr. K.R. Ramamoorthy	Chairman (Independent Director)	1	1
2.	Ms. Mona Kachhwaha	Independent Director	1	1
3.	Mr. Sunil Vinayak Patel	Independent Director	1	1

- iii. Mr. K.R. Ramamoorthy (Independent Director) is the chairman of the Stakeholders Relationship Committee.
- iv. Mr. Shashidhara S (Company Secretary) is the Compliance Officer of the Company.
- v. During the FY 21-22, the Company has received 46 investor complaints and all the complaints were solved to the satisfaction of the shareholders and no complaint is pending for redressal at the end of the year.
- vi. The Stakeholders Relationship Committee has met once during the year on March 24, 2022. The committee has passed 4 circular resolutions during the year for the allotment of shares pursuant to the exercise of vested stock options.
- vii. The scope of the Stakeholders Relationship Committee are:
- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (5) To perform all functions relating to the interests of security holders of the Company and as assigned by the Board, as may be required by the provisions of the Companies Act, 2013 and Rules made thereunder, Listing Agreements with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority.
- (6) Allotment of shares to the employees or ex-employees on exercise of stock options granted and vested under the various Employees Stock Option Schemes.

D. Risk Management Committee

- i. The Board has constituted the Risk Management Committee in line with the RBI directive and SEBI listing Regulations.
- ii. The composition of the Risk Management Committee and the details of meetings attended by its members are given below:

Sr. No.	Directors	Designation	Number of meetings during the financial year 2021-22	
			Held	Attended
1.	Mr. K.R. Ramamoorthy	Chairman (Independent Director)	2	2
2.	Mr. Sunil Vinayak Patel (wef sept 13, 2021)	Independent Director	2	2
3.	Mr. Samit Ghosh (wef Sept 13, 2021)	Non-Executive Director	2	2
4.	Mr. Narayan Anand (wef Feb 11, 2022)	Non-Executive Director	1	1

The Risk Management Committee met twice during the year on November 19, 2021 & March 24, 2022.

The terms of reference of the risk management committee (including the recent inclusions made under the SEBI Listing Regulations) are as under:

- To review the investment of the Company in its subsidiary, evaluate overall risks faced by the subsidiary and monitor the reputational list of both entities and specifically oversee matters related to cyber security.
- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The Company is a non-operating Company with no customer inter-face and hence ESG Risk may not be applicable
- 2 Plans are afoot for reverse merger of the Company with its subsidiary bank UFSB, subject to regulatory and statutory approvals. Hence Company does not propose preparing any Business Continuity Plan.

E. IT Strategy Committee

- i. The Board has constituted the IT Strategy Committee as required by RBI Master Directions on IT framework.
- ii. The composition of the IT Strategy Committee and the details of meetings attended by its members are given below:

Sr. No.	Directors	Designation	Number of meetings during the financial year 2021-22	
			Held	Attended
1.	Mr. Sunil Vinayak Patel (wef Sept 13, 2021)	Chairman (Independent Director)	1	1
2.	Mr. Narayan Anand	Non-Independent, Non-Executive	2	2
3.	Mr. Samit Ghosh (wef Sept 13, 2021)	Non-Executive Director	2	2
4.	Mr. Renzo Christopher Viegas (w.e.f Feb 11, 2022)	Independent Director	0	0
5.	Mr. Abhijit Sen (retired w.e.f. September 12, 2021)	Non-Executive, Independent	1	1

The IT Strategy Committee met twice during the year on July 20, 2021 and January 10, 2022.

iii. The scope of the IT Strategy Committee are:

- Reviewing and approving IT related policy documents
- Reviewing the existing MOU with Ujjivan Small Finance Bank Limited wherein the Company has agreed to avail IT related services at an arm's length basis.
- To carry out review and amend the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT Governance.
- Chairman of the Committee is an independent director;

F. Merger Committee

i. The Board has constituted the reverse Merger Committee w.e.f February 12, 2022

ii. The composition of the reverse Merger Committee and the details of meetings attended by its members are given below:

Sr. No.	Directors	Designation	Number of meetings during the financial year 2021-22	
			Held	Attended
1.	Mr. Sunil Vinayak Patel	Chairman (Independent Director)	1	1
2.	Ms. Mona Kachhwaha	Independent Director	1	1
3.	Mr. Narayan Anand	Non-Independent, Non-Executive	1	1

The reverse Merger Committee met once during the year on February 21, 2022.

iii. The Term of reference of the reverse Merger Committee are:

- Review the progress of merger and advise the Board with respect the proposed reverse merger of the Company into and with Ujjivan Small Finance Bank Limited ("Bank")
- To evaluate matters which may have a bearing on the proposed merger.
- Consider appropriate consulting support and review relevant contracts for appointment (e.g. due diligence, legal support etc.);

(3) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

3. Remuneration of Directors

The Board of Directors of the Company comprises of various professionals from diverse backgrounds in the field of finance, banking, investments, management etc. which brings to the table different dimensions for its effective functioning. Considering the time and efforts made by the Non-Executive Directors, it is necessary that appropriate sitting fees are paid to the Non-Executive Directors for attending the meetings of the Board and its Committees.

The Company is paying only the sitting fees to all the Non-Executive Directors within the ceiling of Rs. 1,00,000 per meeting as prescribed under the Companies Act, 2013. During the year, the Non-Executive Directors are paid sitting fees of Rs. 75,000 for attending every Board Meeting and Rs. 50,000 for attending every Committee Meeting. During the year, all the meetings were held through permitted audio-visual modes and there was no instance of either the Company incurring or making any reimbursement of expenses towards airfare, hotel stay and car on rental basis for attending each of the meetings of the Board.

Remuneration paid to Managing Director during the FY 2021-22: NIL

During the year, the Company has not paid any performance linked incentive, bonus etc. to any of its directors or KMPs.

Independent Director's Meeting

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, 2015, the independent directors held their separate meeting on March 31, 2022 without the attendance of non-independent directors and members of Management, inter alia, to discuss the following:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

4. General Body Meetings of Shareholders

i. Location and time where last 3 (three) Annual General Meetings (AGMs) held and the Special resolutions passed in the AGMs

For the FY	Venue	Day & Date	Time	Special Resolution Passed
2020-21	Through Video Conferencing in compliance with the Companies Act, 2013 and in accordance with relevant circulars issued by MCA and SEBI	Wednesday, September 29, 2021	03:30 PM IST	None
2019-20	Through Video Conferencing in compliance with the Companies Act, 2013 and in accordance with relevant circulars issued by MCA and SEBI	Friday, September 11, 2020	03:00 PM IST	None
2018-19	Annex II, No. 23-26, Grape Garden, No. 17 th Main, 6 th Block, Koramangala, Bangalore-560 095	Friday, August 02, 2019	04:00 PM IST	None

Postal Ballot

During the FY 2021-22, no postal ballot approvals were sought from the shareholders other than one postal ballot which commenced during the FY 2020-21 and concluded on April 27, 2021, the details of which was captured in the Annual Report for the FY 2020-21

5. Means of Communication

The Company has an operational website www.ujjivan.com wherein inter alia its quarterly, half yearly and annual financials together with all material disclosures as may be required under various laws are placed. The Company has ensured that its financial results are promptly uploaded on the websites of the stock exchanges within the timelines and the results were published in the following newspapers unless exempted:

- Financial Express (All editions) in English Language and
- Hosadigantha (Bangalore edition) in Kannada Language.

6. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

Regulation 17 read with Part B of Schedule II of the Listing Regulations, requires the CEO and CFO certification on the Financial Statements, the Cash Flow Statements and the internal financial reporting for the FY 2021-22 has been obtained from Mr. Radhakrishnan Ravi, Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The said certificate is a part of this Annual Report.

7. Code of Conduct as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

In accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive code of conduct to regulate, monitor and report trading by its employees and other connected persons. For the benefit of the designated employees who could have access to 'price sensitive information', the Company has availed the services of KFin Technologies Limited (the Registrar of the Company) to provide software based reporting facility (i.e. FINTRAKS) which enables the Company to monitor the transactions of the designated employees and ensure timely compliance of the provisions of the SEBI (Prohibition of Insider Trading)

Regulations, 2015 and the Company's Code and reporting of deviations, if any.

8. Ujjivan Code of Conduct

The Company has adopted its Code of Conduct which is applicable for all its Directors (including independent directors) and employees. The key objectives of the Code of Conduct are to establish professional business standards and ensure adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships, to provide full, fair and accurate disclosures in the periodic reports required to be filed by the Company with its stakeholders and to ensure compliance with applicable laws, rules and regulations.

Ujjivan Code of Conduct is available on the website of the Company www.ujjivan.com. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a confirmation from the Chairman (in the absence of the MD & CEO) regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report.

9. Material Subsidiaries

In accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy for determining Material Subsidiaries and the same can be accessed from the website of the Company from the link given below: <https://www.ujjivan.com/mandatory-policies>

10. Familiarization Programme for independent Directors

The Independent Directors of the Company are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors. The details of the familiarization programmes have been hosted on the website of the Company and can be accessed from the link below:

<https://www.ujjivan.com/mandatory-policies>

11. General Shareholder Information

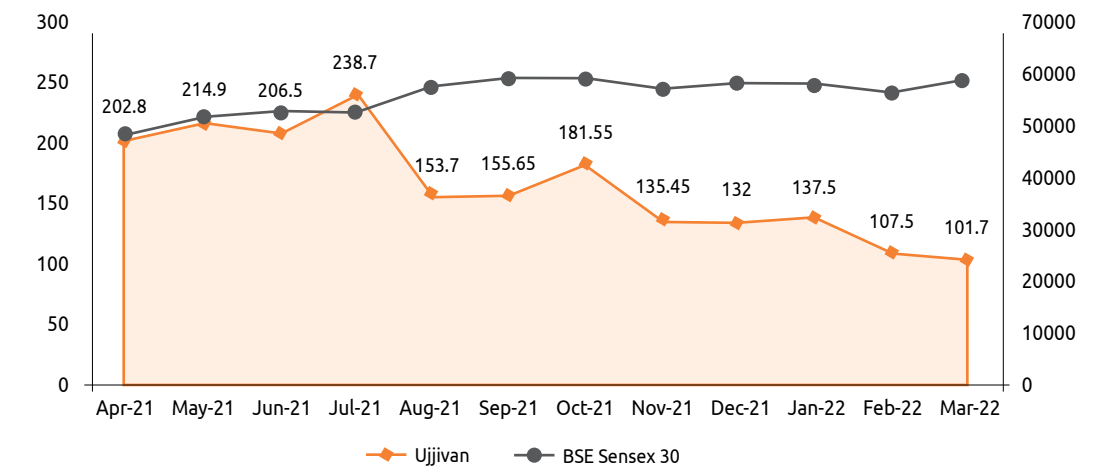
Sr.	Particulars	Details																									
a)	Annual General Meeting for FY 2021-22 (Date, time and venue)	: Friday, September 02 , 2022 time 4.30 pm. (AGM is being conducted through video conferencing or other audio video means in compliance with the Companies Act, 2013 / Rules and MCA and SEBI circulars); please refer to the AGM notice for further details.																									
b)	Financial Year	: April 01 till March 31																									
c)	Dividend payment date	: The Board has not recommended any dividend during the year																									
d)	Listing on Stock Exchanges and Stock Code	: The Company's equity shares are listed at both NSE and BSE Stock Code / Symbol: NSE: UJJIVAN BSE: 539874																									
e)	Payment of Listing fees	: The Company has paid all listing fees as applicable																									
f)	Registrar and Transfer Agent and Address for correspondence	: KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032 Telangana, India P : +91 040 6716 1562 www.kfintech.com																									
g)	Share Transfer System	: The investor's services like share transfer, demat or remat of shares and other services are handled by the RTA of the Company. As on March 31, 2022, 99.96% of the equity share capital of the Company, are in dematerialized form and its transfer are done directly through the depositories. As required under Regulation 40(1) of SEBI Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository except in case of transmission or transposition of securities.																									
h)	Dematerialization of shares and liquidity	: The Company's Equity Shares are in compulsory demat segment and are available for trading under dematerialized form with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Control Report as on 31/03/2022 <table><tr><th>Sr.</th><th>Description</th><th>No of Holders</th><th>Shares</th><th>% To Equity</th></tr><tr><td>1</td><td>Physical</td><td>19</td><td>54,625</td><td>0.04</td></tr><tr><td>2</td><td>NSDL</td><td>46,935</td><td>8,20,11,156</td><td>67.40</td></tr><tr><td>3</td><td>CDSL</td><td>70,762</td><td>3,96,12,313</td><td>32.56</td></tr><tr><td colspan="2">Total</td><td>117,716</td><td>12,16,78,094</td><td>100.00</td></tr></table> As on March 31, 2022, 12,16,78,094 equity shares of the Company, forming 99.96% of the equity share capital of the Company, were in dematerialized form and 54,625 equity shares were in physical form. The ISIN of the Company is INE334L01012 with NSDL and CDSL) and the equity shares of the Company are frequently traded on both BSE and NSE.	Sr.	Description	No of Holders	Shares	% To Equity	1	Physical	19	54,625	0.04	2	NSDL	46,935	8,20,11,156	67.40	3	CDSL	70,762	3,96,12,313	32.56	Total		117,716	12,16,78,094	100.00
Sr.	Description	No of Holders	Shares	% To Equity																							
1	Physical	19	54,625	0.04																							
2	NSDL	46,935	8,20,11,156	67.40																							
3	CDSL	70,762	3,96,12,313	32.56																							
Total		117,716	12,16,78,094	100.00																							
i)	Outstanding GDRs/ADSS/Warrants or any Convertible instruments, conversion date and likely impact on equity.	: The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments other than outstanding ESOPs granted to employees.																									
j)	Plant Locations	: As the Company is engaged in the business of NBFC, there is no plant location.																									
k)	Address of the Compliance Officer	: Shashidhara S, Company Secretary and Compliance Officer; Grape Garden, No. 27, 3 rd A Cross, 18 th Main, 6 th Block, Koramangala, Bengaluru 560 095, Karnataka, India Tel: +91 80 4071 2121; Fax: +91 80 4146 8700 E-mail: compliance@ujjivanfin.com																									

B) market price data- high, low during each month in last financial year;

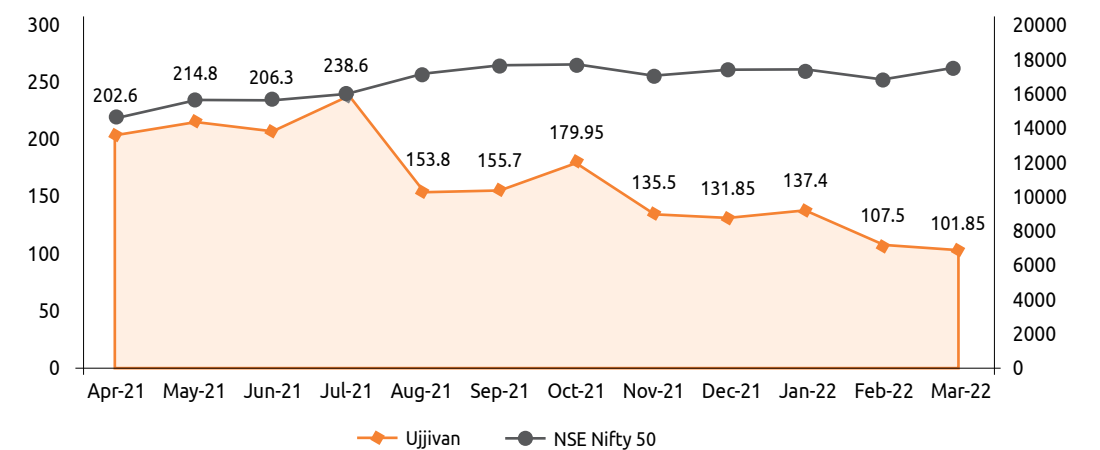
Month	BSE			NSE		
	High Price	Low Price	Volume (No. of Shares Traded)	High Price	Low Price	Volume (No. of Shares Traded)
Apr-21	229.95	184.75	13,68,115	227.90	183.30	1,37,39,039
May-21	224.8	195.55	11,05,533	223.50	195.00	1,37,09,544
Jun-21	234.05	195	12,83,859	234.70	200.00	1,40,14,101
Jul-21	261.7	195.55	38,91,225	261.70	195.70	3,49,75,546
Aug-21	242.35	149.45	15,10,683	242.60	149.00	2,60,47,225
Sep-21	172.9	126.1	33,55,081	173.05	126.05	3,82,44,790
Oct-21	183.1	150.55	18,90,077	183.00	150.15	2,32,73,627
Nov-21	191.8	132.15	20,85,899	192.00	132.00	2,95,52,195
Dec-21	144.9	125.5	13,13,645	145.00	125.45	1,45,04,802
Jan-22	158.05	130	21,27,108	158.00	130.05	2,07,89,010
Feb-22	142.9	96.1	30,13,736	141.50	97.60	2,83,03,030
Mar-22	123.5	100.7	34,44,493	123.50	101.00	3,67,30,898

Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty

Comparative chart of Ujjivan Financial Services Limited Scrip with BSE Sensex 30



Comparative chart of Ujjivan Financial Services Limited Scrip with NSE Nifty 50



Distribution of Shareholding as on March 31, 2022

Distribution of Shareholding as on 31/03/2022						
Srno	Category (Shares)	No. of Holders	% To Holders	No. of Shares	Amount (in Rupees)	% To Equity
1	1 - 1000	107089	93.13	14463396	144633960	11.89
2	1001 - 2000	3829	3.33	5692666	56926660	4.68
3	2001 - 3000	1432	1.25	3594753	35947530	2.95
4	3001 - 4000	668	0.58	2368860	23688600	1.95
5	4001 - 5000	452	0.39	2084941	20849410	1.71
6	5001 - 10000	782	0.68	5588011	55880110	4.59
7	10001 - 50000	558	0.49	11925920	119259200	9.80
8	50001 - 100000	73	0.06	5120502	51205020	4.21
9	100001 and above	111	0.10	70839045	708390450	58.22
TOTAL:		114994	100.00	121678094	1216780940	100.00

12. Investor Education and Protection Fund - Unclaimed Dividend

Pursuant to section 125 of the Companies Act, 2013, all unpaid and unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government after the completion of seven years. As on March 31, 2022, the unclaimed dividend declared by the Company for the below years are as under:

Sr.	Financial Year	Dividend Type	Unclaimed Dividend (in Rs.)
1.	FY 2015-16	Final	41,225
2.	FY 2016-17	Final	1,63,302
3.	FY 2017-18	Final	1,69,993
4.	FY 2018-19	Interim	2,55,831
5.	FY 2018-19	Final	78,572
6.	FY 2019-20	Final	1,76,955

The above unclaimed dividend will be transferred by the Company to IEPF on the completion of seven years, if remained unclaimed. The details of the unclaimed dividend can be accessed from the website of the Company from the link below:

http://www.ujjivan.com/html/Unclaimed_Dividend.php

13. Equity Shares in the demat suspense account / unclaimed suspense account

As on March 31, 2022 there are no shares in the demat suspense account / unclaimed suspense account.

14. Other Disclosures**i. Related Party Transactions**

All the contracts or arrangements or transactions entered by the Company during the year ended March 31, 2022 were at arm's length basis and with the requisite approvals from the Audit Committee and the Board. The Company has a policy on materiality and on dealing with related party transactions which has been uploaded on our website at the link <https://www.ujjivan.com/mandatory-policies>

i. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

- Nil

ii. Whistle Blower Policy

The Company in compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations has established a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. Further, this policy also specifically enables the employees of the Company and those of its subsidiary to report instances of any leak of unpublished price sensitive information by the employees of the Company to any outsider which is not for legitimate business purposes. This is to ensure the compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct for Prevention of Insider Trading of Ujjivan Financial Services Limited.

No person has been denied access to the Audit Committee. The Whistle Blower policy has been uploaded on our website at the link <https://www.ujjivan.com/mandatory-policies>

iii. The Company has adopted Policy for Determination of Materiality of Events / Information for Disclosures, Policy on Preservation of Document and Archival Policy. The policies has been uploaded on our website at the link <https://www.ujjivan.com/mandatory-policies>

iv. A total fee of Rs.18.99 lacs (net of GST input credit) including reimbursement of expenses and levies at actuals has been incurred / paid by the Company to the existing Statutory Auditor of the Company, Varma and Varma for all the services provided by Varma and Varma to the Company for the FY 2021-22 and Rs. 1.77 lacs (net of GST input credit) paid to previous year MSKA & Associates towards all the services provided by MSKA & Associates to the Company for the FY 2021-22.

v. The Company has adopted the below discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations:

- Separate posts of chairperson and chief executive officer
- Reporting of internal auditor directly to the audit committee

vi. The Company is in compliance with the corporate governance requirements specified in regulation 17 to 27 of SEBI Listing Regulations and has an operational website www.ujjivan.com wherein the information as required under Regulation 46 of the SEBI Listing Regulations has been disseminated.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. The code is available on the Company's Website www.ujjivan.com.

I confirm that the Company has in respect of the year ended March 31, 2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary as on March 31, 2022.

Date: May 19, 2022
Place: Bangalore

Radhakrishnan Ravi
CEO & CFO

CEO / CFO CERTIFICATION

To,
The Board of Directors
Ujjivan Financial Services Limited

Subject: Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year 2021-22 and that to the best of our knowledge and belief:
 - (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 - (1) That there were no significant change in internal control over financial reporting during the year;
 - (2) There was no instance of any significant change in accounting policies during the year; and
 - (3) There was no instance of any significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Bangalore
Date: May 19, 2022

Radhakrishnan Ravi
Chief Executive Officer and Chief Financial Officer

INDEPENDENT PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

Annexure 7

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]]

Corporate Identity No. : L65999KA2004PLC035329

Nominal Capital: INR 1,25,00,00,000/-

To,
The Members,
UJJIVAN FINANCIAL SERVICES LIMITED
 Grape Garden, No. 27, 3rd 'A' Cross,
 18th Main, 6th Block, Koramangala,
 Bangalore, KA 560095

I have examined all the relevant records of **"UJJIVAN FINANCIAL SERVICES LIMITED"** ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the Financial Year ended **31st March, 2022**. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the aforesaid Listing Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

K. Jayachandran

Company Secretary
 ACS No.: 11309/CP. No. : 4031
 UDIN: A011309C000383991
 Peer Review No: 784/2020A

Date: 19/05/2022
 Place: Bengaluru

BUSINESS RESPONSIBILITY REPORT – 21-22

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ujjivan Financial Services Limited ('the Company' / Ujjivan) recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with sound corporate culture and the Company is constantly striving to better them.

The Company is a non-operating Core Investment Company registered with the Reserve Bank of India having its investment primarily in its listed material subsidiary 'Ujjivan Small Finance Bank Limited'. The Company has ensured that its material listed subsidiary has all the relevant policies and principles in place.

SECTION A - General Information about the Company:

Sr.	Particulars	Company Information
(i)	Corporate Identity Number (CIN)	: L65999KA2004PLC035329
(ii)	Name of the Company	: Ujjivan Financial Services Limited
(iii)	Address of the Registered Office and Contact Details	: Grape Garden, No. 27, 3 rd A Cross, 18 th Main, 6 th Block, Koramangala, Bangalore – 560095, Karnataka
(iv)	Website	: www.ujjivan.com
(v)	Email id	: compliance@ujjivanfin.com
(vi)	Financial Year Reported	: FY 2021-22
(vii)	Sector(s) that the Company is engaged in (Industrial activity code-wise)	: As on March 31, 2022 the Company is a NBFC-Core Investment Company. The NIC Code is 64200.
(viii)	List three key products/services that the Company manufactures/provides (as in balance sheet)	: The Company is an investment Company and its main objects are to carry on the business of making investments in group company(ies) in the form of securities and providing guarantees etc. and to carry on financial activities, whether in India or outside, in the nature of investment in bank deposits, money market instruments (including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment companies from time to time
(ix)	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	: The Company as on March 31, 2022 carries its business from its registered office and has no branches. : Nil : 1 (Registered Office); However our subsidiary Ujjivan Small Finance Bank Limited has 575 branches.
(x)	Markets served by the Company – Local/ State/National/International	: Ujjivan together with its subsidiary 'Ujjivan Small Finance Bank Limited' serves the national market only

SECTION B – Financial Details of the Company:

Sr.	Particulars	Company Information
(i)	Paid-up Capital as on March 31, 2022	: 12,16,78,094 equity shares of Rs. 10 each aggregating to Rs. 1,21,67,80,940
(ii)	Total Turnover:	: (Rs. in crore) (Ind-AS)
	(a) Standalone	: 6.74
	(b) Consolidated	: 3,092.18
(iii)	Total Profit After Tax:	: (Rs. in crore) (Ind-AS)
	(a) Standalone	: 2.17
	(b) Consolidated	: (230.50)
(iv)	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: CSR spends during the year – Rs. 3.31 lacs 1.53% of the PAT of FY 2021-22
(v)	List of activities in which expenditure in (iv) above has been incurred	: Please refer Annexure 4 of the Board's Report

For further details, please refer to the CSR section of the Annual Report.

SECTION C – Other Details of the Company:

Sr.	Particulars	Company Information
(i)	Does the Company have any Subsidiary Company/ Companies?	: Yes, Ujjivan Small Finance Bank Limited is the material listed subsidiary of the Company
(ii)	Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	: During the FY 2021-22, the Company carried out the BR initiatives in partnership with external agencies. Going forward, the Company is expected to get participation to the extent legally permissible by its subsidiary.
(iii)	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	: No

SECTION D – BUSINESS RESPONSIBILITY INFORMATION:**(1) Details of Director/Directors responsible for BR**

Sr.	Particulars	Company Information
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies	:
1.	DIN Number	: Not Applicable
2.	Name	: Mr. Radhakrishnan Ravi
3.	Designation	: CEO & Chief Financial Officer
(b)	Details of the BR Head	:
1.	DIN Number	: Not Applicable
2.	Name	: Shashidhara S
3.	Designation	: Company Secretary and Compliance Officer
4.	Telephone Number	: 080-40712121
5.	email id	: shashidhara.s@ujjivanfin.com

(2) Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy / policies**Principles to Assess Compliance with Environmental, Social and Governance Norms**

Sr.	Principle	Company Information
1)	Principle 1	: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
2)	Principle 2	: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3)	Principle 3	: Businesses should promote the wellbeing of all employees
4)	Principle 4	: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
5)	Principle 5	: Businesses should respect and promote human rights
6)	Principle 6	: Business should respect, protect, and make efforts to restore the environment
7)	Principle 7	: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8)	Principle 8	: Businesses should support inclusive growth and equitable development
9)	Principle 9	: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of Compliance (Reply in Y / N)

Sr.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1)	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	NA
2)	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	NA
3)	Does the policy conform to any national / international standards? If yes, specify?	Y	-	Y	Y	Y	Y	N	Y	NA
4)	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	NA
5)	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	NA
6)	Indicate the link for the policy to be viewed online?	https://www.ujjivan.com/mandatory-policies https://www.ujjivan.com/corporate-governance								
7)	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	NA
8)	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	N	Y	NA
9)	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	N	Y	Y	Y	Y	N	N	NA
10)	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	NA

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1)	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2)	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							Y		
3)	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4)	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5)	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6)	Any other reason (please specify)	-								Only an investment Company and has no consumer or customer

(3) Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the BRR is provided on the website of the Company www.ujjivan.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

The Company's Code of conduct is applicable in all dealings/ transactions of the Company's staff inter se or with customers, regulators, investors or other Governmental agencies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholders Complaints

Complaints	No. of Complaints Received	No. of Complaints Resolved	% of Complaints Resolved
Shareholder Complaints	46*	46	100%

* The complaints primarily pertained to non-receipt of dividend warrant; all of which were resolved and closed. There is no pending investor complaints as on March 31, 2022.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The Company as on the date is a RBI registered NBFC-Core Investment Company.

Hence, the Company doesn't have any business other than making investment in its group companies and in any other permissible investments. However, the Company has ensured that its investee company has adhered and incorporated all social or environmental concerns.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

The Company's business operation is such that the above question is not applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

The Company, being an Investment Company, is relatively less resource intensive in terms of material inputs. Our major material requirements are office, communications and IT related equipment for which necessary sourcing is being undertaken by the management.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not applicable to the Company considering its business operations.

Principle 3: Businesses should promote the wellbeing of all employees

Sr.	Questions	Status
1)	Please indicate the Total number of employees.	2
2)	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil
3)	Please indicate the Number of permanent women employees.	Nil
4)	Please indicate the Number of permanent employees with disabilities	Nil
5)	Do you have an employee association that is recognized by management?	No
6)	What percentage of your permanent employees is members of this recognized employee association?	N.A.

Sr.	Questions	Status
7)	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8)	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
(a)	Permanent Employees	100%
(b)	Permanent Women Employees	N.A.
(c)	Casual/Temporary/Contractual Employees	N.A.
(d)	Employees with Disabilities	N.A.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

During the year, the Company has undertaken its CSR responsibilities through external NGOs with a focus on the community development programs and extended support by its direct contribution to other NGOs.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company is firmly committed to fairness and objectivity in all its action and interactions with all its stakeholders. Justice and fairness is imbibed in the Company's fabric to ensure procedural fairness, impartiality and consistency in its operations. The Company believes in providing facilities to customers in a fair and transparent manner.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer to the response under principle 1.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

Ujjivan has continuously conducted self-sustained CSR programs along with staff, customers and the communities.

During the year, Ujjivan has undertaken its CSR responsibilities through external NGOs with a focus on the community development programs and also extended support by its contribution to other NGOs.

Ujjivan has engaged Parinaam Foundation to execute various CSR programs for and on behalf of the Company.

Parinaam Foundation in collaboration with Ujjivan has undertaken to execute a Community Connect Programme that brings together stakeholders, the community and the society at large to build a better life for the unserved and underserved. The strategic focus of the project is to address critical community needs in the areas of healthcare, sanitation, public infrastructure & general community welfare activities across India.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Our Company has always acknowledged the need for environment protection and practices towards an environmentally responsible corporate citizen.

3. Does the company identify and assess potential environmental risks? Y/N

Though it is not relevant to the Company given the nature of its business, we have always acknowledged the need for environment protection and practices towards an environmentally responsible corporate citizen.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
- Our Company in the past has taken few initiatives in the area of environment sustainability.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
- The aspects under this principle are not directly relevant to the Company given the nature of its business. However, our Company has funded a few solar based lighting related small projects in the past.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
- Not applicable
7. Number of show cause/ legal notices received from CPCB/ SPCB which is pending (i.e. not resolved to satisfaction) as on end of the Financial Year.
- None
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
- The programmes / projects undertaken by the Company are both in-house and through external NGOs and other organizations.
3. Have you done any impact assessment of your initiative?
- Yes
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken
- Ujjivan has continuously conducted self-sustained Corporate Social responsibility (CSR) programs directly or through its registered CSR partners. During the FY 2021-22, the Company has continued with its engagement with Parinaam Foundation for undertaking various community development programs across various districts in India.
- Please refer "Annexure 4" of the Board's Report for further details.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with
- No
- The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles and hence does not have a separate policy for this principle.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
- The Company alongwith its subsidiary supports inclusive growth and equitable development of all the relevant

stakeholders through various trainings and development programs for its employees.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programmes / projects undertaken by the Company are both in-house and through external NGOs and other organizations.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

Ujjivan has continuously conducted self-sustained Corporate Social responsibility (CSR) programs directly or through its registered CSR partners. During the FY 2021-22, the Company has continued with its engagement with Parinaam Foundation for undertaking various community development programs across various districts in India.

Please refer "Annexure 4" of the Board's Report for further details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We have always ensured through the community development initiative taken by the Company is successfully adopted towards achieving the desired results for the betterment of the society at large. The CSR objective of the group is to serve the unserved and underserved by:

- Serving needs of unserved and underserved beyond financial services
- Creating a connect & deeper understanding between Ujjivan & the community
- Addressing critical community needs in the areas of education, healthcare, sanitation, public infrastructure across India

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
- No complaints are pending as on the end of the financial year
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)
- Not applicable
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the

last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no case pending against the Company as on the end of the financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Ujjivan as a Group at periodic intervals has evaluated the customer and employee satisfactions.

The Ujjivan Bank has designed and conducted surveys to measure and analyse the satisfaction levels of customers with respect to its products, services and channels. The average customer satisfaction scores for the FY 2021-22 is 83%.

Independent Auditors Report

To The Members of Ujivan Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ujivan Financial Services Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note No. 36 of the accompanying standalone financial statements for the year ended 31 March 2022, which describes uncertainties due to COVID-19. As stated therein, in view of these continuing uncertainties, the extent to which the COVID-19 pandemic will continue to impact on the business including that of the subsidiary bank will depend on future developments which are uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The Other Information comprises the Directors Report, but does not include the consolidated financial statements, standalone financial statements and our auditors reports thereon, which we have obtained prior to the date of this auditors report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The audit of Standalone financial statements for the year ended 31 March 2021 included in the accompanying standalone financial statements were carried out by MSKA & Associates, Chartered Accountants, the predecessor auditors who have vide their report dated 28 May 2021, have expressed unmodified opinion. Accordingly, we do not express any opinion on these figures for the year ended 31 March 2021 considered in the accompanying standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position except for disputed taxes reported in Para vii(b) of Annexure A.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a.) As stated in Note No.33 of the standalone financial statements for the year ended 31 March 2022, the Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b.) As stated in Note No.33 of the standalone financial statements for the year ended 31 March 2022, the Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c.) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. According to the information and explanations given to us, no dividend was declared or paid during the year by the Company. Accordingly, the provisions of section 123 of the Act is not applicable.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner

Place: Bangalore
Date: 19 May 2022

M No. 208520
UDIN: 22208520AJGSFE6893

Annexure 'A' to the Independent Auditors Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ujjivan Financial Services Limited of even date on the Standalone financial statements for the year ended 31 March 2022]

(i.) (a.) (A.) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B.) The Company did not have any intangible assets and hence reporting under clause 3(i)(a) (B) of the Order is not applicable.

(b.) According to the information and explanations given to us, the Property, Plant and Equipment are physically verified by the Management during the year and no material discrepancies were noticed on such verification.

(c.) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d.) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment during the year. Accordingly, Clause 3(i)(c) of the order is not applicable to the Company.

(e.) As stated in Note No.29 of the standalone financial statements and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, paragraph 3(i)(e) of the Order is not applicable.

(ii.) (a.) The Company is Non-Banking Financial Company (NBFC) and accordingly, it does not hold any inventory. Hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b.) The Company has not been sanctioned any working capital limits at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii.) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) during the year. Accordingly, reporting requirement under clause 3(iii) of the order is not applicable to the company.

(iv.) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies during the year and hence have complied with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

(v.) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other provisions of the Act and the rules framed there under. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi.) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3 (vi) of the Order is not applicable to the Company.

(vii.) (a.) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b.) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there were no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes except for the following;

Nature of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,18,27,437^	FY 2016-17 (AY 2017-18)	Commissioner Income Tax (Appeals)

^ against this demand, the Company has paid ₹23,65,500 under protest.

