

UJJIVAN/SE/2017-18/14

July 10, 2017

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

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

Trading Symbol: UJJIVAN

SCRIP CODE: 539874

Dear Sir/Madam,

Subject: Notice of the 13th Annual General Meeting (AGM) and Annual Report for the FY 2016-17

In compliance with Regulation 30 read with Schedule III and other applicable provisions of the Listing Regulations, please find enclosed the Notice of the 13th AGM of the Company and the Annual Report for the FY 2016-17. The same can also be downloaded from our website from the link below:


http://www.ujjivan.com/pdf/Ujjivan_Annual_Report_2017.pdf

We request you to please take the same on record.

Thanking You,

Yours faithfully,

For Ujjivan Financial Services Limited



Sanjeev Barnwal
Company Secretary and Compliance Officer



Ujjivan Financial Services Limited

Registered Office: Grape Garden, No. 27, 3rd 'A' Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095
Tel +91 80 4071 2121, Fax +91 80 4146 8700, CIN: L65999KA2004PLC035329, E-mail ID: ujjivan.blr@ujjivan.com

www.ujjivan.com

ANNUAL REPORT 2016 - 17



UJJIVAN FINANCIAL SERVICES LTD.

UJJIVAN SMALL FINANCE BANK LTD.

Awards & Accolades



3rd Best Place to Work For in India and 10th Best Large Workplace in Asia

SKOCH Platinum Award for Inclusive Insurance and SKOCH Order of Merit



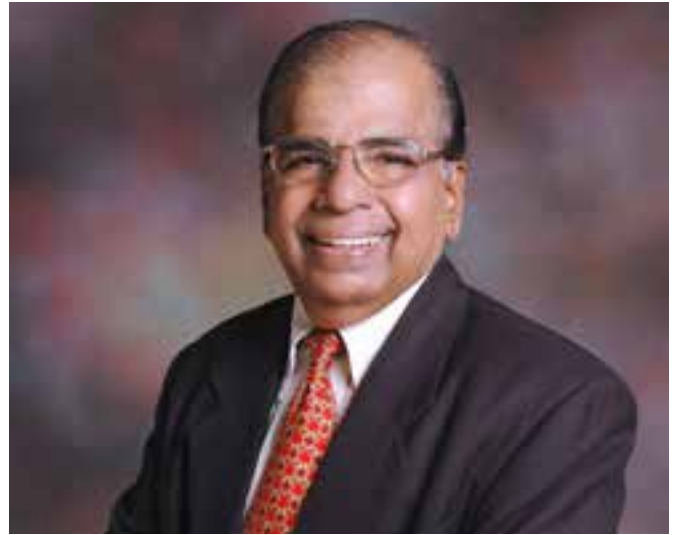
CONTENTS

Ujjivan Financial Services Limited

- *Education Programs*
- *Management Discussion & Analysis*
- *Directors' Report*
- *Corporate Governance Report*
- *Consolidated Financial Statements and Independent Auditors Report*
- *Standalone Financial Statements and Independent Auditors Report*
- *Business Responsibility Report*



Message from the Chairman



Why did we become a Bank

Why two separate entities

best institution to provide financial services to the unserved and underserved customers and transform to a mass market bank.

A handwritten signature in blue ink, appearing to read "Farooq". The signature is fluid and cursive.

Letter from the Managing Director

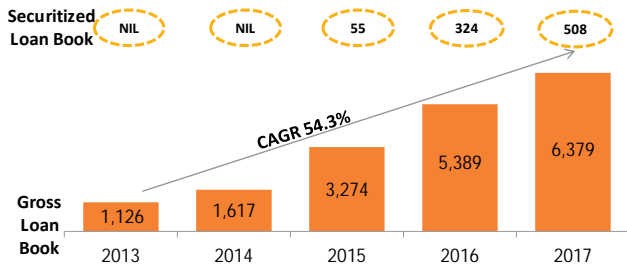


India

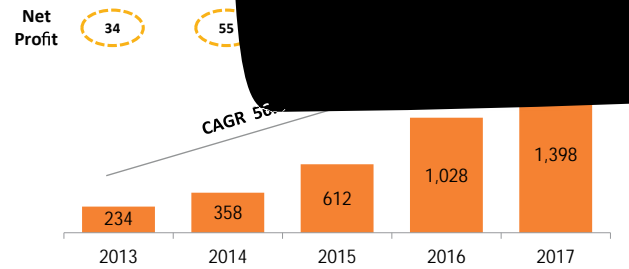


Financial Highlights

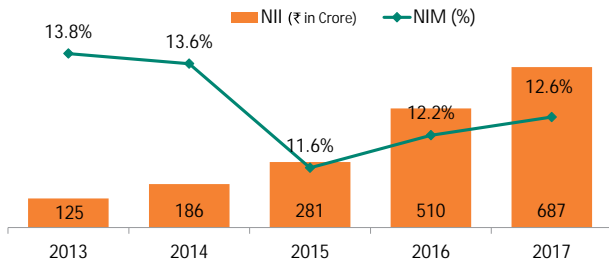
Gross Loan Book & Securitized Loan Book (₹ in Crore)



Total Income & Net Profit (₹ in Crore)

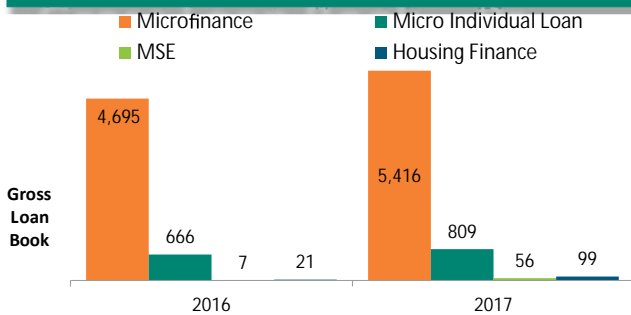


NII & NIM

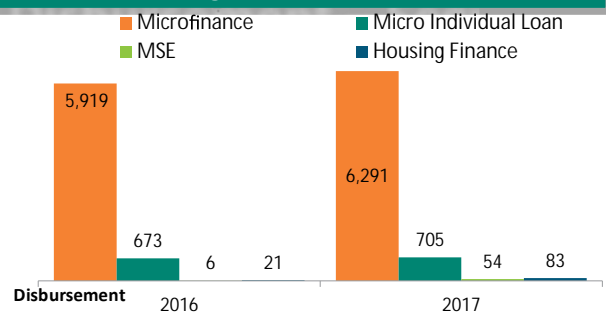


Operating Efficiency

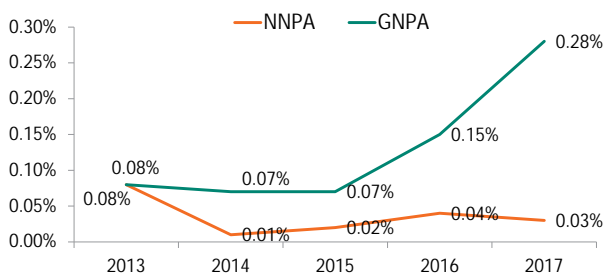
Gross Loan Book – Product Wise (₹ in Crore)



Disbursement – Segment Wise (₹ in Crore)

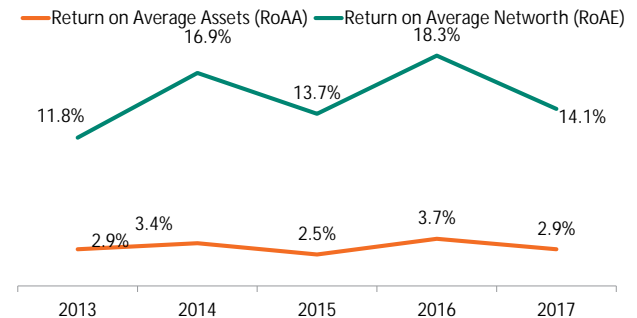


GNPA & NNPA

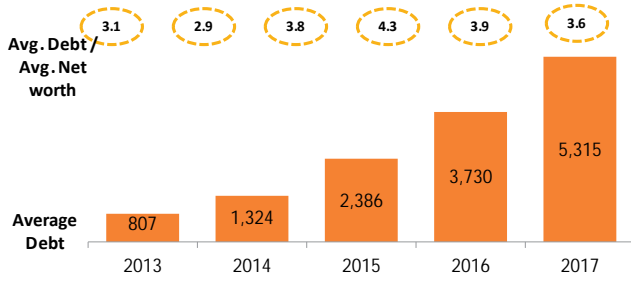


*GNPA without RBI dispensation is 3.69%

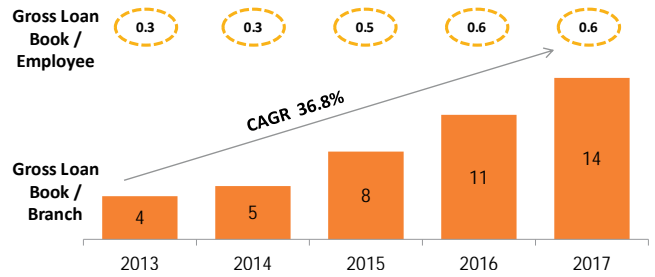
RoAA & RoAE



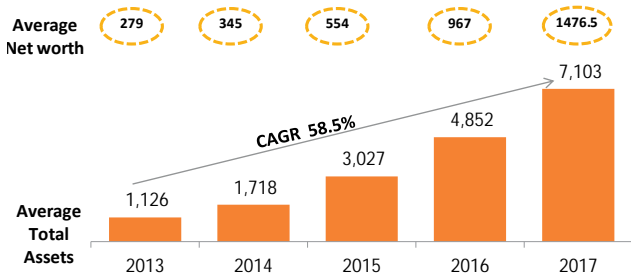
Average Debt (₹ in Crore)



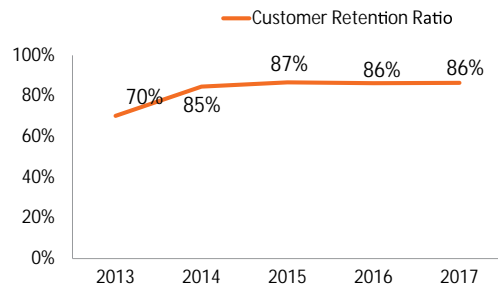
Gross Loan per Branch & Gross Loan per Employee (₹ in Crore)



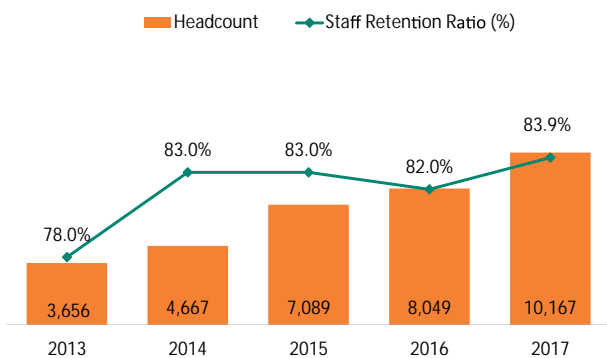
Average Total Assets and Net worth (₹ in Crore)



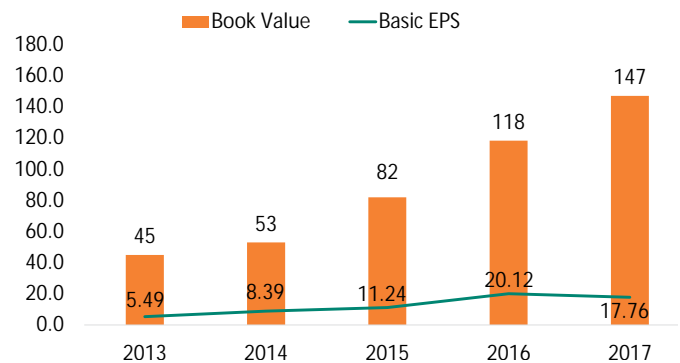
Customer Retention Ratio



Head Count & Staff Retention Ratio



Book Value per share and EPS (in ₹)



Board Of Directors



K.R. Ramamoorthy



Abhijit Sen



Vandana Viswanathan



Sudha Suresh



Venkatesh Natarajan



Jayanta Basu



Amit Gupta

Management Team



Sudha Suresh
Managing Director and Chief Executive Officer



Sanjeev Barnwal
Company Secretary and Compliance Officer



Hiren Shah
Chief Financial Officer



Brand & Marketing

Customer Connect Initiatives



Swagat Program



Shaurya – Be a Star. An employee motivation program



Mass Marketing Campaigns

Products & Services

Microfinance Products

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In Rupees



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Home Improvement Loans –

Home Loans (Informal Segment) –

Loan Against Property –

Home Loans (Semi-Formal Segment) –

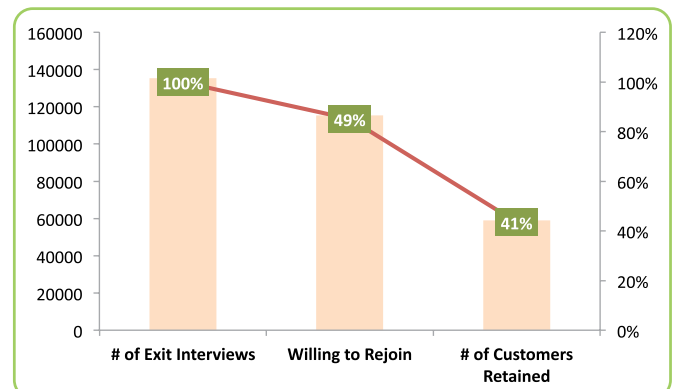
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Service Quality



Customer Retention Programs

Customer Service & Governance



Customers Grievance Redressal

Assessments:

Code of Conduct Assessment (COCA):

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-
- Grievance Redressal Officer

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Service Quality Trainings



Customer Relationship Management

- From a traditional Helpline to 24/7 Phone Banking Unit – multiple channels for customer support:

- CRM solution:

Risk Management



Human Resources

Our Culture:

Employee First

Great Place to Work



Employee Engagement



Celebrating Together

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Being a “Great Place to Work”

Here are a few facts we take pride in being the 10th Best Large Workplace in Asia.

“The Best Workplaces in Asia list recognizes organizations in the Asia region that are dedicated to sustaining high-trust cultures for their employees. These workplaces are distinguished by their extraordinary levels of trust, pride, and camaraderie. Putting their people first is a key priority for these companies and it is this commitment to providing strong, caring, and innovative cultures that we celebrate with our Best Workplaces in Asia list.”

(Source: <http://www.greatplacetowork.net/best-companies/best-workplaces-in-asia/best-large-workplaces-in-asia>)

Attracting Talent

Management Development Program

Talent Management:

- Career Opportunities - Internal Job Postings (IJPs) and Employee referrals

Rewarding Our People:

- Compensation Philosophy

- Employee Benefits

• Employee Stock Option Plan (ESOP)

Prabir Kar (Officer – CMS Operations)

Mr.

• Rewards

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Employees' speak on ESOP:



Operation Officer-South

Ramu S (Branch



Administration-East)

Milan Panda (Officer



The Ujjivan Way:

• Obligations
For ex: Risk and
Compliance

• Obligations
For ex: Risk and
Compliance

an

Community Development Programs

Background

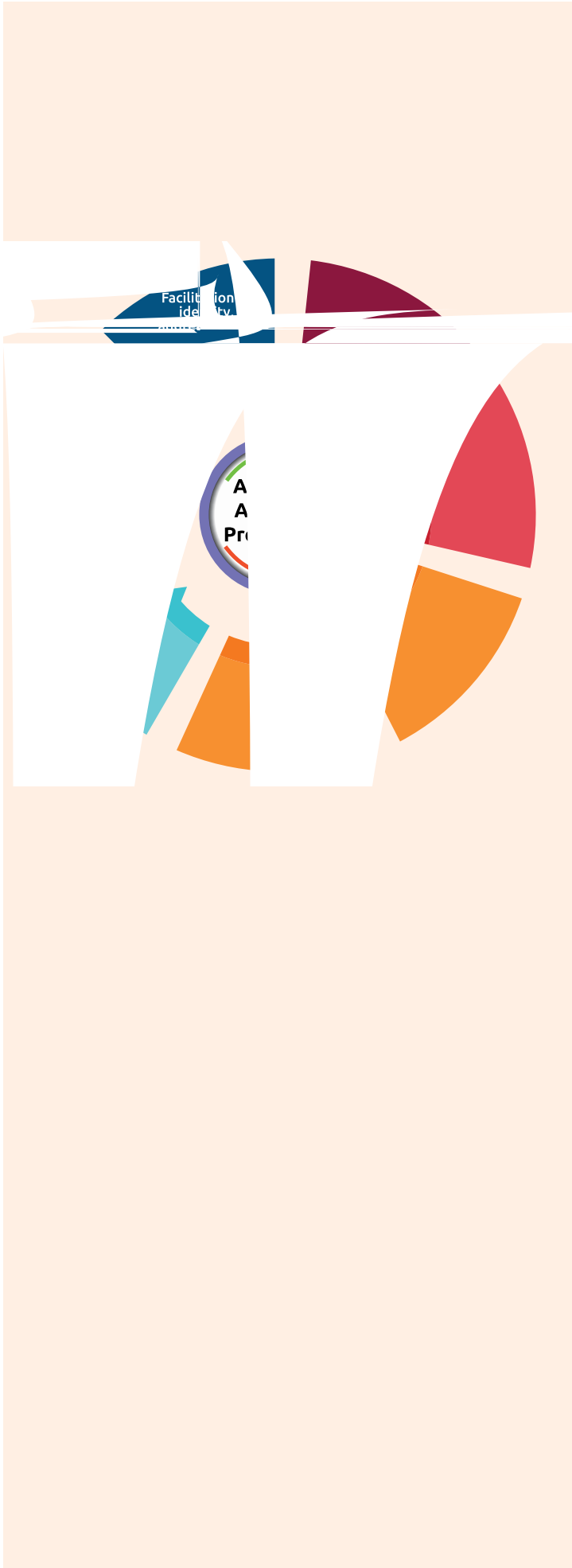
| CSR Projects | South | North | East | West | Total | % |
|--------------------------------------|-------|-------|------|------|-------|------|
| Drinking water facility | | | | | | 34% |
| Facilities for Schools | | | | | | 30% |
| Toilet construction/ renovation | | | | | | 24% |
| Health & Hygiene | | | | | | 5% |
| Public facilities and infrastructure | | | | | | 3% |
| Environmental projects | | | | | | 2% |
| Social Welfare of orphans/ disabled | | | | | | 1% |
| Bus stand construction/ renovation | | | | | | 1% |
| Grand Total | 100 | 124 | 128 | 86 | 438 | 100% |
| Beneficiaries | | | | | | |

Some of these initiatives are highlighted below:

t









Ujjivan's Support

Higher Education Scholarship Programme

105

292





HEALTHCARE PROGRAM

Health camps

Medical Intervention program

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-
- *Colelitiasis*
-
-
-
-
-
-

Blood donation drives

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Statutory Reports & Financials

Management Discussion and Analysis

Capital Raise:

The Year at a Glance

Business Growth:

Transition:

Small Finance Bank Limited' ("USFB")

'Ujjivan

Network Expansion:

Cost Efficiency:

Credit Quality:

Awards:

Funding:

Microfinance Business:

Group Loans

MSE Business

Deposit Business

Discussion on Financial and Operational Performance

Unsecured Individual Loans

| Particulars (Rs. Crore) | FY2016-17 | FY2015-16 |
|--------------------------------|----------------|----------------|
| | | |
| | | |
| Total Income (A) | 1,397.6 | 1,027.6 |
| | | |
| | | |
| | | |
| Total Expenditure (B) | 1,075.8 | 755.6 |
| | | |
| | | |
| Profit After Tax | 207.7 | 177.2 |

Affordable Housing Business

Credit Rating

Internal Audit & Controls

Branch and Field Audits

Resource Mobilization

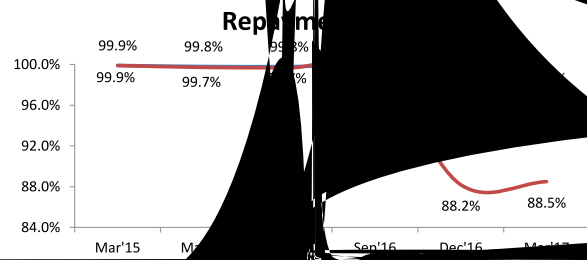
Functional Audits

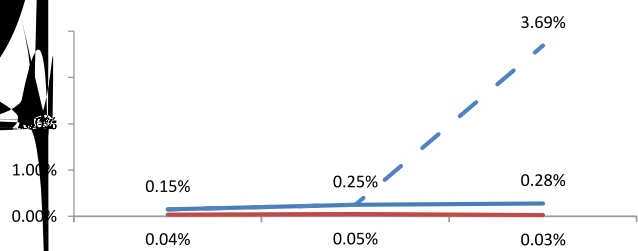
Vigilance

Credit Quality and Demonetization

Risk Management and Compliance Risk Framework

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Information Technology

Corporate Social Responsibility

Human Resources

Employee First

Conclusion

Work Life Balance

Significant Supporting Role

Directors' Report

To the Members,

Overview

SFB

Bank Limited' USFB

'Ujjivan Small Finance

1. Financial Results

| Particulars | Standalone | | Consolidated |
|-----------------------------------|-------------|------------|--------------|
| | FY 2016-17* | FY 2015-16 | FY 2016-17 |
| | | | |
| | | | |
| Total Income | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Operational Expenses | | | |
| | | | |
| | | | |
| | | | |
| Profit/(Loss) After Tax | | | |

* includes the numbers for both discontinued as well as continued operations.