(viii.) According to the information and explanations given to us, there were no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix.) (a.) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b.) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(c.) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence reporting under clause 3(ix)(c) of the Order is not applicable.

(d.) The Company has not raised any loans during the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e.) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f.) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x.) (a.) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b.) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable. Issue of shares under the ESOP scheme has not been considered for this purpose.

(xi.) (a.) According to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b.) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c.) According to the information and explanations given to us, no whistle blower complaint was received by the company during the year.

(xii.) According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii.) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standard.

(xiv.) (a.) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b.) We have considered, the internal audit reports for the year under audit, issued to the Company during the year up to the balance sheet date, in determining the nature, timing and extent of our audit procedures.

(xv.) In our opinion and based on the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi.) (a.) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Non-Banking Non Deposit taking systematically important Core Investment Company (NBFC-ND-SI-CIC).
- (b.) The company has conducted Non-Banking Financial activities and as stated in Clause xvi (a) above, the company has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an NBFC-ND-SI-CIC.
- (c.) As stated in Note No.1 of the standalone financial statements and according to the information and explanations given to us, the company is a core investment company and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an NBFC-ND-SI-CIC and continues to fulfil the criteria of a CIC as at the balance sheet date.
- (d.) According to the information and explanations given to us by the management, the Group has only one CIC which is the Company as mentioned in paragraph (a) above and registered with the Reserve Bank of India.
- (xvii.) The Company has not incurred cash losses during the current financial year and the immediately preceding financial year.
- (xviii.) According to the information and explanations given to us, the erstwhile auditors of the Company resigned during the year on account of reaching the maximum limit for the number of audits to be undertaken for the year as mandated by Reserve Bank of India. There were no other issues, objections or concerns raised by the said auditors.
- (xix.) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board

of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that, the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx.) (a.) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to subsection (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.
- (b.) In respect of ongoing projects, there are no amounts required to be transferred to unspent Corporate Social Responsibility (CSR) account as at the end of the previous financial year and for the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company

Also, refer note 16(b) of the standalone financial statements for the year ended 31 March 2022.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner
M No. 208520

Place: Bangalore
Date: 19 May 2022

Annexure 'B' to the Independent Auditors Report

[Referred to in Paragraph (2)(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report of even date on the financial statements of Ujjivan Financial Services Limited for the year ended 31 March 2022]

Report on the Internal Financial Controls 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 ("the Company") as of 31 March 2022 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 issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Companies Act, 2013.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 issued by the Institute of Chartered Accountants of India.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place: Bangalore
Date: 19 May 2022

K P SRINIVAS
Partner
M No. 208520

Standalone Balance Sheet

as at March 31, 2022

(₹ in lakhs)			
Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	3	22.32	59.25
Bank balances other than above	3.A	12,607.44	12,329.52
Investments	4	1,67,982.96	1,67,964.56
Non - Financial Assets			
Current tax assets (net)	5	70.08	65.00
Deferred tax assets (net)	19.1	0.95	2.72
Property, plant and equipment	6	1.49	2.28
Other non-financial assets	7	8.44	26.52
Total Assets		1,80,693.68	1,80,449.85
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8	14.84	21.50
Non Financial Liabilities			
Provisions	9	3.29	10.17
Other non-financial liabilities	10	91.33	107.29
Total Liabilities		109.46	138.96
Equity			
Equity share capital	11	12,167.81	12,165.60
Other equity	12	1,68,416.41	1,68,145.29
Total Equity		1,80,584.22	1,80,310.89
Total Liabilities and Equity		1,80,693.68	1,80,449.85

The above standalone balance sheet should be read together with the significant accounting policies and the accompanying notes which forms an integral part of the standalone financial statements. (Note 1-36)

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration No: 004532S

K P Srinivas

Partner

Membership No. 208520

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

Ujjivan Financial Services Limited**Samit Ghosh**

Non-Executive Director and Chairman

DIN: 00185369

Radhakrishnan Ravi

CEO & CFO

Sunil Patel

Independent Director

DIN: 00050837

Shashidhara S

Company Secretary

Statement of Standalone Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)			
Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations		-	-
Other income	13	674.74	844.38
Total Income (A)		674.74	844.38
Expenses			
Employee benefits expenses	14	111.74	224.79
Depreciation and amortisation	15	0.83	1.14
Other expenses	16	261.13	229.76
Total Expenses (B)		373.70	455.69
Profit before tax (C=A-B)		301.04	388.69
Tax expense	19		
Current tax		84.49	98.70
In respect of earlier years		-	(4.07)
Deferred tax		(0.10)	0.60
Total tax expense (D)		84.39	95.23
Profit for the year (E=C-D)		216.65	293.46
Other Comprehensive Income / (loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit obligations		7.46	(0.01)
(b) Income tax relating to item that will not be reclassified to profit and loss		(1.88)	-
Total Other Comprehensive Loss (F)		5.58	(0.01)
Total Comprehensive Income for the year (Comprising Profit and other Comprehensive Income for the year) (G=E+F)		222.23	293.45
Earnings per Equity Share: Face value ₹ 10 each	17		
(a) Basic (₹)		0.18	0.24
(b) Diluted (₹)		0.18	0.24

The above standalone balance sheet should be read together with the significant accounting policies and the accompanying notes which forms an integral part of the standalone financial statements. (Note 1-36)

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration No: 004532S

K P Srinivas

Partner

Membership No. 208520

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

Ujjivan Financial Services Limited**Samit Ghosh**

Non-Executive Director and Chairman

DIN: 00185369

Radhakrishnan Ravi

CEO & CFO

Sunil Patel

Independent Director

DIN: 00050837

Shashidhara S

Company Secretary

Statement of Standalone Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

Particulars	Amount
Balance at April 1, 2020	12,160.32
Changes in equity share capital during the year	
Additions during the year	5.28
Balance at March 31, 2021	12,165.60
Balance at April 1, 2021	12,165.60
Changes in equity share capital during the year	
Additions during the year	2.21
Balance at March 31, 2022	12,167.81

B. Other Equity

Current reporting year ended 31 March 2022

(₹ in Lakhs)

Particulars	Share Application Money Pending Allotment	Reserves and Surplus					Total
		Statutory Reserve	Securities Premium	Retained Earnings	General Reserve	Share Options Outstanding Account	
Balance at April 1, 2021	0.13	12,121.32	1,10,769.54	40,785.77	1,032.41	3,436.12	1,68,145.29
Add: Profit for the year	-	-	-	216.65	-	-	216.65
Add : Other comprehensive income for the year	-	-	-	5.58	-	-	5.58
Total comprehensive income for the year	-	-	-	222.23	-	-	222.23
Appropriation to statutory reserve	-	44.00	-	(44.00)	-	-	-
Add: ESOP expense for the year	-	-	-	-	-	0.47	0.47
Less: Grants exercised during the year	-	-	-	-	-	(21.00)	(21.00)
Add: Deemed Investment in Subsidiary	-	-	-	-	-	18.40	18.40
Less: Towards vested options lapsed during the year	-	-	-	-	1,126.74	(1,126.74)	-
Add : Share application money received	32.23	-	-	-	-	-	32.23
Less : Shares allotted during the year	(2.21)	-	-	-	-	-	(2.21)
Less: Premium on shares allotted during the year	(30.15)	-	-	-	-	-	(30.15)
Add : Premium on shares issued during the year on stock options	-	-	51.15	-	-	-	51.15
Balance at March 31, 2022	-	12,165.32	1,10,820.70	40,964.00	2,159.15	2,307.25	1,68,416.41

Previous reporting year ended 31 March 2021

(₹ in Lakhs)

Particulars	Share Application Money Pending Allotment	Reserves and Surplus					Total
		Statutory Reserve	Securities Premium	Retained Earnings	General Reserve	Share Options Outstanding Account	
Balance at April 1, 2020	8.15	12,062.32	1,10,650.55	41,524.23	302.67	3,881.78	1,68,429.70
Add: Profit for the year	-	-	-	293.46	-	-	293.46
Add : Other comprehensive income for the year	-	-	-	(0.01)	-	-	(0.01)
Total comprehensive income for the year	-	-	-	293.45	-	-	293.45
Appropriation to statutory reserve	-	59.00	-	(59.00)	-	-	-
Add: ESOP expense for the year	-	-	-	-	-	(2.59)	(2.59)
Less: Grants exercised during the year	-	-	-	-	-	(46.91)	(46.91)
Add: Deemed Investment in Subsidiary	-	-	-	-	-	333.58	333.58
Less: Towards vested options lapsed during the year	-	-	-	-	729.74	(729.74)	-
Add : Share application money received	69.33	-	-	-	-	-	69.33
Less : Shares allotted during the year	(5.28)	-	-	-	-	-	(5.28)
Less: Premium on shares allotted during the year	(72.07)	-	-	-	-	-	(72.07)
Add : Premium on shares issued during the year on stock options	-	-	118.99	-	-	-	118.99
Less: Dividend distributed during the year	-	-	-	(972.91)	-	-	(972.91)
Balance at March 31, 2021	0.13	12,121.32	1,10,769.54	40,785.77	1,032.41	3,436.12	1,68,145.29

The above statement of standalone Statement of Changes in Equity should be read together with the significant accounting policies and the accompanying notes which forms integral part of the standalone financial statements. (Note 1 - 36)

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration No: 004532S

K P Srinivas

Partner

Membership No. 208520

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

Ujjivan Financial Services Limited

Samit Ghosh

Non-Executive Director and Chairman

DIN: 00185369

Radhakrishnan Ravi

CEO & CFO

Sunil Patel

Independent Director

DIN: 00050837

Shashidhara S

Company Secretary

Cash Flow Statement

For the year ended March 31, 2022

(₹ in lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	301.04	388.69
Adjustments for:		
Depreciation expenses	0.83	1.14
Share based payments	0.47	(2.59)
Interest on fixed deposits	(674.74)	(844.38)
Operating cash flows before working capital changes	(372.40)	(457.14)
Changes in working capital:		
Financial Assets/ Liabilities		
Increase / (Decrease) in trade payable	(6.66)	9.43
Non Financial Assets/ Liabilities		
(Increase) / Decrease in other assets	18.08	10.41
Increase / (Decrease) in provisions	0.59	(2.36)
Increase / (Decrease) in other non financial liabilities	(16.03)	2.69
Cash flow used in operations	(376.42)	(436.97)
Net Tax (paid) / refunds received	(89.58)	(102.43)
Net cash generated from / (used in) operating activities (A)	(466.00)	(539.40)
Cash flows from Investing activities		
Purchase of property, plant and equipment	(0.17)	-
Proceeds from sale of property, plant and equipment	0.12	-
Maturity proceeds from fixed deposits	12,330.00	16,075.80
Placement of fixed deposits	(12,610.00)	(15,650.80)
Interest received on fixed deposits	676.89	980.75
Net cash (used in) / generated from investing activities (B)	396.84	1,405.75
Cash flows from financing activities		
Proceeds from share application money (net) received on exercise of ESOP	32.23	69.33
Dividend Paid	-	(972.91)
Net cash (used in) / generated from financing activities (C)	32.23	(903.58)
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	(36.93)	(37.23)
Cash and cash equivalents at the beginning of the year	59.25	96.48
Cash and cash equivalents at the end of the year	22.32	59.25

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following :

(₹ in lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of cash and cash equivalents (Refer note 3)		
Balances with banks held in current accounts	22.32	59.25

Other notes to statement of cashflow :

- The above Standalone Cash Flow Statement has been prepared as per Ind AS 7 Statement of Cashflow specified under section 133 of the Companies Act, 2013.
- The above statement of standalone cash flow statement should be read together with the significant accounting policies and the accompanying notes which forms integral part of the standalone financial statements. (Note 1 - 36)

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration No: 004532S

K P Srinivas

Partner

Membership No. 208520

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

Ujjivan Financial Services Limited

Samit Ghosh

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DIN: 00185369

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CEO & CFO

Sunil Patel

Independent Director

DIN: 00050837

Shashidhara S

Company Secretary

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Company Background and Significant Accounting Policies

Note 1: Company Background

Ujjivan Financial Services Private Limited originally incorporated as on December 28, 2004 at Bengaluru, India as a private limited company under the Companies Act, 1956 which was subsequently converted into a public limited company and the name was changed to Ujjivan Financial Services Limited ("the Company"). A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, Bangalore ("ROC") on November 26, 2015. The Company was registered with Reserve Bank of India ("the RBI") as NBFC-MFI under Non-Banking Financial Company Micro Finance Institutions (NBFC-MFIs) directions on September 05, 2013. The Company subsequently received approval from the RBI to set up a Small Finance Bank. Pursuant to the same, the Company executed an agreement to transfer its Business undertaking to its wholly owned subsidiary Ujjivan Small Finance Bank Limited ("the Bank"). The Bank commenced operations w.e.f February 1, 2017, on which date the Company ceased to operate as a Micro finance company. Pursuant to this change, the Company surrendered its NBFC - MFI license and received approval and certificate of registration as NBFC-ND-SI-CIC (Core Investment Company) from the RBI on October 10, 2017.

The standalone financial statements are approved for issue by the Board of Directors of the Company on May 19, 2022.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted by the Company in the preparation of these standalone financial statements ("financial statements"). These accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements have been prepared on the accrual and going concern basis and presented in lakhs unless stated otherwise.

(a) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015], amended thereto and other relevant provisions of the Companies Act, 2013 ('the Act').

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and

- defined benefit plans - plan assets are measured at fair value.
- share based payment

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Foreign currency translation and transactions

Functional and presentation currency: Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

(c) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(iii) Current and deferred tax

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(iv) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The benefit of dividend distribution tax paid by the subsidiary for which the set off has been availed by the Parent Company has been recognized in equity.

(d) Leases

Leases are recognised and presented pursuant to Ind AS 116 which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It provides for a single, on-balance sheet lease accounting model for lessees.

Company as a lessee:

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Bank. However, under Ind AS 116, the Company has not recognizes any right of use assets and lease liabilities due to availing of exemption of not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.

(e) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) Statement of Cash Flows

The cash flow comprising of cash flows from operating, investing and financing activities of the Company are segregated pursuant to the requirement of Ind AS 7 Statement of Cash Flows. Cash flows are reported using the indirect method, wherein profit/ loss for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing activities.

Cash and cash equivalents:

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

on hand, cash in banks and short-term deposits net of bank overdraft.

(g) Financial Instruments

(i) Classification

The Company classifies its financial assets into the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other gain or loss using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other gain or loss using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the statement of profit and loss under other gain or loss in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other gain or loss.

Equity investments (other than Investments in subsidiary)

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain or loss in the statement of profit and loss.

Equity Investments (in subsidiary)

Investments in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note (e) above. On disposal of

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

investments in subsidiary the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. Purchase and sale of investment are accounted at trade date.

(h) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established,

it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

(i) Financial liabilities

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(k) Property, plant and equipment

All the items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Asset Description	Useful Lives
Computer systems	3 Years
Servers	6 Years

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company upto the end of financial period which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(n) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity, and
- Defined contribution plans such as provident fund

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Gratuity obligations

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Defined contribution plans

Provident fund

The Company makes Provident Fund contributions to publicly administered funds as per local regulations. Such contribution to the provident fund for all employees, are charged to the profit and loss. The Company doesnot have any legal or contractive obligation to pay further, if fund doesnot hold sufficient assets to pay all employee benefits.

(v) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(vi) Share Based Payments transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at

the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(p) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Dividends

Provision is made for the amount of any dividend declared including dividend distribution tax, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

decimals as per the requirement of Schedule III, unless otherwise stated.

Note 2.1: Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

Estimation of fair value of Employee's Share Based Payments (Refer Note 24)

Estimation of fair value of Defined Benefit Obligations (Refer Note 21)

Provision for taxes (Refer Note 19)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") vide notification GSR 255(E) dated 23 March 2022 has amended Companies (Indian Accounting Standards) Rules, 2015 which are effective from 01 April 2022. These amendments among others include annual improvements to existing standards. The Company based on its assessment is of the view that these amendments does not have any impact on its Standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

Note 3. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	-	-
Balances with banks:		
In current accounts (of the nature of cash and cash equivalents) ^	22.32	59.25
Total	22.32	59.25

^ Includes balance with bank earmarked towards unclaimed dividend as at March 31, 2022 8.86 and as at March 31, 2021 9.06

Note 3.A Other Bank Balances

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank balances other than cash and cash equivalents:		
Bank Deposit with more than 3 months less but than 12 months maturity *	12,607.44	12,329.52
Total	12,607.44	12,329.52

* Includes fixed deposits placed with subsidiary bank

10,616.69 **9,205.34**

Note 4. Investments

(₹ in lakhs)

Particulars	As at March 31, 2022						
	Fair Value				Subtotal	Others*	Total
	Amortised Cost	Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value Through Profit and Loss Account			
A) In India							
Equity instruments of Subsidiary							
- Ujjivan Small Finance Bank Limited	-	-	-	-	-	1,67,982.96	1,67,982.96
Total (Gross)A	-	-	-	-	-	1,67,982.96	1,67,982.96
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	-	-	-	-	-	1,67,982.96	1,67,982.96
Total (B)	-	-	-	-	-	1,67,982.96	1,67,982.96
Less: Impairment loss allowance	-	-	-	-		-	-
Total (Net)	-	-	-	-	-	1,67,982.96	1,67,982.96

* Measured at deemed cost pursuant to Ind AS 27

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2021						
	Amortised Cost	Fair Value			Subtotal	Others*	Total
		Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value Through Profit and Loss Account			
A) In India							
Equity instruments of Subsidiary							
- Ujjivan Small Finance Bank Limited	-	-	-	-	-	1,67,964.56	1,67,964.56
Total (Gross)A	-	-	-	-	-	1,67,964.56	1,67,964.56
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	-	-	-	-	-	1,67,964.56	1,67,964.56
Total (B)	-	-	-	-	-	1,67,964.56	1,67,964.56
Less: Impairment loss allowance	-	-	-	-	-	-	-
Total (Net)	-	-	-	-	-	1,67,964.56	1,67,964.56

* Measured at deemed cost pursuant to Ind AS 27

Note 4.1 Investments in Subsidiary includes:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares		
Ujjivan Small Finance Bank Limited		
1,440,036,800 Equity Shares of ₹ 10 each fully paid up ^ (March 31, 2021: 1,440,036,800 Equity Shares of ₹ 10 each fully paid up)	1,44,003.68	1,44,003.68
Preference Shares		
Ujjivan Small Finance Bank Limited		
200,000,000 Non-convertible Perpetual Preference Shares of ₹ 10 each fully paid up ^ (March 31, 2021 200,000,000 Non-convertible Perpetual Preference Shares of ₹ 10 each fully paid up) * non-cumulative.	20,000.00	20,000.00
Other		
Ujjivan Small Finance Bank Limited (Deemed investment on account of ESOP issued to employees of subsidiary)	3,979.28	3,960.88
Total	1,67,982.96	1,67,964.56

^ number of shares and face value of shares are reported in absolute numbers.

Note 5. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax Assets	70.08	65.00
Total	70.08	65.00

Note 6. Property, plant and equipment

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Computers	0.14	0.28
Server	1.35	2.00
Total	1.49	2.28

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Property, plant and equipment

(₹ in lakhs)

Particulars	Computers	Server	Total
Gross carrying amount as at April 1, 2020	4.94	3.87	8.81
Additions	-	-	-
Disposals	-	-	-
Closing carrying amount as at March 31, 2021	4.94	3.87	8.81
Accumulated Depreciation			
Opening accumulated depreciation	4.17	1.23	5.40
Depreciation charge for the year	0.50	0.64	1.14
Closing accumulated depreciation as at March 31, 2021	4.66	1.87	6.53
Net carrying amount as at March 31, 2021	0.28	2.00	2.28
Gross carrying amount as at April 1, 2021	4.94	3.87	8.81
Additions	0.17	-	0.17
Disposals	(0.71)	-	(0.71)
Closing carrying amount as at March 31, 2022	4.40	3.87	8.27
Accumulated Depreciation			
Opening accumulated depreciation	4.66	1.87	6.53
Depreciation charge for the year	0.19	0.65	0.83
Disposals during the year	(0.59)	-	(0.59)
Closing accumulated depreciation as at March 31, 2022	4.26	2.52	6.78
Net carrying amount as at March 31, 2022	0.14	1.35	1.49

Note 7. Other Non Financial Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	1.76	2.19
Funded balance of plan assets - Gratuity^	6.68	-
Others^^	-	24.33
Total	8.44	26.52

^Represents surplus in fund account net of obligation of ₹11.48 lakhs (March 31, 2021 - Nil) to be transferred to the subsidiary, pending transfer from the statutory fund.

^^ Represents recoverable from subsidiary ₹ Nil (March 31, 2021: 24.33 lakhs).

Note 8. Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
- Outstanding dues of micro enterprises and small enterprises (refer note 8.1)	-	-
- Outstanding dues of creditors other than micro enterprises and small enterprises	14.84	21.50
Total	14.84	21.50

8.1. The Company has not paid any interest in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, and there are no interest amounts due as at March 31, 2022 and March 31, 2021.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

8.2. Aging schedule of trade payables

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-3 years	More than 3 years	
MSME	-	-	-	-	-
	-	-	-	-	-
Others	14.84	-	-	-	14.84
	(21.50)	-	-	-	(21.50)
Disputed dues - MSME	-	-	-	-	-
	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	-	-	-	-	-

Note: Amount in parenthesis represents previous year figures.

Note 9. Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Compensated absences	3.29	8.34
Gratuity (Refer Note 21)	-	1.83
Total	3.29	10.17

Note 10. Other Non Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	75.42	89.95
Statutory due payable	6.68	7.78
Unclaimed Dividend (refer note 3)	8.86	9.06
Others	0.37	0.50
Total	91.33	107.29

Note 11. Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital		
Authorised Share capital :		
125,000,000 (March 31, 2021: 125,000,000) Equity Shares of ₹ 10 each ^	12,500.00	12,500.00
Issued and subscribed capital comprises:		
121,678,094 (March 31, 2021: 121,655,986) Equity Shares of ₹10 each ^	12,167.81	12,165.60
Total issued, subscribed and fully paid-up share capital	12,167.81	12,165.60

^ Number of shares and face value per share are reported in absolute numbers

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year:

Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares (In lakhs)	Amount (₹ in Lakhs)	Number of shares (In lakhs)	Amount (₹ in Lakhs)
Balance as at the beginning of the year	1,216.56	12,165.60	1,216.03	12,160.32
Add: Shares issued during the year - Stock options	0.22	2.21	0.53	5.28
Balance outstanding as at the end of the year	1,216.78	12,167.81	1,216.56	12,165.60

(ii) Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares with voting rights (one vote per equity share). The distribution of dividend is in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not issued any bonus shares or allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash and there were no buy-backs or any securities that are convertible into equity shares. Accordingly, no further disclosures are made in this regard.

(iii) Details of shares held by each shareholder holding more than 5% Equity Shares

Shareholding as at 31 March 2022

(₹ in lakhs)

Particulars	Number of shares (In Lakhs)	% holding in the class of shares
Ardisia Limited	120.66	9.92%
NewQuest Asia Investments II Limited	62.87	5.17%

Shareholding as at 31 March 2021

(₹ in lakhs)

Particulars	Number of shares (In Lakhs)	% holding in the class of shares
Ardisia Limited	120.66	9.92%
NewQuest Asia Investments II Limited	62.87	5.17%
Alena Private Limited	84.54	6.95%

(iv) Information relating to Employee stock option plan (ESOP) including details of options issued, exercised and lapsed during the year and options outstanding at the end of the reporting year is set out in note. 24.

(v) There are no shares held by the promoters as at the end of the year and immediately preceeding financial year.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Note 12. Other Equity

(₹ in Lakhs)

Particulars	Share Application Money Pending Allotment	Reserves and Surplus					Total
		Statutory Reserve	Securities Premium	Retained Earnings	General Reserve	Share Options Outstanding Account	
Balance at April 1, 2020	8.15	12,062.32	1,10,650.55	41,524.23	302.67	3,881.78	1,68,429.70
Add: Profit for the year	-	-	-	293.46	-	-	293.46
Add : Other comprehensive income for the year	-	-	-	(0.01)	-	-	(0.01)
Total comprehensive income for the year	-	-	-	293.45	-	-	293.45
Appropriation to statutory reserve	-	59.00	-	(59.00)	-	-	-
Add: ESOP expense for the year	-	-	-	-	-	(2.59)	(2.59)
Less: Grants exercised during the year	-	-	-	-	-	(46.91)	(46.91)
Add: Deemed Investment in Subsidiary (Note 4)	-	-	-	-	-	333.58	333.58
Less: Towards vested options lapsed during the year	-	-	-	-	729.74	(729.74)	-
Add : Share application money received	69.33	-	-	-	-	-	69.33
Less : Shares allotted during the year	(5.28)	-	-	-	-	-	(5.28)
Less: Premium on shares allotted during the year	(72.07)	-	-	-	-	-	(72.07)
Add : Premium on shares issued during the year on stock options	-	-	118.99	-	-	-	118.99
Less: Dividend distributed during the year	-	-	-	(972.91)	-	-	(972.91)
Balance at March 31, 2021	0.13	12,121.32	1,10,769.54	40,785.77	1,032.41	3,436.12	1,68,145.29
Balance at April 01, 2021	0.13	12,121.32	1,10,769.54	40,785.77	1,032.41	3,436.12	1,68,145.29
Add: Profit for the year	-	-	-	216.65	-	-	216.65
Add : Other comprehensive income for the year	-	-	-	5.58	-	-	5.58
Total comprehensive income for the year	-	-	-	222.23	-	-	222.23
Appropriation to statutory reserve	-	44.00	-	(44.00)	-	-	-
Add: ESOP expense for the year	-	-	-	-	-	0.47	0.47
Less: Grants exercised during the year	-	-	-	-	-	(21.00)	(21.00)
Add: Deemed Investment in Subsidiary	-	-	-	-	-	18.40	18.40
Less: Towards vested options lapsed during the year	-	-	-	-	1,126.74	(1,126.74)	-
Add : Share application money received	32.23	-	-	-	-	-	32.23
Less : Shares allotted during the year	(2.21)	-	-	-	-	-	(2.21)
Less: Premium on shares allotted during the year	(30.15)	-	-	-	-	-	(30.15)
Add : Premium on shares issued during the year on stock options	-	-	51.15	-	-	-	51.15
Balance at March 31, 2022	-	12,165.32	1,10,820.70	40,964.00	2,159.15	2,307.25	1,68,416.41

(a) Nature and purpose of each reserve is as under:

Statutory Reserve:

Pursuant to the requirements of section 45 – IC of the Reserve Bank of India Act, 1934 ("the RBI Act") the Company is required to transfer 20% of the profit after tax before any dividend is declared to the statutory reserve. Accordingly, the Company has transferred ₹44.00 lakhs to the special reserve for the year ended 31 March 2022 (31 March 2021: ₹59.00 lakhs). The utilisation of this reserve fund is governed by the provisions of the said Act.

Securities Premium Account:

Securities Premium account represents premium on issue of shares and the amount received in excess of the par value of equity shares has been classified as securities premium. The securities premium will be utilised in accordance with the provisions of section 52 of Companies Act, 2013.

Shares options outstanding account:

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under the Company's Employees stock option plan. The amounts recorded in share options outstanding account are transferred

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees. (Also refer Note 24)

General Reserve:

This reserve is created upon employee stock options that expired unexercised or upon forfeiture of options granted

Retained earnings:

This reserve is created out of accretion of profits and represents surplus in statement of profit and loss.

(b) The Remeasurements gains in respect of employee benefits included above are as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year.	(2.21)	(2.20)
Remeasurements gain/(loss) on defined benefit plans	7.46	(0.01)
Income tax effect on above	(1.88)	-
Balance carried forward to next year	3.37	(2.21)

Note 13. Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on fixed deposits (Refer note below)	674.74	844.38
Total	674.74	844.38

Note: Includes interest received on fixed deposits held with subsidiary

526.07 **796.47**

Note 14. Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	94.23	215.92
Contributions to provident and other funds	7.97	12.42
Gratuity Cost (Refer Note 21)	0.95	2.06
Employee stock option expense (Refer Note 24.6)	8.10	(6.14)
Staff welfare expenses	0.49	0.53
Total	111.74	224.79

Note 15. Depreciation expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Computers (Refer Note 6)	0.19	0.50
Depreciation on Server (Refer Note 6)	0.64	0.64
Total	0.83	1.14

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Note 16. Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent (Refer note below)	15.05	12.18
Repairs and maintenance	2.20	5.11
Insurance	2.95	2.99
Rates & taxes	8.90	46.29
Audit fees (Refer Note 16(a) below)	20.83	14.80
Professional charges	60.76	72.04
Sitting fee paid to directors (including goods and services tax)	90.27	66.84
Postage & courier	-	0.03
Printing & stationery	0.59	0.30
Communication cost	0.09	0.08
Travelling & conveyance expenses	0.41	0.01
Expenditure on Corporate social responsibility (Refer Note no. 16 (b))	3.31	2.81
Donations	49.47	-
Advertisement and Publicity	2.35	1.75
Bank Charges	0.03	0.03
Miscellaneous expenses	3.92	4.50
Total	261.13	229.76

Note: Represents charges paid to subsidiary as per cost sharing arrangement with the subsidiary.

Note 16(a) Details of payments to auditor

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payments to the auditors comprises ^		
- audit services (including consolidation and limited review)	18.29	11.08
- tax audit	1.77	1.18
- other services	0.71	1.77
- reimbursement of expenses (out of pocket expenses)	0.06	0.77
Total	20.83	14.80

^ amounts reported above are including goods and services tax.

Note 16(b) Corporate Social Responsibility Expenditure

Pursuant to the requirement of Section 135 of the Companies Act, 2013 and Rules made thereunder, the company has spent the required amount towards CSR activities. These funds were primarily contributed to the corpus of Implementing agency and utilized through out the year on CSR activities which are specified in Schedule VII of the Act.

ii) Amount spent during the year 2021-22 on :

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the company during the year	3.31	2.71
Amount of expenditure incurred	3.31	2.81
Amount of shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting education	Promoting education
Related party transactions (also refer note 25)	3.31	0.28
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Note 17. Earning Per Share

(a) Basic Earnings Per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Nominal value of equity share (₹)	10.00	10.00
Profit after tax - (A) (₹ in lakhs)	216.65	293.46
Weighted average number of shares outstanding (B) (in absolute numbers)	12,16,67,905	12,16,25,602
Basic earnings per share (₹) - (A/B)	0.18	0.24

(b) Diluted Earnings Per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Nominal value of equity share (₹)	10.00	10.00
Profit after tax - (A) (₹ in lakhs)	216.65	293.46
Weighted average number of shares outstanding (B) (in absolute numbers)	12,16,67,905	12,16,87,610
Diluted earnings per share (₹) - (A/B)	0.18	0.24

Reconciliation of Weighted Average Number of Shares used as denominator

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	12,16,67,904.76	12,16,25,601.98
Adjustments for calculation of diluted earnings per share:		
Share Options	-	62,007.82
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	12,16,67,904.76	12,16,87,609.79

Note 18. Leasing Arrangements

Payments recognized as expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent (Cost sharing)	15.05	12.18

Note 19. Current Tax and Deferred Tax

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax:		
In respect of current year	84.49	98.70
In respect of prior years	-	(4.07)
Deferred Tax:		
In respect of current year (including recognised in other comprehensive income)	1.78	0.60
Total income tax expense recognised in the Statement of profit and loss	86.27	95.23

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Note 19.1 Movement in deferred tax balances

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022			
	Opening Balance	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Depreciation	0.16	(0.04)	-	0.12
	0.16	(0.04)	-	0.12
Tax effect of items constituting deferred tax assets				
Employee Benefits	2.56	0.14	(1.88)	0.83
	2.56	0.14	(1.88)	0.83
Net deferred tax Asset / (Liabilities)	2.72	0.10	(1.88)	0.95

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021			
	Opening Balance	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Depreciation	0.17	(0.01)	-	0.16
	0.17	(0.01)	-	0.16
Tax effect of items constituting deferred tax assets				
Employee Benefits	3.15	(0.59)	-	2.56
	3.15	(0.59)	-	2.56
Net deferred tax Asset / (Liabilities)	3.32	(0.60)	-	2.72

Note 19.2 The reconciliation between the income tax expense. The amounts are computed by applying the income tax rate to profit before taxes as applicable to the Indian Companies is as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax and other comprehensive income (OCI)	308.50	388.68
enacted income tax rate in India	25.168%	25.168%
expected tax expense computed using enacted tax rate	77.64	97.82
tax effect on corporate social responsibility expenditure and donations	13.28	0.71
tax effect on prior period items	-	(4.07)
tax effect in other adjustments	(4.66)	0.76
Income tax expense recognised in Statement of profit and loss & OCI	86.27	95.23

Note 20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the MD/CEO of the Company. The Company being a NBFC-ND-SI-CIC (Core Investment Company) registered with the RBI under section 45-IA of the Reserve Bank of India Act, 1934, operates only in one Business Segment, accordingly it does not have any separate reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company being Core Investment Company derives its revenue from operations from its investment in subsidiary. In addition to this, company also earns interest income from the fixed deposits placed with other banks which are disclosed under "Other Income".

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Note 21. Employees Benefit Plans

Post Employment Benefit Plans

Defined contribution plans

The Company makes the provident fund contributions for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the company is limited to the amount contributed and it has no further legal nor any contractual obligations.

Gratuity

The Gratuity scheme is a defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules. The benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years.

(i) Risk Exposure

The Company is exposed to the following risks that affect the liabilities and cash flows,

1. Interest rates risk : the defined benefit obligation (DBO) calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Demographic risks: this is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(ii) Amount recognised in the Balance Sheet and the movements in the net benefit obligation over the year are as follows:

Components of Employer expense

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Current service Cost	0.77	1.83
Total Service Cost	0.77	1.83
Net Interest Cost		
Interest Expense on Defined Benefit Obligation (DBO)	1.14	1.08
Interest (Income on Plan Asset)	(1.08)	(1.02)
Total Net Interest	0.06	0.07
Administrative Expenses/Taxes/Insurance Cost	0.12	0.17
Defined Benefits cost included in P&L	0.95	2.06

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(iii) Remeasurement effects

Remeasurement effects recognized in other comprehensive income (OCI)

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	3.24	0.11
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(0.88)	1.35
Actuarial (Gain)/ Losses due to Experience on DBO	1.99	(0.04)
Return on Plan Assets (Greater) / Less than Discount rate	(11.82)	(1.43)
Total actuarial (gain)/loss included in OCI	(7.46)	(0.01)
Total cost recognised in P&L and OCI (Defined Benefit Cost)		
Cost Recognised in P&L	0.95	2.06
Remeasurement effect recognised in OCI	(7.46)	(0.01)
Total Defined Benefit Cost included in statement of profit and loss	(6.51)	2.05

(iv) The net liability disclosed above related to funded plans are as follows:

Net Asset/(Liability) Recognised in Balance Sheet

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Present value of Funded Obligation	4.11	9.34
Fair Value of Plan Assets	22.28	19.44
Funded status (Deficit)	18.17	10.10
Outstanding unpaid Gratuity	11.49	11.92
Net Asset (Liability)	6.68	(1.83)
Recognised in balance sheet (also refer Note 7 and Note 9)	6.68	(1.83)

(v) The amount recognized in the balance sheet and the movement in the net defined benefit obligation

Change in DBO over the year ending on

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Present value of DBO at beginning of the year	21.26	18.20
Interest Cost	1.14	1.08
Current Service Cost	0.77	1.83
Benefits Pay-outs from plan	(11.94)	-
Acquisitions/Divestures/Transfer	(11.48)	(1.27)
Actuarial (Gains)/Loss	4.36	1.42
Present Value Of DBO as at the end of the year	4.11	21.26

(vi) Reconciliation of Opening & Closing of Plan Assets

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at end of prior year	19.44	13.42
Difference in opening Value	-	0.41
Employer Contribution	2.00	5.00
Expected Interest income of assets	1.08	1.02
Transfer Out / Divestures	-	(1.27)
Benefits Pay-outs from plan	(11.94)	-
Admin expenses /Taxes paid from plan assets	(0.12)	(0.17)
Actuarial gain/(Loss)	11.82	1.03
Fair Value of assets at the End	22.28	19.44
Actual Return on Plan Assets ^	12.91	2.05

^ Expected Interest income of assets+ Actuarial gain/(Loss)

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(vii) Expected Contributions to the plan for the next annual reporting period.