2. IPO

inter alia

3. Dividend

4. Transfer to reserves

5. Credit Rating

** The Company has transferred all its NCDs to USFB through novation in the month of February 2017. Also, all the debt portfolio of the Company comprising of borrowings from banks / financial institutions etc were transferred to USFB on February 01, 2017*

6. Capital Adequacy

7. Corporate Governance and Management Discussion and Analysis Report

8. Extract of Annual Return

Annexure 1"

9. Business Responsibility Reporting

10. No. of Meetings of the Board during the FY 2016-17

11. Reappointments

12. Directors' Responsibility Statement

13. Declaration by Independent Directors

14. Nomination and Remuneration Policy

15. Statutory Auditors

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

- (i) By the auditor in his report;**
Statutory Auditor

Auditor's report

- (ii) By the Company Secretary in practice in his secretarial audit report;**
Secretarial Auditor

"Annexure 2"

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

| Sr. No. | Date of Investment | Mode of Investment | Amount (Rs. in Crore) |
|----------------|---------------------------|---------------------------|------------------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| | | | |

| Sr. No. | Securities Type | Number of Securities | Interest Rate | Premium (In Rs.) | Amount (in Rs.) |
|----------------|------------------------|-----------------------------|----------------------|-------------------------|------------------------|
| 1. | | | | | |
| 2. | | | | | |
| | | | | | |

18. Transaction with related parties

"Annexure 3"

19. The state of the Company's affairs

Note on Demonetisation

Background

Impact on the MFI Industry

Impact on Ujjivan

Challenges faced:

South:

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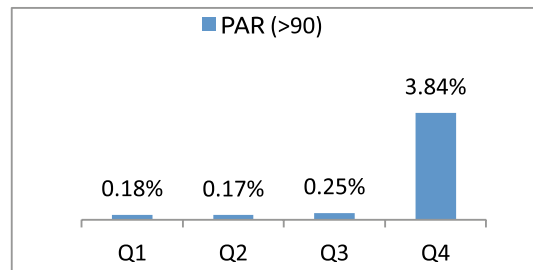
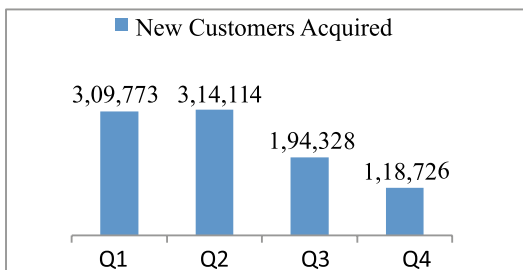
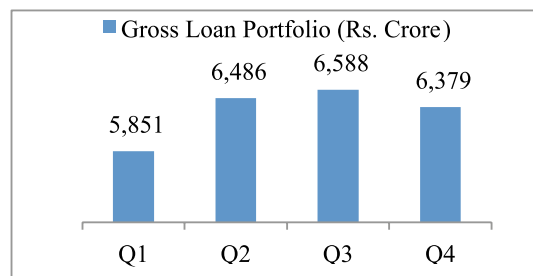
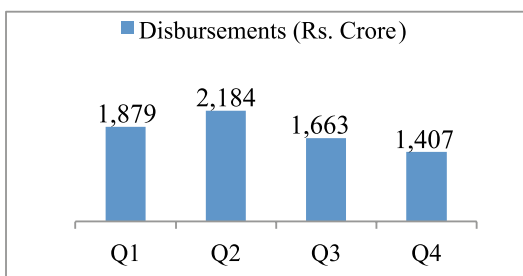
North

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-
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East

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Impact on Business volumes



Impact on portfolio quality

| Particulars | Oct'16 | Nov'16 | Dec'16 | Jan'17 | Feb'17 | Mar'17 |
|-------------|--------|--------|--------|--------|--------|--------|
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Estimated write offs and provisions in current year and hit to P&L

(Amount Rs. in Crore)

| Credit Cost | Q1 | Q2 | Q3 | Q4 | FY2016-17 |
|-------------|----|----|----|----|-----------|
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Collections

Collateral Impact

Initiatives taken

- Communication to staff and customers
- Focus on Collections:
- Focus on Cashless collections
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20. 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;

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Performance Evaluation of the Directors

Evaluation of the Board Committees

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Independent Directors' Evaluation of Non-Independent Directors

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

The financial summary or highlights:

(Amount Rs. in Crore)

| Particulars | Standalone | | Consolidated |
|-----------------------------------|-------------|------------|--------------|
| | FY 2016-17* | FY 2015-16 | FY 2016-17 |
| | | | |
| | | | |
| Total Income | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Operational Expenses | | | |
| | | | |
| | | | |
| Profit/(Loss) After Tax | | | |

** includes the numbers for both discontinued as well as continued operations.*

- **Strategic Highlights:**
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- **Consolidated Asset Business Performance**

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- **Deposit Business Performance of USFB**

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- **Financial Performance:**

- **Profitability:** (Rs. in Crore)

| Particulars (FY 2016-17) | Standalone | Consolidated |
|--------------------------|------------|--------------|
| | | |
| | | |

- **Efficiency**

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

(Rs. in Crore)

| Particulars | FY 2016-17 |
|--|---------------|
| | |
| | |
| Total Income | 226.10 |
| | |
| | |
| Total Operational Expenses | 225.21 |
| | 0.89 |
| | |
| Profit/(Loss) After Tax | 0.04 |
| | |
| Balance carried over to Balance Sheet | 0.03 |

Key Ratios:

| Particulars | March 31, 2017 |
|-------------|----------------|
| | |
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• **Business Highlights:**

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Deposit Business Performance

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Financial Performance:

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Credit Performance:

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Cost Efficiency:

Rating:

Profitability: Pre-tax profits - Rs. 0.89 Crore and post- tax profits - Rs. 0.04 Crore for the period ended March 31, 2017

The change in the nature of business, if any:

26. Other disclosures

Details of equity shares with differential rights

(ii) Details of sweat equity shares issued

(iii) Details of employee stock option scheme

ESOP 2006

ESOP 2007

ESOP 2008

ESOP 2010 and MD-ESOP 2010

ESOP 2015

| Year | Options Granted | Year 1 | Year 2 | Year 3 |
|------|-----------------|--------|--------|--------|
| | | | | |
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Revisions in the ESOP Schemes during the Year

ESOP Schemes Compliance Status

Administration of ESOP Schemes

Mandatory ESOP Disclosures

| Sr. No. | Particulars | March 31, 2017 |
|---------|-------------|----------------|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |
| 7. | | |
| 8. | | |
| 9. | | |
| 10. | | |
| 11. | | |
| 12. | | |

Consolidated Summary of all ESOP Schemes as on March 31, 2017

| Particulars | ESOP 2006 | ESOP 2007 | ESOP 2008 | ESOP 2010 | MD-ESOP 2010 | ESOP 2015 | Total |
|--------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|--------------|
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Options Granted to Key Managerial Personnel during the year

| Employee Name | Designation | Options Granted | Exercise Price (in Rs.) |
|----------------------|--------------------|------------------------|--------------------------------|
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27. Appointment of Independent Directors

28. Vigil Mechanism

Name and Address of the Whistle and Ethics Officer

Mr. Sanjeev Barnwal – Company Secretary and Compliance Officer (w.e.f. April 27, 2017)

Name and Address of MD & CEO of the Company: (w.e.f. February 1, 2017)

Ms. Sudha Suresh

Name and Address of the Chairman (Audit Committee):

Mr. K. R. Ramamoorthy

29. Remuneration details of Directors, KMPs, employees

| Sr. No. | Particulars | Disclosures | |
|---------|-------------|-------------|--|
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A statement showing the name of every employee of the company, who-

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:

| Sr. No. | Particulars | Ms. Sudha Suresh | Mr. Sanjeev Barnwal | Mr. Hiren Shah | Ms. Mantasha Mizaj |
|----------------|--------------------|-------------------------|----------------------------|-----------------------|---------------------------|
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** including perquisite by way of exercise of vested equity options*

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

Green Initiatives

ACKNOWLEDGEMENT

For and on behalf of the Board of Directors

K.R. Ramamoorthy
Chairperson
DIN: 00058467
Date: April 27, 2017
Place: Bangalore

Sudha Suresh
Managing Director & Chief Executive Officer
DIN: 06480567

Shareholding of Promoters

Change in Promoters' Shareholding

Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|--|---|--|
| | | | | | |
| (1) | CDC Group Plc | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| (2) | Alena Private Limited | | | | |
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| (3) | International Finance Corporation (IFC) | | | | |
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| (4) | NewQuest Asia Investments II Limited | | | | |
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| (5) | Bajaj Holdings and Investment Ltd | | | | |
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| (6) | Sequoia Capital India Investments III | | | | |
| | | | | | |
| | | | | | |

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year | Cumulative Shareholding during the year |
|---------|--|---|---|
| | | | |
| (7) | HDFC Standard Life Insurance Company Limited | | |
| | | | |
| | | | |
| | | | |
| (8) | Cinnamon Capital Limited | | |
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| | | | |
| (9) | Elevar Equity Mauritius | | |
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| | | | |
| (10) | CX Partners Fund 1 Limited | | |
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(v) Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year | Cumulative Shareholding during the year |
|---------|-------------------------|---|---|
| | | | |
| | | | |
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* Jointly held with Ms. Vasantha Ramamoorthy

(vi) Indebtedness

(Rs. in Crore)

| Indebtedness | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--------------|----------------------------------|-----------------|----------|--------------------|
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Note: the Company has transferred / novated all its outstanding loans to Ujjivan Small Finance Bank Limited. As on March 31, 2017, the Company does not have any outstanding loans in its books.

(vii) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole Time Directors and / or Manager:

| Sr. No. | Particulars of Remuneration | Name of Managing Director | Total Amount (in Rs.) | Name of Managing Director | Total Amount (in Rs.) |
|---------|-----------------------------|---------------------------|-----------------------|---------------------------|-----------------------|
| | | | | | |
| | (a) | | | | |
| | (b) | | | | |
| | (c) | | | | |
| | | | | | |
| | | | | | |
| | - | | | | |
| | - | | | | |
| | Total (A) | | 114,766,516 | | 1,273,000 |
| | | | | | |

B Remuneration to other directors:

(in Rs.)

| Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|-----------------------------|----------------------|------------------|------------------|-------------------------|--------------------|------------------|
| | Mr. K.R. Ramamoorthy | Mr. Sunil* Patel | Mr. Abhijit Sen | Ms. Vandana Viswanathan | Mr. Nandlal Sarda* | |
| 1) Independent Directors | | | | | | |
| • | | | | | | 5,999,875 |
| • | | | | | | |
| • | | | | | | |
| Total (A) | 1,497,250 | 1,324,700 | 1,298,000 | 1,142,000 | 737,925 | 5,999,875 |
| | | | | | | |

| 2) Other Non-Executive Directors | Mr. Venkatesh Natarajan | Mr. Jayanta Basu | Mr. Amit Gupta | Mr. Anadi Charan Sahu* (Paid to SIDBI) | Total Amount |
|--|-------------------------|------------------|----------------|--|------------------|
| • | | | | | 1,750,200 |
| • | | | | | - |
| | | | | | - |
| Total (B) | 985,350 | 215,500 | 204,725 | 344,625 | 1,750,200 |
| Total Managerial Remuneration (A) + (B) | | | | | 7,750,075 |
| | | | | | |

* ceased to be a director of the Company w.e.f. January 31, 2017 (close of business hours)

C Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

| Sr. No. | Particulars of Remuneration | Ms. Sudha Suresh CFO | Mr. Sanjeev Barnwal Company Secretary | Mr. Hiren Shah CFO | Total Amount (in Rs.) |
|---------|-----------------------------|----------------------|---------------------------------------|--------------------|-----------------------|
| 1. | Gross Salary | | | | |
| | (a) | | | | |
| | (b) | | | | |
| | (c) | | | | |
| | | | | | |
| | | | | | |
| | - | | | | |
| | - | | | | |
| | Total (A) | 6,929,497 | 3,601,943 | 545,735 | 4,147,678 |

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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
CIN: L65999KA2004PLC035329
Grape Garden, No.27, 3rd 'A' Cross 18th Main,
6th Block, Koramangala,
Bangalore – 560 095**

**UJJIVAN FINANCIAL SERVICES LIMITED (formerly UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED) having
CIN: L65999KA2004PLC035329**

I further report that:

I further report that during the audit period:

**Date: April 27, 2017
Place: Bangalore**

**K. Jayachandran
ACS No: 11309
CP No: 4031**

Annexure A

To,
The Members,
UJJIVAN FINANCIAL SERVICES LIMITED
CIN: L65999KA2004PLC035329
Grape Garden, No.27, 3rd 'A' Cross 18th Main,
6th Block, Koramangala,
Bangalore – 560 095

Date: April 27, 2017
Place: Bangalore

K. Jayachandran
ACS No: 11309
CP No: 4031

"Annexure 3"

AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

2. Details of contracts or arrangements or transactions at arm's length basis:

| | | |
|--|--|--|
| | | |
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| | | |
| | | |

Note 1

Note 2

| Sr. No. | Securities Type | Number of Securities | Interest Rate | Premium (in Rs.) | Amount (in Rs.) |
|----------------|------------------------|-----------------------------|----------------------|-------------------------|------------------------|
| 1. | | | | | |
| 2. | | | | | |
| | | | | | |

Note 3

Note 4

Annual Report on CSR Activities

1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR KEY INITIATIVES: FY 2016-17

2. The Composition of the CSR Committee

3. Average Net Profit of the Company for the last three financial years for the purpose of computation of CSR:

(Rs. in Lakh)

| Financial Year | 2013-14 | 2014-15 | 2015-16 |
|-----------------------|----------------|----------------|----------------|
| | | | |
| | | | |

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 313.56 Lacs

5. Details of CSR spent during the financial year

6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives of and policy of the Company.

Ms. Vandana Viswanathan
Chairman, Corporate Social Responsibility Committee
DIN: 05192578

During the FY 2016-17, 438 projects were carried out, benefitting over 242,000 beneficiaries.

| CSR Projects or Activity Identified | Sector in which the project is covered | Geographical areas where project was implemented (No. of Projects / Programs) | | | | | | Amount Outlay (budget) project or programmes wise (Rs. in Lakh) | Amount spent on the projects or programmes (1) Direct Expenditure (2) Overhead (Rs. in Lakh) | Mode of implementation (direct or through implementing agencies) |
|-------------------------------------|--|---|-------|-------|------|-------------|------------|--|---|--|
| | | East | North | South | West | Grand Total | % of total | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

| CSR Projects or Activity Identified | Sector in which the project is covered | Geographical areas where project was implemented (No. of Projects / Programs) | | | | | | Amount Outlay (budget) project or programmes wise (Rs. in Lakh) | Amount spent on the projects or programmes (1) Direct Expenditure (2) Overhead (Rs. in Lakh) | Mode of implementation (direct or through implementing agencies) |
|-------------------------------------|--|---|-------|-------|-------|-------------|------------|---|--|--|
| | | East | North | South | West | Grand Total | % of total | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | 128 | 124 | 100 | 86 | 438 | 100% | | | |
| | | 90141 | 46379 | 63562 | 42679 | 242761 | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total CSR Spend | | | | | | | | | 268.31 | |

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

2. Board of Directors'

SEBI LODR Regulations

Board

alia,

inter

| Name of the Director | Category | Number of Board Meetings during the Year 2016-17 | | Whether attended last AGM held on August 10, 2016 | 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 |
| | | | | | | | | |
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*Mr. Samit Ghosh, Mr. Sunil Patel, Mr. Nandlal Sarda and Mr. Anadi Charan Sahu resigned w.e.f. January 31, 2017 (close of business hours)
^ Mr. Abhijit Sen's categorization was changed from Non-Executive Director to Independent Director of the Company w.e.f. September 13, 2016
Ms. Sudha Suresh appointed w.e.f. February 01, 2017

| Name | Category | No. of Equity Shares |
|------|----------|----------------------|
| | | |
| | | |

* jointly held with Ms. Vasantha Ramamoorthy

3. Committees of the Board

A. Audit Committee

| S r . No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|--------------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

@ Ms. Vandana Viswanathan ceased to be member of the Committee w.e.f. February 01, 2017

* Mr. Sunil Patel and Mr. Nandlal Sarda resigned w.e.f. January 31, 2017 (close of business hours) and hence ceased to be a member of the Audit Committee w.e.f. February 01, 2017

The audit committee shall mandatorily review the following information:

(a)

(b)

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

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Mr. Abhijit Sen was inducted as the member and Chairman of the Nomination Committee w.e.f. February 01, 2017

**Mr. Sunil Patel ceased to be a Director w.e.f. January 31, 2017 (close of business hours) and a member of the Nomination Committee w.e.f. February 01, 2017

*** Ms. Vandana Viswanathan ceased to be member of the Committee w.e.f. February 01, 2017

Stakeholders Relationship Committee

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Ms. Vandana Viswanathan was inducted as a member of the Stakeholders Relationship Committee w.e.f. February 01, 2017

** Ms. Sudha Suresh was appointed as a Director and was inducted as the member of the Stakeholders Relationship Committee w.e.f. February 01, 2017

*** Mr. Sunil Patel and Mr. Samit Ghosh ceased to be a Director w.e.f. January 31, 2017 (close of business hours) and a member of the Stakeholders Relationship Committee w.e.f. February 01, 2017

D. Corporate Social Responsibility Committee (CSR Committee)

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held | Attended |
| | | | | |
| | | | | |
| | | | | |

* Ms. Sudha Suresh was appointed as a Director and was inducted as the member of the CSR Committee w.e.f. February 01, 2017

E. Risk Management Committee

-
-
-
-
-
-
-

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Ms. Sudha Suresh was inducted as the Director and the member of the Risk Management Committee w.e.f. February 01, 2017

** Mr. Samit Ghosh ceased to be a director w.e.f. January 31, 2017 (close of business hours) and a member of Risk Management Committee w.e.f. February 01, 2017

F. Asset Liability Management Committee (ALCO)

-
-
-
-

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Ms. Sudha Suresh was inducted as the Director and the member of the Risk Management Committee w.e.f. February 01, 2017

** Mr. Samit Ghosh ceased to be a director w.e.f. January 31, 2017 (close of business hours) and a member of Risk Management Committee w.e.f. February 01, 2017

G. Investment Committee

| Sr. No. | Directors | Designation |
|---------|-----------|-------------|
| | | |
| | | |
| | | |

H. Human Resource & Compensation Committee (HR Committee)

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Mr. Sunil Patel was inducted as a member of HR Committee w.e.f. May 25, 2016; however he has resigned from the Board w.e.f. January 31, 2017 (close of business hours) and further HR Committee was dissolved w.e.f. February 01, 2017

** Mr. Jayanta Basu ceased to be a member of HR Committee w.e.f. May 25, 2016

I. Small Finance Bank Transition Committee (SFB Committee)

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Mr. Nandlal Sarda was inducted as the member of the SFB Committee w.e.f. May 25, 2016; however he has resigned from the Board w.e.f. January 31, 2017 (close of business hours) and further SFB Committee was dissolved w.e.f. February 01, 2017

J. IPO Committee

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

K. Independent Director's Meeting**4. Remuneration of Directors**

5. General Body Meetings of Shareholders

| For the FY | Venue | Day & Date | Time | Special Resolution Passed |
|------------|-------|------------|------|---------------------------|
| | | | | |
| | | | | |
| | | | | |

Postal Ballot

1) July-August 2016

| Res. No. | Resolution | Type of Resolution | E-Voting | | Postal Ballot | | Total | | Result |
|----------|------------|--------------------|----------|---------|---------------|---------|-------|---------|--------|
| | | | For | Against | For | Against | For | Against | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

| Res. No. | Resolution | Type of Resolution | E-Voting | | Postal Ballot | | Total | | Result |
|----------|------------|--------------------|----------|---------|---------------|---------|-------|---------|--------|
| | | | For | Against | For | Against | For | Against | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

6. Means of Communication

_____ *inter alia*

7. Managing Director and Chief Financial Officer Certification

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

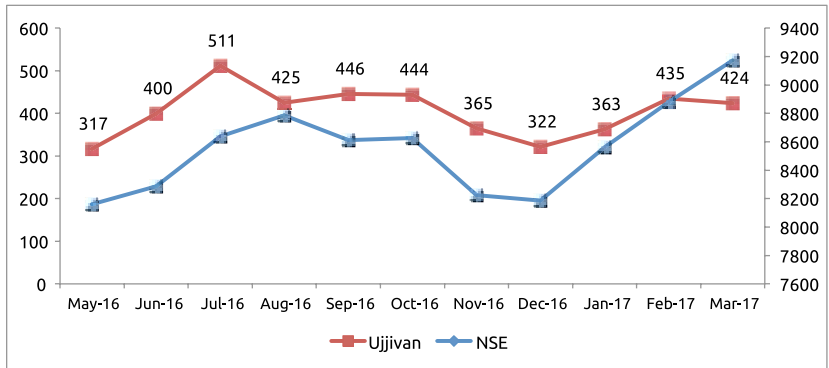
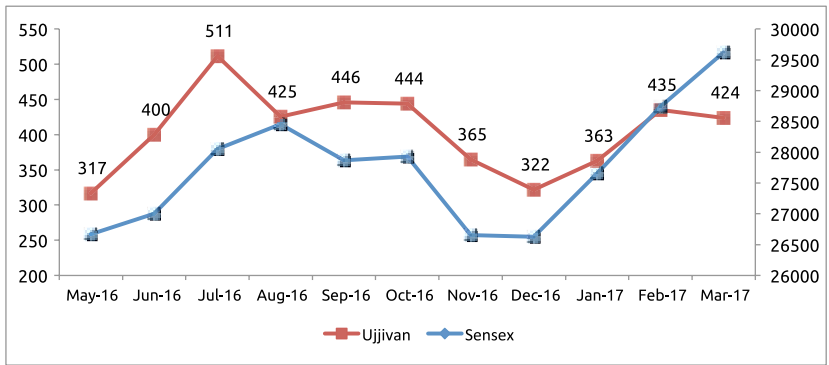
9. Ujjivan Code of Conduct

10. Material Subsidiaries

11. Familiarization Programme for independent Directors

| Month | BSE | | | NSE | | |
|-------|------------|-----------|-------------------------------|------------|-----------|-------------------------------|
| | High Price | Low Price | Volume (No. of Shares Traded) | High Price | Low Price | Volume (No. of Shares Traded) |
| | | | | | | |
| | | | | | | |
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| | | | | | | |

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



Distribution of Shareholding as on March 31, 2017

| Distribution Schedule - Consolidated as on 31-03-2017 | | | | | |
|---|--------------|------------|--------------|--------|-------------|
| Category (Amount) | No. of Cases | % of Cases | Total Shares | Amount | % of Amount |
| | | | | | |
| | | | | | |
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13. Investor Education and Protection Fund - Unclaimed Dividend

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

15. Other Disclosures

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

**Date: April 27, 2017
Place: Bangalore**

**Sudha Suresh
Managing Director and Chief Executive Officer
DIN: 06480567**

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:

**Sudha Suresh
Managing Director & CEO
DIN: 06480567**

**Hiren Shah
Chief Financial Officer**

Date: April 27, 2017

Place: Bangalore

INDEPENDENT PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF UJJIVAN FINANCIAL SERVICES LIMITED

Date: April 27, 2017
Place: Bangalore

K. Jayachandran
ACS No.: 11309
CP No.: 4031

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED)
Report on the Consolidated Financial Statements**

Management's Responsibility for the Consolidated Financial Statements

Auditor's Responsibility

Opinion

Other Matters

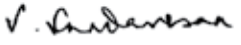


Report on Other Legal and Regulatory Requirements

For DELOITTE HASKINS & SELLS

Place: Bengaluru

Date: April 27, 2017


S.Sundaresan
Partner
(Membership No. 25776)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for Internal Financial Controls

Auditor's Responsibility

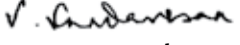
Meaning of Internal Financial Controls Over Financial Reporting

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Opinion



For DELOITTE HASKINS & SELLS


S.Sundaresan

UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Amount in Rupees)

| Particulars | Note No. | As at March 31, 2017 | |
|---|----------|-------------------------|-----------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds: | | | |
| (1.2) Share application money pending allotment: | | | |
| (2) Non-Current Liabilities | | | |
| (3) Current Liabilities | | | |
| Total | | | 84,785,910,051 |
| II. Assets | | | |
| (1) Non-Current Assets | | | |
| <i>(a) Fixed assets</i> | | | |
| Assets | | | |



1

UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Rupees)

| Particulars | Note No. | For the year ended March 31, 2017 |
|--|----------|-----------------------------------|
| A. INCOME | | |
| Total Income (A) | | 13,976,239,248 |
| B. EXPENDITURE | | |
| Total Expenditure (B) | | 10,758,853,527 |
| Profit Before Tax (A - B) | | 3,217,385,721 |
| Total tax expenses | | 1,140,674,563 |
| Profit for the year | | 2,076,711,158 |
| Earnings per Equity Share: face value Rs. 10 each | | |

For Deloitte Haskins & Sells

Chartered Accountants

S. Sundaresan

S Sundaresan

Partner



For and on behalf of the Board of Directors

K.R. Ramamoorthy

K.R. Ramamoorthy

Chairman

Sudha Suresh

Sudha Suresh

Managing Director

Sanjeev Barnwal

Sanjeev Barnwal

Company Secretary

Hiren Shah

Hiren Shah

Chief Financial Officer

UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Rupees)

| Part ulars | For the year ended March 31, 2017 |
|---|--------------------------------------|
| Cash Flows from operat ng act vit es | |
| Prof t before tax | 3,217,385,721 |
| Adjustments for: | |
| Depreciation and amortisation expenses | 126,310,464 |
| Profit on sale of current investments | (146,699,747) |
| Bad debts written off -provision reversed | (36,483,640) |
| Deferred Stock Compensation expenses | 15,480,461 |
| Provision for Receivables under Financing Activities | 732,867,044 |
| Provision for advances | 2,884,146 |
| Claims written off (net) | 5,239,502 |
| Fixed assets written off | 2,584,990 |
| Interest on fixed deposits | (136,826,508) |
| Loss /(Profit) on sale of Fixed Assets | (21,223) |
| Marked to Market provision | 41,966,250 |
| Operat ng Prof t before Working capital changes | 3,824,687,460 |
| Changes in working capital: | |
| (Increase) / Decrease in Receivables under Financing Activity | (8,067,723,966) |
| (Increase) / Decrease in Loans and advances | (641,806,963) |
| (Increase) / Decrease in Other assets | (209,461,967) |
| Increase / (Decrease) in Trade payables | 133,947,227 |
| Increase / (Decrease) in Other current liabilities | 484,210,539 |
| Increase / (Decrease) in Short-term provisions | (29,749,755) |
| Cash f ow from operat ons | (4,505,897,425) |
| Net Tax paid/Refunds | (1,320,175,342) |
| Net Cash from operat ng act vit es (A) | (5,826,072,767) |
| Cash f ows from Invest ng act vit es | |
| Investments in Central government securities and T-Bills | (14,507,736,738) |
| Purchase of Mutual funds | (62,109,600,021) |
| Sale of Mutual funds | 62,254,146,313 |
| Purchase of T-bill | (2,921,290,362) |
| Sale of T-bill | 2,923,443,800 |
| Purchase of Fixed Assets | (1,419,339,950) |
| Proceeds from Sale of Fixed Assets | 161,597,339 |
| Interest on fixed deposits | 27,017,261 |
| Net Cash from invest ng act vit es (B) | (15,591,762,358) |




| Part ulars | For the year ended March 31, 2017 |
|---|--------------------------------------|
| Cash f ows from f nancing act vit es | |
| Proceeds from issue of share capital & securities premium (net) | 3,482,822,618 |
| Borrowings from banks / others | 56,562,500,000 |
| Repayment of Borrowings from banks / others | (37,028,420,214) |
| Deposits from customers | 1,064,117,905 |
| Share application money pending allotment | 5,287,610 |
| Net Cash from f nancing act vit es (C) | 24,086,307,919 |
| Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C) | 2,668,472,793 |
| Cash and cash equivalents at the beginning of the period | 4,467,377,978 |
| Cash and cash equivalents at the end of the period | 7,135,850,772 |

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow State-ments.
2. Cash & cash equivalents at period end includes Rs.13,548,822/- in balance with banks, which is to be used only for repayment of securi-ty deposit of customer.
3. Refer note 17 for items included in cash and cash equivalents.