Information on the maturity profile of the liabilities given below

(₹ in lakhs)		
Particulars	March 31, 2022	March 31, 2021
Weighted average duration of the DBO (years)	24.78	5.78
Projected Benefit Obligation	4.11	21.26
Accumulated Benefits Obligation	0.56	6.54

(viii) Five Year Payouts

Particulars	March 31, 2022	
	Discounted values / Present value	Undiscounted values/ Actual value
Year (I)*	0.00	0.00
Year (II)*	0.00	0.00
Year (III)*	0.00	0.00
Year (IV)*	0.00	0.01
Year (V)*	0.00	0.01
Next 5 Year Payouts (6-10Yrs)	0.03	0.06
Payouts Above Ten Years	4.07	23.28
Vested benefit Obligation as on March 31, 2022		2.87

* Below the rounding-off norm adopted by the Company

(ix) Major Categories of Plan Asset are as follows as a percentage of the fair value

Particulars	March 31, 2022	March 31, 2021
Govt Securities (Central & State)	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity shares of Listed Co's	0.00%	0.00%
Property	0.00%	0.00%
Special deposits	0.00%	0.00%
Others (other investments, bank balance etc.)	0.00%	0.00%
Assets under Insurance Schemes	100.00%	100.00%
Total	100.00%	100.00%

(x) Key Assumptions

One of the principal assumptions is the discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

Actuarial Assumptions:

Salary Escalation:

In projecting the salary increases there are three factors to consider - first is inflation level leading to a general change in salary level. The other two are career progression of the employees & productivity gains for the organization. Where appropriate the salary increases, a periodic salary experience study with the client's data will be conducted as an input for the client, when setting the assumption.

Demographic Assumptions:

For Attrition / Withdrawal

Withdrawal rates, both at early durations of service and near retirement date, not only have a significant impact on estimates of 'liability' and 'contributions' (more than of mortality in service) but are most difficult to estimate. The past may not be a guide to the future. Even if the past experience can be statistically analyzed and produce some meaningful rates, the future experience of withdrawals will depend on general economic conditions as also the particular conditions affecting the given employer's business. Furthermore, withdrawal rates differ significantly from scheme to scheme and within a scheme from year to year. We examine these rates and any other information available and use best possible judgment to cater to the long term nature of the actuarial estimates being carrying out.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

The financial and demographic assumptions employed for the calculations as at the end of previous year and current year are as follows:

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.48%	6.40%
Salary Escalation	9.00%	9.00%
Attrition rate	0.00%	24.29%
Expected return on assets	7.48%	6.40%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	
Disability	5% of mortality rate	
Retirement age	60	60

(xi) Sensitivity Analysis - March 31, 2022

(₹ in Lakhs)

Particulars	% increase / (decrease) in DBO	Liability	Increase In DBO
Discount rate +100 basis points	(19.65%)	3.31	(0.80)
Discount rate -100 basis points	24.84%	5.14	1.03
Salary growth +100 basis points	24.40%	5.12	1.02
Salary growth -100 basis points	(19.69%)	3.31	(0.80)
Attrition rate +100 basis points	(5.05%)	3.91	(0.20)
Attrition rate-100 basis points	6.00%	4.37	0.26
Mortality rate 10% up	(0.17%)	4.11	0.00

(xi) Sensitivity Analysis - March 31, 2021

(₹ in Lakhs)

Particulars	% increase / (decrease) in DBO	Liability	Increase In DBO
Discount rate +100 basis points	(5.60%)	20.08	(1.18)
Discount rate -100 basis points	6.34%	22.62	1.36
Salary growth +100 basis points	3.54%	22.03	0.76
Salary growth -100 basis points	(3.40%)	20.55	(0.71)
Attrition rate +100 basis points	(0.53%)	21.16	(0.10)
Attrition rate-100 basis points	0.51%	21.38	0.12
Mortality rate 10% up	(0.01%)	21.28	0.01

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compare to the prior period.

Note 22 (A). Capital Management

The Company manages its capital to ensure its ability to continue as going concern while optimising the returns to stakeholders. The capital structure of the Company consists of equity. The Management of the Company reviews the capital structure of the Company on an annual basis. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor and market confidence and to sustain future development and growth of its business.

Refer note 23 for the details on critical ratios.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Note 22 (B). Fair value measurements

Categories of financial instruments

(₹ in lakhs)

Financial assets	As at March 31, 2022	As at March 31, 2021
Financial asset		
Measured at amortised cost		
Cash and bank balances	12,629.76	12,388.77
Financial liabilities		
Measured at amortised cost		
Other financial liabilities (including trade payables)	14.84	21.50

The carrying amounts of trade payables, other receivables, cash and cash equivalent including other current bank balances and other liabilities are considered to be the same as their fair values, due to current and short term nature of such balances.

For financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate their fair values. All the above financial assets and liabilities are valued at level 3.

Note 22 (C). Financial risk management objectives

The Company's risk management is carried out by finance department under policies laid down by the Management. The Company's activities expose it to liquidity risk. Finance department monitors the risk exposures on a periodical basis and reports to the Board of Directors on the risks that it monitors and policies implemented to mitigate risk exposures.

1. Foreign currency risk

The company undertakes no transaction in foreign currency; consequently no exposure to exchange fluctuation.

2. Interest rate risk

The Company's interest bearing financial assets are term deposits which earn interest at fixed bank deposit rate. Accordingly, the Company's income and operating cash flows are substantially insensitive of changes in market interest rates. The substantial portion is placed in term deposit which are maturing within twelve months to minimise the interest rate risk. The Company did not have any borrowings during the year and as at the year end.

3. Credit risk

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in marketable debt investments including mutual funds. The Company has a portfolio of investment with counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience.

4. Liquidity risk

Liquidity risk is the risk that the Company could be unable to meet its short term financial demands.

Liquidity analysis for non derivative financial liabilities-

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

As at March 31, 2022

(₹ in Lakhs)

Particulars	Due within (years)		Total	Carrying amount
	Less than 1 year	More than 1 year		
Trade payables	14.84	-	14.84	14.84
Other financial liability (Non interest bearing)^	-	-	-	-
Total	14.84	-	14.84	14.84

^Includes amounts not due

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

As at March 31, 2021

(₹ in Lakhs)

Particulars	Due within (years)		Total	Carrying amount
	Less than 1 year	More than 1 year		
Trade payables	21.50	-	21.50	21.50
Other financial liability (Non interest bearing)^	-	-	-	-
Total	21.50	-	21.50	21.50

^Includes amounts not due

The Management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

Mitigating Liquidity Risk

The Company maintains sufficient liquid assets to meet for working capital requirements or expansion requirements in the form of term deposits with banks which can be liquidated on demand. The Company's financial liabilities, consisting mainly of accrued expenses and other liabilities which are due within the next twelve months from the reporting date. The Company has sufficient funds to meet all maturing obligations.

5. Price Risk

Investments in Subsidiary are carried at cost, pursuant to the applicable accounting standard and carry no impact of price risk. The shares of the subsidiary are actively traded in the major recognised stock exchanges of India. There are no investments in mutual funds as at March 31, 2022 and immediately preceeding financial year ended March 31, 2021.

Note 23. Ratios

Description	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% Variance	Reasons for variance ^
Capital to Risk-Weighted Assets Ratio (CRAR)	Adjusted Networth (ANW)	Risk Weighted Assets (RWA)	149.00%	219.08%	31.99%	refer note (a) below
Tier I Capital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Tier II Capital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Liquidity Coverage Ratio	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

^ variance above 25%.

Note (a) : fall in the market value of investment in subsidiary.

Note 24. Share-based payments

24.1 Employee Share Option Plan ('ESOP') of the Company

24.1.1 Details of the employee share option plan of the Company

The Company has share option scheme for employees of the Company and its subsidiary i.e. Ujjivan Small Finance Bank Limited ('USFB'), active scheme being ESOP 2015.

ESOP 2015

Out of 5,515,880 Options granted, 828,182 options has been exercised, 3,006,810 options are lapsed and 1,680,888 vested options are yet to be exercised.

The vesting period for the options granted under ESOP 2015 is for a period of three years as under:

Year	Options Granted	Year 1	Year 2	Year 3
ESOP 2015	14,69,800	34%	33%	33%
ESOP 2015 (Additional Grant Scheme 1)	16,96,850	33%	33%	34%
ESOP 2015 (Additional Grant Scheme 2)	23,37,670	34%	33%	33%
ESOP 2015 (Additional Grant Scheme 3)	11,560	34%	33%	33%
Total	55,15,880			

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

The following share-based payment arrangements were in existence during the current and prior years:

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
ESOP 2015	14,69,800	3-Nov-15	3-Nov-19	146.35	-
		3-Nov-15	3-Nov-20	146.35	84.00
		3-Nov-15	3-Nov-21	146.35	95.00
ESOP 2015 (Additional Grant Scheme 1)	16,96,850	14-Sep-16	14-Sep-20	417.15	109.00
		14-Sep-16	14-Sep-21	417.15	134.00
		14-Sep-16	14-Sep-22	417.15	161.00
ESOP 2015 (Additional Grant Scheme 2)	23,37,670	27-Jun-18	27-Jun-22	385.05	110.00
		27-Jun-18	27-Jun-23	385.05	132.00
		27-Jun-18	27-Jun-24	385.05	155.00
ESOP 2015 (Additional Grant Scheme 3)	11,560	23-Jan-19	23-Jan-22	290.60	83.00
		23-Jan-19	23-Jan-23	290.60	100.00
		23-Jan-19	23-Jan-24	290.60	117.00

24.2 Fair value of share options granted during the year

No share options were granted during the financial year ended March 31, 2022 and March 31, 2021. Options granted in earlier year were priced using Black and Scholes Model ('Model'). Vested ESOPs can be exercised within three years from their corresponding dates of vesting. ESOPs vested can be exercised between date of vesting and on or before option expiry date. The term of the option is assumed to be the sum of a) duration till vesting; and b) the midpoint of the remaining exercise period from date of vesting, in absence of historical exercise pattern. While the Company has been listed since 2016, the period of listing upto the Grant Dates is not commensurate with the expected term of the granted ESOPs. Accordingly, volatility of comparable companies have been considered for the purposes of valuation.

Inputs into the model

Particulars	ESOP 2015			ESOP 2015 (Additional Grant Scheme 1)		
	Vesting 1	Vesting 2	Vesting 3	Vesting 1	Vesting 2	Vesting 3
Grant date share price	186.59	186.59	186.59	417.15	417.15	417.15
Exercise price	146.35	146.35	146.35	417.15	417.15	417.15
Expected volatility	30.90%	32.60%	35.20%	29.70%	30%	31.80%
Option life	2.5	3.5	4.5	2.5	3.5	4.5
Risk-free interest rate	7.4%	7.5%	7.6%	6.8%	6.8%	6.9%

Inputs into the model

Particulars	ESOP 2015 (Additional Grant Scheme 2)			ESOP 2015 (Additional Grant Scheme 3)		
	Vesting 1	Vesting 2	Vesting 3	Vesting 1	Vesting 2	Vesting 3
Grant date share price	385.05	385.05	385.05	290.6	290.6	290.6
Exercise price	385.05	385.05	385.05	290.6	290.6	290.6
Expected volatility	32.80%	31.30%	31.60%	32.80%	31.30%	31.60%
Option life	2.5	3.5	4.5	2.5	3.5	4.5
Risk-free interest rate	7.6%	7.8%	7.9%	7.6%	7.8%	7.9%

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

24.3 Movements in share options

During the year 2021-22

Particulars (Nos.)	Options granted and outstanding as at beginning of the year	Granted during the year	Exercised during the year	Forfeited/ Expired during the year	Option exercisable at the end of the year
ESOP 2015	1,69,184	-	22,108	1,47,076	-
ESOP 2015 (Additional Grant Scheme 1)	7,13,739	-	-	4,13,781	2,99,958
ESOP 2015 (Additional Grant Scheme 2)	17,32,019	-	-	3,51,089	13,80,930
ESOP 2015 (Additional Grant Scheme 3)	-	-	-	-	-
Total	26,14,942	-	22,108	9,11,946	35,04,780
Weighted average exercise price	378.37	-	146.35	361.12	187.42

During the year 2020-21

Particulars (Nos.)	Options granted and outstanding as at beginning of the year	Granted during the year	Exercised during the year	Forfeited/ Expired during the year	Option exercisable at the end of the year
ESOP 2015	3,28,529	-	52,760	(1,06,585)	1,69,184
ESOP 2015 (Additional Grant Scheme 1)	11,60,320	-	-	(4,46,581)	7,13,739
ESOP 2015 (Additional Grant Scheme 2)	19,05,439	-	-	(1,73,420)	17,32,019
ESOP 2015 (Additional Grant Scheme 3)	11,560	-	-	(11,560)	-
Total	34,05,848	-	52,760	(7,38,146)	26,14,942
Weighted average exercise price	372.64	-	146.35	368.52	378.37

24.4 Share options exercised during the year

For the share options exercised during the year ended March 31, 2022 weighted average share price is ₹ 200.93 (For the year ending March 31, 2021: ₹ 221.89).

24.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 390.78 (March 31, 2021: ₹ 378.37), and a weighted average remaining contractual life of 0.55 years (March 31, 2021: 0.92 years).

24.6 Expense arising from share based payment transaction recognized in profit or loss statement as employee benefit expense are as follows:

(₹ in lakhs)		
Description	March 31, 2022	March 31, 2021
Employee benefit expense in respect of ESOP issued by the Company	8.10	(6.14)
Employee benefit expense in respect of ESOP issued by the subsidiary (refer note 24.7)	(7.63)	3.65
Net Employee benefit expense adjusted to Share Options Outstanding Account	0.47	(2.49)

24.7 ESOP arrangement with subsidiary

With effect from February 1, 2017, the entity was demerged into Ujjivan Small Finance Bank Limited (USFB) resulting in the transfer of options from the employees of the Company to the employees of USFB (Subsidiary of the Company). As per Ind AS 102 Share-based Payment, stock options have to be fair valued on the grant date and expense has to be recognised over the vesting period. Pursuant to management decision, Impact of Ind AS 102 on account of options granted to the employees of subsidiary is treated as deemed investment in subsidiary in the Company's books.

During the year ended March 31, 2020, the USFB has approved an ESOP scheme and an Employee Share Purchase Scheme ('ESPS') for employees of USFB and its holding company, i.e., Ujjivan Financial Services Limited, being ESOP 2019 and ESPS 2019. Under ESOP 2019, total 473,240 options were granted to the employees of the holding company to be vested over a period of 5 years and total 211,200 shares were purchased under ESPS 2019 scheme. As per Ind AS 102 Share-based Payment, the fair value cost of the options for the period expired out of the vesting period and shares purchased were recognised in the statement of profit and loss and reimbursed to the subsidiary entity, i.e., USFB. As on March 31, 2022, out of 601,561 (March 31, 2021 - 472,240) options granted, 383,063 options are lapsed (March 31, 2021 - 282,176), 38,213 (March 31, 2021 - 38,213) options were vested yet to be exercised and 180,285 (March 31, 2021 - 152,851) options were unvested.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

Note 25. Related Party Disclosure

Terms and Conditions of transactions with related parties:

The transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and interest free other than fixed deposits and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment for receivables.

A. List of Related Parties are Given below:

Nature of relationship	Related Party
Key Management Personnel	Mr. Ittira Davis Poonollil, Managing Director and CEO (upto March 12, 2021)
	Mr. Ittira Davis Poonollil, Director (from November 01, 2021 to January 13, 2022)
	Mr. Samit Ghosh, Director (from April 1, 2020)
	Mr. Kuttalam Rajagopalan Ramamoorthy, Director
	Ms. Mona Kachhwaha, Director
	Mr. Narayan Anand, Director
	Mr. Renzo Christopher Viegas, Director (from December 17, 2021)
	Mr. Sunil Patel, Director (from February 11, 2021)
	Mr. Abhijit Sen, Director (upto September 12, 2021)
	Mr. Jayanta Kumar Basu, Director (upto January 20, 2021)
	Mr. Rajesh Jogi, Director (From February 11, 2021 to August 22, 2021)
	Ms. Carol Kripanayana Furtado, CEO (from August 13, 2021 to August 25, 2021)
	Mr. Sanjeev Barnwal, CEO (from September 10, 2021 to February 14, 2022)
	Mr. Barun Kumar Agarwal, CFO (upto November 15, 2021)
Subsidiary of Company	Mr. Radhakrishnan Ravi, CEO and CFO (from April 19, 2022)
	Mr. Sanjeev Barnwal, Company Secretary (upto February 14, 2022)
	Mr. Shashidhara S, Company Secretary (from February 15, 2022)
Enterprise in which relatives of KMP are members	Ujjivan Small Finance Bank Limited
	Parinaam Foundation

B. Transactions with related parties during the year

(₹ in lakhs)		
Description	March 31, 2022	March 31, 2021
Remuneration paid to KMP:		
Salary (including contribution to provident fund)	89.44	197.74
Sitting fee paid to Directors	90.27	66.84
Ujjivan Small Finance Bank Limited:		
Investment in Others* (Deemed Investment)	18.40	333.58
Placement of fixed deposit	10,670.00	12,540.80
Maturity of fixed deposit	9,050.00	16,045.80
Interest income recognised	526.07	796.47
Reimbursement of expenses on behalf of related party	2.48	2.83
Reimbursement of expenses to related party		
- ESOP perquisite tax	3.63	10.36
- Other expenses	17.06	14.04
- Proceeds from transfer of property plant and equipment	0.12	-
- ESOP/ESPS 2019 expense	7.63	(3.60)
Parinaam Foundation		
CSR contribution	3.31	0.28

*Deemed investment on account of ESOP issued to employees of subsidiary

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

C. Outstanding balance with related parties

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
Term deposit balance with Ujjivan Small Finance Bank Limited (including interest accrued)	10,616.69	9,205.34
Receivable to Ujjivan Small Finance Bank Limited	-	24.33

D. Remuneration paid to Key managerial personnel comprises of:

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
Short-term benefits	85.04	185.80
Other long-term benefits	4.40	11.94
Total	89.44	197.74

Note 26. Disclosure of details as required under Clause No. 30 Annexure V of Master Direction - Core Investment Companies (Reserve Bank) Direction, 2016 (as last updated on October 05, 2020).

A Components of Adjusted Net Worth (ANW) and other related information

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
ANW as a % of Risk Weighted Assets	149.00%	219.08%
Unrealized appreciation in the book value of quoted investments (₹ in Lakhs)	66,097.69	1,83,514.69
Diminution in the aggregate book value of quoted investments (₹ in Lakhs)	-	-
Leverage Ratio (In times) (Outside Liabilities/ Networth)	0.00061	0.00037

B Investment in other CICs

(₹ in lakhs)

Description	March 31, 2021
a) Total amount representing any direct or indirect capital contribution made by one CIC in another CIC (including name of CICs)	Not Applicable
b) Number of CICs with their names wherein the direct or indirect capital contribution exceeds 10% of Owned Funds	Not Applicable
c) Number of CICs with their names wherein the direct or indirect capital contribution is less than 10% of Owned Funds	Not Applicable

C Off Balance Sheet Exposure

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
i) Off balance sheet exposure	Nil	Nil
ii) Financial Guarantee as a % of total off-balance sheet exposure	Nil	Nil
iii) Non-Financial Guarantee as a % of total off-balance sheet exposure	Nil	Nil
iv) Off balance sheet exposure to overseas subsidiaries	Nil	Nil
v) Letter of Comfort issued to any subsidiary	Nil	Nil

D Investments

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
1. Value of Investments	1,67,982.96	1,67,964.56
(i) Gross Value of Investments		
(a) In India	1,67,982.96	1,67,964.56
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	1,67,982.96	1,67,964.56
(b) Outside India.	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
2. 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 provisions during the year	-	-
(iv) Closing balance	-	-

Also refer note 4 for details and break-up of investments.

E ALM - Maturity pattern of Assets and Liabilities

(₹ in lakhs)

Particulars	Liabilities	Assets	
	Borrowings from Banks and others	Advances	Investments
1 to 7 days	-	-	-
8 to 14 days	-	-	-
15 to 30/31 days	-	-	-
Over 1 month to 2 months	-	-	-
Over 2 months to 3 months	-	-	-
Over 3 months up to 6 months	-	-	-
Over 6 months to 1 year	-	-	-
Over 1 year to 3 years	-	-	-
Over 3 years to 5 years	-	-	-
Over 5 years (March 31, 2021: 167,964.56 lakhs)	-	-	1,67,982.96
Total	-	-	1,67,982.96

There are no foreign currency assets and foreign currency liabilities as at the balance sheet date.

F Business Ratios

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
Return on Equity (RoE) (profit for the year/ Total equity, excl. other equity)	0.13%	0.17%
Return on Assets (RoA) (profit for the year/ Total Assets)	0.12%	0.16%
Net profit per employee (₹ in Lakhs)^ (profit for the year/ No. of employees)	111.12	58.69

^Number of employee as at the end of the year.

G Provisions and Contingencies

Provisions and Contingencies shall be presented as under:

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
Provisions for depreciation on Investment	Nil	Nil
Provision towards NPA	Nil	Nil
Provision made towards Income tax^	82.61	57.98
Other Provision and Contingencies (with details)	Nil	Nil
Provision for Standard Assets	Nil	Nil

^ The provision for income tax expense for the year has been debited under the head tax expense (refer note 19).

H Concentration of NPAs

Provisions and Contingencies shall be presented as under:

(₹ in lakhs)

Description	March 31, 2022	March 31, 2021
Total Exposure to top five NPA accounts	NA	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

I Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company did not have any overseas assets during and as at the year end (March 31, 2021 - Nil).

J Disclosure on provisioning in the Balance Sheet

Provisions as per CIC Guidelines - As the Company is not engaged in the business of financing, it has not provided any loans/ advances and therefore related compliance in relation to classification as standard asset, sub standard assets, doubtful and loss assets are not applicable.

The company does not have any exposure to real estate sector, both direct and indirect.

K The Company has not obtained any Registrations/ licenses/ authorisations from other financial sector regulators and RBI has not levied any penalties on the Company during the year.

Note 27. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 28. The Board of Directors of the Company (UFSL) and Subsidiary Bank have approved a scheme of amalgamation in terms of Sections 230 to 232 of the Companies Act, 2013. In terms of the said scheme, UFSL will be amalgamated into and with the Bank and its assets, liabilities, contracts, employees, licenses, records and approvals will be transferred to and will be deemed to have been transferred to and vested in our Bank, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein. All the Key Managerial Personnel, and other employees of UFSL who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Bank, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by UFSL as on the Effective Date. All proceedings by or against UFSL shall continue by or against the Bank. The appointed date under the said Scheme is February 01, 2022 or such other date as may be approved by the NCLT. In consideration of the proposed merger, the Bank will allot 115 (One hundred and Fifteen) equity shares each of ₹10/- for every 10 equity shares of ₹10/- each held by its shareholders in UFSL. The shares held by UFSL in the Bank shall stand extinguished on the amalgamation taking effect. The Scheme is subject to the provisions of the Scheme document and receipt of the relevant regulatory and statutory approvals (including but not limited to NCLT) and in accordance with applicable law and the conditions prescribed by the SEBI and RBI.

Note 29. Details of Benami Property held:

The Company does not hold any Benami Property which is either recorded or not recorded in the books of account and there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, no disclosures are made in this regard.

Note 30. Borrowings from banks or financial institutions

The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets. Accordingly, no disclosures are made in this regard.

Note 31. Wilful Defaulter:

The Company did not have any borrowings during the year or as at the year end and the company is not been declared as wilful defaulter by any bank or financial institution or Government or Government Authorities or other lender. Accordingly, no disclosures are made in this regard.

Note 32. Relationship with Struck off Companies

As per the information available with the company, the company did not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 except the following.

Name of the Company	Nature of transactions	Shares held as at 31 March 2022 (in absolute numbers)	Relationship with the Struck off company, if any,
Sujata Hotel Pvt Ltd	note (a)	2,910	Not applicable
Visucius Advisory Solutions Pvt Ltd	note (a)	295	Not applicable

note(a) Equity shares of the Company held by the struck off company.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

Note 33. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 34. There are no transactions that are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 35. Transactions in Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year. Accordingly, no further disclosures are made in this regard.

Note 36. During the year, India experienced a "second wave" of COVID-19, including a significant surge of cases following the discovery of mutant virus variant in the country. As a precautionary measure various Indian States had re-imposed localised / regional restrictions, which were gradually relaxed during the later part of the year.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. The Company is a CIC-NBFC and its activities are limited to its investment which significantly comprises of Investment made in subsidiary, Ujjivan Small Finance Bank Limited ("the Bank"). The disruptions following the outbreak, have led to a decrease in loan originations and in collection efforts efficiency. India is emerging from the COVID-19 pandemic, however the extent to which the new wave of COVID-19 with reports of new virus variants, will impact the Bank's operations and results will depend on ongoing as well as future developments, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank.

Based on the assessments made by the Management there is no material impact of COVID-19 on the Company which is required to be recognised in the standalone financial results. The Company has adequate liquidity and resources to service its obligations in the near future. Further, the impact of COVID-19 pandemic on the subsidiary's financial results will depend on the future developments which are uncertain. Accordingly, no adjustments have been made to the standalone financial results.

(Signature to all notes to standalone financial statements)

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration No: 0045325

K P Srinivas

Partner

Membership No. 208520

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

Ujjivan Financial Services Limited

Samit Ghosh

Non-Executive Director and Chairman

DIN: 00185369

Radhakrishnan Ravi

CEO & CFO

Sunil Patel

Independent Director

DIN: 00050837

Shashidhara S

Company Secretary

Independent Auditors Report

To The Members of Ujjivan Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Ujjivan Financial Services Limited ("hereinafter referred as the Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the group as at March 31, 2022, its loss, Consolidated total comprehensive loss, Consolidated changes in equity and its Consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements, in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by

Institute of Chartered Accountants of India ("ICAI" together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 41 of the Accompanying Consolidated Financial statements, which describes uncertainties due to COVID-19. As stated therein, in view of these continuing uncertainties, the extent to which the COVID-19 pandemic will continue to impact on the business of the group will depend on future developments which are uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report on the standalone financial statements of the holding company.

The following Key Audit Matters were included in the audit report dated May 12, 2022 issued by the Auditors of Ujjivan Small Finance Bank Limited, a subsidiary of the Holding Company ("the Bank/ Subsidiary"), containing an unmodified audit opinion on the special purpose financial statements of subsidiary:

Key Audit Matter as identified by the auditors of the subsidiary bank	How the auditors of subsidiary bank addressed the Key Audit Matter in their audit
<p>Measurement of Expected Credit Loss (ECL) on Financial Assets</p> <p>Recognition and measurement of impairment relating to financial assets (designated at amortised cost and fair value through other comprehensive income) and those involving significant management judgement. With applicability of Ind AS 109 credit loss assessment is now based on ECL model, which is a forward-looking expected loss model.</p> <p>The Bank's impairment allowance is computed based on estimates including the historical default and loss ratios. The Bank leverages the assets classification and risk estimations under Internal Rating Based (IRB) Approach towards calculation of Capital charge for Credit Risk (IRB) for ECL computation. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant factors are:</p> <ul style="list-style-type: none">Portfolio SegmentationAsset staging criteriaCalculation of probability of default / Loss given default/Credit conversion factor basis the portfolio segmentation.Consideration of probability of forward looking macro-economic factors like Covid-19 impact on credit quality of the asset and the ECL computation. <p>The Bank has Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underling inputs to ECL model.</p> <p>The Bank has wide range of products in retail segment and loans of Financial Institutional Group (FIG). There is significant data input required for the computation of ECL for homogenous product in retail segment and basis model and internal grading system in FIG. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the ECL computation.</p> <p>During the financial year ended 31 March 2022, RBI had issued various circulars related to the Covid -19 Regulatory Packages which has covered the moratorium, restructuring and other benefits to ease the repayment terms for affected customers due to Pandemic. Additionally, the Group has considered the impact of judgment, on identification of NPA and provision thereof, which was vacated as per Honorable Supreme Court Order on March 23, 2021 and the RBI circular dated April 07, 2021 in that connection.</p> <p>The auditors have of the subsidiary bank have identified the measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved.</p> <p>Information Technology (IT) systems and controls impacting financial reporting</p> <p>The Bank's IT architecture to process key financial accounting and reporting is complex involving number on independent and Inter dependent IT systems used in the operations of the Bank, and IT controls to process significant transactions volumes at numerous locations.</p> <p>As such there is high reliability on IT systems, appropriate IT general controls and application controls are required to ensure that such IT systems are able to process data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter for the financial year ended March 31, 2022</p>	<ul style="list-style-type: none">Reviewed the Board Approved policy on ECL for impairment of financial assets and assessed compliance with Ind-AS 109.Evaluated the reasonableness of management's process of ECL estimation and related assumption.Understood the process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation.Reconciled total financial assets considered for ECL estimation with the books of accounts to ensure completeness. <p>Performed substantive procedures for testing of ECL model and computation of ECL amount as listed below:</p> <ul style="list-style-type: none">Reviewed procedures done by the bank over the segmentation of financial assets related to the advances as per their various products and models and risk characteristics.Reviewed the assumptions used for and computation of probability of default, loss given default, discounting factors, credit conversion factor for different class of financial assets as per their nature and risk assessment for sample class of assets.Tested the appropriate staging of assets basis their days past due on sample basis.Tested the mathematical accuracy, assumption and underlying computation of the ECL model.Assessed the adequacy and appropriateness of disclosures for compliance with the Indian Accounting Standards. <p>Our audit procedures with respect to this matter included:</p> <p>We used internal IT Team to perform audit procedures to assess the IT systems and controls over the financial reporting which included the following:</p> <ol style="list-style-type: none">General IT controls design, observation, and operation:<ul style="list-style-type: none">Obtain an understanding of the IT infrastructure and IT systems.Testing the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management and computer operations.User access control operation:<ul style="list-style-type: none">Reviewed processes followed by the managements evaluation of access rights granted to applicants relevant to financial accounting and reporting systems.Access the operating effectiveness of controls over granting, removal and appropriateness of access rights.Other areas that were assessed under the IT controls environment, included password policies, security configurations were also part of our audit procedures.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The Other Information comprises the Directors Report, but does not include the consolidated financial statements, standalone financial statements and our auditors reports thereon, which we have obtained prior to the date of this auditors report, and Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report if we conclude that there is a material misstatement, we are required to communicate the matter to those charged with governance.

Responsibility of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the Company and the Bank included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and the Bank included in the Group is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and the Bank included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (1.) The audit of consolidated financial statements for the year ended 31 March 2021 included in the accompanying consolidated financial statements were carried out by MSKA & Associates, Chartered Accountants, the predecessor auditors who have vide their report dated 28 May 2021, have expressed unmodified opinion. Accordingly, we do not express any opinion on these figures for the year ended 31 March 2021 considered in the accompanying consolidated financial statements.

- (2.) We have audited the adjustments made to the comparative consolidated financial statements as described in Note 18B of the consolidated financial statements for the year ended 31 March 2022.
- (3.) We did not audit the financial statements of subsidiary bank, whose financial statements reflect total assets (before consolidation adjustments) of ₹24,40,183 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹3,09,068 lakhs and net cash inflows (before consolidation adjustments) amounting to ₹22,194 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by their independent auditors whose report dated May 12, 2022, has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the aforementioned subsidiary is based solely on the report of the other auditors.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

- (1.) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, we report that there are no qualifications or adverse remarks in the said CARO report;

With respect to the subsidiary, the provisions of the Companies (Auditor's Report) Order, 2020 is not applicable since it is Banking Company as defined under the Banking Regulation Act, 1949.

- (2.) As required by Section 143 (3) of the Act, we report 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 of the aforesaid consolidated financial statements.
 - (b.) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c.) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- (d.) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e.) On the basis of the written representations received from the directors of the holding company as on 31st March, 2022 taken on record by the Board of Directors of the holding company and the report of the statutory auditors of its subsidiary Bank incorporated in India, none of the directors of the group companies incorporated in India are disqualified as on 31st March, 2022 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 group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- (g.) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is within the limits prescribed under the provisions of section 197 of the Act.

With respect to the subsidiary bank, as stated in the auditors report of that subsidiary the provisions of section 197 of the Act is not applicable to the subsidiary since it is a Banking Company as defined under the provisions of Banking Regulation Act, 1949.

- (h.) 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:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 27A to the consolidated financial statements.
 - The Group has not entered into long term contracts or any derivative contracts as at 31 March 2022 and no provision is required to be made.

- There was no amount which was required to be transferred during the year to the Investor Education and Protection Fund by the Holding Company and its subsidiary bank incorporated in India.
- The respective Management of the company and its subsidiary Bank incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - The respective Management of the company and its subsidiary incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Company or any of such subsidiaries, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary bank whose financials statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- According to the information and explanations given to us, there was no dividend declared or paid during the year by the Holding Company or its Subsidiary. Accordingly, provisions of section 123 of the Companies Act, 2013 is not applicable to the Group.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner

Place: Bangalore
Date : 19th May 2022

M. No.208520
UDIN:22208520AJGTAX8994

Annexure 'A' to the Independent Auditors Report

[Annexure Referred to in Para 1 (f) "Report on Other Legal And Regulatory Requirements" of the Independent Auditor's Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")]

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of Ujjivan Financial Services Limited ("the Holding Company") and its subsidiary Bank, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the holding company and Board of Directors of the subsidiary bank incorporated in India are 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 issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Companies Act, 2013.

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, 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 judgment, including the assessment

of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and audit evidence obtained by the auditor of the subsidiary company incorporated in India in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company incorporated in India.