For Deloitte Haskins & Sells

Chartered Accountants



S Sundaresan

Partner

Place: Bengaluru

Date: April 27, 2017

For and on behalf of the Board of Directors



K.R. Ramamoorthy

Chairman



Sanjeev Barnwal

Company Secretary



Sudha Suresh

Managing Director



Hiren Shah

Chief Financial Officer



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

Notes to Consolidated financial Statements for the year ended March 31, 2017

1 GROUP INFORMATION

Basis of Consolidation

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



| Asset | Useful Life as per Schedule II (years) |
|-------|--|
| | |





Notes forming part of Consolidated financial statements

Note 3 - Share Capital

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|----------------------------|-------------------------|
| <i>Authorised</i> | |
| <i>Issued</i> | 1,250,000,000 |
| Subscribed & fully Paid up | 1,193,770,720 |
| Total | 1,193,770,720 |

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

| | Number of shares March 31, 2017 |
|--|------------------------------------|
| | 119,377,072 |

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

| | Amount in Rs. March 31, 2017 |
|--|---------------------------------|
| | 1,193,770,720 |

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

| Class of shares / Name of the shareholder | Number of shares as at March 31, 2017 | % |
|---|---|---|
| Equity Shares: | | |



Notes forming part of Consolidated financial statements
 Note 4 - Reserves & Surplus

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|---|-------------------------|
| a. Securities premium account | |
| Closing balance | 10,878,466,450 |
| b. Other reserves - Statutory reserve * | |
| Closing balance | 1,144,681,331 |
| c. Other reserves - Employee loan grant | 1,300,000 |
| d. Share options outstanding account | |
| Closing balance | 49,601,715 |
| e. Surplus in Statement of Profit and Loss | |
| Closing balance | 4,316,175,461 |
| Total | 16,358,817,799 |



Notes forming part of Consolidated financial statements

Note 5 - Long-term borrowings

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|---------------------------------------|-------------------------|
| (A) Non Convertible Debentures | |
| Secured | |
| Unsecured | |
| Total - (A) | 6,000,000,000 |
| (B) Term loans | |
| Secured | |
| Unsecured | 16,615,397,306 |
| | 5,775,358,884 |
| Total - (B) | 22,390,756,190 |
| (C) Deposits | |
| Total - (A) + (B) + (C) | 28,450,520,082 |



Notes forming part of Consolidated financial statements

| Terms of Repayment and Interest | | | Amount Outstanding (Rs.) March 31, 2017 | |
|---------------------------------|----------|--------------|--|-------------|
| Rate of Interest | Maturity | Installments | Current | Non Current |
| | | | | |
| | | | | |
| | | | | |

Repayable in annually

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Repayable in Bullet

| | | | | |
|--------------|--|--|-----------------------|----------------------|
| | | | | |
| Total | | | 21,382,165,044 | 9,045,278,189 |

Borrowings from NBFCs - (b)

Repayable in Monthly Installments

| | | | | |
|--------------|--|--|----------------------|----------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | | 1,413,077,898 | 1,705,452,447 |

Borrowings from Others - (c)

Repayable in Monthly Installments

| | | | | |
|--------------|--|--|----------------------|----------------------|
| | | | | |
| | | | | |
| Total | | | 1,600,000,000 | 2,450,000,000 |



Notes forming part of Consolidated financial statements

| Terms of Repayment and Interest | | | Amount Outstanding (Rs.) March 31, 2017 | |
|---------------------------------|----------|--------------|--|----------------------|
| Rate of Interest | Maturity | Installments | Current | Non Current |
| Bullet | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | | 2,274,665,831 | 3,414,666,670 |
| Grand Total | | | 3,874,665,831 | 5,864,666,670 |

| Terms of Repayment and Interest | | | Amount Outstanding (Rs.) March 31, 2017 | |
|--|----------|--------------|--|----------------------|
| Rate of Interest | Maturity | Installments | Current | Non Current |
| Unsecured | | | | |
| Borrowings from Banks - (d) | | | | |
| Repayable in Quarterly Installments | | | | |
| | | | | |
| | | | | |
| Repayable in Bullet | | | | |
| | | | | |
| Total | | | 2,742,857,143 | 2,857,137,784 |

Borrowings from NBFCs - (e)

Repayable in Monthly Installments

| | | | | |
|--|--|--|----------------------|----------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Repayable in Quarterly Installments | | | | |
| | | | | |
| Total | | | 2,860,516,098 | 2,418,221,100 |

Borrowings from Others - (f)

Repayable in Bullet

| | | | | |
|--------------|--|--|----------|--------------------|
| | | | | |
| Total | | | - | 500,000,000 |



Notes forming part of Consolidated financial statements

Note 6 - Long-term provisions

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|------------------------|-------------------------|
| (a) Provision - Others | |
| Total | 370,024,723 |

Note 7 - Short-term borrowings

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| Total | 1,004,354,013 |

Note 8 - Trade payables

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| Total | 285,823,390 |



Notes forming part of Consolidated financial statements

Note- 9 Other current liabilities

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| Total | 36,013,487,185 |

Note (i) :Current maturities of long term debts

| Particulars | As at March 31, 2017 |
|---------------------------------------|-------------------------|
| (a) Non Convertible Debentures | |
| <u>Secured</u> | |
| Total | 2,250,000,000 |
| (b) Term loans | |



Notes forming part of Consolidated financial statements

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|-------------|-------------------------|
| Total | 32,273,282,014 |

Note -10 Short-term provisions

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|-------------------------------------|-------------------------|
| (a) Provision for employee benefits | |
| (b) Provision - Others | |
| Total | 1,103,824,529 |



Notes forming part of Consolidated financial statements

Note 11 - Fixed assets

(Amount in Rupees)

| | Gross Block | | | | Accumulated Depreciation & amortisation | | | | Net Block |
|----------------------------------|-----------------------------|---------------|-------------|------------------------------|---|--|--------------|------------------------------|------------------------------|
| | Balance as at April 1, 2016 | Additions | Disposals | Balance as at March 31, 2017 | Balance as at April 1, 2016 | Depreciation / amortisation expense for the year | On disposals | Balance as at March 31, 2017 | Balance as at March 31, 2017 |
| Fixed Assets | | | | | | | | | |
| Tangible Assets | | | | | | | | | |
| Total (A) | 364,605,874 | 654,475,172 | 16,694,290 | 1,002,386,756 | 197,395,032 | 95,651,832 | 12,533,184 | 280,513,681 | 721,873,075 |
| Intangible Assets- others | | | | | | | | | |
| Total (B) | 119,280,154 | 760,239,163 | 160,000,000 | 719,519,317 | 44,698,178 | 30,658,632 | - | 75,356,810 | 644,162,507 |
| Total (A) + (B) | 483,886,028 | 1,414,714,335 | 176,694,290 | 1,721,906,073 | 242,093,210 | 126,310,464 | 12,533,184 | 355,870,491 | 1,366,035,582 |



Notes forming part of Consolidated financial statements

Note 12 - Non-current investments

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| Total | 3,572,719,451 |

Note 13 Long-term loans and advances

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| Total | 219,837,054 |

Note 14 Other non current assets

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| Total | 14,304,189,766 |



Notes forming part of Consolidated financial statements

Note 15 Current Investments

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------------------------|-------------------------|
| Trade investments (quoted) | |
| Net Current investments | 10,894,061,037 |

Note 16 Trade receivables under financing activity

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| | 43,650,995 |
| | |
| | 44,767,312,248 |
| | |
| Total | 44,810,963,243 |

Note 17 Cash and Bank balances

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| | 7,135,850,772 |
| | |
| | 464,899,828 |
| | |
| Total | 7,600,750,600 |



Notes forming part of Consolidated financial statements
 Note 18 Short-term loans and advances

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | 33,558,023 |
| | 29,577,731 |
| | 745,423,126 |
| | 745,423,126 |
| Total | 839,327,925 |

Note 19 Other current assets

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--------------|-------------------------|
| | |
| Total | 676,678,520 |



Notes forming part of Consolidated financial statements

Note 20 Income from Operations

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 |
|--------------|--------------------------------------|
| | |
| Total | 13,493,734,980 |

Note 21 Other Income

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 |
|--------------|--------------------------------------|
| | |
| Total | 482,504,268 |

Note 22 Employee benefits expense

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 |
|--------------|--------------------------------------|
| | |
| Total | 2,716,155,981 |



Notes forming part of Consolidated financial statements

Note 23 Administrative and Other expenses

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 |
|-------------|--------------------------------------|
| | |
| | |

| | |
|--|--|
| | |
| | |
| | |

Notes forming part of Consolidated financial statements

Note 24 Finance costs

(Amount in Rupees)

| Particulars | For year ended March 31, 2017 |
|-------------|----------------------------------|
| Total | 5,427,222,013 |

Note 25 Provision / write off for receivables under financing activity

(Amount in Rupees)

| Particulars | For year ended March 31, 2017 |
|-------------|----------------------------------|
| Total | 751,161,879 |

26 Additional information to the financial statements

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

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|-------------|-------------------------|
| | |

26.2



Note 27 Disclosures under Accounting Standards

27.1 Employee Benefits:

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 |
|-------------|--------------------------------------|
| | |
| | |

| Particulars | For the year ended March 31, 2017 |
|--|--------------------------------------|
| Components of employer expense | |
| | |
| Total expense/(income) recognized in the Statement of Profit & Loss | 55,134,190 |
| Actual Contribution and Benefit Payments for the year ended | |
| | |
| Change in Defined Benefit Obligation (DBO) during the year ended | |
| | |
| Present Value of DBO at the end of the year | 179,909,114 |

| Particulars | As at March 31, 2017 |
|--|----------------------|
| Net asset/(liability) recognized in balance sheet as at | |
| | |
| Net (liability) recognized in balance sheet | |
| | |
| Present Value of DBO at the end of the year | |



Note 27 Disclosures under Accounting Standards

| Particulars | For the year ended March 31, 2017 |
|--|--------------------------------------|
| Change in Fair Value of Assets during the year ended | |
| Plan assets at the end of the year | 146,340,372 |
| Actuarial Assumptions | |

(Amount in Rupees)

| Particulars | March 31, 2017 |
|-------------|----------------|
| | |

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 |
|-----------------------|--------------------------------------|
| Actuarial Assumptions | |
| | |



Notes forming part of Consolidated financial statements

Note 27 Disclosures under Accounting Standards

27.2 Segment Reporting

(Amount in Rupees)

| SR.NO | Business Segments → | Treasury | Micro and Retail financing | Total |
|-------|----------------------|----------------|----------------------------|----------------|
| | Particulars ↓ | March 31, 2017 | March 31, 2017 | March 31, 2017 |
| | (less) | | | |
| 4 | Total Income (1+2-3) | 197,191,994 | 13,541,993,471 | 13,976,239,248 |
| | | | | |
| 11 | Net profit (5-6-8-9) | - | | 2,076,711,158 |
| | Other information: | | | |
| | | | | 82,886,508,393 |
| | Total assets | | | 85,786,072,791 |
| | | | | |
| | Total liabilities | | | 68,233,484,272 |



27.3 Related Party Disclosure

| <i>(Amount in Rupees)</i> | |
|---------------------------|----------------|
| Particulars | March 31, 2017 |
| | |

| <i>(Amount in Rupees)</i> | |
|---|----------------------|
| | As at March 31, 2017 |
| Outstanding Balance with enterprise in which relative of Key Managerial Person are Members | |
| | |



Notes forming part of Consolidated financial statements

27.4 Details of leasing arrangements

(Amount in Rupees)

| Particulars | Year ended March 31, 2017 |
|-------------|------------------------------|
| | |
| | |
| | |

27.5 Earnings per share

| Particulars | Year ended March 31, 2017 |
|-------------|------------------------------|
| | |
| | |
| | |
| | |
| | |

27.6 Deferred Tax

(Amount in Rupees)

| Particulars | Deferred Tax (Assets) / Liabilities as on April 1, 2016 | Current Year (credit) / charge * | Deferred Tax (Assets) / Liabilities as on March 31, 2017 |
|---|---|-------------------------------------|---|
| | | | |
| Net Deferred Tax (Asset) / Liability | (240,746,179) | (228,950,518) | (469,696,697) |

27.7 Initial Public Offer/Listing



Note 28 Employee Stock Option Plan

(Number)
 March 31, 2017

| Particulars | ESOP 2006 | ESOP 2007 | ESOP 2008 | ESOP 2010 | MD ESOP 2010 | ESOP 2015 | Total |
|-------------|-----------|-----------|-----------|-----------|--------------|-----------|-------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |



Notes forming part of Consolidated financial statements

Note 29 Disclosure on Specified Bank Notes ("SBN"):

(Amount in Rupees)

| Particulars | SBNs | Other Denomination | Total |
|---|-------|--------------------|-------------|
| | Total | Total | |
| Transactions between November 9, 2016 and December 30, 2016 | | | |
| Closing balance as at December 30, 2016 | | | 369,684,048 |



Notes forming part of Consolidated financial statements

Note 30 Corporate Social Responsibility

- a)
 b) Amount spent during the year on: (Amount in Rupees)


| Particulars | In Cash | Yet to be paid in Cash | Total |
|-------------|---------|------------------------|-------|
| | | | |
| | | | |

31

32

33

For and on behalf of the Board of Directors


 K.R. Ramamoorthy
 Chairman


 Sudha Suresh
 Managing Director


 Sanjeev Barnwal
 Company Secretary


 Hiren Shah
 Chief Financial Officer



Standalone
Financials &
Independent
Auditors
Report

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

Management's Responsibility for the Standalone Financial Statements

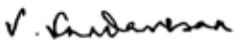
Auditor's Responsibility

Opinion

Report on Other Legal and Regulatory Requirements



For DELOITTE HASKINS & SELLS


S.Sundaresan

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for Internal Financial Controls

Auditor's Responsibility

Meaning of Internal Financial Controls Over Financial Reporting

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Opinion

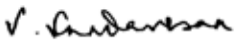
For DELOITTE HASKINS & SELLS


S.Sundaresan

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

For DELOITTE HASKINS & SELLS


S.Sundaresan

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

STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

(Amount in Rupees)

| Particulars | Note No. | As at March 31, 2017 | | As at March 31, 2016 | |
|---|----------|-------------------------|-----------------------|-------------------------|-----------------------|
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholder's Funds: | | | | | |
| (1.2) Share application money pending allotment: | | | | | |
| (2) Non-Current Liabilities | | | | | |
| (3) Current Liabilities | | | | | |
| Total | | | 17,674,114,628 | | 57,273,169,378 |
| II.Assets | | | | | |
| (1) Non-Current Assets | | | | | |
| | | | | | |
| | | | | | |



| Particulars | Note No. | As at March 31, 2017 | | As at March 31, 2016 | |
|--------------------|----------|----------------------|----------------|----------------------|----------------|
| (2) Current Assets | | | | | |
| Total | | | 17,674,114,628 | | 57,273,169,378 |

V. Gudimov

[Signature]

[Signature]

[Signature]

Chief Financial Officer

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

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

| Particulars | Note No. | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|----------|--------------------------------------|--------------------------------------|
| I. CONTINUING OPERATIONS | | | |
| A. INCOME | | | |
| Total Income (A) | | 237,053,783 | 175,924,704 |
| B. EXPENDITURE | | | |
| Total Expenditure (B) | | 15,435,565 | 10,779,726 |
| Profit Before Tax from continuing operations (A) - (B) | | 221,618,218 | 165,144,978 |
| Profit after tax from continuing operations (i) | | 145,373,733 | 107,988,301 |
| II. DISCONTINUED OPERATIONS | | | |
| Profit Before Gain on transfer of business attributable to the discontinued operations | | | |
| Gain on transfer of business attributable to the discontinued operations | | 160,000,000 | - |
| Profit Before Tax from discontinued operations | | 2,986,856,758 | 2,554,741,140 |
| Profit after tax from discontinued operations (ii) | | 1,930,986,663 | 1,664,199,477 |
| Profit for the year for Total operations (i) + (ii) | | 2,076,360,396 | 1,772,187,778 |



| Particulars | Notes |
|---|-------|
| Earnings per Equity share of face value Rs. 10 each | |

Statement of Financial

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|---|---|
| Cash Flows from operating activities | | |
| Profit before tax | 3,208,474,976 | 2,719,886,118 |
| Adjustments for | | |
| Operating Profit before Working capital changes | 3,568,839,634 | 2,858,674,343 |
| Changes in working capital: | | |
| Cash flow from operations | (28,016,061,204) | (15,876,651,851) |
| Net Tax paid/Refunds | (1,312,074,525) | (1,033,844,314) |
| Net Cash from operating activities (A) | (29,328,135,729) | (16,910,496,165) |
| Cash flows from Investing activities | | |
| Net Cash from investing activities (B) | (1,794,921,089) | (16,375,940) |



V. Gudansan

Partner

by
S
C



1 CORPORATE INFORMATION

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

| Asset | Useful Life as per Schedule II (years) |
|-------|--|
| | |







Notes forming part of standalone financial statements

Note 3 - Share Capital

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|----------------------------|-------------------------|-------------------------|
| <i>Authorised</i> | | |
| <i>Issued</i> | 1,250,000,000 | 1,250,000,000 |
| Subscribed & fully Paid up | 1,193,770,720 | 1,011,860,280 |
| Total | 1,193,770,720 | 1,011,860,280 |

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

| | Number of shares | Number of shares |
|--|------------------|------------------|
| | March 31, 2017 | March 31, 2016 |
| | 119,377,072 | 101,186,028 |

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

| | Amount in Rs. | Amount in Rs. |
|--|----------------|----------------|
| | March 31, 2017 | March 31, 2016 |
| | 1,193,770,720 | 1,011,860,280 |



Notes forming part of standalone financial statements

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

| Class of shares / Name of the shareholder | Number of shares as at March 31, 2017 | % | Number of shares as at March 31, 2016 | % |
|---|---------------------------------------|---|---------------------------------------|---|
| Equity Shares: | | | | |



Notes forming part of standalone financial statements

Note 4 - Reserves and Surplus

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| a. Securities premium account | | |
| Closing balance | 10,878,466,449 | 7,574,238,496 |
| b. Other reserves - Statutory reserve * | | |
| Closing balance | 1,144,593,640 | 729,321,561 |
| c. Other reserves - Employee loan grant | 1,300,000 | 1,300,000 |
| d. Share options outstanding account | | |
| Closing balance | 49,601,715 | 57,133,959 |
| e. Surplus in Statement of Profit and Loss | | |
| Closing balance | 18,194,557 | 6,029,871 |
| Closing balance | 4,315,912,389 | 2,654,824,072 |
| Total | 16,358,467,035 | 10,965,714,000 |



Note 5 - Long-term borrowings

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---------------------------------------|-------------------------|-------------------------|
| (a) Non Convertible Debentures | | |
| Secured | | |
| Total - (A) | - | 4,437,500,000 |
| (b) Term loans | | |
| Secured | | |
| Unsecured | - | 12,794,103,052 |
| | - | 500,000,000 |
| Total - (B) | - | 13,294,103,052 |
| Total - (A) + (B) | - | 17,731,603,052 |



Notes forming part of standalone financial statements

| Terms of Repayment and Interest | | | Amount Outstanding (Rs.) March 31, 2016 | |
|--|----------|--------------|--|-------------|
| Rate of Interest | Maturity | Installments | Current | Non Current |
| Borrowings from NBFCs - (b) | | | | |
| Repayable in Monthly Installments | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Repayable in Quarterly Installments

Repayable in Bullet

| | | | | |
|--------------|--|--|----------------------|----------------------|
| | | | | |
| | | | | |
| Total | | | 1,570,679,609 | 1,019,332,642 |

Borrowings from Others - (c)

Repayable in Monthly Installments

| | | | | |
|--------------------|--|--|----------------------|----------------------|
| | | | | |
| | | | | |
| | | | | |
| Total | | | 934,766,896 | 1,050,000,000 |
| Bullet | | | | |
| | | | | |
| | | | | |
| Total | | | 666,666,667 | 833,332,500 |
| Grand Total | | | 1,601,433,563 | 1,883,332,500 |

Unsecured

Borrowings from Others - (d)

Repayable in Bullet

| | | | | |
|--------------|--|--|----------|--------------------|
| | | | | |
| | | | | |
| Total | | | - | 500,000,000 |



Notes forming part of standalone financial statements

Note 6 - Long-term provisions

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------------|-------------------------|-------------------------|
| Provision - Others | | |
| Total | - | 130,888,443 |

Note 7 - Short-term borrowings

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------|-------------------------|-------------------------|
| Total | - | 10,404,739 |

Note 8 - Trade payables

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------|-------------------------|-------------------------|
| Total | 25,482,348 | 151,876,163 |



Notes forming part of standalone financial statements

Note 9 - Other current liabilities

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| Total | 24,128,601 | 26,643,945,280 |

Note (i) :

Note (ii) :

Note (iii) : Current maturities of long term debts

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------------------------|-------------------------|-------------------------|
| (a) Non Convertible Debentures | | |
| <u>Secured</u> | | |
| Total | - | 837,500,000 |



Notes forming part of standalone financial statements

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|----------------|-------------------------|-------------------------|
| (b) Term loans | | |
| Total | - | 24,800,450,648 |