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 controls 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 and based on the report of the auditors of its subsidiary company incorporated in India, the Holding Company and its subsidiary company incorporated in India, have, 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 31 March 2022, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary bank incorporated in India is based solely on the corresponding report of the auditor of the said subsidiary incorporated in India who have expressed an unmodified opinion with Other Matter Paragraph which is reproduced below.

'Considering the nature of business and high volumes of cash collections from the borrowers, the procedures and systems

thereof and recording such collections in the books of account needs to be automated suitably. Our opinion is not modified in respect of this matter'

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K P SRINIVAS
Partner
M. No.208520

Place: Bangalore
Date : 19th May 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in lakhs)			
Particulars	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Financial Assets			
Cash and cash equivalents	3	2,15,552.80	1,93,393.45
Bank balances other than above	4	3,253.69	67,511.57
Loans	5	16,77,854.17	13,84,741.42
Investments	6	4,21,520.09	2,55,170.64
Other financial assets	7	3,623.89	3,918.80
Non Financial Assets			
Current tax assets (net)	8	6,931.15	4,772.40
Deferred tax assets (net)	28	41,400.65	34,083.93
Property, plant and equipment	9	13,993.58	17,340.54
Capital work-in-progress	9A	578.99	478.72
Right of use asset	10	42,229.39	44,176.23
Other intangible assets	10A	10,368.06	10,256.77
Other non financial assets	11	4,971.54	4,826.33
Total Assets		24,42,278.00	20,20,670.80
Liabilities and Equity			
Liabilities			
Financial Liabilities			
Payables	12		
(a) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		13,296.92	5,160.55
Borrowings (other than debt securities)	13	2,43,796.48	3,24,717.75
Deposits	14	18,13,856.87	13,04,537.42
Lease liability	10	49,642.20	50,664.97
Other financial liabilities	15	39,333.74	31,460.42
Non Financial Liabilities			
Provisions	16	5,573.30	5,320.28
Other non financial liabilities	17	4,548.93	3,777.03
Total Liabilities		21,70,048.44	17,25,638.42
Equity			
Equity share capital	18	12,167.81	12,165.60
Other equity	18A	2,20,092.64	2,39,051.54
Total Equity Attributable to Owners of the Company		2,32,260.45	2,51,217.14
Non-controlling interests	18A	39,969.10	43,815.24
Total Liabilities and Equity		24,42,278.00	20,20,670.80

The above consolidated balance sheet should be read together with the significant accounting policies and the accompanying notes which forms integral part of the consolidated financial statements. (Note 1-58)

As per our report of even date
For Varma & Varma
 Chartered Accountants
 Firm Registration No: 004532S

K P Srinivas
 Partner
 Membership No. 208520

Bengaluru
 May 19, 2022

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

Samit Ghosh
 Non-Executive Director and Chairman
 DIN: 00185369

Radhakrishnan Ravi
 CEO & CFO

Sunil Patel
 Independent Director
 DIN: 00050837

Shashidhara S
 Company Secretary

Consolidated Statement of Profit and Loss Account

for the year ended March 31, 2022

(₹ in lakhs)			
Particulars	Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from operations			
Interest income	19A	2,90,855.38	2,96,778.73
Fees and Commission Income	19B	6,889.41	4,860.32
Net gain/(loss) on derecognition of financial instruments at amortised cost	19C	1,770.93	4,959.04
Total Revenue from Operations (I)		2,99,515.72	3,06,598.09
Other income (II)	20	9,702.32	11,501.46
Total Income (I+II)		3,09,218.04	3,18,099.55
Expenses			
Finance costs	21	1,07,108.04	1,12,095.09
Impairment losses on financial instruments	22	84,620.31	1,16,519.02
Employee benefits expenses	23	82,188.89	75,909.98
Depreciation and amortisation expenses	24	15,507.23	16,990.34
Other expenses	25	50,190.33	28,517.88
Total expenses		3,39,614.80	3,50,032.31
Profit/(loss) before tax		(30,396.76)	(31,932.76)
Taxes expense:			
- Current tax	28	84.49	17,199.29
- In respect of earlier years		-	(4.07)
- Deferred tax charge/ (credit)		(7,430.84)	(25,217.27)
Total tax expense		(7,346.35)	(8,022.05)
Profit/(loss) for the year		(23,050.41)	(23,910.71)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		452.30	206.55
Deferred tax on remeasurements of the defined benefit obligations		(114.15)	(51.99)
(ii) Items that will be reclassified to profit or loss			
Remeasurement of investments at Fair Value		1.26	7.70
Deferred tax on remeasurements of investments		-	(1.94)
Other Comprehensive Income/(loss)		339.41	160.32
Total Comprehensive Income for the year (comprising profit / (loss) and Other Comprehensive Income for the year)		(22,711.00)	(23,750.39)
Profit/(loss) for the year attributable to:			
Owners		(19,169.33)	(19,876.26)
Non- controlling interest		(3,881.08)	(4,034.45)
Other Comprehensive Income / (Loss) attributable to:			
Owners		282.78	133.56
Non- controlling interest		56.63	26.76
Total Comprehensive Income/(loss) for the year attributable to			
Owners		(18,885.65)	(19,742.70)
Non- controlling interest		(3,825.35)	(4,007.69)
Earnings per Equity Share			
Basic	31	(15.76)	(16.34)
Diluted		(15.76)	(16.34)

The above statement of consolidated profit and loss should be read together with the significant accounting policies and the accompanying notes which forms integral part of the consolidated financial statements. (Note 1-58)

As per our report of even date
For Varma & Varma
 Chartered Accountants
 Firm Registration No: 004532S

K P Srinivas
 Partner
 Membership No. 208520

Bengaluru
 May 19, 2022

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

Samit Ghosh
 Non-Executive Director and Chairman
 DIN: 00185369

Radhakrishnan Ravi
 CEO & CFO

Sunil Patel
 Independent Director
 DIN: 00050837

Shashidhara S
 Company Secretary

Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

A. Equity share capital

Particulars	Amount
Balance at April 1, 2020	12,160.32
Changes in equity share capital during the year	
Additions during the year	5.28
Balance at March 31, 2021	12,165.60
Changes in equity share capital during the year	
Additions during the year	2.21
Balance at March 31, 2022	12,167.81

B. Other Equity

Current reporting year ended 31 March 2022

(₹ in Lakhs)

Particulars	Share Application Money Pending Allotment	Reserves and Surplus					Total Reserves & Surplus	Non-Controlling Interests	Total
		Statutory Reserve	Securities Premium	Retained Earnings	General Reserve	Share Options Outstanding Account			
Balance at April 1, 2021	0.13	22,903.62	1,10,769.55	1,11,197.77	1,032.41	7,808.47	2,53,711.96	29,154.81	2,82,866.77
Re-statement in non-controlling interest (Note 18B)				(14,660.43)	-	-	(14,660.43)	14,660.43	-
Restated balance at the beginning of the previous reporting year	0.13	22,903.62	1,10,769.55	96,537.36	1,032.41	7,808.47	2,39,051.54	43,815.24	2,82,866.77
Add : Loss for the year	-	-	-	(19,169.33)	-	-	(19,169.33)	(3,881.08)	(23,050.41)
Add : Other Comprehensive Income for the year	-	-	-	283.68	-	-	283.68	55.73	339.41
Total comprehensive income / (Loss) for the year	-	-	-	(18,885.65)	-	-	(18,885.65)	(3,825.35)	(22,710.99)
Appropriation to statutory reserve	-	25.00	-	(25.00)	-	-	-	-	-
Add: Employee stock option plan expense for the year	-	-	-	-	-	(103.27)	(103.27)	(20.78)	(124.05)
Less: Grants exercised during the year	-	-	-	-	-	(21.00)	(21.00)	-	(21.00)
Less: Transferred to General Reserve for vested options lapsed during the year	-	-	-	-	1,047.55	(1,047.55)	-	-	-
Transaction with owners in their capacity as owners									
Add : Share application money received	32.22	-	-	-	-	-	32.22	-	32.22
Less : Shares allotted during the year	(2.21)	-	-	-	-	-	(2.21)	-	(2.21)
Less: Premium on shares allotted during the year	(30.14)	-	-	-	-	-	(30.14)	-	(30.14)
Add : Premium on shares issued during the year on stock options	-	-	51.15	-	-	-	51.15	-	51.15
As at March 31, 2022	-	22,928.62	1,10,820.69	77,626.72	2,079.95	6,636.64	2,20,092.64	39,969.10	2,60,061.75

Previous reporting year ended 31 March 2021

(₹ in Lakhs)

Particulars	Share Application Money Pending Allotment	Reserves and Surplus					Total Reserves & Surplus	Non-Controlling Interests	Total
		Statutory Reserve	Securities Premium	Retained Earnings	General Reserve	Share Options Outstanding Account			
Balance at April 1, 2020	8.15	22,844.62	1,10,650.56	1,31,972.37	302.67	6,023.74	2,71,802.11	33,119.73	3,04,921.84
Re-statement in non-controlling interest (Note 18B(i))	-	-	-	(14,258.62)	-	-	(14,258.62)	14,258.62	-
Restated balance at the beginning of the previous reporting year	8.15	22,844.62	1,10,650.56	1,17,713.75	302.67	6,023.74	2,57,543.50	47,378.35	3,04,921.84
Add : Loss for the year	-	-	-	(19,876.26)	-	-	(19,876.26)	(4,034.45)	(23,910.72)
Add : Other Comprehensive Income for the year	-	-	-	133.57	-	-	133.57	26.75	160.32
Total comprehensive income / (Loss) for the year	-	-	-	(19,742.70)	-	-	(19,742.70)	(4,007.70)	(23,750.39)
Appropriation to statutory reserve	-	59.00	-	(59.00)	-	-	-	-	-
Re-statement in non-controlling interest (Note 18B(ii))	-	-	-	(401.81)	-	-	(401.81)	401.81	-
Add: Employee stock option plan expense for the year	-	-	-	-	-	2,561.38	2,561.38	10.70	2,572.08
Less: Grants exercised during the year	-	-	-	-	-	(46.91)	(46.91)	-	(46.91)
Less: Transferred to General Reserve for vested options lapsed during the year	-	-	-	-	729.74	(729.74)	-	-	-
Transaction with owners in their capacity as owners									
Gain on dilution of stake in subsidiary	-	-	-	-	-	-	-	32.08	32.08
Add : Share application money received	69.33	-	-	-	-	-	69.33	-	69.33
Less : Shares allotted during the year	(5.28)	-	-	-	-	-	(5.28)	-	(5.28)
Less: Premium on shares allotted during the year	(72.07)	-	-	-	-	-	(72.07)	-	(72.07)
Add : Premium on shares issued during the year on stock options	-	-	118.99	-	-	-	118.99	-	118.99
Less: Dividend distributed during the year	-	-	-	(972.88)	-	-	(972.88)	-	(972.88)
As at March 31, 2021	0.13	22,903.62	1,10,769.55	96,537.36	1,032.41	7,808.47	2,39,051.54	43,815.24	2,82,866.77

The above statement of consolidated Statement of Changes in Equity should be read together with the significant accounting policies and the accompanying notes which forms integral part of the consolidated financial statements. (Note 1 - 58)

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration No: 004532S

K P Srinivas

Partner

Membership No. 208520

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

Ujjivan Financial Services Limited

Samit Ghosh

Non-Executive Director and Chairman

DIN: 00185369

Radhakrishnan Ravi

CEO & CFO

Sunil Patel

Independent Director

DIN: 00050837

Shashidhara S

Company Secretary

Consolidated Cash Flow Statement

For the year ended March 31, 2022

(₹ in lakhs)			
Particulars	Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash Flow from Operating Activities			
Net Profit/(loss) before tax		(30,396.76)	(31,932.76)
Adjustments for :			
Depreciation, Amortization And Impairment of Property, Plant & Equipment and Intangible Assets	24	15,507.22	16,998.04
Loss on sale of Property, Plant and Equipment	20	199.70	(926.67)
Employee Stock Option Plan expense (ESOP)	23	(131.67)	2,572.08
Impairment on Financial Instruments	22	84,620.30	1,16,519.02
Interest income	20	(148.67)	(47.91)
Operating cash flows before Working Capital changes		69,650.12	1,03,181.80
Adjustments for :			
Financial Assets / Liabilities			
(Increase)/Decrease in Loans	5	(3,77,700.57)	(1,07,884.77)
(Increase)/Decrease in Other Bank Balances	4	63,137.06	(64,587.43)
(Increase)/Decrease in Other Financial Assets	7	294.30	(432.70)
Increase/ (Decrease) in Trade Payable	12	8,136.36	(1,244.84)
Increase/ (Decrease) in Other Financial Liabilities	15	7,806.19	12,073.86
Increase in Deposits (Net)	14	5,12,158.75	2,38,978.60
Non Financial Assets / Liabilities			
(Increase)/Decrease in Other Assets	11	(120.14)	1,205.12
Increase/ (Decrease) in Provisions	16	705.34	848.44
Increase/ (Decrease) in Other Liabilities	17	792.50	666.81
Cash generated from / (used in) Operations		2,84,859.91	1,82,804.89
Net Tax (paid)/Refunds received		(2,243.25)	(21,630.90)
Net Cash generated from/(used) in Operating Activities (A)		2,82,616.66	1,61,173.99
Cash Flow from Investing Activities			
(Increase) / Decrease in Investments (Net)	6	(1,68,080.05)	(3,047.62)
Proceeds from sale of Property, Plant and Equipment	9	37.83	(13,550.30)
Purchase of Fixed Assets including WIP and Other Intangible Assets	9,10A	(10,653.95)	(4,884.51)
Interest received on fixed deposits	20	150.82	3.73
Net Cash generated from / (used) in Investing Activities (B)		(1,78,545.35)	(21,478.70)

(₹ in lakhs)			
Particulars	Note	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash Flow from Financing Activities			
Proceeds from share application money (Net)		32.22	112.11
Dividend Paid		-	(972.91)
Payment of Lease Liability	10	(1,022.94)	(8,883.01)
Increase/(Decrease) in Borrowings (Net)	13	(80,921.24)	(70,543.85)
Net Cash generated from/(used) in Financing Activities (C)		(81,911.96)	(80,287.66)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		22,159.35	59,407.63
Cash and Cash Equivalents at the beginning of the year	3	1,93,393.45	1,33,985.82
Cash and Cash Equivalents at the end of the year	3	2,15,552.80	1,93,393.45

Note:

- The above Cash Flow Statement has been prepared as per Ind AS 7 Statement of Cashflow specified under section 133 of the Companies Act, 2013.
- The above statement of consolidated Cash flow Statement should be read together with the significant accounting policies and the accompanying notes which forms integral part of the consolidated financial statements. (Note 1 to 58)

As per our report of even date

For Varma & Varma

Chartered Accountants

Firm Registration No: 004532S

K P Srinivas

Partner

Membership No. 208520

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

Ujjivan Financial Services Limited

Samit Ghosh

Non-Executive Director and Chairman

DIN: 00185369

Radhakrishnan Ravi

CEO & CFO

Sunil Patel

Independent Director

DIN: 00050837

Shashidhara S

Company Secretary

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Background and Significant accounting policies

Note 1: Background

Ujjivan Financial Services Private Limited was originally incorporated as on December 28, 2004 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Subsequently, it was converted into a public limited company and the name was changed to Ujjivan Financial Services Limited ("the Company"). A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, Bangalore, Karnataka ("ROC") on November 26, 2015. The Company was registered with Reserve Bank of India ("the RBI") as NBFC-MFI under Non-Banking Financial Company Micro Finance Institutions (NBFC-MFIs) directions on September 05, 2013. The Company received approval from the RBI to set up a Small Finance Bank. Pursuant to the same, the Company executed an agreement to transfer its Business undertaking to its wholly owned subsidiary Ujjivan Small Finance Bank Limited ("the Bank"). The Bank commenced operations w.e.f February 1, 2017, on which date the Company ceased to operate as a Micro finance company. Pursuant to this change, the Company surrendered its NBFC - MFI license and received approval and certificate of registration as NBFC-ND-SI-CIC (Core Investment Company) from the RBI on October 10, 2017.

The Consolidated Financial Statements relates to the Holding Company and its subsidiary company (collectively referred to as "the Group").

Refer Note 39 for details of the Group.

Note 2: Significant accounting policies

This note provides the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], as amended and other relevant provisions of the Companies Act 2013 ("the Act").

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets are measured at fair value.
- employee stock options plan

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these Ind AS financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36. The Ind AS financial statements are presented in Indian Rupees rounded off to the nearest lakhs unless otherwise stated.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

2.3 Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

2.4 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis

of amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The benefit of dividend distribution tax paid by the subsidiary for which the set off has been availed by the Parent Group has been recognized in equity.

2.5 Leases

Bank as a lessee

As a lessee, the Bank previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Bank. Under Ind AS 116, the Bank recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

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On transition, the Bank has applied the following practical expedients:

- Applied discount rate to the leases individually based on the borrowing rate (Zero Coupon Rate + Spread) as on transition date for borrowings of similar tenure.
- Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- Excluded the initial direct costs from the measurement of the right-of-use-asset at the date of transition.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Bank's lease asset classes primarily consist of leases for premises, Automated Teller Machines (ATMs), Automated Cash Recyclers (ACRs) and DG gensets. At the date of commencement of the lease, the Bank recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Bank recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Bank makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Bank considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Bank's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Bank has concluded that no material changes are required to lease period relating to the existing lease contracts.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost

less accumulated depreciation and impairment losses. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Bank changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Bank as a lessor

Leases for which the Bank is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Transition-

Effective April 1, 2019, the Bank adopted Ind AS 116, Leases using the modified retrospective method.

2.6 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked / restricted for specific purposes.

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2.8 Financial assets

All financial assets are recognised and derecognised where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- all other debt instruments and equity investments are subsequently measured at FVTPL."

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset. For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how Group's financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models. When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/ and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

- assets designated at FVTPL using the fair value option. These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss."

2.8.1 Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below in notes.

2.8.2 Impairment

ECL has been estimated on the loan commitments and investments measured at AC (Amortised Cost) & FVOCI (Fair Value through Other Comprehensive Income) portfolio of the Bank. The portfolios have been divided into 3 stages based on the Staging rules defined subsequently. ECL has been separately estimated for each stage. The Loan portfolio of the Bank has 3 segments: Micro-Finance Institutions (MFI), Micro and Small Enterprises (MSE) and Housing. These segments have been further sub-segmented based on a combination on the product type and risk perspective. Bank also has an Investment portfolio which includes Domestic Bonds (G-secs and Treasury Bills). Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days Past Due	ECL
Stage 1	Upto 30 Days	12- Month ECL
Stage 2	30- 90 Days	Lifetime ECL
Stage 3	90+ Days	Lifetime ECL

The primary risk components applied for estimation of ECL are Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). ECL is estimated as a multiple of PD, LGD and EAD for each of the product sub categories.

- The PD provides an estimate of the likelihood that a borrower will be unable to meet his debt obligations. PD may be applied at a rating grade for corporate borrowers or for a pool of accounts showing similar behavioural and risk characteristics like Retail Segment or small businesses (MSE/MFI).

- The EAD is the total receivables that the Bank is exposed to at the time of an account's default.
- LGD is usually shown as the percentage of EAD that the Bank might lose in case the borrower defaults. It depends, among others, on the type and amount of collateral, collection mechanism existing in the Bank and the expected proceeds from a work out (e.g. recovery from sale of collaterals/securities or otherwise) of the assets.

2.8.3 Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

2.8.4 Definition of default

All accounts greater than 90 days past due are considered as default accounts.

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2.8.5 Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

2.8.6 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Group has an established forbearance policy which applies for corporate and retail lending.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount

of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated- credit impaired. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

2.8.7 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between

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the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

2.8.8 Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

2.8.9 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- for loan commitments and financial guarantee contracts: as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

2.8.10 Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial

assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

2.8.11 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

2.8.12 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'Amortised cost'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire hybrid (combined) contract to be designated as at FVTPL.

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Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Income from other financial instruments at FVTPL' line item in the profit or loss account.

Amortised cost

Financial liabilities other than those measured at FVTPL, including deposits and borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.8.13 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.8.14 Undrawn loan commitments

These are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

2.8.15 Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability."

2.9 Interest Income

Interest income for all financial instruments are calculated at gross carrying amount (except for those classified as held for trading or those measured or designated as at FVTPL) are recognised in 'Interest income' as 'Interest on deposits with banks' and 'Interest on loans' in the statement of profit or loss using the effective interest method (EIR).

Interest income is recognised on Net carrying value (gross value less ECL provision) on Stage 3 credit impaired financial assets.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

2.10 Fee and commission Income (Includes Revenue from Contracts with Customers)

Fee and commission income include fees other than those that are an integral part of EIR.

The fees included in this part of the group statement of profit or loss include ATM services, savings bank services etc. The commission income includes commission received on sale of insurance policies. In both the cases, the revenue is recognised at a point in time at completion of service to the customers.

2.11 Dividend Income

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

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2.12 Property, plant and equipment (including Capital Work In Progress)

Items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

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

The rates of depreciation adopted by the Group are consistent with those specified in Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Leasehold Improvements are depreciated over the primary lease period.

2.13 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised. Estimated useful life of the intangible assets are as follows:

Asset Useful life as per schedule II (years)

Software 6

The rate of amortisation adopted by the Group are consistent with those specified in Schedule II to the Companies Act, 2013.

2.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects

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current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Provisions

Provisions for legal claims and discounts/incentives are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.17 Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the

amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

2.18 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable."

2.19 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes

- (a) Defined benefit plans, and
- (b) Defined contribution plans

Defined Benefit Obligations - Gratuity

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Defined contribution plans- Provident Fund

Provident fund
The Group makes Provident Fund contributions to publicly administered funds as per local regulations. The Group has no further obligations once the contributions have been paid and such contributions are charged to profit and loss when they are due.

(v) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(vi) Share Based Payments transactions of the Group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 35.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(vii) Employee Stock Purchase Scheme (ESPS)

ESPS is a contractual promise that permits an employee to acquire an employer's stock at a future date under the terms and conditions established on the grant date. The fair value of the entire purchase discount represents employee compensation. The compensation expense will be the difference between the value of the stock on the date of shareholder approval and the purchase/Exercise price for that offering.

2.20 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2.21 Dividends

Provision is made for the amount of any dividend declared including dividend distribution tax, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Holding Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.23 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Board of Directors have appointed the Managing Director and CEO who assess the financial performance and position of the Group, and makes strategic decisions. Refer Note 30 for Segment Information.

2.24 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimals as per the requirement of Schedule III, unless otherwise stated.

2.25 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Bank's accounting policies, which are described in note 2, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be

relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods."

2.26 Critical judgments in applying the Bank's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the management have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognised in Special purpose Ind AS financial statements:

- Business model assessment: Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest (SPPI) and the business model test (please see financial assets sections of note 2). The Bank determines the business model at a level that reflects how Bank's financial assets are managed together to achieve a particular business objective. The Bank has investments in fixed coupon bearing Government securities, which are held for fulfilling the statutory requirements. Also the Bank holds some part of Government securities in excess of statutory requirement as mandated by the Board. The intention of the management is to hold the securities to only collect contractual cashflows and any sales made only to test liquidity. Accordingly they are classified at amortised cost.
- Significant increase of credit risk: Expected Credit Loss (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank takes into account qualitative and quantitative reasonable and supportable forward looking information.
- Establishing Banks of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to note on Credit Risk for details of the characteristics considered in this judgment. The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing

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For the year ended March 31, 2022

portfolio that better reflects the similar credit risk characteristics of that Bank of assets.

- Models and assumptions used: The Bank uses various models and assumptions in estimating ECL. Judgment is applied in identifying the most appropriate model, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward looking information relevant to each scenario: When measuring ECL the Bank uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to note on Credit Risk for more details, including analysis of the sensitivity of the reported ECL to changes in estimated forward looking information.

- Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. See note for Credit Risk for more details, including analysis of the sensitivity of the reported ECL to changes in PD resulting from changes in economic drivers.

- Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. See note for Credit Risk for more details, including analysis of the sensitivity of the reported ECL to changes in LGD resulting from changes in economic drivers.

- The calculation of Gratuity and Leave Encashment is carried out by an actuary on the basis of certain financial and demographic assumptions.

- The ESOPs granted to the employees of the Holding Company and Bank were priced using Black Scholes Model. Vested ESOPs can be exercised within three years and five years for Holding Company and Bank ESOPs respectively from their corresponding dates of vesting. ESOPs vested can be exercised between date of vesting and on or before option expiry date. The term of the option is assumed to be the sum of a) duration till vesting; and b) the midpoint of the remaining exercise period from date of vesting, in absence of historical exercise pattern. While the Holding Company has been listed since 2016, the period of listing up to the Grant Dates is not commensurate with the expected term of the granted ESOPs. Accordingly, volatility of comparable companies have been considered for the purposes of valuation.

- The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance, though the pandemic's spread remains curtailed by the roll out of vaccines through out the world. The outbreak necessitated government to respond at unprecedented levels to protect public health, local economies and livelihoods. There remains a risk of subsequent waves of infection, as evidenced by the past variants of the virus. Economic forecasts are still subject to a varied degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

- The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement is moderately low during financial year due to the curtailed impact of the pandemic spread, including significant judgements relating to:
 - The selection and weighting of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic will occur, the speed and shape of spread and recovery. The main factors include the effectiveness of pandemic containment measures, effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together may represent a high degree of estimation uncertainty, particularly in assessing worst case scenario;

- Estimating the economic effects on the scenarios on ECL, though the historical trends now include a little history post the outbreak of the pandemic that can be reflected in the models to represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and

- the identification of customers experiencing significant increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

- Judgements (including overlays) in relation to credit impairments and the impact of macro-economic risks on the credit environment, in particular those arising from

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for the year ended March 31, 2022

the COVID-19 pandemic, are continuously discussed throughout the year. The management focused on the key assumptions, methodologies and in-model and post model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs. While the use of judgemental overlays and post-model adjustments should ideally be limited, their extensive use was deemed appropriate during the financial year, and might likely to continue to be required in future reporting periods.

- As a result of government and Bank support measures, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied COVID-19 specific adjustments to modelled outputs to reflect the temporary nature of ongoing government support, the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

- The Bank has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2022 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Bank. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

- The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

- The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further in the relevant note to these Financial Statements. The impact of COVID-19 on the Bank's financial statements may differ from that estimated as at the date of approval of these financial statements and the Bank will continue to closely monitor any material changes to future economic conditions.

2.27 New standards or amendments to the existing standards and other pronouncements

Recent pronouncements

- Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Bank does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of Property, Plant and Equipments amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Bank does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Bank does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Bank does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Bank does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 3. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on Hand	17,562.92	18,234.77
Balances with Reserve Bank of India		
(a) In Current Accounts	68,532.32	24,689.17
(b) In Reverse Repo	82,107.54	90,011.77
Total Balances with RBI	1,50,639.86	1,14,700.94
Balances with Other Banks		
(a) In Current Accounts^	3,059.99	2,255.82
	3,059.99	2,255.82
Money at Call and Short Notice		
(a) With Banks	5.17	58,201.92
(b) With Other Institutions	44,284.85	-
	44,290.02	58,201.92
Total	2,15,552.80	1,93,393.45

^ Includes balance with bank earmarked towards unclaimed dividend

8.86

9.06

Note 4. Bank balances other than above

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Other Banks		
(a) Bank Deposit with more than 3 months but less than 12 months maturity^^	3,253.69	67,511.57
Subtotal	3,253.69	67,511.57
Total	3,253.69	67,511.57
Balances in India	3,253.69	67,511.57
Balances outside India	-	-
Total	3,253.69	67,511.57

The fixed deposits bear interest at fixed rate.

^^ Includes fixed deposits held under lien ₹1,263 lakhs (March 31, 2021 : Nil)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 5. Loans

Particulars	As at March 31, 2022				As at March 31, 2021			
	Fair Value				Fair Value			
	Amortised Cost	Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value Through Profit and Loss Account	Total	Amortised Cost	Through Other Comprehensive Income	Through Profit and Loss Account
Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-
Cash Credits, Overdrafts, Loans repayable on Demand	90,359.33	-	-	-	90,359.33	1,11,974.40	-	-
Term Loans	17,28,638.63	-	-	-	17,28,638.63	14,08,180.69	-	-
Total (Gross)	18,18,997.96	-	-	-	18,18,997.96	15,20,155.09	-	-
Less: Impairment loss allowance	(1,41,143.78)	-	-	-	(1,41,143.78)	(1,35,413.67)	-	-
Total (Net)	16,77,854.17	-	-	-	16,77,854.17	13,84,741.42	-	-
Secured by Tangible Assets	5,22,407.33	-	-	-	5,22,407.33	4,09,469.95	-	-
Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-
Unsecured	12,96,590.63	-	-	-	12,96,590.63	11,10,685.14	-	-
Total (Gross)	18,18,997.96	-	-	-	18,18,997.96	15,20,155.09	-	-
Less: Impairment loss allowance	(1,41,143.78)	-	-	-	(1,41,143.78)	(1,35,413.67)	-	-
Total (Net)	16,77,854.17	-	-	-	16,77,854.17	13,84,741.42	-	-
Loans in India								
Priority Sectors	-	-	-	-	-	-	-	-
Public Sectors	-	-	-	-	-	-	-	-
Banks	-	-	-	-	-	-	-	-
Others	18,18,997.96	-	-	-	18,18,997.96	15,20,155.09	-	-
Total (Gross)	18,18,997.96	-	-	-	18,18,997.96	15,20,155.09	-	-
Less: Impairment loss allowance	(1,41,143.78)	-	-	-	(1,41,143.78)	(1,35,413.67)	-	-
Total (Net)	16,77,854.17	-	-	-	16,77,854.17	13,84,741.42	-	-

(₹ In Lakhs)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 6. Investments

Particulars	As at March 31, 2022				As at March 31, 2021			
	Fair Value				Fair Value			
	Amortised Cost	Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value Through Profit and Loss Account	Total	Amortised Cost	Through Other Comprehensive Income	Through Profit and Loss Account
Government securities	3,58,051.20	58,852.25	3,424.37	-	4,20,327.81	2,23,845.25	21,630.04	-
Equity instruments	-	11.28	-	-	11.28	-	17.72	-
Mutual fund units	-	-	-	-	-	-	-	-
Others ^a	-	1,262.94	-	-	1,262.94	-	9,727.36	-
Total (Gross)	3,58,051.20	60,126.47	3,424.37	-	4,21,602.03	2,23,845.25	31,375.12	-
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	3,58,051.20	60,126.47	3,424.37	-	4,21,602.03	2,23,845.25	31,375.12	-
Less: Impairment loss allowance	(81.94)	-	-	-	(81.94)	(43.62)	(6.11)	-
Total (Net)	3,57,969.26	60,126.47	3,424.37	-	4,21,520.09	2,23,801.63	31,369.01	-

(₹ In Lakhs)

Note 7. Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
Interest Accrued	0.55	644.09
Security Deposits	3,312.06	3,041.18
Net Investments in Sub-lease	35.24	41.35
Other Deposits	276.04	192.18
Total	3,623.89	3,918.80

(₹ in lakhs)

Note 8. Current Tax Assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax Assets	6,931.15	4,772.40
Total	6,931.15	4,772.40

(₹ in lakhs)

for the year ended March 31, 2022

(₹ In Lakhs)

Note 9A. Capital Work in Progress including advances for capital assets

578.99478.72

for the year ended March 31, 2022

(₹ In Lakhs)

(i)	Project in Progress	415.50	140.02	23.50	-	579.02
		(383.91)	(86.23)	-	-	(470.14)
(ii)	Project temporarily suspended	-	-	-	-	-
		(0.78)	(8.49)	-	-	(9.27)

(₹ In Lakhs)

(i) Projects in progress	-	-	-	-
	-	-	-	-

Note 10. Right of Use Asset

(₹ In Lakhs)

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
At the beginning of the year	50,664.97	59,547.99
Additions	5,543.14	3,218.65
Interest cost	3,576.16	5,083.07
Modifications	73.26	(4,253.04)
Total cost	59,857.52	63,596.67
Payment of lease rentals:		
Payment during the year	(10,215.32)	(12,931.70)
Total amortisation and impairment	(10,215.32)	(12,931.70)
Net carrying amount	49,642.20	50,664.97

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Less than 1 Year	9,779.00	10,146.00
1-3 Years	17,900.00	17,700.00
3-5 Years	16,675.00	17,096.00
More than 5 Years	5,830.00	9,442.00
Total undiscounted lease liabilities	50,184.00	54,384.00

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 10A. Other Intangible Assets

(₹ In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Software	Total	Software	Total
At cost at the beginning of the year	18,409.35	18,409.35	13,140.90	13,140.90
Additions	3,568.63	3,568.63	5,268.45	5,268.45
Disposals	284.75	284.75	-	-
Total cost	21,693.24	21,693.24	18,409.35	18,409.35
Accumulated amortisation and impairment:				
Accumulated depreciation and impairment as at the beginning of the year	8,152.58	8,152.58	5,398.80	5,398.80
Amortisation during the year	3,345.36	3,345.36	2,753.78	2,753.78
Disposals	172.77	172.77	-	-
Total amortisation and impairment	11,325.17	11,325.17	8,152.58	8,152.58
Net carrying amount	10,368.06	10,368.06	10,256.77	10,256.77

Note 11. Non Financial Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Financial Assets		
Prepaid expenses	2,849.20	1,930.83
Balance with Government Authorities	522.66	1,412.57
Funded balance of plan assets - Gratuity [^]	6.68	-
Others	1,593.00	1,482.93
Total	4,971.54	4,826.33

[^]Represents surplus in fund account net of obligation of ₹11.48 lakhs (March 31, 2021 - Nil) to be transferred to the subsidiary, pending transfer from the statutory fund.

Note 12. Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
- Outstanding dues of micro enterprises and small enterprises	-	-
- Outstanding dues of creditors other than micro enterprises and small enterprises	13,296.92	5,160.55
Total	13,296.92	5,160.55

12.1 Based on the information available with the Company, the Company is not liable and has not paid any interest in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, and there are no interest amounts due as at March 31, 2022 and March 31, 2021.

12.2 Aging schedule of trade payables

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-3 years	More than 3 years	
MSME	-	-	-	-	-
	-	-	-	-	-
Others	14.84	13,282.08	-	-	13,296.92
	(21.50)	(5,139.05)	-	-	(5,160.55)
Disputed dues - MSME	-	-	-	-	-
	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	-	-	-	-	-

Note: Amount in parenthesis relates to previous year.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 13. Borrowings (Other than Debt Securities)

(₹ In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	At Amortised Cost	At Fair Value Through Profit and Loss	Total	At Amortised Cost	At Fair Value Through Profit and Loss	Total
Term loans						
(i) From banks	1,21,240.32	-	1,21,240.32	13,800.00	-	13,800.00
(ii) From other parties	1,07,556.16	-	1,07,556.16	3,10,917.75	-	3,10,917.75
Term money						
(i) From banks	15,000.00	-	15,000.00	-	-	-
Total	2,43,796.48	-	2,43,796.48	3,24,717.75	-	3,24,717.75
Borrowings in India	2,43,796.48	-	2,43,796.48	3,24,717.75	-	3,24,717.75
Borrowings outside India	-	-	-	-	-	-
Total	2,43,796.48	-	2,43,796.48	3,24,717.75	-	3,24,717.75

(i) Out of the the above loans, the following loans are secured by hypothecation of advances

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans	39,292.16	16,119.00

The Borrowings have not been guaranteed by directors or others during current year and previous year.

There has been no default in repayment of principal and interest during current year and previous year.

Terms of repayment of borrowings (Secured by hypothecation of advances)

(₹ In Lakhs)

Rate of Interest	Maturity	Installments	Amount Outstanding as at March 31, 2022
Borrowings from Banks - (a)			
Repayable in Bullet			
Interest Rate - 5.15%	< 1 Year	1	13,800.00
Interest Rate - 4%	>2 - < 3 Years	1	25,000.00
Borrowings from Others			
Repayable in Half Yearly Installments			
Interest Rate - 10.75%	< 1 Year	1	492.16
Total secured			39,292.16

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Unsecured

(₹ In Lakhs)

Rate of Interest	Maturity	Installments	Amount Outstanding as on March 31, 2022
Borrowings from Banks - (b)			
Repayable in Quarterly Installments			
Interest Rate - 5.5%	< 1 Year	1	5,000.00
Interest Rate - 5.25%	< 1 Year	1	10,000.00
Interest Rate - 7.65%	>2 - < 3 Years	4	15,000.00
Total			30,000.00
Borrowings from Others - (c)			
Repayable in Monthly Installments			
Interest Rate - 4.15%	< 1 Year	7	807.80
			807.80
Repayable in Quarterly Installments			
Interest Rate - 8.15%	< 1 Year	3	2,005.80
Interest Rate - 9.6%	< 1 Year	3	2,310.00
	2 Year	4	3,080.00
	3 Year	5	3,850.00
	4 Year	27	20,760.00
Total			32,005.80
Repayable in Half Yearly Installments			
Interest Rate - 5.75%	< 1 Year	1	20,000.00
Interest Rate - 9.15%	< 1 Year	2	1,500.00
	2 Year	1	750.00
Interest Rate - 9.25%	< 1 Year	2	20,000.00
	2 Year	2	20,000.00
Interest Rate - 9.30%	< 1 Year	2	2,000.00
	2 Year	1	1,000.00
Interest Rate - 9.60%	< 1 Year	2	6,000.00
	2 Year	1	3,000.00
Total			74,250.00
IBPC and Securitization			
IBPC	< 1 Year	1	42,500.00
Securitisation	< 1 Year	NA*	3,466.82
	> 1 Year	NA*	21,473.90
Total			67,440.72
Total Unsecured (c)			1,74,504.32
Total Borrowings (a+b+c)**			2,43,796.48

* Securitised amount is deposited in trust account as and when Bank receives amount from customer.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(₹ In Lakhs)

Rate of Interest	Maturity	Installments	Amount Outstanding as on March 31, 2022
Borrowings from Others - (a)			
Repayable in Monthly Installments			
Repayable in Half Yearly Installments			
Interest Rate - 10.75%	< 1 Year	4	1,544.00
	2 Year	1	400.00
Interest Rate - 11.50%	< 1 Year	1	375.00
Repayable in Bullet from banks			
Interest Rate - 5.15% (Repo)	< 1 Year	2	13,800.00
Total secured			16,119.00

Unsecured

(₹ In Lakhs)

Rate of Interest	Maturity	Installments	Amount Outstanding as on March 31, 2022
Borrowings from Banks - (b)			
Repayable in Bullet			
Interest Rate - 5.15%	< 1 Year	1	60,000.00
Interest Rate - 5.25%	< 1 Year	1	50,000.00
			1,10,000.00
Borrowings from Others - (c)			
Repayable in Monthly Installments			
Interest Rate - 9.55%	< 1 Year	5	4,040.00
Interest Rate - 4.15%	< 1 Year	12	1,368.00
	2 Year	7	808.00
Interest Rate - 9.98%	< 1 Year	5	6,060.00
			12,276.00
Repayable in Quarterly Installments			
Interest Rate - 8.15%	< 1 Year	4	2,664.00
	2 Year	3	2,006.00
Interest Rate - 9.00%	< 1 Year	2	10,000.00
			14,670.00
Repayable in Half Yearly Installments			
Interest Rate - 5.75%	< 1 Year	2	40,000.00
	2 Year	1	20,000.00
Interest Rate - 9.15%	< 1 Year	2	5,250.00
	2 Year	2	1,500.00
	3 Year	1	750.00
Interest Rate - 9.25%	< 1 Year	4	20,000.00
	2 Year	4	20,000.00
	3 Year	4	20,000.00
Interest Rate - 9.30%	< 1 Year	2	9,500.00
	2 Year	2	2,000.00
	3 Year	1	1,000.00
Interest Rate - 9.60%	< 1 Year	2	6,000.00
	2 Year	2	6,000.00
	3 Year	1	3,000.00
Interest Rate - 8.90%	< 1 Year	1	16,667.00
Total			1,71,667.00
Total Unsecured (b + c)			3,08,613.00
Total Borrowings as on March 31, 2021** (a + b + c)			3,24,732.00

** The difference in total borrowings as per "Borrowing Repayment Schedule and as per Note No. 13 "Borrowings (Other than Debt Securities)" is on account of deferment of processing fee paid on borrowings as per Ind AS 109.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 14. Deposits

(₹ In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	At Amortised Cost	At Fair Value through Profit and Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Total
Deposits						
Demand Deposits						
(i) From Banks	600.63	-	600.63	1,947.65	-	1,947.65
(ii) From Others	47,713.01	-	47,713.01	42,340.07	-	42,340.07
(iii) Public Deposits	-	-	-	-	-	-
Savings deposits	4,50,896.68	-	4,50,896.68	2,25,664.94	-	2,25,664.94
Term deposits						
(i) From Banks	5,32,529.32	-	5,32,529.32	4,15,349.85	-	4,15,349.85
(ii) From Others	7,06,499.58	-	7,06,499.58	5,78,520.94	-	5,78,520.94
(iii) Certificate of Deposits	75,617.65	-	75,617.65	40,713.97	-	40,713.97
Total	18,13,856.87	-	18,13,856.87	13,04,537.42	-	13,04,537.42
Deposits of branches in India	18,13,856.87	-	18,13,856.87	13,04,537.42	-	13,04,537.42
Deposits of branches outside India	-	-	-	-	-	-
Total	18,13,856.87	-	18,13,856.87	13,04,537.42	-	13,04,537.42
Deposits - non-interest bearing	48,313.64	-	48,313.64	44,287.72	-	44,287.72
Deposits - interest bearing	17,65,543.23	-	17,65,543.23	12,60,249.70	-	12,60,249.70
Total	18,13,856.87	-	18,13,856.87	13,04,537.42	-	13,04,537.42

Note:

Deposits have not been guaranteed by directors or others during current and previous year.

There has been no default in repayment of deposits and interest thereon during current and previous year.

The deposit rates of the Bank are as follows:

- Savings Deposits Interest Rates : 4% to 7% (Previous year : 3.5% to 7%)
- Fixed Deposits Interest Rates : 2.90% to 6.75% (Previous year : 3.05% to 6.75%)
- Recurring Deposits Interest Rates : 4.75% to 6.60% (Previous year : 5.20% to 6.75%)

Note 15. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Liabilities		
Interest accrued on deposits and borrowings	18,729.48	11,563.51
Bills Payable	15,336.71	19,644.21
Others	5,267.55	252.70
Total	39,333.74	31,460.42

Note 16. Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for Employee Benefits		
Provision For Gratuity	1,134.56	1,023.18
Provision For Leave Encashment	4,438.74	4,297.10
Total	5,573.30	5,320.28

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 17. Other Non Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Financial Liabilities		
Unclaimed dividend	8.86	9.06
Employee benefits payable	1,698.73	1,816.92
Statutory remittances	2,103.38	1,623.69
Others	737.94	327.36
Total	4,548.93	3,777.03

Note 18. Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital		
Authorised Share capital :		
125,000,000 (March 31, 2021: 125,000,000) Equity Shares of ₹ 10 each ^	12,500.00	12,500.00
Issued and subscribed capital comprises:		
121,678,094 (March 31, 2021: 121,655,986) Equity Shares of ₹10 each^	12,167.81	12,165.60
Total issued, subscribed and fully paid-up share capital	12,167.81	12,165.60

^Number of shares and face value per share are reported in absolute numbers

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year: Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount (₹ in lakhs)	No of Shares	Amount (₹ in lakhs)
Balance as at the beginning of the year	1,216.56	12,165.60	1,216.03	12,160.32
Add: Shares issued during the year - Stock options	0.22	2.21	0.53	5.28
Balance outstanding as at the end of the year	1,216.78	12,167.81	1,216.56	12,165.60

(ii) Rights, preferences and restrictions attached to shares:

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not issued any bonus shares or allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash and there were no buy-backs or any securities that are convertible into equity shares. Accordingly, no further disclosures are made in this regard.

(iii) Details of shares held by each shareholder holding more than 5% Equity Shares As at March 31, 2022

(₹ in lakhs)

Particulars	Number of shares (In Lakhs)	% holding in the class of shares
Ardisia Limited	120.66	9.92%
Alena Private Limited	101.83	8.37%

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

As at March 31, 2021

(₹ in lakhs)

Particulars	Number of shares (In Lakhs)	% holding in the class of shares
Ardisia Limited	120.66	9.92%
Alena Private Limited	101.83	8.37%
NewQuest Asia Investments II Limited	62.87	5.17%

- (iv) Information relating to Employee stock option plan (ESOP) including details of options issued, exercised and lapsed during the year and options outstanding at the end of the reporting year is set out in note. 35.
- (v) There are no shares held by the promoters as at the end of the year and immediately preceeding financial year.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 18A. Other Equity

Note 18A. Other Equity

Attributable to Owners of Ujjivan Financial Services Limited										(₹ in lakhs)
Particulars	Share Application Money Pending Allotment	Reserves and Surplus					Non-Controlling Interests	Total		
		Statutory Reserve*	Securities Premium	Retained Earnings	General Reserve	Share Options Outstanding Account			Total Reserves & Surplus	
Balance at April 1, 2020	8.15	22,844.62	1,10,650.56	1,31,972.37	302.67	6,023.74	2,71,802.11	33,119.73	3,04,921.84	
Re-statement in non-controlling interest (Note 18B(i))	-	-	-	(14,258.62)	-	-	(14,258.62)	14,258.62	-	
Restated balance at the beginning of the previous reporting year	8.15	22,844.62	1,10,650.56	1,17,713.75	302.67	6,023.74	2,57,543.50	47,378.35	3,04,921.84	
Add : Profit for the year	-	-	-	(19,876.26)	-	-	(19,876.26)	(4,034.45)	(23,910.72)	
Add : Other Comprehensive Income / (Loss) for the year	-	-	-	133.57	-	-	133.57	26.75	160.32	
Appropriation to statutory reserve	-	59.00	-	(59.00)	-	-	-	-	-	
Add: Employee stock option plan expense for the year	-	-	-	-	-	2,561.38	2,561.38	10.70	2,572.08	
Re-statement in non-controlling interest (Note 18B(ii))	-	-	-	(401.81)	-	-	(401.81)	401.81	-	
Less: Grants exercised during the year	-	-	-	-	-	(46.91)	(46.91)	-	(46.91)	
Less: Transferred to General Reserve for vested options lapsed during the year	-	-	-	-	729.74	(729.74)	-	-	-	
Transaction with owners in their capacity as owners										
Gain on dilution of stake in subsidiary	-	-	-	-	-	-	-	32.08	32.08	
Add : Share application money received	69.33	-	-	-	-	-	69.33	-	69.33	
Less : Shares allotted during the year	(5.28)	-	-	-	-	-	(5.28)	-	(5.28)	
Less: Premium on shares allotted during the year	(72.07)	-	-	-	-	-	(72.07)	-	(72.07)	
Add : Premium on shares issued during the year on stock options	-	-	118.99	-	-	-	118.99	-	118.99	
Less: Dividend distributed during the year	-	-	-	(972.88)	-	-	(972.88)	-	(972.88)	
As at March 31, 2021	0.13	22,903.63	1,10,769.55	96,537.37	1,032.41	7,808.47	2,39,051.54	43,815.25	2,82,866.77	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Attributable to Owners of Ujivan Financial Services Limited										(₹ in lakhs)
Particulars	Reserves and Surplus						Total Reserves & Surplus	Non-Controlling Interests	Total	
	Share Application Money Pending Allotment	Statutory Reserve*	Securities Premium	Retained Earnings	General Reserve	Share Options Outstanding Account				
Balance at April 1, 2021	0.13	22,903.62	1,10,769.55	1,11,197.77	1,032.41	7,808.47	2,53,711.96	29,154.81	2,82,866.77	
Re-statement in non-controlling interest (Note 18B)	-	-	-	(14,660.43)	-	-	(14,660.43)	14,660.43	-	
Restated balance at the beginning of the previous reporting year	0.13	22,903.63	1,10,769.55	96,537.37	1,032.41	7,808.47	2,39,051.54	43,815.25	2,82,866.77	
Add : Loss for the year				(19,169.33)			(19,169.33)	(3,881.08)	(23,050.41)	
Add : Other Comprehensive Income for the year				283.68			283.68	55.73	339.41	
Appropriation to statutory reserve	-	25.00	-	(25.00)	-	-	-	-	-	
Add: Employee stock option plan expense for the year	-	-	-	-	-	(103.27)	(103.27)	(20.78)	(124.04)	
Less: Grants exercised during the year	-	-	-	-	-	(21.00)	(21.00)	-	(21.00)	
Less: Transferred to General Reserve for vested options lapsed during the year	-	-	-	-	1,047.55	(1,047.55)	-	-	-	
Transaction with owners in their capacity as owners										
Add : Share application money received	32.22	-	-	-	-	-	32.22	-	32.22	
Less : Shares allotted during the year	(2.21)	-	-	-	-	-	(2.21)	-	(2.21)	
Less: Premium on shares allotted during the year	(30.14)	-	-	-	-	-	(30.14)	-	(30.14)	
Add : Premium on shares issued during the year on stock options	-	-	51.15	-	-	-	51.15	-	51.15	
As at March 31, 2022	0.00	22,928.63	1,10,820.70	77,626.72	2,079.96	6,636.66	2,20,092.64	39,969.11	2,60,061.75	

Other notes to changes in equity

Statutory Reserve :

Pursuant to the requirements of section 45 – IC of the Reserve Bank of India Act, 1934 ("the RBI Act") the Company has transferred 20% of the profit after tax before any dividend is declared to the statutory reserve. The utilisation of this reserve fund is governed by the provisions of the said Act.

Securities Premium Reserve :

Securities Premium account represents premium on issue of shares and the amount received in excess of the par value of equity shares has been classified as securities premium. The securities premium will be utilised in accordance with the provisions of section 52 of Companies Act, 2013.

Shares options outstanding account :

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under the Company's Employees stock option plan. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees. (Also refer Note 33)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

General Reserve:

This reserve is created upon employee stock options that expired unexercised or upon forfeiture of options granted

Retained earnings:

This reserve is created out of accretion of profits and represents surplus in statement of profit and loss.

(b) The Remeasurements gains in respect of employee benefits included above are as under:

Particulars	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year.	(267.57)	(420.19)
Remeasurements gain/(loss) on defined benefit plans	452.30	206.55
Income tax effect on above	(114.15)	(53.93)
Balance carried forward to next year	70.58	(267.57)

Note 18B. Restatement adjustment

During the year ended March 31, 2022, as per the requirements of schedule III of Companies Act, 2013 and the Indian Accounting Standards, an amount of ₹14,660.43 lakhs has been reclassified from the 'Other Equity' to 'Non-controlling interest' arising from rectification in the computation of non-controlling interest in earlier years as given below. Accordingly, the amount of Other Equity and Non-Controlling Interest stated in Balance sheet for the year ended 31st March 2021 and 31st March 2022 is after this adjustment. This has no impact on the profit or loss or assets or liabilities. The details of this adjustment pursuant to the requirement of schedule III and applicable Indian Accounting Standards are as under:

(i) Balance Sheet as at April 01, 2020 with the impact of the above as at April 01, 2020.

Particulars	As at April 01, 2020 (Before Adjustment)	Adjustment	As at April 01, 2020 (After Adjustment)
Financial Assets			
Cash and cash equivalents	1,33,985.82	-	1,33,985.82
Bank balances other than above	456.66	-	456.66
Loans	13,93,373.30	-	13,93,373.30
Investments	2,42,920.30	-	2,42,920.30
Other financial assets	3,068.80	-	3,068.80
Non Financial Assets			
Current tax assets (net)	352.01	-	352.01
Deferred tax assets (net)	8,920.54	-	8,920.54
Property, plant and equipment	20,247.28	-	20,247.28
Right of use asset	51,897.13	-	51,897.13
Capital work-in-progress	2,062.61	-	2,062.61
Other intangible assets	7,742.10	-	7,742.10
Other non financial assets	6,081.06	-	6,081.06
Total Assets	18,71,107.61	-	18,71,107.61
Liabilities And Equity			
Liabilities			
Financial Liabilities			
Payables			
(a) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro and small enterprises	6,405.39	-	6,405.39
Borrowings (other than debt securities)	3,95,261.60	-	3,95,261.60
Deposits	10,65,558.82	-	10,65,558.82
Lease liability	59,547.99	-	59,547.99

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Particulars	As at April 01, 2020 (Before Adjustment)	Adjustment	As at April 01, 2020 (After Adjustment)
Other financial liabilities	19,267.66	-	19,267.66
Non Financial Liabilities			
Current tax liabilities	15.31	-	15.31
Provisions	4,678.39	-	4,678.39
Other non financial liabilities	3,290.29	-	3,290.29
Total Liabilities	15,54,025.45	-	15,54,025.45
Equity			
Equity share capital	12,160.32	-	12,160.32
Other equity	2,71,802.11	(14,258.62)	2,57,543.49
Total Equity Attributable to Owners of the Company	2,83,962.43	(14,258.62)	2,69,703.81
Non-controlling interests	33,119.73	14,258.62	47,378.35
Total Liabilities and Equity	18,71,107.61	-	18,71,107.61

(ii) Impact for the year 2020-21

Transfer to non-controlling interest relating to movements in other equity during the year	401.81
Total of (i) and (ii)	14,660.43

Note 19A. Interest Income

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest on deposits with banks	5,336.96	3,318.96
Interest on loans	2,66,723.23	2,75,952.87
Interest income from investments	18,513.74	17,297.61
Other interest income	281.45	209.29
Total	2,90,855.38	2,96,778.73

Note 1: Interest income from investment includes income from investments in central government securities, treasury bills, money market instruments, units and debentures.

Note 2: Interest Income is from Financial Assets measured at Amortised Cost.

Note 19B. Fee and Commission Income (recognised at point)

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a) Revenue from bancassurance business	2,640.65	1,985.13
(b) Revenue from fee based services	4,248.76	2,875.19
Total revenue	6,889.41	4,860.32

Note 19C. Net gain/loss on derecognition of financial instruments at amortised cost

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit on sale of investments -Central Govt Securities	1,770.93	4,959.04
Total	1,770.93	4,959.04

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 20. Other Income

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net gain/(loss) on derecognition of property, plant and equipment	(199.70)	926.67
Others		
(i) PSLC Income	180.41	5,785.45
(ii) Gain on sale of Mutual Fund	-	635.58
(iii) Others	9,721.61	4,153.76
Total	9,702.32	11,501.46

Note 21. Finance Cost

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest on Lease liability	3,576.16	5,083.07
Interest on borrowings	14,663.57	29,754.92
Interest on deposits	88,868.29	77,257.10
Total	1,07,108.04	1,12,095.09

Finance cost is towards financial liabilities measured at Amortised Cost at their effective interest rate.

Note 22. Impairment losses on Financial Instruments

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
On Advances measured at amortised cost	84,588.10	1,16,516.66
On Investments measured at amortised cost	32.21	2.36
Total	84,620.31	1,16,519.02

Note 23. Employee Benefits

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries and wages including bonus	73,370.91	65,126.82
Contributions to provident and other funds	4,637.94	4,389.84
Gratuity	1,185.69	1,230.25
Employee Share Based Payments, net (Refer Note 35)	(124.05)	2,572.08
Staff Welfare	3,118.40	2,590.99
Total	82,188.89	75,909.98

Note 24. Depreciation and amortisation expense

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation on property, plant and equipments (refer note 9)	4,698.72	4,927.40
Amortisation on Intangible assets (refer note 10A)	3,345.89	2,753.78
Depreciation on Right to use asset (refer note 10)	7,462.62	9,309.16
Total	15,507.23	16,990.34

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Note 25. Other expenses

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Rent (Refer Note 32)	1,929.50	(1,202.93)
Taxes and energy costs	1,860.32	1,633.02
Repairs and maintenance	11,523.44	6,243.32
Corporate Social Responsibility (Refer for CSR note(27B))	430.37	556.20
Communication costs	2,731.46	2,407.85
Postage & courier	826.23	665.65
Printing and stationery	1,453.39	1,312.40
Advertisement and publicity	1,239.66	511.18
Director's fees, allowances and expenses	298.15	201.88
Auditor's fees and expenses (Refer note note 25(1))	149.52	108.82
Legal and Professional charges	1,481.58	1,271.72
Travelling & conveyance expenses	4,575.24	3,148.58
Insurance	1,328.18	1,071.29
National Financial Switch (NFS) Charges	4,103.49	2,584.74
Collection Agency Charges	3,141.97	547.11
Other expenditure	13,117.83	7,457.05
Total	50,190.33	28,517.88

Note 25(i). Details of payments to auditor

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Audit services (including Auditor's fees and expenses of auditors of Subsidiary Bank)	60.25	51.96
Tax audit	6.77	3.12
Other services	78.71	52.96
Reimbursement of expenses and levies	4.06	0.78
Total	149.78	108.82

Note 26. Other disclosure

Following table summarizes the other disclosures including notes references for expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

(₹ in lakhs)

Particulars	Amount for the year ended / As on	
	March 31, 2022	March 31, 2021
Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 24 "Depreciation, amortization and impairment")	7,462.50	9,309.16
Interest expense on lease liabilities (presented under note - 21 "Finance costs")	3,576.16	5,083.07
Expense relating to short-term leases (included in Rent expenses under note 25 "Other expenses")	-	-
Expense relating to leases of low-value assets (included in Rent expenses under note 25 "Other expenses")	-	-
Payments for principal portion of lease liability	6,639.16	7,848.62
Additions to right-of-use assets during the year	5,534.94	4,837.72
Lease liabilities (presented under note - 10 "Lease liabilities")	49,642.04	50,664.98

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	452.30	206.55
- Remeasurements of post-employment benefit obligations	445.00	207.00
- Income tax relating to items that will not be reclassified to profit or loss	(114.15)	(51.99)
Balance at the end of the year : Subtotal (A)	338.15	154.56
Items that will be reclassified to profit or loss		
Balance at the beginning of the year	-	-
- Remeasurement of investments at Fair Value	1.26	7.70
- Income tax relating to items that will be reclassified to profit or loss	-	(1.94)
Balance at the end of the year : Subtotal (B)	1.26	5.76
Accumulated Other Comprehensive Income (A + B)	339.41	160.32

Note 27A. Contingent Liabilities and Commitments

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Claims not acknowledged as debts		
- Taxation	7,854.00	171.00
- Other Legal cases	30.00	2,287.00
Guarantees given on behalf of constituents - in India	25.00	25.00
Amount Transferred to Depositor Education and Awareness Fund (DEAF)	22.60	21.88
Capital commitments not provided (Including DEAF)	5,791.37	1,550.84
Total	13,722.97	4,055.72

1 Claims against the bank not acknowledged as debts - Taxation

The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and the provisions of Income Tax Act, 1961. It includes ₹ 7,801 lakhs intimation received by Bank under section 143(1) on 23-Dec-2021, because an incorrect date of filing of return is considered for processing the intimation order and the bank has filed an appeal with CIT (A) as well as an application for rectification and application for stay in demand with the AO has been filed.

2 Claims against the Bank not acknowledged as debts -Other legal cases

The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.

3 Guarantees given on behalf of constituents, acceptances, endorsements and other obligations

As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the Bank's customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.

4 Other items for which the Bank is contingently liable

These includes: a) Capital commitments; b) Amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF).

Note 27B. Corporate Social Responsibility

- As per Sec 135 (1) of the Companies Act "Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director". Pursuant to this, Bank has duly constituted a Corporate Social Responsibility Committee.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

Further, the section stipulates that the company should spend, in every financial year, at least two per cent of the average net profits made during the three immediately preceding financial years and in pursuance of its Corporate Social Responsibility Policy.

Gross amount required to be spent by the Group during the financial year ended March 31, 2022 is ₹499.88 lakhs (March 31, 2021: ₹498.47 lakhs).

As per the provisions of Sec 135(5) and (6) of Companies Act 2013, Bank is required to transfer unspent amount to a separate bank account to be called as 'Unspent CSR account' within a period of 30 days from the end of financial year in case of ongoing project and in other cases, transfer such unspent amount to a fund specified in Schedule VII within a period of 6 months from the end of financial year. Pursuant to this, Bank has transferred unspent CSR amount of ₹71 Lakhs to a separate Bank Account.

(₹ In Lakhs)

Particulars	Year ended March 31, 2022		
	Amount Spent	Amount unpaid / provision	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	430.37	72.57	502.94

(₹ In Lakhs)

Particulars	Year ended March 31, 2022		
	Amount Spent	Amount unpaid / provision	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	556.20	3.06	559.26

*The Bank was required to spend ₹502.94 lakhs for the financial year 2021-22, which includes ₹3.06 lakhs pertaining to Financial Year 2020-21 which was transferred to "PM care Fund" during the current year and ₹559.26 lakhs, for the financial year 2021-22. The Bank as per proviso to section 135(5) of Companies Act 2013, has transferred the balance amount net of advances of ₹68.37 lakhs to "unspent CSR Account".

Corporate Social Responsibility (CSR)

Where the company (NBFC) covered under section 135 of the Companies Act, the following

(₹ In Lakhs)

Particulars	Amount March 31, 2022	Amount March 31, 2021
(a) amount required to be spent by the company during the year,	502.94	559.26
(b) amount of expenditure incurred,	430.37	556.20
(c) shortfall at the end of the year,	72.57	3.06
(d) total of previous years shortfall,	3.06	60.77
(e) reason for shortfall,		The Bank has undertaken its CSR activities both directly and through external implementing agencies. Few proposals received from external NGOs were not considered by the Bank due to lack of quality and non-alignment with the Bank's CSR strategy.
(f) nature of CSR activities,	COVID relief, Disaster relief & community development	COVID relief, Disaster relief & community development
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Parinaam Foundation, Samit Ghosh - Director ₹99.33 lakhs transferred in the financial year 2021-22 and INR 49.66 lakhs moved to the unspent CSR account.	Parinaam Foundation, Samit Ghosh - Director ₹50 lakhs transferred in the financial year 2020-21.
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

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for the year ended March 31, 2022

Note 28. Current tax and deferred tax

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current Tax:		
In respect of current year	84.49	17,199.29
In respect of prior years	-	(4.07)
Deferred Tax:		
Charged / (credit) through Profit and Loss	(7,430.84)	(25,217.27)
Charged through Other Comprehensive Income	(114.15)	53.93
Total income tax expense recognised in the Statement of profit and loss	(7,460.50)	(7,968.13)

Movement in deferred tax balances

(₹ In Lakhs)

	For the Year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
PPE and intangibles assets	(1,020.49)	405.77	-	(614.72)
	(1,020.49)	405.77	-	(614.72)
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	2,356.21	947.63	(114.15)	3,189.68
Impact of Ind AS 116	1,032.21	(63.42)	-	968.79
Impact of Ind AS 116 on Transition Reserve	1,385.80	-	-	1,385.80
ECL provision on advances and investments	28,286.03	3,504.44	-	31,790.48
Deduction U/s 80JJAA of Income Tax Act, 1956	469.72	(362.29)	-	107.43
Deferred income	1,599.09	1,646.39	-	3,245.48
Others (on account of unabsorbed losses & allowances)	(24.84)	1,352.55	-	1,327.71
	35,104.23	7,025.31	(114.15)	42,015.37
Net Tax Asset / (Liabilities)	34,083.74	7,431.08	(114.15)	41,400.65

(₹ In Lakhs)

	For the Year ended March 31, 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
PPE and intangibles assets	(1,013.08)	(7.23)	-	(1,020.31)
	(1,013.08)	(7.23)	-	(1,020.31)
Tax effect of items constituting deferred tax assets				
Provision for Employee benefits	605.70	1,804.39	(53.93)	2,356.17
Impact of Ind AS 116	515.20	517.00	-	1,032.21
ECL provision on advances and investments	2,600.92	25,685.12	-	28,286.04
Deduction U/s 80JJAA of Income Tax Act, 1956	1,291.63	(821.32)	-	470.31
Deferred income	3,057.42	(1,458.33)	-	1,599.09
Impact of Ind AS 116 on transition reserve	1,385.80	-	-	1,385.80
Others	477.60	(502.97)	-	(25.37)
	9,934.27	25,223.89	(53.93)	35,104.24
Net Tax Asset / (Liabilities)	8,921.19	25,216.62	(53.93)	34,083.93

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

The reconciliation between the income tax expense. The amounts are computed by applying the income tax rate to profit before taxes as applicable to the Indian Companies is as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit before tax and other comprehensive income (OCI)	(29,943.20)	(31,718.51)
enacted income tax rate in India	25.168%	25.168%
expected tax expense computed using enacted tax rate	(7,536.10)	(7,982.91)
tax effect on corporate social responsibility expenditure and donations	108.32	73.21
tax effect on Prior period items	-	(4.07)
tax effect in other adjustments	195.59	(54.35)
Income tax expense recognised in Statement of profit and loss & OCI	(7,232.19)	(7,968.12)

Note 29. Employees Benefit Plans

Post Employment Benefit Plans

Defined contribution plans- Provident Fund

The Group makes the provident fund contributions for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any contractual obligations.

Defined Benefit Obligations (DBO)- Gratuity

The Gratuity scheme is a final salary defined benefit plan, that provides for a lump sum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lump sum. There is a vesting period of 5 years.

(i) Risk Exposure

The design entails the following risks that affect the liabilities and cash flows

1. Interest rates risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Demographic risks: this is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.
3. Salary inflation risk: higher than expected increases in salary will increase the defined benefit obligation.
4. Asset Liability Mismatch. This will come into play unless the funds are invested with a term of the assets replicating the term of the liability.
5. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

6. Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
7. Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.
8. Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
9. Legislative Risk/Regulatory Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation And the same will have to be recognized immediately in the year when any such amendment is effective.

The Code on Wages, 2019 ("code") and other connected legislations enacted by the Government of India envisages payment of wages (as defined) which is not less than 50% of all monthly remuneration paid to employees (as defined). The effective date of these legislations and the rules relevant thereto have not yet been notified by the Government of India. The current wages as a percentage to the remuneration as per Company's salary structure is less than that envisaged in these legislations. As and when the legislations are notified, there may be an increase in the accrued gratuity liability of the employees of the Company. This possible additional liability has currently not been quantified.

Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

(ii) Amount recognised in the Balance Sheet and the movements in the net benefit obligation over the year are as follows:

Components of Employer expense

		(₹ in lakhs)	
Sl No	Particulars	March 31, 2022	March 31, 2021
1	Current service Cost	1,146.43	1,181.80
2	Plan Amendment	-	-
3	Past service cost	-	-
4	Curtailement Cost/(Credit)	-	-
5	Settlement Cost/(Credit)	-	-
	Total Service Cost	1,146.43	1,181.80
6	Net Interest Cost	-	-
7	Interest Expense on DBO	374.12	279.94
8	Interest (Income on Plan Asset)	(323.98)	(231.66)
9	Interest (income) on reimbursement rights	-	-
10	Interest expense on effect of (asset ceiling)	-	-
	Total Net Interest	50.14	48.28
11	Administrative Expenses/Taxes/Insurance Cost/Exchange Rate cost	0.12	0.17
12	Cost of Termination Benefits/Acquisitions/Transfers	(11.00)	-
	Defined Benefits cost included in P&L	1,185.69	1,230.25

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(iii) Remeasurement effects

Remeasurement effects recognized in other comprehensive income (OCI)

(₹ in lakhs)

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	(99.27)	49.62
2	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	(299.85)	(19.34)
3	Actuarial (Gain)/ Losses due to Experience on DBO	(25.93)	(86.83)
4	Return on Plan Assets (Greater) / Less than Discount rate	(27.25)	(150.00)
	Total actuarial (gain)/loss included in OCI	(452.31)	(206.55)
	Total cost recognised in P&L and OCI (Defined Benefit Cost)		
5	Cost Recognised in P&L	1,185.95	1,230.25
6	Remeasurement Effect Recognised in OCI;	(452.31)	(206.55)
	Total Defined Benefit Cost	733.65	1,023.69

(iv) The net liability disclosed above related to funded plans are as follows:

Net Asset/(Liability) Recognised in Balance Sheet

(₹ in lakhs)

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Present value of Funded Obligation	6,033.83	5,636.66
2	Fair Value of Plan Assets	4,899.28	4,613.48
	Funded status [Surplus/(Deficit)]	(1,134.56)	(1,023.18)
	Net Liability	(1,134.56)	(1,023.18)
	Recognised in balance sheet	(1,134.56)	(1,023.18)

(v) The amount recognized in the balance sheet and the movement in the net defined benefit obligation Change in DBO over the year ending on

(₹ in lakhs)

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Present value of DBO at beginning (opening)	5,636.66	4,475.67
2	Interest Cost	374.12	279.94
3	Current Service Cost	1,146.43	1,168.60
4	Benefits Payouts from plan	(698.29)	(230.97)
5	Actuarial (Gains)/Loss	(425.08)	(56.57)
	Present Value of DBO at the ending year	6,033.84	5,636.66

(vi) Reconciliation of Opening & Closing of Plan Assets

(₹ in lakhs)

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Fair Value of Plan Assets at end of prior year	4,613.48	2,961.25
2	Difference in opening Value	-	0.40
3	Employer Contribution	633.00	1,501.70
4	Expected Interest income of assets	323.98	231.66
5	Benefits Payouts from plan	(698.29)	(230.97)
6	Admin expenses /Taxes paid from plan assets	-	(0.17)
7	Actuarial gain/(Loss)	27.11	149.61
8	Fair Value of assets at the End	4,899.28	4,613.48
9	Actual Return on Plan Assets	351.23	381.26

The Group has started funding the liability through the medium of an insurance Company and Regular assessment is made by the insurance company. of the increase in liability under certain assumptions and contributions are being made to maintain the fund and subject to credit risk of the insurance company & asset liability mismatch risk of the investments the Group will be able to meet the past service liability on the valuation date that fall due during the next 10 years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(vii) Expected Contributions to the plan for the next annual reporting period.