Note 10 Short-term provisions

*(Amount in
Rupees)*

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------------------------------|-------------------------|-------------------------|
| (a) Provision for employee benefits | | |
| (b) Provision - Others | | |
| Total | 66,978,314 | 626,877,421 |



Notes forming part of standalone financial statements

Note 11 - Fixed assets

| | (Amount in Rupees) | | | | | | | | | | | |
|--------------------------|-----------------------------|---------------|--------------|--------------------|------------------------------|---|--|--------------|--------------------|------------------------------|------------------------------|------------------------------|
| | Gross Block | | | | | Accumulated Depreciation & amortisation | | | | | Net Block | |
| Fixed Assets | Balance as at April 1, 2016 | Additions | Disposals | Transfer of assets | Balance as at March 31, 2017 | Balance as at April 1, 2016 | Depreciation / amortisation expense for the year | On disposals | Transfer of assets | Balance as at March 31, 2017 | Balance as at March 31, 2017 | Balance as at March 31, 2016 |
| Tangible Assets | | | | | | | | | | | | |
| Total (A) | 364,605,874 | 139,489,679 | 8,790,891 | 495,304,662 | - | 197,395,032 | 57,535,760 | 7,512,711 | 247,418,081 | - | - | 167,210,842 |
| Previous Year | (287,611,519) | (92,874,425) | (15,880,070) | | (364,605,874) | (145,315,689) | (66,625,509) | (14,546,166) | - | (197,395,032) | (167,210,842) | (142,295,830) |
| Intangible Assets-others | | | | | | | | | | | | |
| Total (B) | 119,280,154 | 37,866,443 | - | 157,146,597 | - | 44,698,178 | 17,733,574 | - | 62,431,752 | - | - | 74,581,976 |
| Previous Year | (68,248,118) | (51,032,036) | - | - | (119,280,154) | (31,078,178) | (13,620,000) | - | - | (44,698,178) | (74,581,976) | (37,169,940) |
| Total (A) + (B) | 483,886,028 | 177,356,122 | 8,790,891 | 652,451,259 | - | 242,093,210 | 75,269,334 | 7,512,711 | 309,849,833 | - | - | 241,792,818 |
| Previous Year | (355,859,637) | (143,906,461) | (15,880,070) | - | (483,886,028) | (176,393,867) | (80,245,509) | (14,546,166) | - | (242,093,210) | (241,792,818) | (179,465,770) |

Notes forming part of standalone financial statements

Note 12 - Non-current investments

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Trade investments, at cost (unquoted) in other entities | | |
| Investments in subsidiary: | | |
| Investment in Others: | | |
| Total | 16,400,378,000 | 1,010,000 |
| | | |

Note 13 Long-term loans and advances

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| | | |
| Total | 316,953 | 155,705,706 |



Notes forming part of standalone financial statements

Note 14 Other non current assets

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| | | |
| Total | - | 13,041,538,714 |



Notes forming part of standalone financial statements

Note 15 Receivables under financing activity

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| | | |
| | - | 12,882,916 |
| | | |
| | - | 37,780,553,248 |
| | | |
| Total | - | 37,793,436,164 |

Note 16 Cash and Bank balances

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| | | |
| | 1,270,729,029 | 4,467,377,978 |
| | | |
| | - | 445,280,265 |
| | | |
| Total | 1,270,729,029 | 4,912,658,243 |



Notes forming part of standalone financial statements

Note 17 Short-term loans and advances

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| | | |
| | - | 34,687,597 |
| | - | 32,617,290 |
| | 2,172,391 | 244,074,158 |
| | 2,172,391 | 240,644,451 |
| Total | 2,172,391 | 296,800,519 |

Note 18 Other current assets

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| | | |
| Total | 162,740 | 589,481,035 |



Notes forming part of standalone financial statements

Note 19 Other Income

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|--------------------------------------|--------------------------------------|
| | | |
| Total | 237,053,783 | 175,924,704 |

Note 20 Employee benefits expense

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|--------------------------------------|--------------------------------------|
| | | |
| Total | 13,985,489 | 9,329,650 |

Note 21 Administrative and Other expenses

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|--------------------------------------|--------------------------------------|
| | | |
| Total | 1,450,076 | 1,450,076 |



Notes forming part of standalone financial statements

22 Additional information to the financial statements

22.1 Discontinued operations

i) Carrying amount of assets and liabilities transferred to Ujjivan Small Finance Bank Limited:

(Amount in Rupees)

| Particulars | As at February 1, 2017 | As at March 31, 2016 |
|------------------------------|---------------------------|-------------------------|
| | | |
| Total assets (A) | 86,102,232,529 | 56,316,278,181 |
| | | |
| Total liabilities (B) | 70,962,232,530 | 45,106,467,614 |
| | | |
| Net assets (A-B) | 15,140,000,000 | 11,209,810,567 |

ii) Cash flows attributable to the discontinued operations:

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|-------------|---|---|
| | | |

iii) Profit / (Loss) before tax from discontinued operations

(Amount in Rupees)

| Particulars | Note No. | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|-------------------------|-------------|---|---|
| A. INCOME | | | |
| | | | |
| Total Income (A) | | 11,478,239,836 | 10,100,181,135 |



| Particulars | Note No. | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|----------|-----------------------------------|-----------------------------------|
| B. EXPENDITURE | | | |
| Total Expenditure (B) | | 8,651,383,078 | 7,545,439,995 |
| Profit Before Gain on transfer of business attributable to the discontinued operations before tax (A) - (B) | | 2,826,856,758 | 2,554,741,140 |
| Gain on transfer of business attributable to the discontinued operations | | 160,000,000 | - |
| Profit Before Tax from discontinued operations | | 2,986,856,758 | 2,554,741,140 |

iv) Details of Income and Expenditure of Discontinued operations:

a) Income from operations

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|-----------------------------------|-----------------------------------|
| Total | 11,455,262,785 | 10,072,506,528 |

b) Other income

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|-----------------------------------|-----------------------------------|
| Total | 22,977,051 | 27,674,607 |



Notes forming part of standalone financial statements

22 Additional information to the financial statements

Note (i)

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|--------------------------------------|--------------------------------------|
| | | |
| Total | 3,332,875 | 2,926,412 |
| | | |

e) Finance costs

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|-------------------------|--------------------------------------|--------------------------------------|
| (a) Interest expense on | | |
| Total | 4,327,569,356 | 4,234,998,782 |

f) Provision / write off for receivables under financing activity

(Amount in Rupees)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|--------------------------------------|--------------------------------------|
| | | |
| Total | 706,807,009 | 252,722,624 |



Notes forming part of standalone financial statements

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

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------|-------------------------|-------------------------|
| | | |

Note:

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

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

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

22.6 Asset Classification & Provisioning:



22.6 Asset Classification & Provisioning:

(Amount in Rupees)

| Classification of Assets | As at March 31, 2017 | As at March 31, 2016 |
|--------------------------|-------------------------|-------------------------|
| | | |
| Total | - | 50,643,879,629 |
| | | |
| Total | - | 50,643,879,629 |

| Provision | As at March 31, 2017 | As at March 31, 2016 |
|--------------|-------------------------|-------------------------|
| | | |
| Total | - | 575,820,467 |
| | | |
| Total | - | 575,820,467 |

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

Capital to Risk asset ratio

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-----------------------|-------------------------|-------------------------|
| Total | 1,885,095,712 | 12,545,936,425 |
| Capital Ratios | | |



Notes forming part of standalone financial statements

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

Exposure to Real Estate Sector

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------|-------------------------|-------------------------|
| | | |

Exposure to Capital Market

Maturity Pattern of Assets and Liabilities

(Amount in Rupees)

| Particulars | Liabilities | | Assets | |
|--------------|-------------------------------------|-------------------|----------|-----------------------|
| | Borrowings from Banks and others | Market Borrowings | Advances | Investments |
| | | | | |
| Total | - | - | - | 16,400,378,000 |

Notes:



Notes forming part of standalone financial statements

22.8 Additional disclosure

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

March 31, 2017

| | Less than Rs. 1 lakh | | Rs. 1 to Rs. 5 lakhs | | Rs. 5 - 25 lakhs | | Total | |
|--------------------|----------------------|------------------|----------------------|------------------|------------------|----------------|-----------------|------------------|
| | No. of Accounts | Value Rs. | No. of Accounts | Value Rs. | No. of Accounts | Value Rs. | No. of Accounts | Value Rs. |
| A) Person involved | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | 470 | 1,061,409 | 239 | 1,374,828 | 1 | 800,000 | 710 | 3,236,237 |
| B) Type of fraud | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | 470 | 1,061,409 | 239 | 1,374,828 | 1 | 800,000 | 710 | 3,236,237 |

March 31, 2016

| | Less than Rs. 1 lakh | | Rs. 1 to Rs. 5 lakhs | | Rs. 5 - 25 lakhs | | Total | |
|--------------------|----------------------|------------------|----------------------|-----------|------------------|-----------|-----------------|------------------|
| | No. of Accounts | Value Rs. | No. of Accounts | Value Rs. | No. of Accounts | Value Rs. | No. of Accounts | Value Rs. |
| A) Person involved | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | 659 | 3,194,706 | - | - | - | - | 659 | 3,194,706 |
| B) Type of fraud | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | 659 | 3,194,706 | - | - | - | - | 659 | 3,194,706 |

Note:

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



Notes forming part of standalone financial statements

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

22.10.1 Concentration of Advances

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |
| | | |

22.10.2 Concentration of Exposures

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |
| | | |

22.10.3 Concentration of NPAs

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |

22.10.4 Sector-wise NPAs

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

22.10.5 Movement of NPAs

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| | | |
| Movement of NPAs (Gross) | | |
| | | |
| | | |
| | | |
| Movement of Net NPAs | | |
| | | |
| | | |
| | | |
| Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| | | |
| | | |
| | | |

22.10.6

22.10.7



Notes forming part of standalone financial statements

22.10.8 Registration obtained from other financial sector regulators

22.10.9 Penalties imposed by RBI and other regulators

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

| Particulars | Rating Assigned |
|-------------|-----------------|
| | |

22.10.11 Disclosure of Customer/Borrower Complaints

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |
| | | |
| | | |
| | | |

22.10.12

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |
| | | |
| | | |
| | | |
| | | |

22.10.13 Investments

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| Value of Investments | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Movement of provisions held towards depreciation on investments | | |
| | | |
| | | |
| | | |
| | | |

22.10.14 Derivatives:



Note 23 Disclosures under Accounting Standards

23.1 Employee Benefits:

(Amount in Rupees)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|-------------|------------------------------|------------------------------|
| | | |
| | | |

(Amount in Rupees)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|--|------------------------------|------------------------------|
| Components of employer expense | | |
| Total expense/(income) recognized in the Statement of Profit & Loss | 47,372,258 | 40,519,009 |
| Actual Contribution and Benefit Payments for the Year ended | | |
| Change in Defined Benefit Obligation (DBO) during the year ended | | |
| Present Value of DBO at the end of the year | 1,079,143 | 125,240,090 |



23.1 Employee Benefits:

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| Net asset/(liability) recognized in balance sheet as at | | |
| Net (liability) recognized in balance sheet | | |
| Present Value of DBO at the end of the year | | |
| Change in Fair Value of Assets during the year ended | | |
| Plan assets at the end of the year | 1,079,143 | 84,721,081 |
| Actuarial Assumptions | | |

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 |
|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | |



Notes forming part of standalone financial statements

23.1 Employee Benefits:

(Amount in Rupees)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|-----------------------|------------------------------|------------------------------|
| Actuarial Assumptions | | |
| | | |

23.2 Segment Reporting

23.3 Related Party Disclosure

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |



Notes forming part of standalone financial statements

23.3 Related Party Disclosure

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |

(Amount in Rupees)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------|-------------------------|-------------------------|
| | | |



Notes forming part of standalone financial statements

23.4 Details of leasing arrangements

(Amount in Rupees)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|-------------|------------------------------|------------------------------|
| | | |
| | | |
| | | |

23.5 Earnings per share

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|-------------|------------------------------|------------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

23.6 Other ratios are indicated below

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-------------|-------------------------|-------------------------|
| | | |
| | | |
| | | |

23.7 Deferred Tax

(Amount in Rupees)

| Particulars | Deferred Tax (As- sets) / Liabilities as on April 1, 2016 | Transferred to Ujjivan Small Finance Bank | Current peri- od (credit) / charge * | Deferred Tax (Assets) / Liabilities as on March 31, 2017 |
|---|---|---|--|---|
| | | | | |
| Net Deferred Tax (Asset) / Liability | (240,746,179) | (463,686,216) | (223,295,552) | (355,515) |



23.8 Initial Public Offer/Listing

24 Employee Stock Option Plan

(Number)

March 31, 2017

| Particulars | ESOP 2006 | ESOP 2007 | ESOP 2008 | ESOP 2010 | MD ESOP 2010 | ESOP 2015 | Total |
|-------------|-----------|-----------|-----------|-----------|--------------|-----------|-------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
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| | | | | | | | |
| | | | | | | | |

(Number)

March 31, 2016

| Particulars | ESOP 2006 | ESOP 2007 | ESOP 2008 | ESOP 2010 | MD ESOP 2010 | ESOP 2015 | Total |
|-------------|-----------|-----------|-----------|-----------|--------------|-----------|-------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | 172 | | | | |
| | | | | | | | |



| Particulars | March 31, 2017 | March 31, 2016 |
|--|-------------------------|-------------------------|
| | Numbers/Amount (Rs.) | Numbers/Amount (Rs.) |
| | | |
| | | |
| | | |
| a) Off-balance sheet exposures | | |
| | | |
| | | |
| b) On-balance sheet exposures | | |
| | | |
| | | |
| Amount of exposures to securitisation transactions Other than MRR | | |
| a) Off-balance sheet exposures | | |
| i) Exposure to own securitizations | | |
| | | |
| | | |
| ii) Exposure to third party securitisations | | |
| | | |
| | | |
| b) On-balance sheet exposures | | |
| | | |
| | | |
| | | |
| ii) Exposure to third party securitisations | | |
| | | |
| | | |

25.1 Details of Financial Assets sold to Securitisation Company

(Amount in Rupees)

| Particulars | March 31, 2017 | March 31, 2016 |
|-------------|----------------|----------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



Notes forming part of standalone financial statements

26 Disclosure on Specified Bank Notes ("SBN"):

(Amount in Rupees)

| Particulars | SBNs | Other Denomination notes | Total |
|---|-------|--------------------------|-------------|
| | Total | Total | |
| Transactions between November 9, 2016 and December 30, 2016 | | | |
| Closing balance as at December 30, 2016 | | | 369,684,048 |



Notes forming part of standalone financial statements

27 Corporate Social Responsibility

a)

b) Amount spent during the period on:

| Particulars | In Cash | Yet to be paid in Cash | Total |
|-------------|---------|------------------------|-------|
| | | | |
| | | | |

Amount spent during the year 2015-16 on:

| Particulars | In Cash | Yet to be paid in Cash | Total |
|-------------|---------|------------------------|-------|
| | | | |
| | | | |

28

29



Chairman



Sudha Suresh

Managing Director



Sanjeev Barnwal

Company Secretary



Hiren Shah

Chief Financial Officer

**Schedule to the Balance Sheet of Ujjivan Financial Services Limited ((Formerly Ujjivan Financial Services Private Limited)-a Non Deposit taking Non Banking Financial Company
(as required in terms of Paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)**

Rs. in Lakh

| Particulars | | | |
|-------------|--|---------------------------|-----------------------|
| | <u>Liabilities side</u> | Amount outstanding | Amount Overdue |
| (1) | Loans and advances availed by the Non Banking finance company inclusive of interest accrued thereon but not paid | | |
| | <u>Assets Side</u> | Amount outstanding | |
| (2) | Break up of Loans and advances including Bills Receivables (Other than those included in 4 below:) | | |
| (3) | Break up of Leased assets and stock on hire and other assets counting towards AFC activities | | |

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361122-33711W

Company Secretary

Chief Financial Officer



Business Responsibility Report Of Ujjivan Financial Services Limited FY 2016-17

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ujjivan Financial Services Limited

SECTION A - General Information about the Company:

| | | | |
|--|--|--|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | _____ |
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| | | | |

Note 1

SECTION B – Financial Details of the Company:

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|--|--|--|--|
| | | | |
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| | | | |
| | | | |
| | | | |
| | | | |

Note 2:

SECTION C – Other Details of the Company:

| | | | |
|--|--|--|--|
| | | | |
| | | | |
| | | | |
| | | | |

SECTION D – BUSINESS RESPONSIBILITY INFORMATION:

Details of Director/Directors responsible for BR

| | | | |
|--|--|--|--|
| | | | |
| | | | |
| | | | |

Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy / policies

Principles to Assess Compliance with Environmental, Social and Governance Norms

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

| | | | | | | | | | | |
|--|--|-------|--|--|--|--|--|--|--|--|
| | | | | | | | | | | |
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| | | | | | | | | | | |

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

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | |
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| | | | | | | | | | | |

Governance related to BR

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

| | | | |
|--|--|--|--|
| | | | |
| | | | |
| | | | |

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

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

.

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

Principle 8: Businesses should support inclusive growth and equitable development

.

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

Other terms and conditions

Arjun Kumar

to Friday, August 04, 2017 **Saturday, July 29, 2017**

8. Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2017, if approved at the Meeting, will be payable to those Members who hold shares:

2017 **Friday, July 28,**

2017 **Friday, July 28,**

Karvy

(R&T)

Friday, July 28, 2017

**Monday, July 31, 2017 (10:00 A.M.)
Thursday, August 03, 2017 (5:00 P.M.)**

10.00 A.M. 12.00 noon

Friday, July 28, 2017

In respect of Resolutions set out at Item No. 6

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102
OF THE COMPANIES ACT, 2013**

In respect of Resolutions set out at Item No. 3

In respect of Resolutions set out at Item No. 5

ATTENDANCE SLIP

| | | |
|--|--|--|
| | | |
| | | |
| | | |

| | |
|-----------------------------|--|
| Registered Folio No. | |
| DP ID No.* | |
| Client ID No.* | |

Name and address of the shareholder:

.....
.....

Signature:

No. of shares(s) held:

04, 2017

Friday, August

Name and address of the Proxy.....

Signature:

UJJIVAN FINANCIAL SERVICES LIMITED

Form No. MGT - 11

Proxy Form

Friday, August 04, 2017 at 03:30 P.M

| |
|--|
| |
| |
| |
| |
| |
| |

** Applicable for investors holding shares in dematerialized form*

Friday, August 04, 2017 at 03:30 P.M

| Sr. No. | Resolution | For | Against | Abstain |
|--------------------------|-------------------|------------|----------------|----------------|
| Ordinary Business | | | | |
| | | | | |
| | | | | |
| | | | | |
| Special Business | | | | |
| | | | | |
| | | | | |

Affix revenue stamp of not less than ₹1

Note:

- *This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company at Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru 560 095 not less than 48 hours before the commencement of the Meeting.*
- *It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.*
- *A Proxy can act on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying Voting Rights. However, a Member holding more than ten percent of the total share capital of the company carrying Voting Rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for another person or shareholder.*

The instructions for e-voting are as under

Friday, July 28, 2017

For members who receive notice of annual general meeting through e-mail:

User – ID

User-ID

Password

Captcha

**(5:00 P.M.)
2017**

Monday, July 31, 2017 (10:00 A.M.)

**Thursday, August 03, 2016
Friday, July 28,**

For members who receive the notice of annual general meeting in physical form:

Voting facility at Annual General Meeting:

at 03:30 P.M

Friday, August 04, 2017

Map of Venue below



Additional information on Directors being appointed/ re-appointed as required under 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 | Ms. Sudha Suresh | Mr. Amit Gupta |
|--|------------------|----------------|
| DIN | | |
| Date of Birth and Age | | |
| Date of First Appointment on the Board | | |
| Brief Resume, Qualification, Experience and Nature of Expertise in specific functional areas | | |
| No. of Board Meetings attended during the year as a Director | | |
| Directorships held in other Companies | - | - - - |
| Memberships / Chairmanships of Committees of other Boards | | - - |
| Remuneration last drawn | | |
| Remuneration sought to be paid | | |
| Shareholding in the Company | | |
| Relationship with other Directors and Key Managerial Personnel of the Company | | |

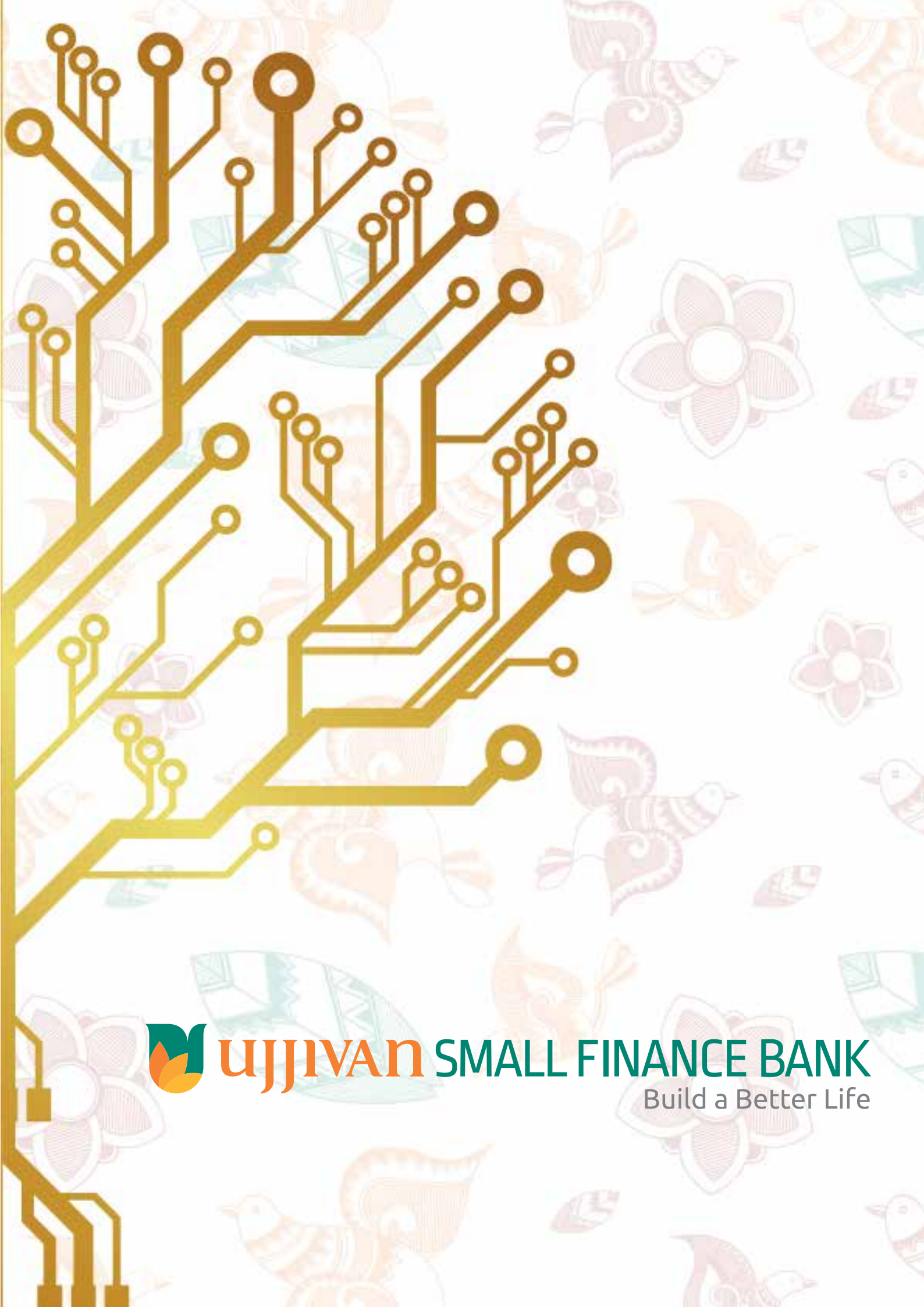
By Order of the Board of Directors

Sanjeev Barnwal

Company Secretary and Compliance Officer

Place: Bangalore

Date: April 27, 2017



ujjivan SMALL FINANCE BANK

Build a Better Life

CONTENTS

Ujjivan Small Finance Bank Limited

- *Management Discussion & Analysis*
- *Directors' Report*
- *Corporate Governance Report*
- *Pillar III Disclosure*
- *Financial Statements and Independent Auditors Report*

Message from the Chairman



S. V. Nataraj

Letter from the Managing Director



Portfolio Quality

Rolling Out Ujjivan Small Finance Bank Across the Country

Handwritten signature or scribble



Board of Directors



Sunil Patel



Samit Ghosh



Biswamohan Mahapatra



Nandlal Sarda



Luis Miranda



Prabal Sen



Vandana Viswanathan



Anadi Charan Sahu

Management Team



Samit Ghosh
Chief Executive Officer and Managing Director



Ittira Davis
Chief Operating Officer



Carol Furtado
Head of HR and Service Quality



Rajat Kumar Singh
Head of Strategy and Planning



Vijay Balakrishnan
Chief Marketing Officer



Santhosh Kumar G
Head of Liabilities and Financial Products



Abhiroop Chatterjee
Head of Microfinance and Branch Banking



Jolly Zachariah
Head of Channels



Martin P S
Head of Operations



Upma Goel
Chief Financial Officer



Arunava Banerjee
Chief Risk Officer



Balaji Parthasarathi
Chief Technology Officer



Alagarsamy A P
Head of Audit



Premkumar G
Head of Admin and Infra



Sneh Thakur
Head of Credit and Collections Microfinance



Manish Kumar Raj
Head of Microfinance and Branch Banking (North and West)



Subramanian Ravi
Head of Treasury



Srikumar Vadake Varieth
Head of Legal



Brajesh Cherian
Head of Compliance



N Mahadevan
Chief Vigilance Officer

Small Finance Bank Commencement & Growth Plans

Ujjivan SFB- Launch

Looking Ahead

Bank branch network & Way Forward

Technology Readiness

Scheduled Commercial Bank Readiness



Brand Marketing



The Brand Identity



The Grand Launch Event of Ujjivan Small Finance Bank

Launch

Virtual





this is just the beginning.



Strategic Marketing Communications



Products of Ujjivan SFB

Liabilities

Retail Banking:

Savings Account Products:

Current account Products :

Deposits :

Microfinance

Agriculture and Allied loan:

ures:

Value- Added Group Loan products

-
-
-

Business Loan:

-
-
-
-
-
-
-

Family Loan:

-
-
-
-



in Rupees

-
-
-
-
-



Home Improvement Loans –

Loan Against Property –

Home Loans (Informal Segment) –

Home Loans (Semi-Formal Segment) –

| Products Offered | Loan Amount (In Rs.) | ROI | Tenor | Processing Fee |
|------------------|----------------------|-----|-------|----------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |



Micro and Small Enterprises (MSE)

The Way Forward:

Unsecured Business Loan -

Tailored
of

Complete
focus on
MICRO &
SMALL
enterprises

Suite of
Products &

Unsecured Enterprise Loan -

Techno
Custom
Conversion
Cost Eff

Secured Enterprise Loan -

Liability Sourcing



Channels



Branch Infrastructure



- **Help Desk:**
- **Waiting Area:**
- **Toilet and Drinking water:**
- **Teller Counters:**

- **Counters:**
- **Manager's Office:**

Information Technology

•

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Bhuvaneshwari S.
Branch Operations Officer, HAL

Campus Hiring

96% of Ujjivan employees say: I am offered training or development to further myself professionally.

Retaining Talent/ Talent Management

Attracting Talent

Hiring for the Bank

Career Opportunities

| Region | Business Function | Control Function | Support Function | Total |
|--------------|-------------------|------------------|------------------|-------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | 3297 | 267 | 528 | 4092 |

Performance Management



Employee Referrals

Rewarding Our People

- **Employee Benefits:**

-
-
-
-

-Mr. Arup Kashyapi (Area Manager-East)

-Usha Saxena (Customer Relationship Officer-North)

| | | |
|--|--|--|
| | | |
| | | |
| | | |
| | | |
| | | |

- Vijayesh Kumar Pandey (Regional Manager Operations -North)

Learning the Ujjivan Way:

*Accident insurance: Claims under process

Total Rewards

Employee Stock Option Plan (ESOP)

Employees' speak on ESOP:

Biman Nandy (Team Leader Asset Operations-East)

Financial Literacy Program in Collaboration with Parinaam Foundation

Diksha Financial Literacy Program

| Outcomes | Total Impact 2016-2017 | Impact from Ujjivan funding 2016-2017 |
|-----------|------------------------|---------------------------------------|
| Indicator | Achievement | Achievement |
| | | |
| | | |
| | | |
| | | |
| | | |





**TEACHING FINANCE, CREATING INCLUSION –
IMPACT EVALUATION OF DIKSHA**

Demonetization & Diksha Repayment Rate

| Region | Repayment Rate (percent) | |
|--------------|---------------------------|-----------------------|
| | Diksha-trained Customers | All Ujjivan Customers |
| | | |
| | | |
| | | |
| Total | 91.0% | 87.0% |

Chillar Bank Program

Some of the Major Findings of the Impact Evaluation:



| | |
|--|---|
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PAISON KI ABCD JOURNEY



Paisan Ki ABCD Film

My Goals with My Ujjivan Card



Statutory Reports & Financials

Channels

IT

Branch Roll out- Infra

HR

SFB – Way forward

Risk

Directors' Report

To the Members,

Overview

"hereinafter referred to as 'the Bank' or 'the Company'"

'UFSL'

SFB

"the BTA"

1. Financial Results

| Particulars | For the Period from July 04, 2016 to March 31,2017 |
|--|---|
| | |
| | |
| Total Income | 226.10 |
| | |
| | |
| | |
| | |
| Total Operational Expenses | 225.21 |
| | 0.89 |
| | |
| Profit/(Loss) After Tax | 0.04 |
| | |
| Balance carried over to Balance Sheet | 0.03 |

Key Ratios:

| Particulars | March 31, 2017 |
|-------------|----------------|
| | |
| | |
| | |
| | |
| | |

Business Highlights:

-
- **Deposit Business Performance**

-
-
-
-

•**Financial Performance:**

-
-
-

•**Credit Performance:**

-
-
-

•**Cost Efficiency:**

•**Rating:**

Profitability: Pre-tax profits - Rs. 0.89 Crore and post- tax profits - Rs. 0.04 Crore for the period ended March 31, 2017

2. Dividend

3. Investor Education and Protection Fund - Unclaimed Dividend

4. Transfer to reserves

5. Credit Rating

| Instrument | Rs. in Crore | Rating |
|------------|--------------|--------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

11. Declaration by Independent Directors

12. Nomination and Remuneration Policy

13. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made –
By the auditor in his report;
Statutory Auditor

Auditor's report

By the Company Secretary in practice in his secretarial audit report;
Secretarial Auditor

“Annexure 2”

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

15. Transaction with related parties

“Annexure 3”

16. The state of the Bank's affairs

17. **Material changes and commitments, if any, affecting the financial position of the Bank which have occurred between the end of the financial year of the Bank to which the financial statements relate and the date of the report;**
18. **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

The Foreign Exchange earnings and outgo

19. **Development and implementation of risk management policy**

20. **Corporate Social Responsibility**

21. **Board Evaluation**

Appointment of Independent Directors

| Director | Date of Appointment |
|----------|---------------------|
| | |
| | |
| | |
| | |
| | |

Mr. Sunil Patel was appointed as the first director on July 04, 2016; however with the approval of the shareholders was appointed as the Independent Director on July 27, 2016

Vigil Mechanism

Name and Address of the Whistle and Ethics Officer

Ms. Carol Furtado – Head HR (w.e.f. Feb 01, 2017)

Name and Address of MD & CEO of the Bank:

Mr. Samit Ghosh

Name and Address of the Chairman (Audit Committee):

Mr. Sunil Patel

a. Remuneration details of Directors, KMPs, employees

| | | | | | | | | | | |
|--|--|---|--|--|--|--|--|--|--|--|
| | | | | | | | | | | |
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A statement showing the name of every employee of the Bank, who-

Shareholding pattern (Equity Share Capital breakup as Percentage of Total Equity)

(i) Category wise Shareholding pattern (Equity Share Capital Break-up as percentage of total equity)

| Category (I) | Category of Shareholder (II) | No. of Shares held at the beginning of the year (April 01, 2016) | | | | No. of Shares held at the end of the year (March 31, 2017) | | | | % Change during the year |
|--------------|---|--|----------|-------|------------|--|----------|-------|------------|--------------------------|
| | | Demat | Physical | Total | % of Total | Demat | Physical | Total | % of Total | |
| (A) | Promoter and Promoter Group | | | | | | | | | |
| | Indian | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | Sub Total (A) (1) | | | | | | | | | |
| | Foreign | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | Sub Total (A) (2) | | | | | | | | | |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | | | | | | | | | |
| (B) | Public Shareholding | | | | | | | | | |
| | Institutions | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| | Sub-Total (B)(1) | | | | | | | | | |
| | Non-institutions | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | Sub-Total (B)(2) | | | | | | | | | |
| | Total Public Shareholding (B)= (B) (1)+(B)(2) | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | Total (A) + (B) + (C) | | | | | | | | | |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | - % change in shareholding during the year |
|---------|--------------------|---|--|--|-------------------------------------|--|--|---|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

(iii) Change in Promoters' Shareholding

| S r . No. | Shareholders Name | Shareholding at the beginning of the year* | | Cumulative Shareholding during the year | |
|--------------|-------------------|--|--|---|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

* the Bank was incorporated on July 04, 2016

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**(v) Shareholding of Directors and Key Managerial Personnel**

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-------------------------|---|--|---|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

*holding for and on behalf of Ujjivan Financial Services Limited

(vi) Indebtedness

(Rs. in Crore)

| Indebtedness | Secured (TL/NCD) excluding deposits | Unsecured (TL/NCD) | Deposit * | Total Indebtedness |
|---|-------------------------------------|--------------------|-----------|--------------------|
| Indebtedness at the beginning of the financial year (01-04-2016) | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Indebtedness | Secured (TL/NCD) excluding deposits | Unsecured (TL/ NCD) | Deposit * | Total Indebtedness |
|---|-------------------------------------|---------------------|-----------|--------------------|
| Changes in Indebtedness during the financial year | | | | |
| | | | | |
| | | | | |
| | | | | |
| Indebtedness at the end of the financial year (31-03-2017) | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Section 73 (1) of the Companies Act, 2013, states that the provisions of the said Act relating to acceptance of deposits by companies do not apply to a Banking Bank as defined in the Reserve Bank of India Act, 1934. Accordingly, information relating to the Bank's deposits is not disclosed in the table above. As per the applicable provisions of the Banking Regulation Act, 1949, details of the Bank's deposits have been included under Schedule 3 - Deposits, in the financial statements of the Bank.

(vii) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole Time Directors and / or Manager:

| Sl. No. | Particulars of Remuneration | Name of Managing Director | Total Amount (in Rs.) |
|---------|-----------------------------|---------------------------|-----------------------|
| | (a) | | |
| | (b) | | |
| | (c) | | |
| | | | |
| | | | |
| | - | | |
| | - | | |
| | Total (A) | | |
| | | | |

* Mr. Samit Ghosh is holding vested stock options of UFSL. However he did not exercise any option granted by UFSL during the two months. Gross Salary details pertain to the month of Feb-2017 & Mar-2017.

B. Remuneration to other directors:

| Particulars of Remuneration | Name of Directors | | | | | Total Amount (in Rs.) |
|---------------------------------|-------------------|------------------|-----------------|-------------------|--------------------------|-----------------------|
| | Mr. Sunil Patel | Mr. Luis Miranda | Mr. Prabal Sen | Mr. Nandlal Sarda | Mr. Biswamohan Mahapatra | |
| 1) Independent Directors | | | | | | |
| • | | | | | | |
| • | | | | | | |
| • | | | | | | |
| Total (1) | 3,90,000 | 1,80,000 | 1,90,000 | 3,10,000 | 2,70,000 | 13,40,000 |

| Particulars of Remuneration | Name of Directors | | Total Amount |
|--------------------------------------|-------------------|-------------------------|------------------|
| 2) Other Non-Executive Directors | Mr. AC Sahu | Ms. Vandana Viswanathan | (in Rs.) |
| • | | | 3,70,000 |
| • | | | |
| | | | 17,10,000 |
| Total Managerial Remuneration | | | 17,10,000 |
| | | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

| Sl. No. | Particulars of Remuneration | Ms. Upma Goel CFO (Feb 01, 2017 till March 31, 2017) | Mr. Sanjeev Barnwal* Company Secretary | Total Amount |
|---------|-----------------------------|---|---|------------------|
| | Gross Salary | | | (in Rs.) |
| | (a) | | | |
| | (b) | | | |
| | (c) | | | |
| | | | | |
| | | | | |
| | - | | | |
| | - | | | |
| | Total (A) | 1,167,074 | 0 | 1,167,074 |

* Mr. Sanjeev Barnwal is drawing remuneration from the holding company i.e. UFSL and has not received any remuneration from the Bank.

VII. Penalties / Punishment / Compounding of Offences:

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 SMALL FINANCE BANK LIMITED
CIN: U65110DL2016PLC302481
Plot No. 2364 / 8, Khampur Raya Village Shadi Kampur,
Main Patel Road, New Delhi - 110008**

UJJIVAN SMALL FINANCE BANK LIMITED

CIN: U65110DL2016PLC302481

I further report that:

I further report that

Date: April 26, 2017
Place: Bangalore

K. Jayachandran
ACS No: 11309; CP No: 4031

Annexure A

To,

The Members,
UJJIVAN SMALL FINANCE BANK LIMITED
CIN: U65110DL2016PLC302481
Plot No. 2364 / 8, Khampur Raya Village Shadi Kampur,
Main Patel Road, New Delhi - 110008

Date: April 26, 2017
Place: Bangalore

K. Jayachandran
ACS No: 11309; CP No: 4031

AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

2. Details of contracts or arrangements or transactions at arm's length basis:

| | | <p>Ujjivan Financial Services Limited (UFSL).</p> <p>Parinaam Foundation</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|------------------|--|------------------|------------|--|---------------------|------|----------|-------|--|----------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------|------------------|-------------|------------------|--|
| | | <table border="1"> <thead> <tr> <th>Items/Related Party</th> <th>UFSL</th> <th>Parinaam</th> <th colspan="2">total</th> </tr> <tr> <td colspan="5" style="text-align: right;">(Amount Rs. in Lakh)</td> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr> <td>Total</td> <td>175,385.4</td> <td>6.08</td> <td colspan="2">175,391.5</td> </tr> </tbody> </table> | | | | Items/Related Party | UFSL | Parinaam | total | | (Amount Rs. in Lakh) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Total | 175,385.4 | 6.08 | 175,391.5 | |
| Items/Related Party | UFSL | Parinaam | total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Amount Rs. in Lakh) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 175,385.4 | 6.08 | 175,391.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | (BTA) | | BTA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Note 18. 11

Corporate Governance Report

1. Bank's Philosophy on Corporate Governance

2. Board of Director's

LODR Regulations

Board

SEBI

i.

| Name of the Director | Category | Number of Board Meetings during the Year 2016-17 | | Whether attended last AGM | Number of Directorships in other Public Companies | | No of Committee positions held in other Public Companies | |
|----------------------|----------|--|-----------|---------------------------|---|--------|--|--------|
| | | Held during their tenure | Attend-ed | | Chairman | Member | Chairman | Member |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

Mr. Nandlal Sarda was appointed as the Independent Director w.e.f. Jul 27, 2016

* Mr. Biswamohan Mahapatra, Mr Luis Miranda & Mr Prabal Kumar Sen were appointed as Independent Director w.e.f. 16-Jan-2017

@ Mr. Anadi Charan Sahu was appointed as a Non-Executive Director w.e.f. 01-Feb-2017.

3. Committees of the Board

A. Audit Committee

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

@ Mr. Nandlal Sarda was inducted as the Director on July 27, 2016 and a member of Audit Committee w.e.f. July 30, 2016

* Ms. Vandana Viswanathan was inducted as the Director on July 04, 2016 and the member of the Audit Committee w.e.f. July 30, 2016. She ceased to be a member of Audit committee on January 19, 2017.

Mr. Biswamohan Mahapatra, Mr. Luis Miranda were inducted as a director on January 16, 2017 and a member of Audit Committee w.e.f. January 19, 2017. They were eligible to attend only 2 of the 5 meetings held during the year.

(a)

(b)

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

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|---------|-----------|-------------|--|----------|
| | | | Held during their tenure | Attended |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* Mr. Biswamohan Mahapatra & Mr Prabal Kumar Sen were inducted as the member of the Nomination Committee w.e.f. January 19, 2017 and were eligible to attend 1 of the 3 meetings held during the year.

Mr. Nandlal Sarda ceased to be the member of the Nomination Committee w.e.f. January 19, 2017. He was eligible to attend 2 out of the 3 meetings held during the year.

inter alia

C Stakeholders Relationship Committee

| Sr. No. | Directors | Designation | Number of meetings during the financial year 2016-17 | |
|----------------|------------------|--------------------|---|-----------------|
| | | | Held | Attended |
| | | | | |
| | | | | |
| | | | | |

E Risk Management Committee

inter alia

| Sr. No. | Directors | Designation |
|----------------|------------------|--------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

F. Customer Service Committee

| Sr. No. | Directors | Designation |
|---------|-----------|-------------|
| | | |
| | | |
| | | |
| | | |

G. Human Resource & Compensation Committee (HR Committee)

| Sr. No. | Directors | Designation |
|---------|-----------|-------------|
| | | |
| | | |
| | | |

H. IT Strategy Committee

| Sr. No. | Directors | Designation |
|---------|-----------|-------------|
| | | |
| | | |
| | | |

I. Review Committee of Wilful Defaulters

| Sr. No. | Directors | Designation |
|---------|-----------|-------------|
| | | |
| | | |
| | | |

J. Fraud Committee

| Sr. No. | Directors | Designation |
|---------|-----------|-------------|
| | | |
| | | |
| | | |

K. Independent Director's Meeting

-
-
-

4. General Meetings of Shareholders

5. Means of Communication

inter alia

6. Managing Director and Chief Financial Officer Certification

7. Other Disclosures

CEO / CFO CERTIFICATION

The Board of Directors

Ujjivan Small Finance Bank Limited

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

We hereby certify that:

A.

B.

C.

D.

**Samit Ghosh
Managing Director & CEO
DIN: 00185369**

**Upma Goel
Chief Financial Officer**

**Date: April 26, 2017
Place: Bangalore**

Basel – Pillar III Disclosures

- March 31, 2017

(Rs. in Lakh)

| Capital Funds | | |
|----------------------|---------------------------------------|---------------|
| S. No | Position as on 31st March 2017 | Amount |
| | Tier I Capital | |
| | | |
| | | |
| | | |
| | | |
| | Deductions | |
| | | |
| | | |
| | | |
| | | |
| | Net Tier 1 Capital | |
| | Tier II Capital | |
| | | |
| | | |
| | | |
| | Deductions | |
| | | |
| | | |
| | | |
| | Net Tier 2 Capital | |
| | | |

(Rs. in Lakh)

| Capital Requirements for Various Risks | | |
|---|---|---------------|
| SN | Capital Requirements for various Risks | Amount |
| | Credit Risk | |
| | | |
| | | |
| | Market Risk | |
| | | |
| | | |
| | | |
| | Operational Risk | |
| | | |
| | Total Capital Requirement | |
| | Total Risk Weighted Assets | |
| | Total Capital Funds of the Bank | |
| Capital Adequacy Ratios | | |
| | | |
| | | |
| | | |

III. Risk Management at Ujjivan Small Finance Bank

A. Risk Culture

-
-
-

B. Risk Infrastructure

C. Risk Governance

-
-
-
-
-
-

IV. Credit Risk

A. Credit Risk Management

B. Credit Risk Monitoring and Reporting

•

•

•

C. Special Mention Accounts

D. Classification of Non-Performing Assets (NPA) and Provisions on Loans

By Industry (excluding staff loans)

(Rs. in Lakh)

| Exposure distribution by Activity | | | |
|-----------------------------------|-------------------------|--------------------------|------------------------------|
| SN | Industry Classification | Fund Based (Outstanding) | Non-Fund Based (Outstanding) |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | 5,87,116.04 | |

| Exposure distribution by Activity | | |
|-----------------------------------|-------------------------|---|
| SN | Industry Classification | Percentage of total gross credit exposure |
| | | |
| | | |

(Rs. in Lakh)

| Residual Contractual Maturity breakdowns of Assets- Position as on 31st March 2017 | | | | | | | |
|--|-----------------|-------------------|--|--------------------|--------------------|------------------|------------------|
| Maturity Bucket | Cash | Balances with RBI | Balances with Banks and Institutions # | Investments | Loans & Advances | Fixed Assets | Other Assets |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total | 4,020.18 | 22,072.74 | 50,189.22 | 1,44,667.70 | 5,86,104.49 | 13,976.86 | 22,528.92 |

| Movement of NPAs and Provision for NPAs (including NPIs) | | 31st Mar 2017 |
|--|---------------------------------------|---------------|
| SN | Category | Amount |
| | Amount of NPAs (Gross) | |
| | | |
| | | |
| | | |
| | | |
| | Net NPAs | |
| | Advances | |
| | Gross Advances | |
| | Net Advances | |
| | NPA Ratios | |
| | | |
| | | |
| | Movement of NPAs (Gross) | |
| | | |
| | | |
| | | |
| | | |
| | Movement of Provision for NPAs | |
| | | |
| | | |
| | | |
| | | |

V. Credit Risk- Disclosures for Portfolios Subject to Standardized Approach

| Details of Gross Credit Risk Exposure (Fund based and Non-fund based) based on Risk-Weight – Position as on 31 March, 2017 | | |
|--|-------------|--------------------|
| SN | Risk Weight | Amount in Lacs |
| | | |
| | | |
| | | |
| Total | | 5,87,564.73 |

VI. Credit Risk Mitigation- Disclosures for Standardized Approaches

Credit Risk Mitigant

•
•

Business Continuity

Information Security and Cyber Security

IX. Interest Rate Risk in Banking Book

-
-
-
-

(Rs. in Lakh)

| Interest Rate Risk in the Banking Book (IRRBB) | | | |
|--|--------------|---------------------|-------------------|
| SN | Country | Interest Rate Shock | |
| | | +200bps | -200bps |
| | | | |
| | | | |
| | Total | 1,268.51 | (1,268.51) |

(Rs. in Lakh)

| Interest Rate Risk in the Banking Book (IRRBB) | | | |
|--|--------------|---------------------|-----------------|
| SN | Country | Interest Rate Shock | |
| | | +200bps | -200bps |
| | | | |
| | | | |
| | Total | (2,707.27) | 2,707.27 |

X. Exposure related to Counterparty Credit Risk

(Rs. in Lakh)

| Counterparty Credit Risk Exposure | | |
|-----------------------------------|--------------|------------------|
| SN | Counterparty | Amount |
| | | |
| | | |
| | Total | 41,500.00 |

Financial Statements & Independent Auditor's Report

To The Members of Ujjivan Small Finance Bank Limited 6.

Report on the Financial Statements

1.

Management's Responsibility for the Financial Statements

2.

7.

Opinion

8.

Report on Other Legal and Regulatory Requirements

9.

Auditors' Responsibility

3.

10.