Information on the maturity profile of the liabilities given below

(₹ in lakhs)

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Weighted average duration of the DBO	8.16	9.61
2	Projected Benefit Obligation	6,022.47	5,636.65
3	Accumulated Benefits Obligation	3,455.77	2,303.35

(viii) Reconciliation of Opening & Closing of Plan Assets

Sl No	Particulars	Discounted values / Present value	Undiscounted values / Actual value
1	Year (I)	656.00	690.54
2	Year (II)	524.48	590.93
3	Year (III)	422.18	508.75
4	Year (IV)	335.80	433.78
5	Year (V)	262.35	362.87
6	Next 5 Year Payouts (6-10Yrs)	843.34	1,404.91
7	Payouts Above Ten Years	2,978.33	9,120.95
8	Vested benefit Obligation as on March 31, 2022	4,561.06	

(ix) Major Categories of Plan Asset as a percentage of the fair value

Assets Distribution (in percentage)

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Govt Securities(Central & State)	-	-
2	High quality Corporate Bonds	-	-
3	Equity shares of Listed Co's	-	-
4	Property	-	-
5	Special deposits	-	-
6	Others (other investments, bank balance etc.)	-	-
7	Assets under Insurance Schemes	100%	100%
	Total	100%	100%

(x) Key Assumptions

One of the principal assumptions is the discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

Actuarial Assumptions:

Salary Escalation:

In projecting the salary increases there are three factors to consider - first is inflation level leading to a general change in salary level. The other two are career progression of the employees & productivity gains for the organization. Where appropriate the salary increases, a periodic salary experience study with the client's data will be conducted as an input for the client, when setting the assumption.

Demographic Assumptions:

For Attrition / Withdrawal

Withdrawal rates, both at early durations of service and near retirement date, not only have a significant impact on estimates of 'liability' and 'contributions' (more than of mortality in service) but are most difficult to estimate. The past may not be a guide to the future. Even if the past experience can be statistically analyzed and produce some meaningful rates, the future experience of withdrawals will depend on general economic conditions as also the particular conditions affecting the given employer's business. Furthermore, withdrawal rates differ significantly from scheme to scheme and within a scheme from year to year. We examine these rates and any other information available and use best possible judgment to cater to the long term nature of the actuarial estimates being is carrying out.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

The financial and demographic assumptions employed for the calculations as at the end of previous period and current period are as follows:

Actuarial assumptions

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Discount rate	7.08% - 7.48%	6.40% - 6.44%
2	Expected return on assets	6.44% to 7.48%	6.40%
3	Salary Escalation	9.00%	9.00%
4	Attrition Rate	Graded rates from Age 35 - 17.16%, From Age 40 - 11.44%, From Age 45 - 5.72%, From Age 50 - 2%.	19.69% - 24.29%
5	Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	

Demographic Assumptions

Sl No	Particulars	March 31, 2022	March 31, 2021
1	Disability:	5% of mortality rate rates	5% of mortality rate rates
2	With drawal:	Graded rates from Age 35 - 17.16%, From Age 40 - 11.44%, From Age 45 - 5.72%, From Age 50 - 2%.	19.69% - 24.29%
3	Retirement age:	60 years	60 years

Sensitivity Analysis - March 31, 2022

Sl No	Particulars	% increase in DBO	Liability	Increase In DBO
1	Discount rate +100 basis points	(7.94%)	5,554.55	(479.29)
2	Discount rate -100 basis points	8.88%	6,569.80	535.97
3	Salary growth +100 basis points	7.58%	6,490.99	457.16
4	Salary growth -100 basis points	(7.10%)	5,605.60	(428.23)
5	Attrition rate +100 basis points	(1.85%)	5,922.29	(111.55)
6	Attrition rate-100 basis points	1.65%	6,133.67	99.83
7	Mortality rate 10% up	(0.23%)	6,020.00	(13.83)
8	Effect on ceiling	(2.13%)	5,983.19	128.24

Sensitivity Analysis - March 31, 2021

Sl No	Particulars	% increase in DBO	Liability	Increase In DBO
1	Discount rate +100 basis points	(7.88%)	5,149.43	(475.30)
2	Discount rate -100 basis points	9.76%	6,213.70	588.97
3	Salary growth +100 basis points	8.49%	6,137.20	512.47
4	Salary growth -100 basis points	(7.07%)	5,197.87	(426.85)
5	Attrition rate +100 basis points	(2.03%)	5,502.11	(122.62)
6	Attrition rate-100 basis points	2.70%	5,787.75	163.02
7	Mortality rate 10% up	(0.14%)	5,633.43	8.71

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 30. Segment information

30.1 Products and services from which reportable segments derive their revenues

Operating segments are defined as components of the Group for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is the MD/CEO of the Holding Company.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of products, and in respect of the 'Banking' operations, the information is further analysed based on the different categories of customers. The CODM has chosen to organise the group around differences in products and services.

The following operating segments namely Micro Finance, Rural Finance, Housing loans, Micro and Small Enterprise loans, Personal Loans, Vehicle Loans and Institutional Loans are aggregated as 'Banking' into a single operating segment taking into account the following factors:

- these operating segments have similar long-term gross profit margins;
- these operating segments operate in similar regulatory environment;
- the type or class of customer for their products and services; and
- the methods used to distribute the products to the customers are the same.

Specifically, the Company's reportable segment under Ind AS 108 is as follows:

Banking Segment provides loans to customers and raises deposits from loan customers. Revenues of the Banking segment are derived from interest earned on retail loans and processing fees earned. Expenses of this segment primarily comprise interest expense on deposits & Borrowings, infrastructure and premises expenses for operating the branch network, personnel costs, credit costs, other direct overheads and allocated expenses.

Others include NBFC Operations of the Group.

30.2 Segment revenues and results

The following is an analysis of the Company's revenue and results by reportable segment.

Revenue and results for the year ended March 31, 2022

(₹ In Lakhs)

Particulars	Banking	Others^	Inter-Segmental	Total
Total segment revenue	3,09,069.37	674.74	(526.07)	3,09,218.04
Revenue from external customers	3,09,069.37	674.74	(526.07)	3,09,218.04
	3,09,069.37	674.74	(526.07)	3,09,218.04
Segment results				
Profit before tax and OCI	(30,171.72)	301.04	(526.07)	(30,396.76)

^Includes NBFC operations of the Group

Revenue and results for the year ended March 31, 2021

(₹ In Lakhs)

Particulars	Banking	Others^	Inter-Segmental	Total
Total segment revenue	3,18,051.64	844.38	(796.47)	3,18,099.55
Revenue from external customers	3,18,051.64	844.38	(796.47)	3,18,099.55
	3,18,051.64	844.38	(796.47)	3,18,099.55
Segment results				
Profit before tax and OCI	(31,524.98)	388.69	(796.47)	(31,932.76)

^Includes NBFC operations of the Group

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30.3 Segment assets and liabilities

The following is an analysis of the Company's assets and liabilities by reportable segment.

Segment assets and liabilities as at 31 March 2022

(₹ In Lakhs)

Particulars	Banking	Others	Inter-Segmental	Total
Segment Assets	24,40,183.97	12,710.72	(10,616.69)	24,42,278.00
Segment liabilities	21,80,555.68	109.46	(10,616.69)	21,70,048.44
Capital Employed	2,59,628.29	12,601.26	-	2,72,229.56

Segment assets and liabilities as at 31 March 2021

(₹ In Lakhs)

Particulars	Banking	Others	Inter-Segmental	Total
Segment assets	20,17,427.78	12,460.96	(9,217.94)	20,20,670.80
Segment liabilities	17,34,717.42	138.95	(9,217.94)	17,25,638.43
Capital Employed	2,91,928.30	3,104.06	-	2,95,032.36

30.4 Geographical information

The entity is domiciled and operates in India. Hence, no geographical information is required.

30.5 Information about major customers

No single customer contributed 10% or more to the Group's revenue for both current financial year and immediately preceding financial year.

Note 31. Earning Per Share

Basic Earnings/ (Loss) Per Equity Share

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Nominal value of equity share (₹)	10	10
Profit after tax - (A) (₹ in lakhs) attributable to shareholders of the company	(19,169.33)	(19,876.26)
Weighted average number of shares outstanding (B) (in Lakhs)	1,216.65	1,216.26
Basic earnings per share (₹) - (A/B)	(15.76)	(16.34)

Diluted Earnings/ (Loss) Per Equity Share

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Nominal value of equity share (₹)	10	10
Profit after tax - (A) (₹ in lakhs) attributable to shareholders of the company	(19,169.33)	(19,876.26)
Weighted average number of shares outstanding (B) (in Lakhs)	1,216.65	1,216.26
Diluted earnings per share (₹) - (A/B)	(15.76)	(16.34)

Note 32. Leasing Arrangements

Payments recognized as expense

(₹ in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Rent *	1,929.50	(1,202.93)

*Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2021 vide notification dated 18 June 2021, Ind AS 116 - Leases paragraph 46B was amended to extend the application of practical expedient related to Covid-19-Related Rent Concessions to lease payments originally due on or before 30th June 2022. The Company had applied this practical expedient to all such rent concessions received during the year ended 31 March 2022 from certain Lessors that meet the conditions specified in paragraph 46B. Savings in lease payments resulting from rent concessions received during the year is recognised in statement of profit and loss for the year ended March, 31, 2022 and March, 31, 2021.

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Note 33. Financial instruments

33.1 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stake holders. The capital structure of the Company consists only of equity. The Management reviews the capital structure of the Group periodically.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's Material Subsidiary (the Bank) is subject to the capital adequacy requirements of the Reserve Bank of India (RBI), which are primarily based on the capital adequacy accord reached by the Basel Committee of the Bank of International Settlements (Basel Committee). Under RBI's capital adequacy guidelines, the Bank is required to maintain a minimum ratio of total capital to risk adjusted assets as determined by a specified formula, at least half of which must be Tier 1 capital, which is generally shareholders' equity.

The Group has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by RBI.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

33.2 Financial instruments by category

(₹ In Lakhs)

	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Investments	3,424.37	60,126.47	3,57,969.25	-	31,369.01	2,23,801.63
Cash & Cash equivalents and Other Bank balances (incl. interest)	-	-	2,18,806.49	-	-	2,61,549.12
Loans	-	-	16,77,854.17	-	-	13,84,741.42
Other Financial Assets	-	-	3,623.89	-	-	3,274.70
Total Financial Assets	3,424.37	60,126.47	22,58,253.80	-	31,369.01	18,73,366.87
Financial liabilities						
Trade Payable	-	-	13,296.92	-	-	5,160.55
Borrowings	-	-	2,43,796.48	-	-	3,24,717.75
Deposits	-	-	18,13,856.87	-	-	13,04,537.42
Lease Liability	-	-	49,642.20	-	-	50,664.97
Others	-	-	39,333.74	-	-	31,460.42
Total Financial liabilities	-	-	21,59,926.21	-	-	17,16,541.11

33.3 Financial risk management

The Group is exposed to credit risk, market risk and liquidity risk. The following notes explain the sources of risks which the Group is exposed to and how it manages the risks in the financial statements. UFSL is not exposed to separate exposure, and hence the disclosures pertain only to the significant component i.e., USFB (Bank). Both UFSL and USFB are exposed to liquidity risk. Consequently, Management has used the 'bank' wherever the disclosure pertain to the significant component and used the word group where it pertain to the consolidated financial statements.

33.4 Market risk

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market process, in particular, changes in interest rates, exchange rates and equity and commodity prices. In line with the regulatory requirements, the Bank has put in place a Board approved Market Risk Management and ALM policy. The Policy provides the framework for computation of security valuation and modified duration.

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33.5 Interest rate risk

The major market risk facing the Bank is Interest Rate Risk in the Banking Book (IRBB) as the Bank currently does not have exposure to Equity, Commodity or Foreign Exchange. IRBB is measured using both the Traditional Gap approach and Duration Gap approach to calculate the impact of change in interest rates on both profit and equity. The Interest Rate in the Banking Book (IRBB) is managed by bringing the impact of change in interest rates on the profit and equity to the notice of Asset Liability Management Committee (ALCO) on a monthly basis and recommending necessary business measures to reduce the volatility in both profit and equity. The directives of ALCO regarding the same are then intimated to the relevant stakeholders.

33.5.1 Exposure to interest rate risk

The interest rate risk in banking book is measured using both the Traditional Gap approach and Duration Gap approach to calculate the impact of change in interest rates on both profit and equity which is given in tables below for the year ended March 31, 2022 and March 31, 2021 respectively.

Traditional Gap Approach- March 31, 2022

(₹ In Lakhs)

Particulars	1-28 days	29d-3m	3-6m	6m-1y	Total
Risk Sensitive Assets	2,05,757.86	1,60,782.54	2,15,207.28	4,35,328.83	10,17,076.51
Risk Sensitive Liabilities	2,23,047.02	2,61,758.50	2,24,118.49	4,26,973.94	11,35,897.95
Gap	(17,289.16)	(1,00,975.92)	(8,911.24)	8,354.89	(1,18,821.43)
Remaining maturity in days	351.00	304.00	230.00	95.00	-
Earnings at risk (EaR) for 2% increase in interest rates	(332.52)	(1,682.01)	(112.31)	43.49	(2,083.34)

Traditional Gap Approach- March 31, 2021

(₹ In Lakhs)

Particulars	1-28 days	29d-3m	3-6m	6m-1y	Total
Risk Sensitive Assets	2,45,278.33	1,63,904.29	2,29,790.53	4,47,161.77	10,86,134.92
Risk Sensitive Liabilities	1,60,338.19	2,53,411.47	2,30,598.65	5,80,965.70	12,25,314.01
Gap	84,940.14	(89,507.18)	(808.12)	(1,33,803.93)	(1,39,179.09)
Remaining maturity in days	351.00	304.00	230.00	95.00	-
Earnings at risk (EaR) for 2% increase in interest rates	1,633.64	(1,490.97)	(10.18)	(696.51)	(564.02)

Duration Gap approach

(₹ In Lakhs)

Particulars	March 31, 2022	March 31, 2021
Equity (i.e., Net Worth)	2,80,263.38	3,21,166.04
Computation of Aggregate Risk Sensitive Liabilities	20,84,967.59	16,95,323.76
Computation of Aggregate Risk Sensitive Assets	22,32,638.12	19,50,645.51
Weighted Avg Modified Duration of Risk Sensitive Liabilities across all currencies	1.21	0.87
Weighted Avg Modified Duration of Risk Sensitive Assets across all currencies	2.22	1.88
Modified Duration Gap	1.09	1.13
Change in MVE as % of equity for 200bps change in interest rate	(17.40%)	(13.67%)

33.6 Credit risk

Credit risk in the Bank arises due to default by borrowers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Bank and the Bank's asset base primarily comprises of microfinance loans; a small but increasing loan portfolio to affordable housing and MSE finance, Financial institutions Group. The Bank also has launched various products which include Gold Loan, KCC, MSE-Navanirman Loan, etc. Credit Risk in the Bank stems from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk management pivots around the early assessment of stress, either at a portfolio or an account level, and taking appropriate measures.

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for the year ended March 31, 2022

33.6.1 Credit risk management

1. Credit risk in the Bank is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit function. Board approved credit policies and procedures mitigate the Bank's prime risk i.e. default risk. An independent Credit Risk vertical undertaken policy reviews, process reviews and portfolio monitoring as second line of defense. There is a Credit Risk Management Committee (CRMC) in the Bank for the review of the policies, process and products on an ongoing basis, with approval secured from the Board of Directors of the Bank as and when required. There is a robust Credit Risk Management set-up in the Bank at various levels.
2. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management. The credit teams of each vertical do the independent credit assessment in line with the credit policy of the Bank. There are defined processes for credit assessment of each product in the Bank. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for various levels. All big ticket loans i.e. ₹75 lakhs & above in Housing and ₹2 Crs & above in MSE, are approved by the Credit Approval Committee. All loans to financial institutions are also approved by this Committee.
3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.
4. Credit risk monitoring for the Bank is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

33.6.2 Significant increase in credit risk

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Bank measures the loss allowance based on lifetime PD rather than point in time PD. Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Bank has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD). The following table lists the staging criteria used in the Bank:

Staging Criterion

Stage-1: 0 – 30 days past due
 Stage-2: 31 – 90 days past due
 Stage-3: 90+ days past due

Stage 2 follows the rebuttable presumption of Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

33.6.3 Incorporation of forward-looking information

In order to capture the business cycle dependency on the Bank's default rates, the Bank had attempted to model its historical default rates as a function to any macroeconomic variable which can statistically explain a relationship. This typically entails using various forms/types of regression to ascertain if that relationship is statistically significant. If found significant, the historical ECL can then be converted into a forward looking estimate, by incorporating the relationship aspect.

The dataset for studying and identifying relationships were populated on quarterly basis. The dataset included the Bank's own trend in defaults over the quarters and various macro-economic variables; the data for which is publicly available with International Monetary Fund and Reserve Bank of India.

The Bank undertook various statistical analysis to identify relationships with default rates. The results were found to be statistically insignificant for the following reasons:

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- Historically, the business model of the Bank has only been affected with increase in default rates due to events such as floods, area specific disturbances and local political intervention. These events are stray events which had not affected the Bank as a whole. Secondly, the customer segment catered by the Bank is largely the unbanked and under banked population of India. These customers undertake their activities mostly on cash basis and are often excluded in the financial ecosystem as their contribution to the taxable income is quite low. Therefore, the default behaviour of this customer segment can tend to exhibit none to very low relationship to the more formal macro economic indicators.
- The Bank, like all other companies engaged in microfinance business faced an extra-ordinary situation due to the demonetization of large value currency notes in November 2016 and pandemic Covid-19. Many of the Bank's customers were unable to repay their loan dues from November 2016 onwards due to currency shortage initially, major livelihood disruption and local political agitations. Similar to demonetization, customers across all segment are impacted by Covid-19. The default rates witnessed a sharp spike in the next 3-4 months post the event. Although the Bank has made substantial efforts to recover its dues, a majority of the current borrowers in the Bank who are in default are those who stopped paying post this event. This causes a skewness in the data set which largely undermines the ability to build any credible statistical relationship. Since the above mentioned statistical models could not yield any significant results, the Bank has adopted the management overlay approach to define its default cyclicity. Under this approach, the Bank has attempted to calculate its forward looking PD estimates by the use of a scalar. After careful consideration and analysis, the Bank is of the opinion that an event in the likes of Demonetization and pandemic can be deemed as a Black Swan event; and its occurrence in the future is highly unlikely. As explained above, the business model of the Bank is mostly subject to risks emanating from local events in its normal course. One time events such as Demonetization or Covid-19 are the only examples which have caused a Bank wide impact. Furthermore, the newer advances made post demonetization or Covid-19 have exhibited regular repayment track record similar to the track record maintained by the Bank prior to such Black Swan events. Given the above considerations, the Bank has assigned a lower probability for a downturn scenario to accommodate for any business swings cause by events whose economic impact can be to the likes of demonetization or Covid-19."

The Bank has assigned a lower probability of scenario occurrence for downturn scenario and higher probability for upturn scenario respectively. The weighted average scalar is incrementally added to the historical PD term structure. The scalar has been used to compute forward looking estimates of PD only for the microfinance portfolio of the Bank. Since the other business verticals are of relatively new vintage, a significant portion of the historical default data emanates from microfinance loans. The PD term structures for other loan portfolios are a reflection of the historical default behaviour or benchmarked to RBI dynamic provisioning norms. The forward looking PD estimates are factored in the ECL calculations.

33.6.4 Measurement of ECL

The key inputs used for measuring ECL are:

Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Bank uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL. The Bank has used different PD computation techniques for each portfolio.

Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral. The Bank has computed LGD for Microfinance loans using empirical data and for other portfolios the same has been benchmarked to FIRB (Foundation Internal Rating Based) guidelines and Loan Loss Provisioning paper as given by Reserve Bank of India.

Exposure at default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

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Probability of Default : MSE Loans

The PD analysis tracked the migration behaviour of a static pool of loans active at the end of each quarter (cohorts) across different buckets- Current, 1-30 DPD, 31-90 DPD, 90+ DPD for the 12-month period (performance period). The metrics tracked the active loans of each cohort to understand the performance of the loan accounts. This practice of studying the migration behaviour of loans is known as the "Roll Rate Analysis".

Probability of Default : Housing Loans

The Bank has computed PD using historical data through migration analysis. Prior to Covid-19, it was found that the PD estimates were not in cognizance to the inherent risk characteristics exhibited in the industry wide Secured Housing portfolio. Therefore, the Bank adapted the directions of Loan Loss Provisioning RBI paper for estimating its PD until such time the internal data represents the true reflection of the risk characteristics. Post 1 year of Covid-19, the Bank has computed PD for housing portfolio and observed that DR for FY 2020-21 is higher than RBI suggested PD. The Bank has taken an average of RBI suggested PD, DR of FY 2019-20 and DR FY 2020-21 for as PD for Housing Loan for FY 2020-21.

Probability of Default : Microbanking Loans

Micro-Banking Loans cover about 85% of the Bank's loan portfolio. Given the average ticket size and tenor of each loan in this segment, and the resultant large number of individual borrowers in this portfolio, the portfolio was segregated into 14 pools based on homogeneity of borrowers using loan product, occupation and geography as parameters; the borrowers in each pool are homogeneous while each pool is heterogeneous. The Microbanking pools were then analyzed to arrive at the default rates for each of the pools. To arrive at pool-wise PD, 'Vintage Analysis' was done.

Probability of Default : Personal Loans, Two Wheeler Loans, Staff Loans, Agri Loans and FIG Loans

Bank has computed default rate (DR) based on migration analysis for Personal loans. The DR are higher than RBI suggested PD. For ECL computation, the Bank has taken an average of RBI suggested PDs, DR of FY 2019-20 and DR of FY 2020-21. PD for Two Wheeler Loans were taken from Loan Loss Provisioning RBI paper on account of vintage in the Bank. PD for FIG loans was taken as per CRISIL Default Study paper based on the rating of the corporate. Agri Loans PD was arrived at as the average of comparable pools from the Micro banking segment where the borrower was engaged in Agriculture, given the similar characteristics with these pools. Minimum PD of 0.03% was recommended for Staff Loans Gold Loan and MSE Navanirmal Loan (as it is secured by Central Government Guarantee).

Loss Given Default : Micro-Banking Loans

LGD was calculated using monthly NPA data and recovery from the same. Recovery data was mapped to the subsequent months from the respective default month. The recovery made over a period of time was discounted to reflect the present value of recovery. Marginal Recovery rates were computed for each month. Subsequently, the cumulated recovery rates were calculated. Loss Given Default was computed as 1 minus recovery rate. This exercise has been undertaken for every microfinance pool.

Loss Given Default : MSE Loans, Secured Housing Loans, Personal Loans, Two Wheeler Loans, Staff Loans and Agri Loans

LGD for all other loan portfolios, except Micro banking are benchmarked to RBI guidelines. The benchmarking of LGD is an acceptable approach under the FIRB approach to capital calculation.

Exposure at Default :

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. For Stage 3 assets, arrear interests are added. Future interest receivables up to the date of default i.e. 90DPD has been computed for Stage 1 and Stage 2 assets to reflect actual EAD. Undrawn commitments, if any, are duly converted into its Credit Equivalent Amount using Credit Conversion Factors (CCF) as prescribed in RBI guidelines.

Expected Credit Loss :

The Bank measures ECL as the product of PD, LGD and EAD estimates for its Ind AS 109 specified financial obligations.

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33.6.5 Groupings based on shared risks characteristics

Microfinance loans constitute the majority of the portfolio. The Bank has performed segmentation on the Microbanking Loans portfolio based on the below mentioned characteristics:

- Individual loans/group Loans
- Geography(by state)
- Intended purpose of the Loan

The borrowers with homogeneous characteristic were placed in one pool and each pool exhibits heterogeneity.

MSE loans were bifurcated into two segments i.e. Secured MSE and Unsecured MSE based on the similar risk characteristics exhibited for the purpose of ECL computation. All other loan portfolios were not bifurcated into groups because of low incidence of default and recent vintage of portfolio.

The Bank uses external benchmark information for portfolios with limited historical data. The table below depicts the portfolios for which external benchmark information represents a significant input into measurement of ECL.

Particulars	External benchmark PD	External benchmark LGD	Additional Details
MSE Loans	Not Applicable	Secured MSE - 50% Unsecured MSE - 65%	RBI IRB circular issued in December 2011
Secured Housing Loans	Not Applicable	50%	Loan Loss Provisioning RBI paper - Clause 6.1.5 and Clause 6.1.6 & RBI IRB circular issued in December 2011
Staff Loans / Gold Loan	0.03% (Min reqd PD)	65%	Loan Loss Provisioning RBI paper - Clause 6.1.6
Personal Loans	Not Applicable	65%	Loan Loss Provisioning RBI paper - Clause 6.1.5 and Clause 6.1.6 & RBI IRB circular issued in December 2011
Two Wheeler Loans	Not Applicable	50%	Loan Loss Provisioning RBI paper - Clause 6.1.5 and Clause 6.1.6 & RBI IRB circular issued in December 2011
Financial Institution Group Loans	According to the Credit rating of the borrower	65%	CRISIL Default Study Paper
Debt Securities	0.03% (Min reqd PD)	65%	RBI IRB circular issued in December 2011

Changes carried out in the wake of COVID-19 Pandemic

1. Microfinance Lending: Covid-19 has severely impacted the microfinance segment. Unlike other natural calamities, Covid-19 has affected the total portfolio of the Bank. The Bank is closely monitoring state wise performance of its micro banking customers. States play a pivotal role in pool creation which is used for ECL computation of MB books. Roll forward rates for each State have been computed using collection efficiency of each State. This reflects stress prevailing in a particular geography / State. PDs of pools have been marked up according to the roll forward rates of respective States' mapped to a pool.
2. Housing Loan, Personal Loan and Vehicle Loan: Prior to Covid-19, the Bank used to consider RBI suggested PDs for ECL computation for these portfolios. Post Covid, the Bank has computed Default Rates (DR) for these portfolios. The Bank has considered average of RBI suggested PD, DR of FY 2019-20 and DR of FY 2020-21 and has computed an alternative PD. If the alternative PD as computed is higher than RBI suggested PD, the Bank has used the alternative PD for ECL computation. For FY 2020-21, alternative PD for Housing Loan and Personal Loans are higher than RBI suggested PDs. Therefore, Bank has used alternative PDs for these portfolios.
3. Covid Restructuring: The Bank is closely monitoring repayment performance of its Covid 19 restructured books. Considering the stress prevailing in Stage 1 and Stage 2 Micro banking borrowers, the Bank has treated them as Stage 2 and Stage 3 respectively for ECL computation. Staging for MSE and Housing restructured borrowers have been moved to the next bucket for ECL computation.

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33.6.6 Credit Risk Concentrations

An analysis of the Bank's credit risk concentrations per class of financial asset is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent advances. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances to customers at amortised cost

(₹ In Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Concentration by sector		
Microbanking Loans	12,15,130.59	10,64,711.59
Secured Housing Loans	2,73,447.13	2,04,992.46
Personal Loans	24,270.47	13,815.37
MSE Loans		
MSE Loans	1,71,025.56	1,28,653.64
Other Loans		
Agri Loans	19,255.33	22,033.83
Staff Loans	3,440.82	2,175.32
Two Wheeler Loans	16,174.34	7,411.91
Financial Institution Group Loans (includes Agri Corporate Loan)	85,519.60	64,847.91
Advances against Deposits	7,906.87	5,285.35
Gold Loan	35.18	69.51
Gross Advances as per Ind-AS	18,16,205.89	15,13,996.89
Ind-AS adjustment	2,792.07	6,158.19
Total (Refer Note 5)	18,18,997.96	15,20,155.08

Concentration by region (at State level)

(₹ In Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Tamil Nadu	2,81,455.25	2,40,094.29
Karnataka	2,62,975.86	2,18,002.60
West Bengal	2,23,431.79	2,02,076.42
Maharashtra	1,73,598.02	1,47,118.89
Gujarat	1,52,985.67	1,25,079.24
Bihar	1,21,103.18	92,205.53
Haryana	94,645.60	72,177.37
Assam	19,757.62	35,413.29
Rajasthan	75,278.45	64,243.87
Uttar Pradesh	98,987.94	67,470.20
Punjab	42,236.05	37,125.23
Orissa	44,672.84	40,252.94
Jharkhand	40,121.54	31,011.85
Kerala	28,090.98	24,458.71
New Delhi	70,052.82	44,881.27
Madhya Pradesh	26,712.49	22,686.21
Tripura	22,523.89	17,197.84
Pondicherry	11,781.76	10,783.08
Chhattisgarh	9,014.98	8,132.38
Uttarakhand	8,335.16	6,674.72
Meghalaya	1,769.79	1,726.62
Chandigarh	3,156.52	2,442.02
Himachal Pradesh	2,248.39	1,641.94

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(₹ In Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Goa	1,269.30	1,100.40
Total	18,16,205.89	15,13,996.91
Ind-AS Adjustment*	2,792.07	6,158.19
Gross Advances as per Ind-AS (Refer Note 5)	18,18,997.96	15,20,155.10

*To arrive at Gross Advance as per Ind AS, adjustments are made on account of Fair valuation of staff loan, Interest accrual on NPA, Reversal of processing fees, Actual write off of NPA Interest and accrued Interest on Advances.

(₹ In Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Loan commitments		
Concentration by sector		
Microbanking Loans	227.88	147.98
Secured Housing Loans	6,934.33	5,383.80
MSE Loans		
Secured MSE Loans	35,470.50	6,274.48
Other Loans		
Financial Institution Group Loans	3,000.00	6,000.00
Advances against Deposits	-	4,209.09
Total	45,632.71	22,015.35

Concentration by region (at State level)

(₹ In Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Maharashtra	1,918.26	1,480.04
Tamil Nadu	3,223.92	1,510.60
Karnataka	32,652.69	3,784.66
Rajasthan	366.69	490.22
Gujarat	771.90	528.89
Uttar Pradesh	973.10	457.63
West Bengal	2,482.88	2,356.95
Madhya Pradesh	247.31	113.61
Bihar	734.82	728.16
Uttarakhand	30.99	57.81
New Delhi	240.04	7,338.01
Pondicherry	18.01	14.00
Kerala	69.68	85.12
Haryana	141.67	492.25
Jharkhand	199.42	165.00
Orissa	483.22	870.06
Assam	115.48	132.98
Punjab	55.68	548.86
Tripura	836.73	787.66
Chhattisgarh	68.24	24.92
Chandigarh	1.78	47.04
Goa	-	0.86
Himachal Pradesh	-	0.02
Total	45,632.51	22,015.38

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Debt investment securities at amortised cost / FVOCI*

(₹ In Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Concentration by sector		
Government Securities- Amortised Cost	3,58,051.20	2,23,845.26
Government Securities- FVOCI*	58,852.25	21,630.04
Other- FVOCI*	1,262.94	9,727.35
Total	4,18,166.39	2,55,202.64

*FVOCI- Fair value through other Comprehensive Income

Note: Above disclosure are without considering Impairment allowance and debt instruments carried at FVTPL (Refer Note 6)

33.6.7 An analysis of the Bank's credit risk exposure per class of financial asset and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. For financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

As at 31 March 2022

(₹ in Lakhs)					
Particulars	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Loans and advances to customers at amortised cost	16,22,307.70	59,463.03	1,34,435.16	-	18,16,205.89
Exposure at Default amount(EAD)#	17,16,619.34	61,364.51	1,59,251.47	-	19,37,235.32
Loss allowance	(31,857.98)	(1,471.54)	(1,07,814.24)	-	(1,41,143.76)
Exposure at Default Less Loss allowance (Net EAD)	16,84,761.36	59,892.97	51,437.23	-	17,96,091.56

#Exposure at Default includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors.

As at 31 March 2021

(₹ in Lakhs)					
Particulars	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Loans and advances to customers at amortised cost	12,90,646.20	92,025.10	1,31,325.58	-	15,13,996.88
Exposure at Default amount(EAD)#	13,67,698.37	96,183.52	1,39,996.57	-	16,03,878.46
Loss allowance	(38,712.29)	(3,238.71)	(93,462.68)	-	(1,35,413.68)
Exposure at Default Less Loss allowance (Net EAD)	13,28,986.08	92,944.81	46,533.89	-	14,68,464.78

#Exposure at default includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors.

Loan commitments as at 31 March 2022

(₹ in Lakhs)				
Particulars	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Total amount committed	45,143.15	82.85	406.51	45,632.51
Loss allowance	(454.49)	(0.81)	(44.65)	(499.95)

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As at 31 March 2021

(₹ in Lakhs)

Particulars	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Total amount committed	21,949.70	65.65	-	22,015.35
Loss allowance	(89.72)	(1.45)	-	(91.17)

Debt investment securities at amortised cost as at 31 March 2022

(₹ in Lakhs)

Particulars	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Debt investment securities at amortised cost	4,16,903.28	-	-	-	4,16,903.28
Total gross carrying amount	4,21,590.75	-	-	-	4,21,590.75
Loss allowance	(81.94)	-	-	-	(81.94)
Carrying amount	4,21,508.81	-	-	-	4,21,508.81

Debt investment securities at amortised cost as at 31 March 2021

(₹ in Lakhs)

Particulars	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Debt investment securities at amortised cost	2,55,202.65	-	-	-	2,55,202.65
Total gross carrying amount	2,55,202.65	-	-	-	2,55,202.65
Loss allowance	(49.73)	-	-	-	(49.73)
Carrying amount	2,55,152.92	-	-	-	2,55,152.92

*Exposure at default includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors.

This table summarises the loss allowance as of the March 2022 and March 2021 by class of exposure/asset.

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Loans and advances to customers at amortised cost (excl. ECL on Undrawn)	1,41,143.76	1,35,322.51
Debt investment securities at amortised cost	81.94	49.73
Loan commitments	499.95	91.17

33.6.8 The tables below analyse the movement of the loss allowance during the year per class of assets.

Loss allowance – Loans and advances to customers at amortised cost for 2021-22

(₹ in Lakhs)

Particulars	Stage 1 (EAD amount)*	Stage 1 12-month ECL	Stage 2 (EAD)*	Stage 2 Lifetime ECL	Stage 3 (EAD amount)*	Stage 3 Lifetime ECL
As at March 31, 2022	17,16,619.34	31,857.98	61,364.54	1,471.54	1,59,251.51	1,07,814.24
As at March 31, 2021	13,67,698.37	38,712.50	96,183.49	3,238.71	1,39,996.56	93,462.68
Movement	3,48,920.97	(6,854.52)	(34,818.95)	(1,767.16)	19,254.94	14,351.57

Loss allowance – Loans and advances to customers at amortised cost for 2020-21

(₹ in Lakhs)

Particulars	Stage 1 (EAD amount)*	Stage 1 12-month ECL	Stage 2 (EAD)*	Stage 2 Lifetime ECL	Stage 3 (EAD amount)*	Stage 3 Lifetime ECL
As at March 31, 2021	13,67,698.37	38,712.29	96,183.52	3,238.71	1,39,996.56	93,462.68
As at March 31, 2020	12,81,604.50	12,039.28	1,94,914.05	3,547.04	18,894.23	11,867.62
Movement	86,093.87	26,673.02	(98,730.53)	(308.33)	1,21,102.33	81,595.06

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Loss allowance – Loan commitments for 2021-22

(₹ in Lakhs)

Particulars	Stage 1 (EAD amount)*	Stage 1 12-month ECL	Stage 2 (EAD)*	Stage 2 Lifetime ECL	Stage 3 (EAD amount)*	Stage 3 Lifetime ECL
As at March 31, 2022	45,143.15	454.49	82.85	0.81	406.51	44.65
As at March 31, 2021	21,949.70	89.72	65.65	1.45	-	-
Movement	23,193.45	364.78	17.20	(0.64)	406.51	44.65

Loss allowance – Loan commitments for 2020-21

(₹ in Lakhs)

Particulars	Stage 1 (EAD amount)*	Stage 1 12-month ECL	Stage 2 (EAD)*	Stage 2 Lifetime ECL	Stage 3 (EAD amount)*	Stage 3 Lifetime ECL
As at March 31, 2021	7,490.62	89.72	60.82	1.45	-	-
As at March 31, 2020	804.87	7.15	346.85	5.58	2.86	1.57
Movement	6,685.74	82.57	(286.03)	(4.12)	(2.86)	(1.57)

Loss allowance – Debt investment securities at amortised cost/ FVOCI for 2021-22

(₹ in Lakhs)

Particulars	Stage 1 (Gross Carrying Amount (GCA) as per IND AS 109)	Stage 1 12-month ECL	Stage 2 (GCA as per IND AS 109)	Stage 2 Lifetime ECL	Stage 3 (GCA as per IND AS 109)	Stage 3 Lifetime ECL
As at March 31, 2022	4,16,903.28	81.94	-	-	-	-
As at March 31, 2021	2,55,202.49	49.73	-	-	-	-
Movement	1,61,700.79	32.21	-	-	-	-

Loss allowance – Loan commitments for 2020-21

(₹ in Lakhs)

Particulars	Stage 1 (Gross Carrying Amount (GCA) as per IND AS 109)	Stage 1 12-month ECL	Stage 2 (GCA as per IND AS 109)	Stage 2 Lifetime ECL	Stage 3 (GCA as per IND AS 109)	Stage 3 Lifetime ECL
As at March 31, 2021	2,55,202.49	49.73	-	-	-	-
As at March 31, 2020	2,42,957.68	47.35	-	-	-	-
Movement	12,244.81	2.38	-	-	-	-

* Exposure at Default includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors

33.6.9 Write - offs

The contractual amount outstanding on financial assets that were written off during the financial year 2021-22 was ₹78,858.00 (in lakhs) and for FY 2020-21 was ₹7,438.00 (in lakhs) and are still subject to enforcement activity.

A. The table below provides an analysis of the gross carrying amount of loans and advances to customers by past due status.

Loans and advances to customers (Other than Corporate)

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	EAD amount*	Loss allowance	EAD amount*	Loss allowance
0-30 days	16,28,988.51	31,779.19	13,01,179.33	38,626.03
31-90 days	61,364.21	1,466.92	96,183.52	3,238.71
More than 90 days	1,58,687.82	1,24,712.69	1,39,550.59	93,239.69
Total	18,49,040.54	1,57,958.79	15,36,913.45	1,35,104.43

* Exposure at Default includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors

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B. Modified financial assets

As a result of the Bank's forbearance activities financial assets might be modified. The following tables refer to modified financial assets where modification does not result in derecognition. Financial assets (with loss allowance based on lifetime ECL) modified during the year

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Gross carrying amount before modification#	49,796.51	80,422.95
Loss allowance before modification	802.58	4,510.54
Net amortised cost before modification	48,993.93	75,912.41
Net modification gain/(loss)	(5,631.27)	(17,389.26)
Net amortised cost after modification	43,362.66	58,523.15

Exposure at Default includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors

Financial assets modified since initial recognition at a time when loss allowance was based on lifetime ECL

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Gross carrying amount of financial assets for which loss allowance has changed in the period from lifetime to 12-month ECL cost after modification	-	-

Exposure at Default includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors

C. Collateral held as security and other credit enhancements

The Bank holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Microfinance loans	Unsecured Loan
MSE Loans	Hypothecation of Stocks, Book Debt, Mortgage of the Land and Building
Personal Loans	Unsecured Loan
Home Loans	Mortgage of the Land/Building/Flat
Two Wheeler Loans	Hypothecation of the vehicle
Financial Institution Group	Book debts and Cash Collateral

Mortgage lending

The Bank holds residential properties as collateral for the affordable loans it grants to its customers. The Bank monitors its exposure to retail mortgage lending using the LTV ratio, which is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The table below shows the ECL bifurcation of secured assets on the basis of various LTV ranges.

Mortgage lending LTV ratio

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Exposure at default #	Loss allowance	Exposure at default #	Loss allowance
Upto 35%	80,927.99	5,922.96	90,822.27	6,285.29
35% to 50%	77,070.09	5,279.23	67,202.98	2,006.88
50% to 65%	1,23,958.14	9,474.52	75,892.84	2,458.49
>65%	1,63,073.93	9,284.49	1,11,677.43	3,071.54
Total	4,45,030.15	29,961.20	3,45,595.53	13,822.21

Exposure at Default Amount includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors

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Loan commitments – Mortgage lending LTV ratio*

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Amount committed	Loss allowance	Amount committed	Loss allowance
Upto 35%	1,428.08	6.80	6,724.60	48.52
35% to 50%	1,761.55	7.77	1,269.13	10.30
50% to 65%	2,428.50	11.32	521.30	3.95
>65%	3,403.95	31.09	1,298.13	7.37
Total	9,022.07	56.97	9,813.17	70.16

* excluding Loan commitments in the form Loan against deposit/Overdraft Against Deposit as they are not in the nature of mortgage but merely a pledge.

Credit impaired – mortgage lending LTV ratio

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Exposure at default #	Loss allowance	Exposure at default #	Loss allowance
Upto 35%	8,342.54	3,828.51	10,841.12	5,067.46
35% to 50%	7,287.87	3,343.32	2,210.59	1,024.74
50% to 65%	13,894.12	6,361.05	2,863.08	1,328.18
>65%	9,988.45	4,603.38	4,006.12	1,845.83
Total	39,512.98	18,136.26	19,920.92	9,266.21

Personal lending

The Bank's personal lending portfolio consists of unsecured loans.

Investment securities

The Bank holds investment securities measured at amortised cost. The investment securities held by the Bank are sovereign bonds, which are not collateralised.

Assets obtained by taking possession of collateral

The Bank currently has not obtained any assets by taking possession of any collateral however it has prompted its borrowers into repaying the loan along with the dues. Therefore the below table is not applicable.

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Property	-	-
Debt securities	-	-
Other	-	-
Total assets obtained by taking possession of collateral	-	-

The fair value of assets held as collateral

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Assets pledged as collateral under securities borrowing and reverse repo agreements	90,000.00	1,27,119.65
Customer deposits held as collateral for irrevocable commitments under import letters of credit (not requiring segregation/derecognition)	-	-
Derivative financial instruments	-	-
Total	90,000.00	1,27,119.65

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D. Offsetting financial assets and financial liabilities

The Bank has not recognised any financial asset or liability on a net basis.

33.7 Comparison Between Expected credit loss pursuant to Ind AS 109 and provision under Income Recognition and Asset Classification norms

(₹ in Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	EAD as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	17,16,619.34	31,857.98	16,84,761.36	14,596.21	17,261.77
	Stage 2	61,364.21	1,471.54	59,892.67	-	1,471.54
	Stage 3	6,217.24	4,822.98	1,394.26	-	4,822.98
Subtotal		17,84,200.80	38,152.50	17,46,048.30	14,596.21	23,556.29
Non-Performing Assets (NPA)						
Sub standard	Stage 3	82,042.19	58,545.01	23,497.19	45,700.78	12,844.23
Doubtful Assets	Stage 3	66,677.15	42,573.29	24,103.86	47,464.35	(4,891.06)
Loss	Stage 3	4,314.89	1,872.97	2,441.92	282.82	1,590.15
Floating Provision	Stage 3	-	-	-	25,000	(25,000.00)
Subtotal for NPA		1,53,034.23	1,02,991.26	50,042.96	1,18,447.94	(15,456.68)
Other items such as guarantees, loan commitments, etc. which are in scope of Ind AS 109 but not covered under current Income Recognition, Assets Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	17,16,619.34	31,857.98	16,84,761.36	14,596.21	17,261.77
	Stage 2	61,364.21	1,471.54	59,892.67	-	1,471.54
	Stage 3	1,59,251.47	1,07,814.24	51,437.23	1,18,447.94	(10,633.70)
	Total	19,37,235.02	1,41,143.77	17,96,091.26	1,33,044.15	8,099.62

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Note: Exposure at Default (EAD) Amount includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors

Comparison Between Ind AS 109 Provision and IRACP norms as on March 31, 2021.

(₹ in Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	EAD as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	13,67,698.37	38,712.00	13,28,986.37	30,855.00	7,857.00
	Stage 2	96,183.52	3,239.00	92,944.52	-	3,239.00
	Stage 3	25,134.00	18,448.00	6,686.00	-	18,448.00
Subtotal		14,89,015.60	60,399.00	14,28,616.90	30,855.00	29,544.31
Non-Performing Assets (NPA)						
Sub standard	Stage 3	1,14,863.00	75,015.00	39,848.00	59,536.00	15,478.96
Doubtful Assets	Stage 3	-	-	-	4,736.00	(4,735.75)
Loss	Stage 3	-	-	-	329.00	(329.00)
Subtotal for NPA		1,14,863.00	75,015.00	39,848.00	64,601.00	10,414.00
Other items such as guarantees, loan commitments, etc. which are in scope of Ind AS 109 but not covered under current Income Recognition, Assets Classification and Provisioning (IRACP) norms	Stage 1					
	Stage 2					
	Stage 3					
Subtotal		-	-	-	-	-
Total	Stage 1	13,67,698.37	38,712.00	13,28,986.37	30,855.00	7,857.00
	Stage 2	96,183.52	3,239.00	92,944.52	-	3,239.00
	Stage 3	1,39,997.00	93,463.00	46,534.00	64,601.00	28,862.19
	Total	16,03,878.90	1,35,414.00	14,68,464.90	95,456.00	39,958.00

Note: Exposure at Default (EAD) Amount includes Gross Advances, Accrued but not due Interest, Undrawn commitment after applying Credit Conversion Factors

33.8 Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation.

33.8.1 Exposure to liquidity risk

The Bank manages and measures liquidity risk as per its ALM policy, and the ALCO (Asset Liability Management Committee of the Bank) is responsible for managing the liquidity risk. The Bank not only measures its current liquidity position on an ongoing basis but also forecasts how liquidity position may emerge under different assumptions. The liquidity position is tracked through maturity or cash flow mismatches across buckets spanning all maturities but the focus is on examining the short term gaps in the first four buckets with maturity up to 30 days.

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The table below shows the maturity pattern as on March 31, 2022, of the Bank's non-derivative financial liabilities:

Non-derivative financial liabilities	1D	2-7D	8-14D	15-30D	31D to 2M	2M to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Trade Payable	-	-	-	13,282.08	-	-	-	-	-	-	-	13,282.08
Lease Liability	-	-	-	816.21	816.21	816.21	2,438.15	4,891.98	17,900.51	16,674.61	5,830.39	50,184.26
Borrowing	-	11.50	358.66	-	15,414.40	2,071.27	70,635.47	39,081.85	71,080.62	5,285.04	39,857.65	2,43,796.48
Deposits	5,247.33	49,475.21	47,682.57	71,034.87	1,43,323.22	87,125.56	1,97,022.47	3,89,921.94	8,13,898.28	19,460.47	1,016.68	18,25,208.60
Other Financial Liabilities	6,076.84	6,642.75	2,034.91	4,814.52	8,993.35	9,046.71	24,499.35	35,259.27	35,098.17	6,043.04	9,983.15	1,48,492.06
Total	11,324.17	56,129.45	50,076.14	89,947.67	1,68,547.18	99,059.75	2,94,595.45	4,69,155.04	9,37,977.58	47,463.16	56,687.88	22,80,963.47

The table below shows the maturity pattern as on March 31, 2022, of the Bank's non-derivative financial assets:

Non-derivative financial liabilities	1D	2-7D	8-14D	15-30D	31D to 2M	2M to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Cash in Hand & Balance with RBI	39,493.51	91,279.03	974.35	1,381.07	2,840.72	2,896.65	4,601.87	11,850.65	19,485.15	1,227.81	64.15	1,76,094.96
Balances with Other Central Banks	3,027.58	-	-	-	-	-	-	-	10.10	-	-	3,037.68
Balances With Other Banks, Financial Institutions And Money At Call And Short Notice	-	36,433.15	-	-	-	-	-	-	-	1,262.94	-	37,696.09
Loans	222.56	20,746.15	34,048.31	39,246.17	96,329.20	95,961.90	2,70,743.62	4,52,589.42	5,00,071.16	3,19,559.58	3,31,711.91	21,61,229.97
Investments	-	-	-	-	-	-	27,998.53	33,709.32	21,109.95	73,621.52	4,29,288.31	5,85,727.62
Other Financial Assets	-	-	-	90.07	-	-	56.12	-	-	262.76	3,477.89	3,886.84
Total	42,743.65	1,48,458.33	35,022.66	40,717.32	99,169.92	98,858.55	3,03,400.13	4,98,149.39	5,40,676.36	3,95,934.61	7,64,542.25	29,67,673.16

The table below shows the maturity pattern as on March 31, 2022, of the Bank's undrawn loan commitments:

Particulars	1D	2-7D	8-14D	15-30D	31D to 2M	2M to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Undrawn Loan Commitments - Asset	-	63.70	1,650.48	397.00	279.81	352.49	1,618.61	5,509.83	44,517.76	-	-	54,389.68
Undrawn Loan Commitments - Liability	54,390	-	-	-	-	-	-	-	-	-	-	54,389.74

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The table below shows the maturity pattern as on March 31, 2021, of the Bank's non-derivative financial liabilities:

Non-derivative financial liabilities	1D	2-7D	8-14D	15-30D	31D to 2M	2M to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Trade Payable	-	-	-	5,139.05	-	-	-	-	-	-	-	5,139.05
Lease Liability	-	-	-	885.80	885.80	885.80	2,682.64	4,806.17	17,700.38	17,095.69	9,441.46	54,383.74
Borrowing	765.14	-	52,827.24	-	63,089.84	16,417.45	43,326.78	70,588.68	78,787.94	5,231.88	-	3,31,034.96
Deposits	5,381.80	32,042.04	23,941.61	36,798.28	76,142.42	1,01,890.86	2,04,483.77	5,07,124.61	3,97,921.79	4,247.55	902.97	13,90,877.71
Other Financial Liabilities	117.87	714.20	920.55	1,885.84	2,946.63	2,357.30	7,071.91	3,732.41	-	-	174.52	19,921.23
Total	6,264.82	32,756.25	77,689.41	44,708.97	1,43,064.70	1,21,551.40	2,57,565.11	5,86,251.86	4,94,410.11	26,575.12	10,518.95	18,01,356.69

The table below shows the maturity pattern as on March 31, 2021, of the Bank's non-derivative financial assets:

Non-derivative financial liabilities	1D	2-7D	8-14D	15-30D	31D to 2M	2M to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Cash in Hand & Balance with RBI	1,08,287.34	38,647.89	230.59	533.92	1,111.34	2,564.79	4,478.68	10,421.66	4,705.49	141.49	26.53	1,71,149.72
Balances with Other Central Banks	2,155.67	-	-	-	-	-	-	-	40.90	-	-	2,196.57
Balances With Other Banks, Financial Institutions And Money At Call And Short Notice	-	20,009.59	-	-	-	-	-	67,417.29	-	-	-	87,426.88
Loans	1,070.53	19,031.72	35,961.66	52,055.14	1,00,705.44	97,401.91	2,70,404.34	4,21,560.07	4,38,527.86	2,20,497.28	3,20,109.05	19,77,325.02
Investments	-	-	-	-	2,500.00	-	10,000.00	30,575.97	13,436.66	15,714.81	3,06,081.24	3,78,308.68
Other Financial Assets	-	-	-	88.46	-	-	-	-	-	-	3,186.23	3,274.69
Total	1,11,513.54	77,689.20	36,192.25	52,677.53	1,04,316.78	99,966.70	2,84,883.02	5,29,974.99	4,56,710.92	2,36,353.58	6,29,403.05	26,19,681.66

The table below shows the maturity pattern as on March 31, 2021, of the Bank's undrawn loan commitments:

Particulars	1D	2-7D	8-14D	15-30D	31D to 2M	2M to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Undrawn Loan Commitments - Asset	-	1.26	40.31	220.67	464.13	679.04	847.51	1,996.92	17,765.33	-	-	22,015.17
Undrawn Loan Commitments - Liability	22,015.35	-	-	-	-	-	-	-	-	-	-	22,015.35

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Note 33A. Change in Liabilities arising from Financing Activities

Financial liabilities arising from financing activities include debt securities, borrowings, deposits and subordinated liabilities. The movement in these liabilities during the year is given below:

(₹ In Lakhs)

Particulars	April 1, 2021	Cash Flows	Fair Value Changes	March 31, 2022
Borrowings (Other than Debt Securities)	3,24,717.75	(80,921.28)	-	2,43,796.47
Lease Liability	50,664.98	(1,022.78)	-	49,642.20
Total Liabilities from Financing Activities	3,75,382.73	(81,944.05)	-	2,93,438.68

(₹ In Lakhs)

Particulars	April 1, 2021	Cash Flows	Fair Value Changes	March 31, 2022
Borrowings (Other than Debt Securities)	3,95,261.60	(70,529.94)	(13.91)	3,24,717.75
Issue of equity shares (including premium)	2,45,004.59	43.38	-	2,45,047.98
Lease Liability	59,547.99	(8,883.01)	-	50,664.98
Total Liabilities from Financing Activities	6,99,814.19	(79,369.57)	(13.91)	6,20,430.71

Note 34. Fair Value Measurements

Fair Value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2022

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	3,57,969.25	-	-	3,57,969.25
Cash & Bank balances	-	-	2,18,806.49	2,18,806.49
Loans	-	-	16,77,854.17	16,77,854.17
Other Financial Assets	-	-	3,623.89	3,623.89
Total Financial Assets	3,57,969.25	-	19,00,284.55	22,58,253.80
Financial Liabilities				
Trade Payable	-	-	13,296.92	13,296.92
Borrowings	-	-	2,43,796.48	2,43,796.48
Deposits	-	-	18,13,856.87	18,13,856.87
Lease Liability	-	-	49,642.20	49,642.20
Others	-	-	39,333.74	39,333.74
Total Financial Liabilities	-	-	21,59,926.21	21,59,926.21

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Assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2021

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	2,23,801.63	-	-	2,23,801.63
Cash & Bank balances	-	-	2,61,549.12	2,61,549.12
Loans	-	-	13,84,741.42	13,84,741.42
Other Financial Assets	-	-	3,274.70	3,274.70
Total Financial Assets	2,23,801.63	-	16,49,565.24	18,73,366.87
Financial Liabilities				
Trade Payables	-	-	5,160.55	5,160.55
Borrowings	-	-	3,24,717.75	3,24,717.75
Deposits	-	-	13,04,537.42	13,04,537.42
Lease Liability	-	-	50,664.97	50,664.97
Others	-	-	31,460.42	31,460.42
Total Financial Liabilities	-	-	17,16,541.11	17,16,541.11

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

The management believes that the amortised cost represents the fair values except for loans under financing activity. Since these loans are long term and mature over a period more than one year, the cash flow on such loans have been discounted using the current rate of interest.

(iii) Fair value of the financial assets and liabilities measured at amortised cost

(₹ in lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Investments	3,57,969.25	3,45,305.76	2,23,801.63	2,50,272.97
Cash and bank balances	2,18,806.49	2,18,806.49	2,61,549.12	2,61,549.12
Loans	16,77,854.17	16,59,417.53	13,84,741.42	13,74,119.68
Other Financial Assets	3,623.89	3,624.63	3,274.70	3,274.70
Total Financial assets	22,58,253.80	22,27,154.41	18,73,366.87	18,89,216.49
Financial Liabilities				
Trade Payables	13,296.92	13,296.92	5,160.55	5,160.55
Borrowings	2,43,796.48	2,43,796.48	3,24,717.75	3,24,717.75
Deposits	18,13,856.87	18,16,102.34	13,04,537.42	13,04,311.73
Lease Liability	49,642.20	49,642.20	50,664.97	50,664.97
Others	39,333.74	39,333.74	31,460.42	31,460.42
Total Financial Liabilities	21,59,926.21	21,62,171.68	17,16,541.11	17,16,315.42

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The carrying amounts of cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Note 35. Share-based payments

35.1 Employee share option plan of Ujjivan Financial Services Limited

35.1.1 Details of the employee share option plan

The Ujjivan Financial Services Limited, holding company has share option scheme for employees of the Group, active scheme being ESOP 2015.

ESOP 2015

Out of 5,515,880 Options granted, 828,182 options has been exercised, 3,006,810 options are lapsed and 1,680,888 vested options are yet to be exercised.

The vesting period for the options granted under ESOP 2015 is for a period of three years as under:

Year	Options Granted	Year 1	Year 2	Year 3
ESOP 2015 (Tranche 1)	14,69,800	34%	33%	33%
ESOP 2015 (Tranche 2)	16,96,850	33%	33%	34%
ESOP 2015 (Tranche 3)	23,37,670	34%	33%	33%
ESOP 2015 (Tranche 4)	11,560	34%	33%	33%
Total	55,15,880			

The following share-based payment arrangements were in existence during the current and prior years:

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
ESOP 2015	14,69,800	3-Nov-15	3-Nov-19	146.35	-
		3-Nov-15	3-Nov-20	146.35	84.00
		3-Nov-15	3-Nov-21	146.35	95.00
ESOP 2015 (Additional Grant Scheme 1)	16,96,850	14-Sep-16	14-Sep-20	417.15	109.00
		14-Sep-16	14-Sep-21	417.15	134.00
		14-Sep-16	14-Sep-22	417.15	161.00
ESOP 2015 (Additional Grant Scheme 2)	23,37,670	27-Jun-18	27-Jun-22	385.05	110.00
		27-Jun-18	27-Jun-23	385.05	132.00
		27-Jun-18	27-Jun-24	385.05	155.00
ESOP 2015 (Additional Grant Scheme 3)	11,560	23-Jan-19	23-Jan-22	290.60	83.00
		23-Jan-19	23-Jan-23	290.60	100.00
		23-Jan-19	23-Jan-24	290.60	117.00

35.1.2 Fair value of share options granted during the year

No share options granted during the financial year ended March 31, 2022 and March 31, 2021 is Nil. Options were priced using Black and Scholes Model ('Model'). Vested ESOPs can be exercised within three years from their corresponding dates of vesting. ESOPs vested can be exercised between date of vesting and on or before option expiry date. The term of the option is assumed to be the sum of a) duration till vesting; and b) the midpoint of the remaining exercise period from date of vesting, in absence of historical exercise pattern. While the Company has been listed since 2016, the period of listing upto the Grant Dates is not commensurate with the expected term of the granted ESOPs. Accordingly, volatility of comparable companies have been considered for the purposes of valuation.

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Inputs into the model

Particulars	ESOP 2015			ESOP 2015 (Additional Grant Scheme 1)		
	Vesting 1	Vesting 2	Vesting 3	Vesting 1	Vesting 2	Vesting 3
Grant date share price	186.59	186.59	186.59	417.15	417.15	417.15
Exercise price	146.35	146.35	146.35	417.15	417.15	417.15
Expected volatility	30.90%	32.60%	35.20%	29.70%	30%	31.80%
Option life	2.5	3.5	4.5	2.5	3.5	4.5
Risk-free interest rate	7.4%	7.5%	7.6%	6.8%	6.8%	6.9%

Inputs into the model

Particulars	ESOP 2015 (Additional Grant Scheme 2)			ESOP 2015 (Additional Grant Scheme 3)		
	Vesting 1	Vesting 2	Vesting 3	Vesting 1	Vesting 2	Vesting 3
Grant date share price	385.05	385.05	385.05	290.6	290.6	290.6
Exercise price	385.05	385.05	385.05	290.6	290.6	290.6
Expected volatility	32.80%	31.30%	31.60%	32.80%	31.30%	31.60%
Option life	2.5	3.5	4.5	2.5	3.5	4.5
Risk-free interest rate	7.6%	7.8%	7.9%	7.6%	7.8%	7.9%

35.1.3 Movements in share options

During the year 2021-22

Particulars (Nos.)	Options granted and outstanding as at beginning of period	Granted during the year	Exercised during the year	Forfeited/Expired during the year	Option exercisable at the period end
ESOP 2015	1,69,184	-	22,108	(1,47,076)	-
ESOP 2015 (Additional Grant Scheme 1)	7,13,739	-	-	(4,13,781)	2,99,958
ESOP 2015 (Additional Grant Scheme 2)	17,32,019	-	-	(3,51,089)	13,80,930
ESOP 2015 (Additional Grant Scheme 3)	-	-	-	-	-
Total	26,14,942	-	22,108	(9,11,946)	16,80,888
Weighted average exercise price	378.37	-	146.35	361.12	368.83

During the year 2021-22

Particulars (Nos.)	Options granted and outstanding as at beginning of period	Granted during the year	Exercised during the year	Forfeited/Expired during the year	Option exercisable at the period end
ESOP 2015	3,28,529	-	52,760	(1,06,585)	1,69,184
ESOP 2015 (Additional Grant Scheme 1)	11,60,320	-	-	(4,46,581)	7,13,739
ESOP 2015 (Additional Grant Scheme 2)	19,05,439	-	-	(1,73,420)	17,32,019
ESOP 2015 (Additional Grant Scheme 3)	11,560	-	-	(11,560)	-
Total	34,05,848	-	52,760	(7,38,146)	26,14,942
Weighted average exercise price	372.64	-	146.35	368.52	378.37

35.1.4 Share options exercised during the year

For the share options exercised during the year ended March 31, 2022 weighted average share price is ₹ 200.93 (For the year ending March 31, 2021: ₹ 221.89).

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for the year ended March 31, 2022

35.1.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 390.78 (March 31, 2021: ₹378.37), and a weighted average remaining contractual life of 0.55 years (March 31, 2021: 0.92 years).

35.2 Details of the employee share option plan of Ujjivan Small Finance Bank Limited

35.2.1 Details of the employee share option plan

The Ujjivan Small Finance Bank Limited has share option scheme for employees of the Group, being ESOP 2019.

Employee Stock Options (ESOPs): The ESOP 2019 is the scheme under which the Bank has issued options to the employees (which includes the employees of the Holding Company). The Bank has approved its ESOP Plan, 2019 in the Shareholders meeting held on March 29, 2019. During the year, the Bank has granted 3,06,39,119 options under the ESOP 2019 to eligible employees (which includes the employees of the Holding Company) . As on March 31, 2022, out of the 71,742,768 options granted, 61,967 options has been exercised and 17,185,468 options are lapsed/cancelled. Further, 97,14,703 options are vested and 44,780,630 are yet to be vested.

The vesting period for the options granted under ESOP 2019 is as under:

Year	Options Granted	Year 1	Year 2	Year 3	Year 4	Year 5
ESOP 2019 - Original	3,70,00,403	20%	20%	20%	20%	20%
ESOP 2019 - Additional	37,98,697	52%	48%	-	-	-
ESOP 2019 - Senior Hire	3,04,549	20%	20%	20%	20%	20%
ESOP 2019 (Senior Hire) Additional	1,99,949	20%	20%	20%	20%	20%
ESOP 2019 Additional Grant	3,01,57,303	15%	20%	25%	40%	
ESOP 2019 (Senior Hire) Additional Grant-2	1,66,842	20%	20%	20%	20%	20%
ESOP 2019 (Senior Hire) Additional Grant-3	1,15,025	20%	20%	20%	20%	20%
Total	7,17,42,768					

The following share-based payment arrangements were in existence during the current year:

Options Series	Number	Grant Date	Date of Vesting	Expiry Date	Exercise Price	Fair value at Grant Date
ESOP 2019 - Original	3,70,00,403	August 08, 2019	August 07, 2020	August 07, 2025	35.00	17.25
		August 08, 2019	August 07, 2021	August 07, 2026	35.00	19.31
		August 08, 2019	August 07, 2022	August 07, 2027	35.00	21.13
		August 08, 2019	August 07, 2023	August 07, 2028	35.00	22.77
		August 08, 2019	August 07, 2024	August 07, 2029	35.00	24.24
ESOP 2019 - Additional	37,98,697	December 4, 2019	December 12, 2020	December 12, 2025	35.00	17.25
		December 4, 2019	December 12, 2021	December 12, 2026	35.00	19.31
ESOP 2019 - Senior Hire	3,04,549	November 02, 2020	November 02, 2021	November 01, 2026	30.75	11.78
		November 02, 2020	November 02, 2022	November 01, 2027	30.75	13.08
		November 02, 2020	November 02, 2023	November 01, 2028	30.75	14.81
		November 02, 2020	November 02, 2024	November 01, 2029	30.75	16.03
		November 02, 2020	November 02, 2025	November 01, 2030	30.75	16.83
ESOP 2019 (Senior Hire) Additional	1,99,949	August 23, 2021	August 23, 2022	August 23, 2027	19.70	7.81
		August 23, 2021	August 23, 2023	August 23, 2028	19.70	8.52
		August 23, 2021	August 23, 2024	August 23, 2029	19.70	9.71
		August 23, 2021	August 23, 2025	August 23, 2030	19.70	10.26
		August 23, 2021	August 23, 2026	August 23, 2031	19.70	10.91
ESOP 2019 Additional Grant	3,01,57,303	August 01, 2021	August 01, 2023	August 01, 2028	19.95	5.26
		August 01, 2021	August 01, 2024	August 01, 2029	19.95	7.20
		August 01, 2021	August 01, 2025	August 01, 2030	19.95	8.90
		August 01, 2021	August 01, 2026	August 01, 2031	19.95	9.77

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Options Series	Number	Grant Date	Date of Vesting	Expiry Date	Exercise Price	Fair value at Grant Date
ESOP 2019 (Senior Hire) Additional Grant-2	1,66,842	January 05, 2022	January 05, 2023	January 05, 2028	19.05	7.65
		January 05, 2022	January 05, 2024	January 05, 2029	19.05	8.29
		January 05, 2022	January 05, 2025	January 05, 2030	19.05	8.92
		January 05, 2022	January 05, 2026	January 05, 2031	19.05	9.93
		January 05, 2022	January 05, 2027	January 05, 2032	19.05	10.50
ESOP 2019 (Senior Hire) Additional Grant-3	1,15,025	March 23, 2022	March 23, 2024	March 23, 2029	16.60	7.65
		March 23, 2022	March 23, 2025	March 23, 2030	16.60	8.29
		March 23, 2022	March 23, 2026	March 23, 2031	16.60	8.92
		March 23, 2022	March 23, 2027	March 23, 2032	16.60	9.93
		March 23, 2022	March 23, 2028	March 23, 2033	16.60	10.50
Total	7,17,42,768					

35.2.2 Fair value of share options granted in the year

The weighted average fair value of the share options granted during the FY 2021-22 is ₹. 15.75 lakhs and for FY 2020-21 is ₹ 14.51 lakhs. Options were calculated using Black and Scholes Model. Vested ESOPs can be exercised within five years from their corresponding dates of vesting. ESOPs vested can be exercised between date of vesting and on or before option expiry date. The term of the option is assumed to be the sum of a) duration till vesting; and b) the midpoint of the remaining exercise period from date of vesting, in absence of historical exercise pattern. Volatility of comparable Banks have been considered for the purposes of valuation.

Inputs into the model

Particulars	ESOP 2019				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price ₹	40.76	40.76	40.76	40.76	40.76
Exercise price	35	35	35	35	35
Expected volatility	40.08%	40.08%	40.08%	40.08%	40.08%
Option life	3.5	4.5	5.5	6.5	7.5
Risk-free interest rate	5.75%	5.90%	6.03%	6.13%	6.22%

Particulars	ESOP 2019- Senior Hire				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	30.75	30.75	30.75	30.75	30.75
Exercise price	30.75	30.75	30.75	30.75	30.75
Expected volatility	43.50%	41.93%	43.29%	43.12%	41.66%
Option life	3.5	4.5	5.5	6.5	7.5
Risk-free interest rate	5.30%	5.30%	5.40%	5.40%	5.40%

Particulars	ESOP 2019 (Senior Hire) Additional				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	18.45	18.45	18.45	18.45	18.45
Exercise price	19.7	19.7	19.7	19.7	19.7
Expected volatility	45.64%	43.01%	44.95%	43.07%	42.58%
Option life	3.54	4.54	5.54	6.54	7.54
Risk-free interest rate	5.30%	5.30%	5.40%	5.40%	5.40%

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Particulars	ESOP 2019 Additional Grant			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price	29	29	29	29
Exercise price	19.95	19.95	19.95	19.95
Expected volatility	42.48%	44.97%	47.17%	44.18%
Option life	1.34	2.34	3.34	4.34
Risk-free interest rate	4.35%	4.95%	5.41%	5.78%

Particulars	ESOP 2019 (Senior Hire) Additional Grant-2				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	19.85	19.85	19.85	19.85	19.85
Exercise price	19.05	19.05	19.05	19.05	19.05
Expected volatility	46.95%	43.90%	41.83%	43.58%	42.73%
Option life	3.56	4.56	5.56	6.56	7.56
Risk-free interest rate	5.30%	5.30%	5.30%	5.30%	5.30%

Particulars	ESOP 2019 (Senior Hire) Additional Grant-3				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price	16.55	16.55	16.55	16.55	16.55
Exercise price	16.6	16.6	16.6	16.6	16.6
Expected volatility	46.95%	43.90%	41.83%	43.58%	42.73%
Option life	3.56	4.56	5.56	6.56	7.56
Risk-free interest rate	5.30%	5.30%	5.30%	5.30%	5.30%

35.2.3 Movements in share options issued

During the year ended March 31, 2022

Particulars (Nos.)	Options granted and outstanding as at beginning of the year	Granted during the year	Exercised during the year	Forfeited/Expired during the year	Option exercisable at the year end
ESOP 2019 - Original	3,09,47,310	-	-	70,92,770	2,38,54,540
ESOP 2019 - Additional	37,98,697	-	-	37,98,697	-
ESOP 2019 - Senior Hire	3,04,549	-	-	2,39,383	65,166
ESOP 2019 (Senior Hire) Additional	-	1,99,949	-	34,264	1,65,685
ESOP 2019 Additional Grant	-	3,01,57,303	-	29,228	3,01,28,075
ESOP 2019 (Senior Hire) Additional Grant-2	-	1,66,842	-	-	1,66,842
ESOP 2019 (Senior Hire) Additional Grant-3	-	1,15,025	-	-	1,15,025
Total	3,50,50,556	3,06,39,119	-	1,11,94,342	5,44,95,333
Weighted average exercise price	34.96	19.93		34.82	26.54

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

During the year ended March 31, 2021

Particulars (Nos.)	Options granted and outstanding as at beginning of the year	Granted during the year	Exercised during the year	Forfeited/Expired during the year	Option exercisable at the year end
ESOP 2019 - Original	3,42,77,160.00	-	61,967	32,67,883	3,09,47,310
ESOP 2019 - Additional	37,98,697.00	-	-	-	37,98,697
ESOP 2019 - Senior Hire	-	3,04,549	-	-	3,04,549
Total	3,80,75,857.00	3,04,549	61,967	32,67,883	3,50,50,556
Weighted average exercise price	35.00	30.75	35.00	35.00	35.00

35.2.4 Share options exercised during the year

No options has been exercised during the year.