4.

a)

b)

5.

c)



d)

i.

e)

ii.

f)

iii.

g)

iv.

h)

i)

Vivian K. S. S.

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(h) of the Independent Auditors' Report of even date to the members of Ujjivan Small Finance Bank Limited on the financial statements for the period July 04, 2016 to March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1.

Opinion

8.

Vivian Vasquez



Handwritten signature in green and blue ink.

Handwritten text in blue ink.





Partner

Membership No: 104941


Place: Bengaluru

Date : April 26, 2017



Samit Ghosh
Chairman

Samit Ghosh
Managing Director & CEO



Vandana Viswanathan
Non-Executive Director

Vandana Viswanathan
Non-Executive Director



Anadi Charan Sahu
Non-Executive Director



Uma Goel
Chief Financial Officer



Sanjeev Barnwal
Company Secretary

UJJIVAN SMALL FINANCE BANK LIMITED

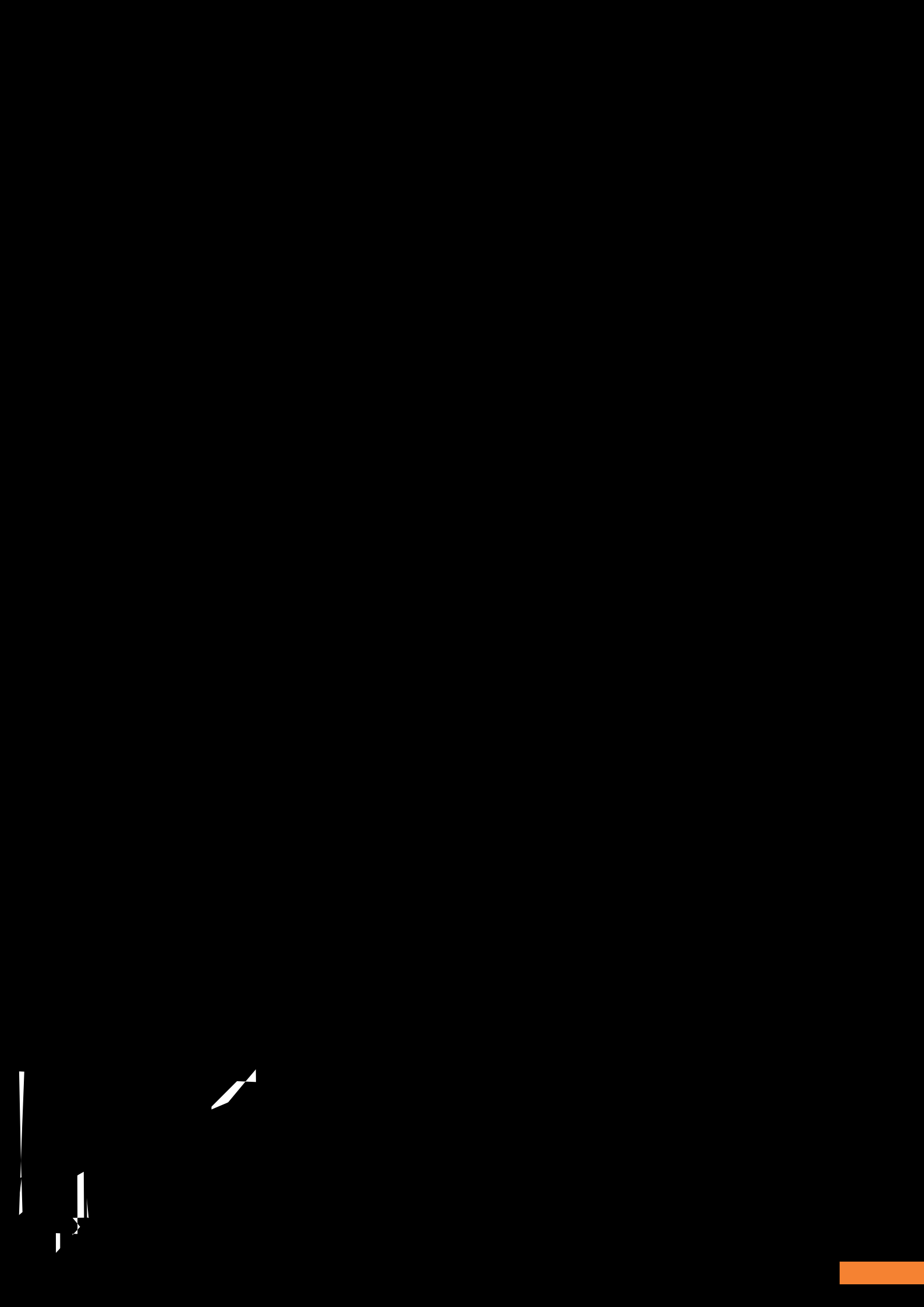
Cash Flow Statement for the period from July 04, 2016 to March 31, 2017

(Amount in Rupees)

| Particulars | Period from July 04, 2016 to March 31, 2017 |
|---|--|
| A. Cash Flow from Operating Activities | |
| Net Profit before taxation | 8,910,748 |
| Adjustments for : | |
| Depreciation on Fixed assets | 51,041,129 |
| Goodwill Witten off (Refer note 3 below) | 160,000,000 |
| Loan Loss and Other Provisions | 44,354,870 |
| Amortisation of premium on HTM investments | 2,361,789 |
| Marked to Market Loss | 41,966,250 |
| Interest paid on Borrowings | 1,093,583,874 |
| Operating Profit before Working Capital changes | 1,402,218,660 |
| Adjustments for : | |
| (Increase) in Advances (Refer Note 3 below) | (58,654,804,369) |
| (Increase) in Investments (Refer Note 3 below) | (14,511,098,527) |
| (Increase) in Other Assets (Refer Note 3 below) | (3,015,984,825) |
| Increase in Deposits | 2,064,117,905 |
| Increase in Other Liabilities (Refer Note 3 below) | 2,976,678,275 |
| Cash (used in) Operations | (69,738,872,881) |
| Direct Taxes paid | (8,100,817) |
| Net Cash used in Operating Activities | (69,746,973,698) |
| B. Cash Flow from Investing Activities | |
| Proceeds from sale of Fixed Assets | - |
| Purchase of Fixed Assets including WIP (Refer Note 3 below) | (1,608,726,889) |
| Net Cash used in Investing Activities | (1,608,726,889) |
| C. Cash Flow from Financing Activities | |
| Proceeds from issue of equity shares (net of issue expenses) (Refer Note 3 below) | 16,400,368,000 |
| Increase in Borrowings (Net) (Refer Note 3 below) | 62,914,038,204 |
| Interest paid on Borrowings | (1,093,583,874) |
| Net Cash generated from Financing Activities | 78,220,822,330 |
| Net Increase in Cash and Cash Equivalents | 6,865,121,743 |
| Cash and Cash Equivalents at the beginning of the period | - |
| Cash and Cash Equivalents at the end of the period | 6,865,121,743 |

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.
- 2 Cash and cash equivalents comprises of Cash in Hand and Balances with RBI (Schedule 6) and Balances with Banks and Money at Call and Short Notice (Schedule 7).



UJJIVAN SMALL FINANCE BANK LIMITED
Notes to financial statement for the period July 04, 2016 to March 31, 2017

| | (Amount in Rupees) |
|--|-----------------------|
| Particulars | As at March 31,2017 |
| SCHEDULE-1-CAPITAL | |
| Authorised Capital | |
| 1,500,000,000 Equity Shares of Rs.10 each | 15,000,000,000 |
| 200,000,000 Preference Shares (Perpetual Non-Cummulative Non-Covertible) of Rs 10 each | 2,000,000,000 |
| Issued, Subscribed and Called up Capital | |
| 1,440,036,800 Equity Shares of Rs.10 each | 14,400,368,000 |
| 200,000,000 Preference Shares (Perpetual Non-Cummulative Non-Covertible) of Rs 10 each | 2,000,000,000 |
| | 16,400,368,000 |
| Paid up Capital | |
| 1,440,036,800 Equity Shares of Rs.10 each | 14,400,368,000 |
| 200,000,000 Preference Shares (Perpetual Non-Cummulative Non-Covertible) of Rs 10 each | 2,000,000,000 |
| TOTAL | 16,400,368,000 |
| As at March 31,2017 | |
| SCHEDULE-2 RESERVES AND SURPLUS | |
| I) Statutory Reserves | |
| Opening balance | - |
| Additions during the period | 87,691 |
| Deductions during period | - |
| Closing balance | 87,691 |
| II) Capital Reserve | |
| Opening balance | - |
| Additions during the period | - |
| Deductions during period for writing off Share Issue Expenses | - |
| Closing balance | - |
| III) Share Premium Account | |
| Opening balance | - |
| Additions during the period | - |
| Deductions during period | - |
| Closing balance | - |
| IV) General Reserve | |
| Opening balance | - |
| Additions during period | - |
| Deductions during period | - |
| Closing balance | - |
| V) Balance in Profit and Loss Account | 263,074 |
| TOTAL (I+II+III+IV+V) | 350,765 |



UJJIVAN SMALL FINANCE BANK LIMITED
Notes to financial statement for the period July 04, 2016 to March 31, 2017

| | <i>(Amount in Rupees)</i> |
|---|----------------------------|
| Particulars | As at March 31,2017 |
| SCHEDULE-3 -DEPOSITS | |
| A. I. Demand Deposits | |
| (i) From banks | - |
| (ii) From others | 99,554 |
| II. Savings Bank Deposits | 32,373,177 |
| III. Term Deposits | |
| (i) From Banks | 460,000,000 |
| (ii) From others | 1,571,645,174 |
| TOTAL | 2,064,117,905 |
| B. Deposits of branches | |
| (i) In India | 2,064,117,905 |
| (ii) outside India | - |
| TOTAL | 2,064,117,905 |
| | As at March 31,2017 |
| SCHEDULE-4-BORROWINGS | |
| I. Borrowings in India | |
| (i) Reserve Bank of India | - |
| (ii) Other Banks | 36,027,437,411 |
| (iii) Other Institutions and Agencies | 18,636,600,793 |
| (iv) Non-Convertible Redeemable Debenture | 8,250,000,000 |
| TOTAL | 62,914,038,204 |
| II. Borrowings Outside India | - |
| TOTAL | 62,914,038,204 |
| Secured borrowings included in I and II above | 47,535,305,313 |
| | As at March 31,2017 |
| SCHEDULE -5-OTHER LIABILITIES AND PROVISIONS | |
| (i) Bills payable | - |
| (ii) Inter-Office Adjustments (net) | - |
| (iii) Interest Accrued | 600,144,508 |
| (iv) Others - (Standard asset Provisions Refer schedule 18 Note. No. 5.9) (Provision for Tax -Refer schedule 18 Note. No. 14(i)) | 2,376,992,933 |
| TOTAL | 2,977,137,441 |



UJJIVAN SMALL FINANCE BANK LIMITED
Notes to financial statement for the period July 04, 2016 to March 31, 2017

(Amount in Rupees)

| Particulars | As at March 31,2017 |
|--|-----------------------|
| SCHEDULE-6-CASH AND BALANCES WITH RESERVE BANK OF INDIA | |
| I. Cash in Hand | 402,018,352 |
| II. Balances with Reserve Bank of India | |
| (i) In Current Account | 2,207,274,052 |
| (ii) In Other Accounts | - |
| TOTAL | 2,609,292,404 |
| SCHEDULE-7-BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE | |
| I. In India | |
| (i) Balances with Banks | |
| (a) in Current Accounts | 105,829,339 |
| (b) in Other Deposit Accounts* | 763,092,347 |
| (ii) Money at Call and Short Notice | |
| (a) with Banks | 3,650,000,000 |
| (b) with Other Institutions | 500,000,000 |
| TOTAL | 5,018,921,686 |
| II. Outside India | |
| (i) In Current Accounts | - |
| (ii) In Other Deposits Accounts | - |
| (iii) Money at Call and Short Notice | - |
| TOTAL | - |
| TOTAL (I+II) | 5,018,921,686 |
| *Amount Comprises of Fixed deposits held as lien given for securitisation. | |
| SCHEDULE-8-INVESTMENTS | |
| I. In India | |
| Gross Value | 14,508,736,738 |
| Less: Aggregate of Provision/Depreciation | 41,966,250 |
| Net value of Investments in India | 14,466,770,488 |
| Comprising: | |
| (i) Government Securities | 14,465,770,488 |
| (ii) Other approved Securities | - |
| (iii) Shares | 1,000,000 |
| (iv) Debentures and Bonds | - |
| (v) Subsidiaries and/or Joint Ventures | - |
| (vi) Others | - |
| TOTAL | 14,466,770,488 |
| II. Outside India | |
| (i) Government Securities (Including local authorities) | - |
| (ii) Subsidiaries and/or Joint Ventures abroad | - |
| (iii) Other Investments | - |
| TOTAL | - |
| TOTAL (I+II) | 14,466,770,488 |



UJJIVAN SMALL FINANCE BANK LIMITED
Notes to financial statement for the period July 04, 2016 to March 31, 2017

(Amount in Rupees)

| Particulars | As at March 31,2017 |
|--|----------------------------|
| SCHEDULE-9-ADVANCES | |
| A (i) Bills Purchased and Discounted | - |
| (ii) Cash Credits, Overdrafts and Loans repayable on demand | - |
| (iii) Term Loans | 58,610,449,498 |
| TOTAL | 58,610,449,498 |
| B (i) Secured by Tangible Assets | 1,169,770,669 |
| (ii) Covered by Bank/Government Guarantees | - |
| (iii) Unsecured (Refer Schedule 18 Note 4.5) | 57,440,678,829 |
| TOTAL | 58,610,449,498 |
| C I Advances in India | |
| (i) Priority Sectors | 58,266,266,448 |
| (ii) Public Sectors | - |
| (iii) Banks | - |
| (iv) Others | 344,183,050 |
| TOTAL | 58,610,449,498 |
| II Advances Outside India | - |
| TOTAL | - |
| TOTAL | 58,610,449,498 |
| | As at March 31,2017 |
| SCHEDULE -10- FIXED ASSETS | |
| I. Premises | |
| II. Other Fixed Assets (Including Furniture and Fixtures) | |
| At cost, at the beginning of the period | - |
| Additions during the period | 1,721,906,071 |
| Deductions during the period | - |
| Depreciation to date | 355,870,487 |
| TOTAL | 1,366,035,584 |
| III. Capital Work In Progress | 31,650,176 |
| TOTAL (I+II+III) | 1,397,685,760 |



UJJIVAN SMALL FINANCE BANK LIMITED
Notes to financial statement for the period July 04, 2016 to March 31, 2017

(Amount in Rupees)

| Particulars | As at March 31,2017 |
|---|--------------------------------|
| SCHEDULE 11-OTHER ASSETS | |
| (i) Inter Office Adjustments (Net) | - |
| (ii) Interest Accrued | 749,417,631 |
| (iii) Tax Paid in Advance / Tax Deducted at Source (Net of provision for tax) | - |
| (iv) Stationery and stamps | - |
| (v) Nonbanking assets acquired in satisfaction of claims | - |
| (iv) Others including Deferred tax assets (Refer schedule 18, Note 15) | 1,503,474,848 |
| TOTAL | 2,252,892,479 |
| | As at March 31,2017 |
| SCHEDULE- 12 - CONTINGENT LIABILITIES | |
| (i) Claims against the Bank not acknowledged as debts | 4,551,076 |
| (i) Liability for partly paid investments | - |
| (iii) Liability on account of Outstanding Forward Exchange Contracts | - |
| (iv) Guarantees on behalf of Constituents | - |
| (v) Acceptances, Endorsements and Other Obligations | - |
| (vi) Other items for which the Bank is contingently liable - Capital commitments not provided | 278,809,042 |
| TOTAL | 283,360,118 |



UJJIVAN SMALL FINANCE BANK LIMITED
Notes to financial statement for the period July 04, 2016 to March 31, 2017

(Amount in Rupees)

| Particulars | For the Period from July 04, 2016 to March 31,2017 |
|--|--|
| SCHEDULE 13-INTEREST EARNED | |
| (i) Interest /Discount on Advances /bills | 1,964,356,702 |
| (ii) Income on Investments | 38,585,767 |
| (iii) Interest on Balances With RBI and Other inter-bank funds | 44,499,859 |
| (iv) Others (Interest income on securitisation) | 79,630,244 |
| TOTAL | 2,127,072,572 |
| For the Period from July 04, 2016 to March 31,2017 | |
| SCHEDULE- 14-OTHER INCOME | |
| (i) Commission, Exchange and Brokerage | 105,857,611 |
| (ii) Profit/(Loss) on Sale of Investments (net) | 2,153,435 |
| (iii) Profit/(Loss) on Revaluation of Investments | - |
| (iv) Profit/(Loss) on sale of Land, Building and other Assets (net) | (97,366) |
| (v) Profit on Exchange Transactions (net) | - |
| (vi) Income earned by way of Dividends etc. from subsidiaries/companies and/or joint ventures abroad/in India | - |
| (vii) Miscellaneous Income (Gratuity and Leave Encashment Provisions written back) | 26,042,833 |
| Total | 133,956,513 |
| For the Period from July 04, 2016 to March 31,2017 | |
| SCHEDULE- 15-INTEREST EXPENDED | |
| (i) Interest On Deposits | 1,417,636 |
| (ii) Interest on Reserve Bank of India/ Inter-Bank Borrowings | 941,712,196 |
| (iii) Others (including interest on Subordinated Debts) | 150,454,042 |
| TOTAL | 1,093,583,874 |
| For the Period from July 04, 2016 to March 31,2017 | |
| SCHEDULE 16-OPERATING EXPENSES | |
| (i) Payments to and Provision for Employees | 507,434,275 |
| (ii) Rent, Taxes and Lighting (Including operating lease rentals) | 86,013,099 |
| (iii) Printing and Stationery | 15,771,108 |
| (iv) Advertisement and Publicity | 521,427 |
| (v) Depreciation on Bank's Property | 51,041,129 |
| (vi) Director's Fees, Allowances and Expenses | 1,990,728 |
| (vii) Auditor's fees and Expenses | 1,200,000 |
| (viii) Law Charges | 1,961,133 |
| (ix) Postages, Telegrams, Telephones etc. | 31,097,258 |
| (x) Repairs and Maintenance | 62,783,847 |
| (xi) Insurance | 4,563,099 |
| (xii) Other expenditure (including Goodwill written off Refer Schedule 18 Note (1)) | 349,802,490 |
| TOTAL | 1,114,179,593 |



Schedule 17

1 CORPORATE INFORMATION

Ujjivan Small Finance Bank Limited (the "Bank") is a private sector bank domiciled in India and incorporated on July 04, 2016 under the provisions of the Companies Act, 2013 and is licensed by the Reserve Bank of India (RBI) to operate as a Small Finance Bank under the Banking Regulation Act, 1949 with effect from November 11, 2016 and commenced its business on February 01, 2017. The Bank provides Retail banking services and wide range of Financial services to economically active poor in urban and semi-urban areas. The Bank has its headquarters in Bengaluru with regional offices in New Delhi, Kolkata and Pune. The Bank operates in India and does not have a branch in any foreign country.

2 BASIS OF PREPARATION

The accompanying financial statements have been prepared under the historical cost convention except where otherwise stated, and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013 (the Act) and practices prevailing within the banking industry in India.

3 USE OF ESTIMATES

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

4 FIXED ASSETS (TANGIBLE AND INTANGIBLE ASSETS)

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

4.2 Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets

5 DEPRECIATION AND AMORTIZATION

5.1 Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

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

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

5.3 Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been put to use.

5.4 Assets costing less than Rs.5000 are fully depreciated in the year of purchase.

5.5 The salvage value considered for computing depreciation is as per Schedule II of Companies Act, 2013 (i.e 5% of Cost) except for Software and Lease hold assets.



Schedule 17**6 INVESTMENTS**

Classification and valuation of the Bank's investments are carried out in accordance with RBI guidelines which are as follows:

6.1 Categorisation of Investments

The Bank classifies its investment at the time of purchase into one of the following three categories:

- (i) Held to Maturity (HTM) – Securities acquired with the intention to hold till maturity.
 - (ii) Held for Trading (HFT) – Securities acquired with the intention to trade.
 - (iii) Available for Sale (AFS) – Securities which do not fall within the above two categories.
- Subsequent shifting amongst the categories is done in accordance with RBI guidelines.

6.2 Classification of Investments

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

6.3 Acquisition cost

- (i) Broken period interest on debt instruments is treated as a revenue item.
- (ii) Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.
- (iii) Cost of investments is computed based on the weighted average cost method.

6.4 Valuation of Investments

(i) Held to Maturity – Each security in this category is carried at its acquisition cost. Any premium on acquisition of the security is amortised over the balance period to maturity. The amortized amount is classified under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of amount amortized during the relevant accounting period. Diminution, other than temporary, is determined and provided for each investment individually.

(ii) Held for Trading – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.

(iii) Available for Sale – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification, is ignored, while net depreciation is provided for.

(iv) Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association (FIM-MDA).

(v) Treasury bills are valued at carrying cost, which includes discount amortised over the period to maturity.

(vi) Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.

(vii) Provision for non-performing investments is made in conformity with RBI guidelines.

(viii) Profit in respect of investments sold from HTM category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account.

(ix) In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA). The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.

(X) Unquoted equity shares are valued at their break-up value.

7 ADVANCES

7.1 Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.

7.2 Specific provisions for non-performing advances and floating provisions are made in conformity with RBI guidelines. In addition the Bank considers accelerated provisioning based on past experience, evaluation of securities and other related factors.



Schedule 17

7.3 A general provision on standard assets is made in accordance with RBI guidelines. Provision made against standard assets is included in 'Other Liabilities and Provisions'.

7.4 Specific provisions for non-performing advances and floating provisions are made in conformity with RBI guidelines. In addition the Bank considers accelerated provisioning based on past experience, evaluation of securities and other related factors.

7.5 Advances exclude derecognised securitised advances.

7.6 Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss account.

7.7 Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.

7.8 For restructured/rescheduled assets, provision is made in accordance with guidelines issued by RBI which requires the diminution in the fair value of the assets to be provided at the time of restructuring. The restructured accounts are classified in accordance with RBI guidelines, including special dispensation wherever allowed.

7.9 Securitisation transactions and direct assignments

The securitization transactions are without recourse to the Bank. The transferred loans and such securitized receivables are de-recognized as and when these are sold (true sale criteria being fully met) and the consideration has been received by the Bank. Gains / losses are recognized only if the Bank surrenders the rights to the benefits specified in the loan contracts.

8 REVENUE RECOGNITION

8.1 Interest income is recognized in the profit and loss account on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognized upon realization as per the prudential norms of the RBI.

8.2 Revenues from loan documentation charges are recognized upfront when it is become due.

8.3 Interest on Government securities, debentures and other fixed income securities is recognised on a period proportion basis. Income on discounted instruments is recognised over the tenor of the instrument on a constant Yield to Maturity method.

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

9 EMPLOYEE BENEFITS

9.1 **Provident Fund:** Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Bank does not carry any further obligations, apart from the contributions made on a monthly basis.

9.2 **Gratuity:** The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the period is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/ gains are recognised in the Profit and Loss Account in the year in which they arise. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate policies from insurers.

9.3 Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method. Actuarial losses/ gains are recognised in the Profit and Loss Account in the year in which they arise.

10 LEASE

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

10.2 Lease arrangements where risk and rewards incidental to ownership of an assets substantially vest with the lessor are recognised as operating leases.

11 SEGMENT REPORTING

In accordance with the guidelines issued by RBI, the Bank has adopted Segment Reporting as under:



Schedule 17

11.1 Treasury includes all investment portfolios, Profit / Loss on sale of Investments, income from money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortisation of premium on Held to Maturity category investments.

11.2 Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

11.3 Unallocated includes Capital and Reserves and other unallocable assets, liabilities, income and expenses.

12 EARNING PER SHARE

Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the period.

13 TAXES

Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized; where there are unabsorbed depreciation and/or carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income.

14 PROVISIONS AND CONTINGENT LIABILITIES

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

14.2 A disclosure of contingent liability is made when there is:

i) a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or

ii) a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

14.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

14.4 Contingent assets, if any, are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

16 IMPAIRMENT

The carrying amount of fixed assets is reviewed at the Balance Sheet date to determine if there are any indications of impairment based on internal / external factors. In case of impaired assets, the impairment loss i.e. the amount by which the carrying amount of the asset exceeds its recoverable value is charged to the Profit and Loss account to the extent the carrying amount of assets exceeds its estimated recoverable amount.



Schedule 18

1 Business Transfer Agreement

Pursuant to the Business Transfer Agreement (BTA) dated January 12, 2017 the Bank has acquired the business of Ujjivan Financial Services Limited for a consideration of Rs 1,530 Crore .The value of assets taken over was Rs 8,610 Crore and the value of liabilities taken over are Rs 7,096 Crore.The net assets(Net of liabilities) taken over was Rs 1,514 Crore.The goodwill purchased (i.e.excess of purchase consideration settled over the net assets taken over) of 16 Crore has been written off during the current period.

1.1 Capital Infusion

During the period July 04, 2016 to March 31, 2017 the Bank has allotted share capital as follows:

a. Equity Share Capital

(Amount in Rupees except share data)

| Particulars | Date of allotment | No. of Shares | Face value (Rs.) | Issue price (Rs.) | Share capital (Rs.) |
|-------------------|-------------------|----------------------|------------------|-------------------|-----------------------|
| On Incorporation | July 4, 2016 | 50,000 | 10 | 10 | 500,000 |
| Further allotment | July 30, 2016 | 109,986,800 | 10 | 10 | 1,099,868,000 |
| Further allotment | February 10, 2017 | 1,330,000,000 | 10 | 10 | 13,300,000,000 |
| Total | | 1,440,036,800 | | | 14,400,368,000 |

b. Preference Share Capital

| Particulars | Date of allotment | No. of Shares | Face value (Rs.) | Issue price (Rs.) | Share capital (Rs.) |
|--------------|-------------------|--------------------|------------------|-------------------|----------------------|
| Allotment | February 10, 2017 | 200,000,000 | 10 | 10 | 2,000,000,000 |
| Total | | 200,000,000 | | | 2,000,000,000 |

On January 12, 2017 an agreement to transfer business undertaking (BTA) was executed by virtue of which the business of 'Ujjivan Financial Services Limited' (UFSL) has been acquired by the Bank effective February 01, 2017 at the purchase price of Rs. 1,530 Crore and purchase price was discharged by the Bank to UFSL by issue of 1,330,000,000 equity shares, of face value of Rs. 10 each, issued at par and issue of 200,000,000 11% Perpetual non-cumulative preference shares of face value of Rs. 10 each.

1.2 Capital Adequacy Ratio

The Bank has applied more stringent Basel III capital regulations issued by RBI for computations of Capital Adequacy Ratio for the period ended March 31, 2017. However, as per operating guidelines for Small Finance Banks issued by RBI dated Oct 06, 2016, the bank has also calculated Capital Adequacy Ratio as per Basel II capital regulations for the period ended March 31, 2017. As per Basel II capital regulations, the Capital Adequacy Ratio of the bank is 19.53%.

Under Basel III Capital Regulations and operating guidelines for Small Finance Bank issued on october 6, 2016 on an on-going basis, the Bank has to maintain a Minimum Total Capital (MTC) of 15% of the total risk weighted assets (RWA). Out of the MTC, at least 7.5% shall be from Minimum Tier 1 Capital of which common equity Tier 1 capital shall be 6% and at least 1.50% from additional Tier 1 capital and remaining Tier 2 Capital shall be 7.5%.The capital adequacy ratio of the Bank is set out below:



Schedule 18

(Amount in Rupees)

| Particulars | March 31, 2017 |
|---|----------------|
| Common Equity Tier1 Capital Ratio | 14.68% |
| Tier I Capital Ratio | 16.83% |
| Tier II Capital Ratio | 1.41% |
| Total Capital Ratio (CRAR) | 18.24% |
| Total risk weighted assets | 93,341,500,368 |
| Amount of CET 1 Capital raised* | 13,705,403,897 |
| Amount of Additional Tier 1 Capital raised: of which Perpetual Non-cumulative Preference Shares(PNCPS) | 2,000,000,000 |
| Perpetual Debt Instruments (PDI) | - |
| Amount of Tier 2 Capital raised; of which | 1,312,805,265 |
| Debt Capital Instrument | 216,666,667 |
| Preference Share Capital Instruments [Perpetual Non-cumulative Preference Shares(PNCPS)] | - |

* Different from Equity Capital (Rs 14,400,368,000)

Note: Total Risk weighted assets includes operational risk on the basis of current period's gross profit.

Note: The CRAR has reduced by 0.27% due to implicit support on securitised portfolio

2 Investments

2.1 Details of Investments

(Amount in Rupees)

| Particulars | March 31, 2017 |
|--|----------------|
| Value of Investments | |
| (i) Gross Value of Investments | |
| (a) In India | 14,508,736,738 |
| (b) Outside India, | - |
| (ii) Provisions for Depreciation | |
| (a) In India | 41,966,250 |
| (b) Outside India, | - |
| (iii) Net Value of Investments | |
| (a) In India | 14,466,770,488 |
| (b) Outside India. | - |
| Movement of provisions held towards depreciation on investments | |
| (i) Opening balance | - |
| (ii) Add : Provisions made during the period | 41,966,250 |
| (iii) Less : Write-off / (write-back) of excess provisions during the period | - |
| (iv) Closing balance | 41,966,250 |



Schedule 18

2.2 Category wise details of Investments (Net of provision for depreciation):

(Amount in Rupees)

| Particulars | As at March 31, 2017 | | |
|---|----------------------|-----------------------|----------|
| | HTM | AFS | HFT |
| i) Government securities | 3,961,102,437 | 10,504,668,051 | - |
| ii) Other approved securities | - | - | - |
| iii) Shares | 1,000,000 | - | - |
| iv) Debentures and bonds | - | - | - |
| v) Subsidiaries and /or Joint ventures | - | - | - |
| vi) Others -Security receipts, pass through certificates,etc. | - | - | - |
| Total | 3,962,102,437 | 10,504,668,051 | - |

2.3 Details of Repos/Reverse Repos including Liquidity Adjustment Facility (LAF) transactions (in face value terms)

(Amount in Rupees)

| Particulars | Minimum outstanding during the period | Maximum outstanding during the period | Daily average outstanding during the period | Balance as at March 31, 2017 |
|---------------------------------------|---------------------------------------|---------------------------------------|---|------------------------------|
| Securities sold under repos | | | | |
| i) Government Securities | - | - | - | - |
| ii) Corporate debt securities | - | - | - | - |
| Security purchased under reverse repo | | | | |
| i) Government Securities | - | - | - | - |
| ii) Corporate debt securities | - | - | - | - |

The above figures excludes securities sold and purchased under Liquidity Adjustment Facility (LAF) with RBI.

2.4 Non-SLR Investment Portfolio

Non-SLR Investment Portfolio as at March 31, 2017 are as follows:

(Amount in Rupees)

| Issuer | Amount | Extent of private placement | Extent of 'below investment grade' securities | Extent of 'unrated' securities | Extent of 'unlisted securities |
|--|------------------|-----------------------------|---|--------------------------------|--------------------------------|
| i) Public Sector Undertakings | - | - | - | - | - |
| ii) Financial institutions | - | - | - | - | - |
| iii) Banks | - | - | - | - | - |
| iv) Private companies | 1,000,000 | - | - | - | 1,000,000 |
| v) Subsidiaries/Joint ventures | - | - | - | - | - |
| vi) Others | - | - | - | - | - |
| vii) Provision held towards depreciation | - | - | - | - | - |
| Total | 1,000,000 | - | - | - | 1,000,000 |

Note: Amounts reported above are not mutually exclusive.



Schedule 18

2.5 Non-Performing Non-SLR Investments*(Amount in Rupees)*

| Particulars | As at March 31, 2017 |
|------------------------------|----------------------|
| Opening Balance | - |
| Additions during the period | - |
| Reductions during the period | - |
| Closing Balance | - |
| Total Provision held | - |

2.6 Sale/transfer from HTM Category

During the period July 04, 2016 to March 31, 2017 the value of sales and transfer of securities to / from HTM category, excluding one-time transfer of securities from HTM and sale on account of Open Market Operation (OMO), has not exceeded 5% of the book value of investments held in HTM category. Hence, the related disclosures are not applicable.

3 Derivatives:

The Company has not entered into any derivatives contracts during the period July 04, 2016 to March 31, 2017.

4 Asset Quality**4.1 Non-Performing Assets:***(Amount in Rupees)*

| Particulars | March 31, 2017 |
|--|----------------|
| (i) Net NPAs to Net advances (%) | 0.03% |
| Movement of Gross NPAs | |
| (a) Opening balance | - |
| (b) Additions (Fresh NPAs) during the period * # | 188,852,686 |
| Subtotal (A) | 188,852,686 |
| (c) Reductions during the period: # | |
| (i) Upgradations | 2,370,382 |
| (ii) Recoveries (excluding recoveries made from upgraded accounts) | 12,239,176 |
| (iii) Technical/ Prudential Write-offs | - |
| (iv) Write-offs other than those under (iii) above | 10,248,467 |
| Subtotal (B) | 24,858,025 |
| (d) Closing balance (A-B) | 163,994,659 |
| Movement of Net NPAs | |
| (a) Opening balance | - |
| (b) Additions during the period* # | 28,950,038 |
| (c) Reductions during the period # | 10,978,634 |
| (d) Closing balance | 17,971,404 |
| Movement of provisions for NPAs (excluding provisions on standard assets) | |
| (a) Opening balance | - |
| (b) Provisions made during the period* | 166,478,937 |
| (c) Write-back of excess provisions | 20,455,680 |
| (d) Closing balance | 146,023,257 |

*Additions include NPA advances acquired as a part of the Business Transfer Agreement.

Additions and deletions does not include cases which have become NPA and subsequently moved out of NPA between the period February 1, 2017 to March 31, 2017.



4.2 Technical or Prudential Write Offs:

Technical or prudential write-offs refer to the amount of non-performing assets which are outstanding in the books of the branches, but have been written-off (fully or partially) at the head office level. The financial accounting systems of the Bank are integrated and there are no write-offs done by the Bank which remain outstanding in the books of the branches.

Movement in the stock of technically or prudentially written-off accounts given below:

(Amount in Rupees)

| Particulars | |
|-------------|--|
| | |
| | |
| | |
| | |

| | |
|--|--|
| | |
| | |
| | |

| | |
|--|--|
| | |
| | |
| | |

Schedule 18

5.3 Concentration of Exposures

(Amount in Rupees)

| Particulars March 31,2015 | March 31, 2017 |
|--|-------------------|
| Total Exposure to twenty largest borrowers/customers | 23,975,658 |
| Percentage of Exposures to twenty largest customers to Total Exposure of the Bank on borrowers/customers | 0.04% |

Exposures are computed as per the definition in Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015 and includes credit exposure.

5.4 Concentration of NPAs

(Amount in Rupees)

| Particulars | March 31, 2017 |
|---|-------------------|
| Total Exposure to top four NPA accounts | 700,347 |

5.5 Sector-wise Advances and NPA

As at March 31, 2017

(Amount in Rupees)

| Sector | Gross Advances | Gross NPAs | % of Gross NPAs to Gross Advances in that sector |
|-----------------------------------|-----------------------|--------------------|--|
| <u>Priority sector*:</u> | | | |
| Agriculture and Allied activities | 7,822,872,792 | 14,381,286 | 0.18% |
| Industry | 31,343,909 | - | 0.00% |
| Services | 350,851,037 | - | 0.00% |
| Personal loans | 50,206,811,543 | 149,202,951 | 0.30% |
| Sub-Total (A) | 58,411,879,281 | 163,584,237 | 0.28% |
| <u>Non-Priority sector:</u> | | | |
| Agriculture and Allied activities | - | - | 0.00% |
| Industry | 41,864,937 | - | 0.00% |
| Services | 139,460,747 | 410,425 | 0.29% |
| Personal loans | 163,267,792 | - | 0.00% |
| -of which Housing | 118,398,630 | - | 0.00% |
| Sub-Total (A) | 344,593,476 | 410,425 | 0.12% |
| Total (A) + (B) | 58,756,472,757 | 163,994,662 | 0.28% |

* The above priority sector advances includes Rs. 4,927.88 Crore, the assets financed out of the outstanding grandfathered borrowings as per clause no .6.5 of the Operating guidelines for Small Finance Banks issued by Reserve Bank of India dated October 6, 2016. The bank has received an approval from RBI on 29, March, 2017 vide letter ref no. DBR.PSBD No.11487/ 16.02.006/ 2016-17, permitting the bank to retain charge on the above amount with an additional risk weight of 25% on these assets.



Schedule 18

5.6 a) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for asset reconstruction:

(Amount in Rupees)

| Particulars | March 31, 2017 |
|---|----------------|
| No. of accounts | - |
| Aggregate value of accounts sold to Securitisation Company/Reconstruction Company | - |
| Aggregate Consideration | - |
| Additional consideration realized in respect of accounts transferred in earlier years | - |
| Quantum of credit enhancement in the form of deposits | - |
| Aggregate gain /(loss) over net book value | - |

b) Details of book value of investment in security receipts (SR) :

(Amount in Rupees)

| Particulars | March 31, 2017 |
|---|----------------|
| Backed by NPAs sold by the Bank as underlying | - |
| Backed by NPAs sold by the other Banks / Financial Institutions / Non-Banking Financial Companies as underlying | - |
| Total | - |

5.7 During the period, there has been no individual purchase / sale of non-performing financial assets from / to other banks.

5.8 During the period, there was no sale of assets through securitization to SC / RC .

5.9 Provision on Standard

Assets:

Bank has followed the prudential norms on income recognition, asset classification and provisions. The excess provisions over and above the same is as per the board approved policy.

The provision on standard assets is included in 'Other Liabilities and Provisions – Others' in Schedule 5, and is not netted off from Advances.

(Amount in Rupees)

| Particulars | March 31, 2017 |
|---|----------------|
| The amount of provision held on standard assets | 1,101,825,142 |

5.10 Floating provision

(Amount in Rupees)

| Items | March 31, 2017 |
|---|----------------|
| Opening Balance as at beginning of the period | Nil |
| Provisions made during the period | Nil |
| Draw-down made during the period | Nil |
| Closing Balance as at end of the period | Nil |

5.11 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2017

(Amount in Rupees)

| No. of accounts where S4A has been applied | Aggregate amount outstanding | Amount outstanding | | Provision Held |
|--|------------------------------|--------------------|-----------|----------------|
| | | In Part A | In Part B | |
| Classified as Standard | Nil | Nil | Nil | Nil |
| Classified as NPA | Nil | Nil | Nil | Nil |



Schedule 18

5.12 Disclosures on Flexible Structuring of Existing Loans

(Amount in Rupees)

| Period | No. of borrowers taken up for flexibly structuring | Amount of loans taken up for flexible structuring | | Exposure weighted average duration of loans taken up for flexible structuring | |
|--|--|---|-------------------|---|-------------------------------------|
| | | Classified as Standard | Classified as NPA | Before applying flexible structuring | After applying flexible structuring |
| During the period July 04, 2016 to March 31, 2017. | Nil | Nil | Nil | Nil | Nil |

5.13 Disclosures on Strategic Debt Restructuring Scheme (SDR).

The Bank does not have any SDR during the period July 04, 2016 to March 31, 2017.

5.14 Disclosures on Change in Ownership outside SDR Scheme.

(Amount in Rupees)

| No. of accounts where banks have decided to effect change in ownership | Amount outstanding as on the reporting date | | Amount outstanding as on March 31, 2017 with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending | | Amount outstanding as on March 31, 2017 with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity | |
|--|---|-------------------|--|-------------------|---|-------------------|
| | Classified as Standard | Classified as NPA | Classified as Standard | Classified as NPA | Classified as Standard | Classified as NPA |
| Nil | Nil | Nil | Nil | Nil | Nil | Nil |

5.15 Disclosures on Change in Ownership of Projects Under Implementation.

(Amount in Rupees)

| No. of project loan accounts where banks have decided to effect change in ownership | Amount outstanding as at March 31, 2017 | | |
|---|---|-------------------------------------|-------------------|
| | Classified as standard | Classified as standard restructured | Classified as NPA |
| Nil | Nil | Nil | Nil |



Schedule 18

5.16 Intra-Group Exposure

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--|----------------------|
| Total amount of intra-group exposure | NIL |
| Total amount of top-20 intra-group exposure | NIL |
| Percentage of Intra Group Exposure to Total Exposure of the Bank on borrower/ Customer | NIL |
| Details of Breach of Limit on Intra Group exposure and Regulatory action thereon, if any | Nil |

5.17 Priority Sector Lending Certificates (PSLC):

(Amount in Rupees)

| Particulars | For the period July 04, 2016 to March 31, 2017 PSLC Sold |
|--|---|
| 1) PSLC Agriculture | 107,500,000 |
| 2) PSLC Small Farmers / Marginal Farmers | - |
| 3) PSLC Micro Enterprises | - |
| 4) PSLC General | - |

5.18 Business ratios

(Amount in Rupees)

| Particulars | March 31, 2017 |
|--|----------------|
| Interest income as a percentage to working funds | 2.52% |
| Non-interest income as a percentage to working funds | 0.16% |
| Operating profit as a percentage to working funds | 0.06% |
| Return on assets | 0.0004% |
| Business (deposits plus gross advances) per employee | 5,914,099 |
| Profit per employee | 34 |

Notes:

- 1) Working funds are reckoned as the average of total assets as per the monthly returns in Form X filed with RBI during the period
- 2) Returns on Assets are computed with reference to average working funds.
- 3) Business per employee (deposits plus gross advances) is computed after excluding Inter-bank deposits.



UJJIVAN SMALL FINANCE BANK LIMITED
Significant Accounting policies and Notes to financial statement for the period July 04, 2016 to March 31, 2017

5.19 Disclosure on accounts subjected to Restructuring for the period ended March 31, 2017

(Amount in Rupees)

| Sr No. | Type of Restructuring | Under CDR Mechanism | | | | Under SME debt restructuring mechanism | | | | Others | | | | Total | | | |
|--------|--|---------------------|------------------|---------------|------|--|----------|-----------------------|----------|--------|-----------|---------------|------------------|---------------|-----------|-------|-----------|
| | | Standard | Substan- dard | Doubt- ful | Loss | Total | Standard | Sub- stan- dard | Doubtful | Loss | Total | Stan- dard | Substan- dard | Doubt- ful | Loss | Total | |
| | Asset Classification | | | | | | | | | | | | | | | | |
| | Details | | | | | | | | | | | | | | | | |
| 1 | Restructured Accounts as on April 1 of the FY (opening figures) | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | | | | | | | |
| | Amount Outstanding | | | | | | | | | | | | | | | | |
| | Provision thereon | | | | | | | | | | | | | | | | |
| 2 | Fresh restructuring during the period | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | 57 | | | | 57 | | 57 |
| | Amount Outstanding | | | | | | | | | | 1,384,800 | | | | 1,384,800 | | 1,384,800 |
| | Provision thereon | | | | | | | | | | 485,338 | | | | 485,338 | | 485,338 |
| 3 | Up gradation to restructured standard category during the period | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | | | | | | | |
| | Amount Outstanding | | | | | | | | | | | | | | | | |
| | Provision thereon | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | | | | | | | |
| | Amount Outstanding | | | | | | | | | | | | | | | | |
| 4 | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | | | | | | | |
| | Amount Outstanding | | | | | | | | | | | | | | | | |
| | Provision thereon | | | | | | | | | | | | | | | | |
| 5 | Downgradations of restructured accounts during the period | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | | | | | | | |
| | Amount Outstanding | | | | | | | | | | | | | | | | |
| | Provision thereon | | | | | | | | | | | | | | | | |
| 6 | Write-offs of restructured accounts during the period | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | | | | | | | |
| | Amount Outstanding | | | | | | | | | | | | | | | | |
| | Provision thereon | | | | | | | | | | | | | | | | |
| 7 | Restructured Accounts as on March 31 of the period (closing figures) | | | | | | | | | | | | | | | | |
| | No. of Borrowers | | | | | | | | | | | | | | | | |
| | Amount Outstanding | | | | | | | | | | | | | | | | |
| | Provision thereon | | | | | | | | | | | | | | | | |



Schedule 18

6 Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities

Specified assets and liabilities as at March 31, 2017:

(Amount in Rupees)

| Maturity Buckets | Loans & Advances | Investment | Securities | Deposits | Borrowings |
|---------------------------|-----------------------|-----------------------|------------|----------------------|-----------------------|
| 1 day | 1,318,005,592 | - | - | 74,544 | |
| 2 days to 7 days | 1,185,492,051 | - | - | 72,500 | 95,425,542 |
| 8 days to 14 days | 1,725,913,082 | - | - | 1,000,000,000 | 305,404,500 |
| 15 days to 30 days | 1,781,935,588 | - | - | 503,341,069 | 1,267,669,878 |
| 31 days to 2 months | 4,712,744,993 | - | - | 136,000 | 2,974,561,718 |
| Over 2 months to 3 months | 4,548,621,769 | 541,944,038 | - | 4,000 | 4,019,951,736 |
| Over 3 to 6 months | 12,438,362,822 | 2,369,677,051 | - | 147,600 | 9,398,139,996 |
| Over 6 to 12 months | 16,988,513,408 | 6,447,809,947 | - | 500,578,300 | 16,462,127,879 |
| Over 1 year to 3 years | 13,155,895,365 | - | - | 59,760,492 | 27,726,647,878 |
| Over 3 years to 5 years | 305,789,856 | - | - | 3,100 | 574,113,933 |
| Over 5 years | 449,174,973 | 5,149,305,702 | - | 300 | 89,995,144 |
| Total | 58,610,449,499 | 14,508,736,738 | - | 2,064,117,905 | 62,914,038,204 |

Note: The bucketing structure has been revised based on RBI guideline dated March 23, 2016.

7 Exposure

7.1 Exposure to Real Estate Sector:

(Amount in Rupees)

| Particulars | March 31, 2017 |
|---|----------------|
| A) Direct exposure | |
| i) Residential Mortgages | 978,364,429 |
| ii) Commercial Real Estate | - |
| iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures: | |
| - Residential | - |
| - Commercial Real Estate | - |
| Total (A) | 978,364,429 |
| B) Indirect exposure | |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | - |
| Total (B) | - |
| Total Real Estate Exposure (A+B) | 978,364,429 |



Schedule 18

7.2 Exposure to Capital Market:

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|---|----------------------|
| Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt | 1,000,000 |
| Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds | - |
| Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security | - |
| Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances | - |
| Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers | - |
| Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources | - |
| Bridge loans to companies against expected equity flows / issues | - |
| Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds | - |
| Financing to stockbrokers for margin trading | - |
| All exposures to Venture Capital Funds (both registered and unregistered) | - |
| Irrecoverable payment commitments issued by custodian Banks in favour of Stock exchanges | - |
| Total Exposure to Capital Market | 1,000,000 |

During the period July 04, 2016 to March 31, 2017, Bank has not converted any debt to equity as a part of strategic debt restructuring which is exempt from CME limit.

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

7.4 Disclosure of penalties imposed by RBI

During the period, RBI has not imposed any penalty on the Bank.

7.5 The Bank does not have any overseas branches and hence the disclosure regarding overseas assets, NPAs and revenue is not applicable.