61,967 options has been exercised out of the ESOPs granted under the ESOP Plan 2019 in 2020-21.

35.2.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹26.54 (March 31, 2021 - ₹34.96) for ESOP 2019 scheme and a weighted average remaining contractual life of 6.59 Years (March 31, 2021 - 6.24 Years).

35.3 Expense arising from share based payment transaction recognized in Statement of profit or loss as employee benefit expense are as follows:

Particulars	₹ in Lakhs	
	March 31, 2022	March 31, 2021
Employee benefit expense (refer note 23)	(124.05)	2,572.08

35.4 Employee Stock Purchase Scheme 2019 (ESPS):

The ESPS Scheme was approved by the Shareholders of Ujjivan Small Finance Bank Limited in the Extra-Ordinary General Meeting held on August 03, 2019. Under the ESPS 2019 scheme, the employees of the Group subscribed to 1,40,55,097 number of equity shares at a price of ₹ 35 per equity share. During the year ended March 31, 2021, the Bank allotted 29,069 equity shares under ESPS 2019 on November 07, 2020 at price of ₹ 35 per equity share.

Note 36. Related Party Disclosure

A. List of Related Parties are given below:

Key Management Personnel ('KMP') of Holding Company :

Nature of relationship	Related Party
Key Management Personnel	Mr. Ittira Davis Poonollil, Managing Director and CEO (upto March 12, 2021)
	Mr. Ittira Davis Poonollil, Director (from November 01, 2021 to January 13, 2022)
	Mr. Samit Ghosh, Director (from April 1, 2020)
	Mr. Kuttalam Rajagopalan Ramamoorthy, Director
	Ms. Mona Kachhwaha, Director
	Mr. Narayan Anand, Director
	Mr. Renzo Christopher Viegas, Director (from December 17, 2021)
	Mr. Sunil Patel, Director (from February 11, 2021)
	Mr. Abhijit Sen, Director (upto September 12, 2021)
	Mr. Jayanta Kumar Basu, Director (upto January 20, 2021)
	Mr. Rajesh Jogi, Director (From February 11, 2021 to August 22, 2021)
	Ms. Carol Kripanayana Furtado, Chief Executive Officer (from August 13, 2021 to August 25, 2021)
	Mr. Sanjeev Barnwal, Chief Executive Officer (from September 10, 2021 to February 14, 2022)
	Mr. Barun Kumar Agarwal, Chief Financial Officer (upto November 15, 2021)
	Mr. Radhakrishnan Ravi, Chief Executive Officer and Chief Financial Officer (from April 19, 2022)
	Mr. Sanjeev Barnwal, Company Secretary (upto February 14, 2022)
	Mr. Shashidhara S, Company Secretary (from February 15, 2022)

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Nature of relationship	Related Party
KMP of Subsidiary Company :	
Nature of relationship	Related Party
Key Management Personnel	Mr. Nitin Chugh (Managing Director and CEO) (Upto September 30, 2021)
	Mr. Ittira Davis (Managing Director and CEO) (From January 14, 2022)
	Ms Upma Goel (Chief Financial Officer) (Upto September 30, 2021)
	Mr. Chanchal Kumar (Company Secretary)
	Mr.M.D. Ramesh Murthy (Chief Financial Officer) (From March 14, 2022)
	Mr. Martin P S (Officer on Special Duty) (From Sept 16, 2021 upto Jan 13, 2022)
	Mr. Umang Bedi (Independent Director)*
	Mrs. Mona Kachhwaha (Non-Executive Director)**
	Mr. Prabal Kumar Sen (Independent Director)***
	Ms. Chitra K Alai (Nominee Director)****
	Mr. Mahadev Lakshminarayanan (Independent Director)*****
	Mr. Nandlal Laxminarayan Sarda (Independent Director)*****
	Mr. Ittira Davis (Non-Executive Director)*****
	Mr. Harish Devarajan (Additional Independent Director)*****
	Mr. Umesh Bellur (Additional Independent Director)*****
	Mrs. Rajni Anil Mishra (Additional Independent Director)^
	Mr. Rajesh Kumar Jogi (Additional Non-Independent Director)^
	Mr. Banavar Anantharamaiah Prabhakar (Independent Director)^
	Mr. Ravichandran Venkataraman (Independent Director)^
	Mr. Samit Kumar Ghosh (Non-Executive Director)^
	Ms. Sudha Suresh(Non-Executive Director)^
	Mr. P N Raghunath (Additional Director)^
	Mr. Satyaki Rastogi (Nominee Director)^

*Resigned as Independent Director of the Bank w.e.f October 1, 2021

**Resigned as Non- Executive Director w.e.f August 10, 2021

***Resigned as Independent Director w.e.f January 15, 2022

****Resigned as Nominee Director w.e.f December 22, 2021.

*****Resigned as Independent Director w.e.f June 18, 2021.

*****Resigned as Independent Director w.e.f July 26, 2021.

*****Resigned as Non-Executive Director of the Bank w.e.f July 23, 2021.

*****Resigned as Additional Non-Independent Director of the Bank w.e.f August, 12, 2021.

*****Resigned as Additional Independent Director of the Bank w.e.f September, 27, 2021.

^Appointed as Additional Independent Director of the Bank w.e.f December 16, 2020.

^Appointed as Additional Non-Independent Director of the Bank w.e.f March 13, 2021.

^Appointed as Independent Director of the Bank w.e.f August, 20, 2021.

^Appointed as Independent Director of the Bank w.e.f August, 20, 2021.

^Appointed as Non-Executive Director of the Bank w.e.f August, 20, 2021.

^Appointed as Non-Executive Director of the Bank w.e.f August, 20, 2021.

^Appointed as Additional Director of the Bank w.e.f November, 29, 2021.

^Appointed as Nominee Director of the Bank w.e.f December, 22, 2021.

Nature of relationship	Related Party
Enterprises in which KMPs are members	Ujjivan Welfare and Relief Trust
	USFB Employee's Gratuity Fund Trust
	UFSL Employee's Gratuity Trust
Enterprise in which relative of Key Management Personnel are Members:	Parinaam Foundation

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

B. Transactions with Related Parties during the year

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Remuneration:		
Holding Company's KMP	89.44	197.74
Subsidiary's KMP	335.01	283.41
Sitting Fees paid to Directors:		
Holding Company	90.27	66.84
Subsidiary	190.25	123.45
Interest on Deposits:		
Subsidiary:		
Enterprises in which KMP are members	2.95	5.00
KMP	57.21	121.69
Enterprise in which relatives of KMP are Members	14.91	-
Deposit made during the year:		
Subsidiary:		
Enterprises in which KMP are members	31.50	-
KMP	203.18	875.00
Enterprise in which relatives of KMP are Members	577.00	-
Deposit matured during the year		
Subsidiary:		
Enterprises in which KMP are members	-	54.50
KMP	2,243.10	11.57
Enterprise in which relatives of KMP are Members	180.00	-
Donation / CSR Contribution:		
Holding Company:		
Enterprise in which relative of KMP are Members	3.31	0.28
Subsidiary:		
Enterprises in which KMP are members (Refer note 1)	8.30	14.30
Enterprise in which relative of KMP are Members	135.70	-
Intercompany Transfer (Paid)		
Subsidiary:		
Enterprises in which KMPs are members (Refer note 1 below)	13.99	134.85
Rendering of Services		
Subsidiary:		
Enterprise in which relative of KMP are Members	41.57	-

Note 1 : Employee Contribution to Ujjivan Welfare and Relief Trust through Payroll recovery of ₹13.99 lakhs (March 31, 2021: ₹134.85) and amount of Donation by Material Subsidiary is restricted to 1% of PY Net Profit as per RBI Regulation - ₹8.30 lakhs (March 31, 2021: 14.30 lakhs).

C. Outstanding Balance with related parties

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Enterprises in which KMPs are members - Ujjivan Welfare and Relief Trust	56.00	41.75
Key Management Personnel	277.71	2,275.34
Entity in which relative of KMP are Members - Parinaam Foundation	589.47	-

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D. Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Short-term benefits	346.04	454.27
Post-employment benefits	30.51	-
Other long-term benefits	47.90	26.87
Share Based Payment	-	-
Total	424.45	481.14

Note 37. Liquidity Coverage Ratio (LCR)

The Bank adheres to RBI guidelines on Liquidity Coverage Ratio given in "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and the LCR Disclosure Standards" and "Operating Guidelines for Small Finance Banks".

LCR is the ratio of unencumbered High Quality Liquid Assets (HQLA) to Net Cash Outflows over the next 30 calendar days. LCR measures the Bank's ability to manage and survive under combined idiosyncratic and market-wide liquidity stress condition that would result in accelerated withdrawal of deposits from retail as well wholesale depositors, partial loss of secured funding, increase in collateral requirements, unscheduled draw down of unused credit lines, etc. These stress conditions are captured as a part of the Net Cash Outflows. HQLA of the Bank consist of cash, unencumbered excess SLR, a portion of statutory SLR as allowed under the guidelines and cash balance with RBI in excess of statutory cash reserve requirements.

CR aims to ensure that the Bank has an adequate stock of unencumbered HQLA to meet its liquidity needs for a 30 calendar day liquidity stress scenario. As mentioned in the "Operating Guidelines for Small Finance Banks", the Bank has to maintain the prescribed level of LCR as follows:

Particulars	Till Dec 31, 2017	By January 1, 2018	By January 1, 2019	By January 1, 2020	By January 1, 2021
Minimum LCR	60%	70%	80%	90%	100%

Quantitative disclosure around LCR for the year ended March 31, 2022

Particulars	Year ended March 31, 2022	Quarter ended December 31, 2021	Quarter ended September 30, 2021	Quarter ended June 30, 2021
TOTAL HQLA	3,77,325	3,33,623	3,74,860	3,39,600
Total Net Cash Outflows	2,98,499	2,40,683	2,46,615	2,46,419
Liquidity Coverage Ratio (%)	126.41%	138.62%	152.00%	137.81%

Quantitative disclosure around LCR for the year ended March 31, 2021

Particulars	Year ended March 31, 2021	Quarter ended December 31, 2020	Quarter ended September 30, 2020	Quarter ended June 30, 2020
TOTAL HQLA	2,88,736	3,12,962	3,30,008	3,03,577
Total Net Cash Outflows	2,48,625	1,75,254	1,86,700	2,27,985
Liquidity Coverage Ratio (%)	116.13%	178.58%	176.76%	133.16%

Note 38. Securitization Transaction

The company has entered into Securitization transaction via Pass through Certificates (PTCs).

As per RBI guidelines, the company-maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associated with the assets.

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Transferred financial assets that are not derecognized in their entirety

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering into securitization transactions with the Special Purpose Vehicle Trusts ("SPE Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPE Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPE Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions".

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	25,259	-
Carrying amount of associated liabilities (Borrowings (Debt securities - measured at amortised cost))	24,501	-
Fair value of assets	24,171	-
Fair value of associated liabilities	24,501	-
Net position at Fair value	(330)	-

The details of Securitization deals outstanding as at March 31, 2022 and as at March 31, 2021 as below.

Particulars	(₹ In Lakhs)	
	As on March 31, 2022	As on March 31, 2021
No. of SPEs holding assets for securitization transactions originated by the originator (only SPV relating to outstanding securitisation exposure to be reported here)	2	-
Total amount of securitized assets as per books of the SPEs sponsored by the Bank	25,259	-
a) Off balance sheet exposures	-	-
First loss	-	-
Others	-	-
b) On-balance sheet exposures	-	-
First loss	2,526	-
Others	-	-
Amount of exposures to securitization transactions other than MRR	-	-
a) Off balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
First loss	-	-
Loss	-	-
ii) Exposure to third party securitizations	-	-
First loss	-	-
Others	-	-
b) On balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
First loss	758	-

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Particulars	(₹ In Lakhs)	
	As on March 31, 2022	As on March 31, 2021
Others	-	-
ii) Exposure to third party securitizations	-	-
First loss	-	-
Others	-	-
Sale Consideration received for the securitised assets and gain/loss on sale on account of securitisation	24,501	-
Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post-securitisation asset servicing, etc	-	-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-
a) Amount paid	-	-
b) Repayment received	629	-
c) Outstanding amount	24,942	-
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle loans etc.	-	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	NA	-
Investor complaints	NA	-
(a) Directly/Indirectly received and;		
(b) Complaints outstanding		

Note 39. Interest in Subsidiary

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Group	
			March 31, 2022	March 31, 2021
Ujjivan Small Finance Bank Limited (USFB)	Small Finance Bank	India	83.32% (However, the voting power is restricted to 26%. Refer note below)	83.32% (However, the voting power is restricted to 26%. Refer note below)

*As per the Banking Regulations Act read with gazette notification dated DBR.PSBD.No.1084/16.13.100/2016-17 dated July 21, 2016, no shareholder in a Bank can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the Bank.

Note 40. Additional information as required for Preparation of Consolidated Financial Statements to Schedule III

Particulars	As at March 31, 2022		As at March 31, 2021	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated net assets	Amount ₹ in Lakhs
Parent - Ujjivan Financial Services Limited	41.02%	1,80,584.22	38.94%	1,80,310.89
Subsidiary - Ujjivan Small Finance Bank Limited	58.98%	2,59,628.72	61.06%	2,82,686.92
	100%	4,40,212.94	100%	4,62,997.81
Adjustments arising out of consolidation (including minority interest)		(2,07,952.48)		(2,11,780.68)
Total		2,32,260.45		2,51,217.14

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For the year ended March 31, 2022

Particulars	For the year ended March 31, 2022					
	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated Share in other Comprehensive Income	Amount ₹ in Lakhs	As % of consolidated Share in Total Comprehensive Income	Amount ₹ in Lakhs
Parent - Ujjivan Financial Services Limited	(0.94)%	216.65	1.64 %	5.58	(0.98)%	222.23
Subsidiary - Ujjivan Small Finance Bank Limited	100.94%	(23,268.33)	98.36%	334.10	100.98%	(22,934.23)
	100.00%	(23,051.68)	100.00%	339.68	100.00%	(22,712.00)
Adjustments arising out of consolidation (including minority interest)		1.27		(0.27)		(22,711.00)
Total		(23,050.41)		339.41		(22,711.00)

Particulars	For the year ended March 31, 2021					
	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated Share in other Comprehensive Income	Amount ₹ in Lakhs	As % of consolidated Share in Total Comprehensive Income	Amount ₹ in Lakhs
Parent - Ujjivan Financial Services Limited	-1.23%	293.46	-0.01%	(0.01)	-1.24%	293.45
Subsidiary - Ujjivan Small Finance Bank Limited	101.23%	(24,193.76)	100.01%	160.52	101.24%	(24,033.24)
	100.00%	(23,900.30)	100.00%	160.50	100.00%	(23,739.79)
Adjustments arising out of consolidation (including minority interest)		(10.40)		(0.19)		(10.59)
Total		(23,910.71)		160.32		(23,750.39)

Note 41. During the year, India experienced a "second wave" of COVID-19, including a significant surge of cases following the discovery of mutant virus variant in the country, as a precautionary measure various Indian States had re-imposed localised/regional restrictions, which were gradually relaxed during the latter part of the year. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations and the efficiency in collection efforts resulting in increase in the number of customer defaults and consequently an increase in provisions there against.

India is emerging from the COVID-19 pandemic, however the extent to which any new wave of COVID-19 will impact the Bank's operations and financial results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government mandated or elected by the Group. Further, the impact of Covid-19 pandemic on the group will depend on the future developments which are uncertain at this stage. Accordingly, no adjustments have been made to the consolidated financial statements.

Note 42. The Group has made provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts. The Group did not have any derivative contracts as at March 31, 2022 and as at March 31, 2021.

Note 43A. The Board of Directors of the Bank and UFSL have approved a scheme of amalgamation of the latter with the former in terms of Sections 230 to 232 of the Companies Act, 2013. In terms of the said scheme, UFSL will be amalgamated into and with the Bank and its assets, liabilities, contracts, employees, licenses, records and approvals will be transferred to and will be deemed to have been transferred to and vested in our Bank, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein. All the Key Managerial Personnel, and other employees of UFSL who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Bank, without any break or interruption in their services and on the same terms and conditions (and which are not less favourable than those) on which they are engaged by UFSL as on the Effective Date. All proceedings by or against UFSL shall continue by or against the Bank. The appointed date under the said Scheme is February 01, 2022 or such other date as may be approved by the NCLT. In consideration of the proposed merger, the Bank will allot 115 (One hundred and Fifteen) equity shares each of ₹10/- for every 10 equity shares of ₹10/- each held by its shareholders in UFSL. The shares held by UFSL in the Bank

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

shall stand extinguished on the amalgamation taking effect. The Scheme is subject to the provisions of the Scheme document and receipt of the relevant regulatory and statutory approvals (including but not limited to NCLT) and in accordance with applicable law and the conditions prescribed by the SEBI and RBI.

Note 43B. During the year ended March 31, 2022, the Board of Directors of the Subsidiary Bank has approved to raise amount not exceeding ₹600 Crores or an equivalent amount thereof (inclusive of such premium as may be fixed on such equity shares) for the purpose of achieving the minimum public shareholding (MPS) applicable for the Bank in terms of the Securities Contracts (Regulation) Rules, 1957, to Qualified Institutional Buyers (QIB) as defined in SEBI ICDR Regulations, through a Qualified Institutions Placement (QIP).

Note 44. The Group does not hold any Benami Property which is either recorded or not recorded in the books of account and there are no proceedings initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, no disclosures are made in this regard.

Note 45. The Holding Company has not obtained any Registrations/ licenses/ authorisations from other financial sector regulators and RBI has not levied any penalties on the Holding Company during the year.

Note 46. There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

Note 47. The Bank has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Note 48. Frauds reported during the year: There were cases 383 (31 March 2021: 203 cases) of frauds amounting to ₹531 Lakhs (31 March 2021: ₹236 Lakhs) reported during the year by the Subsidiary Bank. The Bank has recovered an amount of ₹215 Lakhs and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies on merit basis.

Note 49. During the financial years ended 31 March 2022 and 31 March 2021, the Bank has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

Note 50. Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32DOR.STR. REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)).

No of accounts Restructured	Amount in Lakhs
4,14,930	85,480

Note 51. As per the information available with the company, the company had no transactions with the below companies (which holds shares of our Company) and which were struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of the Company	Nature of transactions	Shares held as at 31 March 2022 (in absolute numbers)	Relationship with the Struck off company, if any,
Sujata Hotel Private Ltd	note (a)	2,910	Not applicable and refer note(a)
Visucius Advisory Solutions Private Limited	note (a)	295	Not applicable and refer note(a)

note(a) Equity shares of the Holding company held by the struck off company.

Note 52. The Bank has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Notes to the Consolidated Financial Statements

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Note 53. Utilisation of Borrowed funds and share premium:

The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 54. In the normal course of business of banking, the Bank has borrowed funds from certain institutions in refinance of certain advances granted by it or for utilization for granting advances by it. In like manner, the Bank has advanced monies to certain NBFCs for granting loans by them to their customers. These are in addition to other banking business carried on by the Bank. Read with this, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has not received any fund from any party(s) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

Note 55. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year. Accordingly, no further disclosures are made in this regard.

Note 56. There are no transactions that are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 57. There have been no material events after the reporting date that require disclosure in these financial statements.

Note 58. Figures of the previous year have been reclassified / re-grouped, wherever necessary, to confirm with current year's presentation.

As per our report of even date
For Varma & Varma
 Chartered Accountants
 Firm Registration No: 004532S

K P Srinivas
 Partner
 Membership No. 208520

Bengaluru
 May 19, 2022

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

Samit Ghosh
 Non-Executive Director and Chairman
 DIN: 00185369

Radhakrishnan Ravi
 CEO & CFO

Sunil Patel
 Independent Director
 DIN: 00050837

Shashidhara S
 Company Secretary


UJJIVAN FINANCIAL SERVICES LIMITED
Corporate Identity Number: L65999KA2004PLC035329

 Registered Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bangalore – 560095, Karnataka, India.

NOTICE FOR THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the **18th Annual General Meeting (AGM)** of the members of **Ujjivan Financial Services Limited** ('the Company') will be held on **Friday, September 02, 2022** at **04:30 PM** through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") in compliance with applicable provisions of the Companies Act, 2013 and in accordance with relevant circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"). to transact the following business:

Ordinary Business:
Item No. 1 - Adoption of Financial Statements and the Reports of the Board of Directors and Auditors

To consider and if thought fit, to assent or dissent, to the following resolution to be passed as an Ordinary Resolution:

"RESOLVED THAT the Standalone and the Consolidated Audited Balance Sheet, Profit and Loss Account and the Cash Flow Statement for the Financial Year ended March 31, 2022 together with the Director's Report and Independent Auditor's Report thereon as circulated to the members and laid before the meeting be and are hereby received, considered, approved and adopted."

Item No. 2 - To appoint a director in place of Mr. Samit Ghosh (DIN: 00185369), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT Mr. Samit Ghosh (DIN: 00185369), who retire by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

Special Business:
Item No. 3 – Appointment of Mr. Renzo Christopher Viegas (DIN: 07560087) as the Independent Director

To consider and if thought fit, to assent or dissent, to the following resolution(s) to be passed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable rules, if any, made thereunder (the "Act"), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Renzo Christopher Viegas (DIN: 07560087) who meets all the criteria of independence as prescribed under the Companies Act, 2013 and SEBI Listing Regulations and has a valid independent director's databank registration certificate issued by the Indian Institute of Corporate Affairs (IICA), and who being eligible was appointed by the Board of the Company on December 16, 2021 as an Additional Independent Director of the Company with effect from December 17, 2021 and who holds office as such upto the date of the ensuing Annual General Meeting, and in respect of whom the Company has received a Notice in writing from him under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, for a period of 3 years, with effect from December 17, 2021 and up to December 16, 2024 (both days inclusive), and whose office shall not be liable to retire by rotation during the said period, in terms of the provisions of Section 149 (13) of the Act."

By Order of the Board of Directors

Sd/-

Place: Bangalore

Shashidhara S

Date: August 04, 2022 Company Secretary and Compliance Officer

Notes for the e-AGM Notice:

- In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, Circular no. 02/2021 dated January 13, 2021 and Circular no. 02/2022 dated May 05, 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 18th Annual General Meeting of the company is being conducted through Video Conferencing (VC) herein after called as "e-AGM".
- e-AGM: The Company has appointed M/s KFin Technologies Limited ('KFin'), Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
- Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
 - Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required
 - Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
- The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022 the Company is providing facility of remote e-voting to its members through e-Voting agency KFin Technologies Limited.
- Voting at the e-AGM: Members who could not vote through remote e-voting may avail the e-voting system provided at the venue by KFin Technologies Limited.
- In line with the MCA Circular No. 17/2020 dated April 13, 2020, January 13, 2021 and May 05, 2022, the Notice calling the AGM has been uploaded on the website of the Company at www.ujjivan.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively is also available on the website of e-voting agency M/s KFin Technologies Limited at the website address <https://evoting.karvy.com/>

Instructions for the Members for attending the e-AGM through Video Conference:

- Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience. Further, Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore

recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

4. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" and then may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, questions by the members will be answered only if the shareholder continues to hold the shares as of cut-off date benpos.
5. The Members may register themselves as speakers for the e-AGM to express their views by visiting <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during the remote e-voting period commencing from Tuesday, August 23, 2022 to Thursday, August 25, 2022. Members shall be provided a 'queue number' before the e-AGM. The Company reserves the right to restrict the speakers at the e-AGM to only those Members who have registered themselves, depending on the availability of time for the e-AGM.

Instructions for members for e-Voting during the e-AGM session:

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page.
2. Members need to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReq.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

not casted their vote through remote e-Voting are eligible to vote through e-Voting available during the e-AGM. However, members who have voted through remote e-Voting are eligible to attend the e-AGM.

Instructions for members for remote e-Voting:

1. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on the cut-off date, being **Friday, August 26, 2022**, to cast their vote through electronic means on all resolutions set forth in the Notice.
2. The e-voting period shall commence on **Monday, August 29, 2022 (09:00 A.M.)** and ends on **Thursday, September 01, 2022 (5:00 P.M.)**. Members, holding shares either in dematerialised form or physical form as on cut-off date, **Friday, August 26, 2022**, may cast their vote electronically during this period. The remote e-voting module shall be disabled at **5.00 p.m. on Thursday, September 01, 2022**. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently or cast the vote again.

3. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

4. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

5. On successful login, the system will prompt to select the 'Event' i.e., 'Company Name'. On the voting page, you will see Resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'. After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly, modify your vote. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
6. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter, etc.

together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at kannans@kannanscs.com. In any may mark a copy to evoting@kfintech.com and compliance@ujjivanfin.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'UFSL_EVENT No'

7. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin on 1-800-345-4001 (toll free).

Please contact Mr. Mohd Mohsin Uddin, Senior Manager, KFin Technologies Ltd., Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500032, mohsin.mohd@kfintech.com, Phone: +91 040 6716 1562, toll-free number 1800 345 4001 for any further clarifications.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Other Important Notes:

8. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
9. Members wishing to claim unclaimed dividends are requested to correspond with the Company Secretary of the Company at the Company's registered office. Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the Investor Education and Protection Fund.
10. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA
11. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled, to KFin Technologies Limited ("KFin"), Registrar and Transfer Agent (RTA) of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
12. Brief profile and other required information about the Directors proposed to be appointed / re-appointed, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Notice.

In support of the Green Initiative, the Company hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with our RTA for receiving communications from the Company electronically. Further, Members holding shares in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).
13. As required under Regulation 40(1) of SEBI Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository except in case of transmission or transposition of securities.
14. The Board of Directors has appointed Mr. S. Kannan of M/s. S Kannan And Associates, bearing Firm No. S2017KR473100 (FCS 6261, holding CP No. 13016), as Scrutinizer to scrutinize the voting through Remote e-voting at e-AGM in a fair and transparent manner.
15. The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the e-AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions.
16. The Results of voting declared along with Scrutinizer's Report(s) will be published on the website of the Company (www.ujivan.com) and on Service Provider's website (<https://evoting.karvy.com>) within 48 hours from the conclusion of the AGM and the same shall also be simultaneously communicated to BSE Limited and the National Stock Exchange of India Limited.
17. Since the AGM is being held through VC in accordance with the MCA Circulars, the route map, proxy form and attendance slips are not being attached to this notice.
18. Detail of the process and manner of Remote e-voting along with the User ID and Password is being sent to all the Members along with this Notice. In case of any queries / grievances relating to voting by electronic means, the Members / Beneficial owners or in case any person, acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Friday, August 26, 2022** may obtain the login ID and password by sending a request to Mr. Mohd Mohsin Uddin, Senior Manager, KFin Technologies Ltd., Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 032, mohsin.mohd@kfintech.com, Phone: +91 040 6716 1562 toll-free number 1-800-34-54-001.

By Order of the Board of Directors

Sd/-

Shashidhara S

Place: Bangalore Company Secretary and Compliance Officer
Date: August 04, 2022 Membership No.: A30286

In respect of Resolution set out at Item No. 3

The Board of the Company on the recommendation of the Nomination and Remuneration Committee at its meeting held on December 16, 2021 has approved the appointment of Mr. Renzo Christopher Viegas (DIN: 07560087), as an Independent Director of the Company w.e.f. December 17, 2021 for a period of 3 years subject to the approval of shareholders.

Mr. Renzo Christopher Viegas holds a Bachelor of Commerce from the University of Mumbai, India. He is a Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India and a member of the Malaysian Institute of Accountants. He has extensive experience in the banking industry and started his career with Citibank India in 1985, where he progressively held senior positions in various Asia Pacific countries including leading the Consumer Finance business for Asia Pacific.

Thereafter he joined RHB Bank (Asean) in 2008, and was the Deputy Chief Executive officer with primary responsibilities for the Consumer, Commercial and International businesses.

In 2012, he moved to be Deputy Chief Executive Officer of CIMB Group (Asean) and was Executive Director of CIMB Bank leading the Consumer and Commercial franchises for the region. He was a non-independent director of CIMB Bank (Vietnam) Ltd and CIMB Cambodia Bank PLC. He was also a nonexecutive director of Sun Life Malaysia Assurance and Takaful Berhad.

He currently sits as an Independent director on the boards of Manulife Holdings Berhad and Manulife Insurance Berhad as well as Astro Malaysia Holdings Berhad. Both these companies are listed on the Kuala Lumpur Stock Exchange.

The Board, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) after due deliberations, unanimously agreed that Mr. Renzo Christopher Viegas with his extensive Banking experience can add value with his guidance to the Company and that he has the requisite qualification, skills, experience and expertise in specific functional areas, which will be beneficial to the Company and its stakeholders.

The NRC on the basis of the declarations and undertakings submitted by Mr. Renzo Christopher Viegas has verified that he is not debarred from holding the office of director pursuant

to any SEBI order and that he meets the fit and proper criteria for his appointment as a director on the Board of the Company. The NRC also took on record that Mr. Renzo Christopher Viegas has provided his consent for his proposed appointment as an independent director and has certified that he is not disqualified to become a director under the Companies Act, 2013 and that he meets all the criteria of independence as prescribed under the Companies Act, 2013 and SEBI Listing Regulations and he has a valid independent director's databank registration certificate issued by the Indian Institute of Corporate Affairs (IICA).

Mr. Renzo Christopher Viegas will be eligible to receive the prevalent sitting fees for attending every Board Meeting and Board Committee meeting in which he gets nominated as a member. In addition, he will be paid travelling expenses including airfare, hotel stay and car on rental basis for attending the meetings of the Board and such other expenses as are incurred by the Non-Executive Directors and allowed to be reimbursed as per the provisions of the Companies Act, 2013.

The office of Mr. Renzo Christopher Viegas shall not be liable to retire by rotation during the said period, in terms of the provisions of Section 149 (13) of the Act.

Mr. Renzo Christopher Viegas holds 37,548 equity shares (0.03%) of the Company and is not related to any other Director or Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr. Renzo Christopher Viegas and his relatives are, in any way, concerned or interested in the said resolution except to the extent of their shareholding, if any.

The disclosures under Regulation 36(3) of SEBI-LODR and Secretarial Standards on general meetings (SS-2) of ICSI are appended.

Accordingly, the Board recommends the resolution set forth in item no. 3, for the approval by the members of the Company.

By Order of the Board of Directors

Shashidhara S

Company Secretary

Membership No.: A30286

Place: Bangalore
Date: August 04, 2022

Additional information on Directors being appointed/ re-appointed as required under Regulation 26(4) and Regulation 36 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 by ICSI:

Name of the Director	Mr. Samit Ghosh	Mr. Renzo Christopher Viegas
DIN	00185369	07560087
Date of Birth and Age	December 01, 1949; 72 years	October 09, 1961; 61 Years
Date of First Appointment on the Board	December 28, 2004	December 17, 2021
Brief Resume, Qualification, Experience and Nature of Expertise in specific functional areas	<p>Mr. Samit Ghosh was the erstwhile founder of the Company and has served as its MD & CEO until January 31, 2017. Thereafter he took charge as the MD & CEO of Ujjivan Small Finance Bank Limited effective from February 01, 2017 and retired on November 30, 2019 on attaining the age of 70 years.</p> <p>Prior to founding Ujjivan, Mr. Samit Ghosh was a career banker with over 30 years of experience in India & overseas with a specialization in retail banking. He was part of the management team which launched retail banking with Citibank in 1985, Standard Chartered Bank in 1993 and HDFC bank in 1996 and his last employment prior to founding Ujjivan was in Bank Muscat. Mr. Samit Ghosh holds a master of business administration degree from the Wharton School of Business at the University of Pennsylvania.</p> <p>He is also a Non-Executive Non-Independent Director of Ujjivan Small Finance Bank Limited.</p>	<p>Mr. Renzo Viegas holds a Bachelor of Commerce from the University of Mumbai, India. He is a Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India and a member of the Malaysian Institute of Accountants.</p> <p>He has extensive experience in the banking industry and started his career with Citibank India in 1985, where he progressively held senior positions in various Asia Pacific countries including leading the Consumer Finance business for Asia Pacific.</p> <p>Thereafter he joined RHB Bank (Asean) in 2008, and was the Deputy Chief Executive officer with primary responsibilities for the Consumer, Commercial and International businesses.</p> <p>In 2012, he moved to be Deputy Chief Executive Officer of CIMB Group (Asean) and was Executive Director of CIMB Bank leading the Consumer and Commercial franchises for the region. He was a non-independent director of CIMB Bank (Vietnam) Ltd and CIMB Cambodia Bank PLC. He was also a non-executive director of Sun Life Malaysia Assurance and Takaful Berhad.</p> <p>He currently sits as an Independent director on the boards of Manulife Holdings Berhad and Manulife Insurance Berhad as well as Astro Malaysia Holdings Berhad. Both these companies are listed on the Kuala Lumpur Stock Exchange.</p>
No. of Board Meetings attended during the year as a Director	9	2
Directorships held in other Companies	<p>Public Companies –</p> <ul style="list-style-type: none"> Ujjivan Small Finance Bank Limited Non Executive Director <p>Private Companies –</p> <ul style="list-style-type: none"> Parinaam Foundation - Non Executive Director WWB Management Services LLP 	<p>Private Companies -</p> <ul style="list-style-type: none"> Dream Virtual Reality LLP – Designated Partner
Memberships / Chairmanships of Committees of other Boards	<p>Ujjivan Small Finance Bank Limited</p> <ol style="list-style-type: none"> Risk Management Committee – Member Nomination and Remuneration Committee – Member Stakeholders and Relationship Committee – Member IT Strategy Committee – Member Customer Service Committee – Member Review Committee of Wilful Defaulters – Member Business Strategy Committee – Chairman Merger and Placement Committee – Member Committee of Directors - Member 	None

Remuneration last drawn	Sitting Fees only: FY21-22: Rs. 13.75 lacs FY22-23 (Upto June 30, 2022): Rs. 4.25 lacs	Sitting Fees only: FY21-22: Rs. 2.5 lacs FY22-23 (upto June 30, 2022): Rs. 3.25 lacs
Remuneration sought to be paid	Sitting fees as approved by the Board of Directors within the limits of the applicable laws.	Sitting fees as approved by the Board of Directors within the limits of the applicable laws.
Shareholding in the Company	36,076 equity shares (0.03%)	37,548 equity shares (0.03%)
Relationship with other Directors and Key Managerial Personnel of the Company	None	None

By Order of the Board of Directors

Sd/-

Shashidhara S

Company Secretary

Membership No.: A30286

Place: Bangalore

Date: August 04, 2022



Ujjivan Financial Services Limited

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