Schedule 18

7.6 Disclosure of Customer/Borrower Complaints

| Particulars | March 31, 2017 |
|--|----------------|
| No. of complaints pending at the beginning of the period | - |
| No. of complaints received during the period | 342 |
| No. of complaints redressed during the period | 229 |
| No. of complaints pending at the end of the period | 113 |

7.7 Provisions and Contingencies

(Amount in Rupees)

| Particulars | March 31, 2017 |
|--|----------------|
| Provision for NPA (including bad debts written off) | 21,008,747 |
| Provision for Standard Assets | 23,346,123 |
| Provision for Income tax (Net of deferred tax asset of Rs 56,54,966) | 8,559,983 |
| Total | 52,914,853 |

Note: Provisions for depreciation on Investment (Netted off with Income from Investments)

7.8 Liquidity Coverage Ratio (LCR)

The Bank adheres to RBI guidelines relating to the Liquidity Coverage Ratio, Liquidity Risk Monitoring Tools and the LCR Disclosure Standards pursuant to the Basel III Framework on Liquidity Standards that are applicable to banks in India with effect from January 1, 2015. 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.

The Bank computes LCR in all significant currencies using the factors mentioned in RBI guidelines. High Quality Liquid Assets (HQLA) of the Bank consist of cash, unencumbered excess SLR, a portion of statutory SLR as allowed under the guidelines, cash balance with RBI in excess of statutory cash reserve requirements, and high rated corporate bonds issued by entities other than financial institutions. Bank's Balance Sheet is prepared in domestic currency.

The Asset Liability Management Committee (ALCO) of the Bank is the governing body to decide on composition of funding sources and accordingly guide different business units.

Liquidity Coverage Ratio (LCR) aims in ensuring the Bank to maintain an adequate level of unencumbered High Quality Liquid Assets (HQLAs) to meet its liquidity needs convertible into cash under significantly severe liquidity stress scenario lasting for 30 days horizon period. LCR measures the Bank's potential to stand under combined idiosyncratic and market-wide liquidity stress condition, where the Bank experiences accelerated withdrawal of deposits from retail depositors, partial loss of secured funding, increase in collateral requirements and unscheduled draw down of unused credit lines.

LCR is the ratio of unencumbered HQLAs to Net Cash Outflows over the next 30 calendar days. From Jan 1, 2017 onwards, RBI guidelines mandate computation of LCR on daily average basis, which hitherto were measured on month-ends. The following table presents the minimum LCR to be maintained, in terms of RBI guidelines.

| Effective from | December 1, 2017 | January 1, 2018 | January 1, 2019 | January 1, 2020 | January 1, 2021 |
|----------------|------------------|-----------------|-----------------|-----------------|-----------------|
| Minimum LCR | 60% | 70% | 80% | 90% | 100% |

The Bank maintains HQLA in terms of Cash, unencumbered excess SLR, proportion of statutory SLR as allowed by RBI, excess statutory cash reserve and high rated corporate bonds issued by entities other than financial institutions. For the purposes of LCR computation, the Bank has considered all inflows and outflows that may have a quantifiable impact under the liquidity stress scenario.



Schedule 18

The below mentioned table is position of Liquidity Coverage Ratio computed based on March 31, 2017. The Reserve Bank of India prudential guidelines on Capital Adequacy and Liquidity Standards - Amendments dated March 31, 2015, require the LCR data for the period ended March 31, 2017 to be computed based on simple average of monthly observations over the quarter and simple average of the month calculated on daily observations.

(Amount in Rupees)

| Particulars | Month end position during the period ended March 31, 2017 | |
|--|---|----------------------|
| | Total Unweighted Value | Total Weighted Value |
| High Quality Liquid Assets | | |
| 1. Total High Quality Liquid Assets (HQLA) | 9,546,659,575 | 9,546,659,575 |
| Cash Outflows | | |
| 2. Retail deposits and deposits from small business customers, of which: | 32,024,791 | 2,009,072 |
| (i) Stable deposits | 23,868,138 | 1,193,407 |
| (ii) Less stable deposits | 8,156,653 | 815,665 |
| 3. Unsecured wholesale funding, of which: | 1,579,683,320 | 1,578,870,045 |
| (i) Operational deposits (all counterparties) | 500,000 | 105,000 |
| (ii) Non-operational deposits (all counterparties) | 150,444,050 | 150,025,775 |
| (iii) Unsecured debt | 1,428,739,269 | 1,428,739,269 |
| 4. Secured wholesale funding | 1,917,473,601 | 1,917,473,601 |
| 5. Additional requirements, of which | | |
| (i) Outflows related to derivative exposures and other collateral requirements | - | - |
| (ii) Outflows related to loss of funding on debt products | - | - |
| (iii) Credit and liquidity facilities | 465,039,787 | 23,251,989 |
| 6. Other contractual funding obligations | 514,321,659 | 514,321,659 |
| 7. Other contingent funding obligations | - | - |
| 8. Total Cash Outflows | 5,244,723,053 | 4,772,106,262 |
| Cash Inflows | | |
| 9. Secured lending (e.g. reverse repos) | - | - |
| 10. Inflows from fully performing exposures | 5,724,704,967 | 2,862,352,483 |
| 11. Other cash inflows | 4,150,000,000 | 2,075,000,000 |
| 12. Total Cash Inflows | 9,874,704,967 | 4,937,352,483 |
| 13. TOTAL HQLA | 9,546,659,575 | 9,546,659,575 |
| 14. Total Net Cash Outflows | 1,311,180,763 | 1,193,026,565 |
| 15. Liquidity Coverage Ratio (%) | 728.10% | 800.21% |



Schedule 18

8 Employee Benefits (AS-15)

Gratuity:

Gratuity is a defined benefits plan. The Bank has obtained qualifying insurance policies from insurance company. The following table summarises the components of net expenses recognised in the Profit and Loss account and funded status and amounts recognised in the Balance Sheet on the basis of actuarial Valuation.

Details of defined benefit plan of gratuity are given below:

| <i>(Amount in Rupees)</i> | |
|---|------------------------------|
| Changes in the present value of the obligation | March 31, 2017 |
| Opening balance of Present Value of Obligation | - |
| Interest Cost | 2,080,264 |
| Current Service Cost | 3,328,506 |
| Benefits Paid | - |
| Actuarial loss / (gain) on Obligation | 4,064,603 |
| Acquisitions/Divestures/Transfers | 169,356,598 |
| Closing balance of Present Value of Obligation | 178,829,971 |
| Reconciliation of opening and closing balance of the fair value of the Plan Assets | |
| Opening balance of Fair value of Plan Assets | - |
| Adjustment to Opening Balance | - |
| Expected Return on Plan assets | 1,763,270 |
| Contributions | 143,549,788 |
| Benefits Paid | - |
| Actuarial Gain/(loss) Return on Plan Assets | (51,829) |
| Closing balance of Fair Value of Plan Assets | 145,261,229 |
| Actual Return on Plan Assets | 1,711,441 |
| Profit and Loss – Expenses | |
| Current Service Cost | 3,328,506 |
| Interest Cost | 2,080,264 |
| Expected Return on Plan assets | (1,763,270) |
| Net Actuarial loss recognized in the period | 4,116,432 |
| Expenses recognized in the Profit and Loss account | 7,761,932 |
| Funded status | 100% insurance managed funds |
| Actuarial Assumptions | |
| Discount Rate | 6.83% |
| Expected Rate of Return on Plan Assets | 6.83% |
| Expected Rate of Salary Increase | 9.00% |
| Employee Attrition Rate | 16.40% |



Schedule 18

Experience Adjustments

(Amount in Rupees)

| Particulars | March 31, 2017 |
|--|----------------|
| Plan Assets | 145,261,229 |
| Defined benefit obligation | 178,829,971 |
| Surplus/ (Deficit) | (33,568,742) |
| Experience adjustment gain on plan assets | 22,776,393 |
| Experience adjustment loss on plan liabilities | 51,829 |

Note:Above details are provided for the Period July 04, 2017 to March 31, 2017, Bank has acquired the Gratuity liability as part of the Business Transfer Agreement dated January, 12, 2017 effective from February, 1, 2017 (Refer Schedule 18 Note 1). The amount charged to Profit and Loss Account for the current period is Rs 77,61,932.

9 LEAVE ENCASHMENT

The Actuarial liability of compensated absences of accumulated privileged leaves of the employees as of March 31, 2017 is given below:

(Amount in Rupees)

| Particulars | March 31, 2017 |
|--|----------------|
| Privileged Leave (Actuarial Liability) | 186,474 |
| Assumptions | - |
| Discount Rate | 6.83% |
| Salary Escalation rate | 9.00% |



Schedule 18

10 Segment Reporting

The Bank's business segment is primarily in Retail Financing which comprises of Micro finance lending, Mortgage Finance.

The principal geographical segment is in India (Refer Schedule 17, Note 11) .

(Amount in Rupees)

| SR.NO | Part A: Business segments | | | | |
|-------|--|----------------|----------------|----------------|----------------|
| | Business Segments → | Treasury | Retail Banking | Other Banking | Total |
| | Particulars ↓ | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 |
| 1 | Revenue | 197,191,995 | 2,063,837,090 | - | 2,261,029,085 |
| 2 | Un allocated Revenue | - | - | - | - |
| 3 | (less) Inter segment revenue | - | - | - | - |
| 4 | Total Income (1+2-3) | 197,191,995 | 2,063,837,090 | - | 2,261,029,085 |
| 5 | Result | 197,191,995 | (137,240,118) | - | 59,951,877 |
| 6 | Unallocated expenses | - | - | - | 51,041,129 |
| 7 | Operating profit | - | - | - | 8,910,748 |
| 8 | Provisions and Contingencies other than Tax expenses | - | - | - | - |
| 9 | Tax expenses (including deferred tax) | - | - | - | 8,559,983 |
| 10 | Extraordinary profit/ loss | - | - | - | - |
| 11 | Net profit (5-6-8-9) | - | - | - | 350,765 |
| | Other information: | | | | |
| 12 | Segment assets | 21,684,079,687 | 62,202,591,446 | - | 83,886,671,133 |
| 13 | Unallocated assets | - | - | - | 477,441,999 |
| 14 | Total assets | - | - | - | 84,364,113,132 |
| 15 | Segment liabilities | - | 67,949,179,418 | - | 67,949,179,418 |
| 16 | Unallocated liabilities | - | - | - | 16,414,582,949 |
| 17 | Total liabilities | - | - | - | 84,364,113,132 |

Tax paid in advance / tax deducted at source (net of provisions) , others which cannot be allocated to any segments, have been classified as unallocated assets; Depreciation on Fixed Assets has been classified as unallocated expenses. The unallocated liabilities include share capital, reserves and surplus and others.



UJJIVAN SMALL FINANCE BANK LIMITED

Significant Accounting policies and Notes to financial statement for the period July 04, 2016 to March 31, 2017

Schedule 18

11 Related Party Transactions (AS-18)

As per AS 18 Related party Disclosures notified under section 133 of the companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014, the Bank related parties during the period July 04, 2016 to March 31, 2017 are disclosed below:

Holding company :

Ujjivan Financial Services limited

Key Management Personnel (KMP) :

Mr. Samit Ghosh (Managing Director and CEO)

Ms Upma Goel (Chief Financial Officer)

Mr. Sanjeev Barnwal (Company Secretary)

Enterprise in which relatives of KMP are members :

Parinaam Foundations

Enterprise in which of KMP are members :

Ujjivan Social Foundations services

In accordance with paragraph 5 of AS - 18, the Bank has not disclosed certain transactions with relatives of key management personnel as they are in the nature of banker-customer relationship.

Ujjivan Small Finance Bank Limited (USFB) is a wholly owned subsidiary of Ujjivan Financial Services Limited. (UFSL). During the period assets amounting to Rs 8,610 Crore and liabilities Rs 7,096 Crore amounting to were transferred by UFSL to USFB via slump sale and the amount of purchase consideration was discharged by issue of Equity shares amounting to Rs.1,330 Crore and Preference shares amounting to Rs 200 Crore.

(Amount in Rupees)

| Items/Related Party | Parent# | Key Management Personnel | Enterprise in which relatives of Key Management Personnel are Members@ | Total |
|---|----------------|--------------------------|--|----------------|
| Deposit | 1,000,000,000 | - | - | 1,000,000,000 |
| Reimbursement of expenses - Amount Paid | 14,405,561 | - | - | 14,405,561 |
| Reimbursement of expenses - Amount Received | 3,628,647 | - | 108,390 | 3,737,037 |
| Inter Company Transfer- Amount Received* | 119,958,575 | - | - | 119,958,575 |
| Capital | 16,400,368,000 | - | - | 16,400,368,000 |
| Interest Accrued but no due | 180,821 | - | - | 180,821 |
| Payment of Remuneration ** | - | 2,703,071 | - | 2,703,071 |
| Rendering of services | - | - | 500,000 | 500,000 |

*Notes: Refer clause 11.3.2 of Business Transfer Agreement dated January 16, 2017 between UFSL and Bank.

** The above Remuneration excludes Bonus and Gratuity.

(Amount in Rupees)

| | As at March 31, 2017 |
|---|----------------------|
| Outstanding Balance with enterprise in which relative of Key Managerial Person are Members | |
| Parinaam Foundations | 108,390 |
| Parent Company | |
| Ujjivan Financial Services | 1,004,631,274 |
| Share Capital (Investment) | 16,400,368,000 |



Schedule 18

12 Operating leases

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

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|---|----------------------|
| Not later than one year | 136,888,602 |
| Later than one year but not later than five years | 265,345,796 |
| Later than 5 years | - |
| The total of minimum lease payments recognized in the Profit and Loss Account for the period | 38,222,909 |
| Total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases | - |
| Sub-lease amounts recognized in the Profit and Loss Account for the period | - |
| Contingent (usage based) lease payments recognized in the Profit and Loss Account for the period | - |

13 Earnings per Share

The Bank reports basic and diluted earnings per Equity share in accordance with AS -20 Earning Per Share.

The computation of earnings per share is given below:

(Amount in Rupees except share data)

| Particulars | For the period July 04, 2016 to March 31, 2017 |
|--|--|
| Net profit after tax (Rs.) | 350,765 |
| Weighted average shares outstanding – Basic (Nos.) | 344,872,015 |
| Weighted average shares outstanding – Diluted (Nos.) | 344,872,015 |
| Nominal Value of Equity Shares (Rs.) | 10 |
| Earnings per share – Basic (Rs.) | 0.001 |
| Earnings per share – Diluted (Rs.) | 0.001 |

14 MISCELLANEOUS

(i) Provisions for taxation during the year:

(Amount in Rupees)

| Particulars | For the period July 04, 2016 to March 31, 2017 |
|--------------------------|--|
| Provision for Income Tax | 14,214,949 |
| Deferred tax credit | (5,654,966) |
| Total | 8,559,983 |

(ii) Disclosure relating to Depositor Education and Awareness Fund (DEAF):

(Amount in Rupees)

| Particulars | For the period July 04, 2016 to March 31, 2017 |
|---|--|
| Opening balance of amounts transferred to DEAF | - |
| Add: Amounts transferred during the period | - |
| Less: Amounts reimbursed by DEAF towards claims | - |
| Closing balance of amounts transferred to DEAF | - |



Schedule 18

(iii) Drawdown from Reserves

The Bank has not undertaken any drawdown from reserves during the period ended March 31, 2017.

(iv) FIXED ASSETS

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|---|----------------------|
| Fixed Assets excluding Computer Software | |
| Opening balance | - |
| Additions during the period* | 1,002,386,754 |
| Depreciation charge for the period# | 280,513,677 |
| Balance at the end of the period | 721,873,077 |

*Additions include assets acquired as a part of the Business Transfer Agreement.

#Depreciation charge for the period is accumulated depreciation.

(v) COMPUTER SOFTWARE

The movement in fixed assets capitalized as computer software is given below:

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|---|----------------------|
| Opening balance | |
| Additions during the period* | 719,519,317 |
| Depreciation charge for the period# | 75,356,810 |
| Balance at the end of the period | 644,162,507 |

*Additions include assets acquired as a part of the Business Transfer Agreement.

#Depreciation charge for the period is accumulated depreciation.

(vi) Description of Contingent Liabilities:

(Amount in Rupees)

| Particulars | As at March 31, 2017 |
|--|----------------------|
| i) Disputed taxes- Service Tax | 4,226,041 |
| ii) Claims against the company- not acknowledged as debt | 325,035 |
| iii) Capital commitments not provided | 278,809,042 |
| Total | 283,360,118 |

(vii) Disclosure of Letters of Comfort (LoC) issued by the Bank:

The Bank has not issued any Letter of Comfort during the period from July 04, 2016 to March 31, 2017.



Schedule 18

15 Deferred Tax

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", the company has recognized Rs.469,341,182/- as deferred tax asset as detailed below*:

(Amount in Rupees)

| Particulars | Deferred Tax (Assets) / Liabilities as on July 4, 2016 | Deferred Tax (Assets) / Liabilities as part of the Business Transfer Agreement * | Current period (credit) / charge | Deferred Tax (Assets) / Liabilities as on March 31,2017 |
|--|--|--|----------------------------------|---|
| Difference between book and tax depreciation | - | 8,444,639 | 29,572,682 | 38,017,321 |
| Provision for Employee benefits | - | (64,154,646) | (16,837,659) | (80,992,305) |
| Provision for doubtful assets/ standard assets | - | (406,463,105) | (10,468,902) | (416,932,007) |
| Others | - | (1,513,104) | (7,921,087) | (9,434,191) |
| Net Deferred Tax (Asset) / Liability | - | (463,686,216) | (5,654,966) | (469,341,182) |

* Pursuant to the Business Transfer Agreement dated January 12, 2017 the Bank has acquired Deferred Tax Asset (Net off Deferred Tax Liability) amounting to Rs .463,686,216.

16 QUANTITATIVE DISCLOSURES:

The quantitative disclosures cover the Bank's Whole Time Directors and Key Risk Takers. Key Risk Takers are individuals who can materially set, commit or control significant Amounts of the Bank's resources, and / or exert significant influence over its risk profile. The Bank's Key Risk Takers include Whole Time Directors, Group Heads, Business Heads directly reporting to the Managing Director and select roles in the Bank's Treasury and Investment Banking functions.

16.1 Disclosure on Remuneration

The Board of Directors, in their meeting held on January 19, 2017, approved the formation of Nomination and Remuneration Committee (NRC). The NRC presently comprises four members, all of them are Independent Directors. .On Remuneration aspects, the mandate of the Nomination and Remuneration Committee is overseeing the framing ,review and implementation of the Banks's Compensation policy for Whole Time Director/Chief Executive Officers/Risk Takers and control function staff for ensuring effective alignment between remuneration and risks .The Committee also ensures that level and composition of remuneration is reasonable and sufficient ,relationship of remuneration to performance is clear and meets appropriate performance benchmarks.The Nomination and Remuneration Committee reviews compensation policies of the Bank with a view to attract, retain and motivate employees.

16.2 Compensation Policy

The Compensation Policy is formulated by the Board in alignment with the RBI guidelines and covers all components of compensation including fixed pay, variable pay, perquisites, retirement benefits as Provident Fund and Gratuity, Long term incentive plans and Employee Stock Options.

The key objectives of the policy are:

- (i) Ensure compliance with applicable laws, rules and regulations as well as 'Fit and Proper criteria' of directors before their appointment.
- (ii) Institutionalize a mechanism for the appointment/ removal/ dismissal of directors and lay down selection criteria for appointment of director.
- (iii) Formulate criteria for determining qualifications, positive attributes and independence of directors .
- (iv) Retain, motivate and promote talent and to ensure long term sustainability of talented Key Managerial Person.
- (v) Devise a policy on Board diversity.
- (vi) Develop and regularly review succession plan for the Board.
- (vii) Formulate the criteria for evaluation of performance of all the Directors on the Board .
- (viii) Establish standards on compensation/ remuneration including fixed and variable, which are in alignment with the applicable rules and regulations and is based on the trends and practices of remuneration prevailing in the industry .
- (ix) Define internal guidelines for payment of perquisites to the directors and Key Managerial Person.



Schedule 18

16.3 Awards passed by the Banking Ombudsman:

| Particulars | Period July 04, 2016 to March 31, 2017 |
|---|--|
| No. of unimplemented Awards at the beginning of the period | NIL |
| No. of Awards passed by the Banking Ombudsman during the period | NIL |
| No. of Awards implemented during the period | NIL |
| No. of unimplemented Awards at the end of the period | NIL |

16.4 Movement in provision for frauds included under other liabilities:

(Amount in Rupees)

| Particulars | March 31, 2017 |
|---------------------------------------|------------------|
| Opening provision | - |
| Provision during the year* | 7,720,200 |
| Utilisation / Write back of provision | - |
| Closing provision | 7,720,200 |

* Provision during the year includes the liabilities acquired as part of the Business Transfer Agreement (BTA)

17 Other Disclosures

| Particulars | For the period July 04, 2016 to March 31, 2017 |
|--|--|
| Number of meetings held by RC during the July 04, 2016 to March 31, 2017 and remuneration paid to its members | During the period July 04, 2016 to March 31, 2017, three Remuneration Committee were held. The members of the Remuneration Committee were paid aggregate sitting fees of Rs.2,80,000 for three meetings. |
| Number of employees having received a variable remuneration award during the period July 04, 2016 to March 31, 2017. | No employees belonging to the category of WTD / CEO / Risk Takers/Other Control function staff had received a variable remuneration award |
| Number and total amount of 'sign on' awards made during the July 04, 2016 to March 31, 2017. | Nil |
| Details of guaranteed bonus if any paid as sign on bonus | Nil |
| Details of severance pay in addition to the accrued benefits | Nil |
| Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms | Nil |



Schedule 18

| Particulars | For the period July 04, 2016 to March 31, 2017 |
|---|--|
| Total amount of deferred remuneration paid out in the July 04, 2016 to March 31, 2017. | Nil |
| Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments. | Nil |
| Total amount of reductions during the FY due to ex – post explicit adjustments | Nil |
| Total amount of reductions during the FY due to ex – post implicit adjustments | Nil |

| Particulars | 31-Mar-17 |
|---|-----------|
| Number of meetings held by the Nomination Remuneration Committee during the financial year and remuneration paid to its members | 3 |
| Number of employees having received a variable remuneration award during the financial period | Nil |
| Number and total amount of sign-on awards made during the financial period | Nil |
| Number and total amount of guaranteed bonuses awarded during the financial period | Nil |
| Details of severance pay, in addition to accrued benefits, if any | Nil |
| Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms | Nil |
| Total amount of deferred remuneration paid out in the financial period | Nil |
| Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments | Nil |
| Total amount of reductions during the financial year due to ex-post explicit adjustments | Nil |
| Total amount of reductions during the financial year due to ex-post implicit adjustments | Nil |

18 Disclosure on remuneration to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board and its Committees at the rate of Rs. 50,000 per Board meeting, at the rate of Rs. 40,000 per committee meeting . An amount of Rs. 17.1 Lakhs was paid as sitting fees to the Non-Executive Directors during the July 04, 2016 to March 31, 2017.

(Amount in Rupees)

| Name of Director | Remuneration |
|--------------------------|------------------|
| Mr.Sunil Vinayak Patel | 390,000 |
| Ms. Vandana Viswanathan | 270,000 |
| Prof. Nandlal l.Sarada | 310,000 |
| Mr. Biswamohan Mahapatra | 270,000 |
| Mr. Luis Miranda | 180,000 |
| Mr. Prabal Sen | 190,000 |
| Mr. Anadi Charan Sahu | 100,000 |
| Total | 1,710,000 |



gatoru
April 26, 2017

Upma Goei
Chief Financial Officer

Sanjeev Barwal
Company Secretary



NOTES

A series of horizontal dotted lines for writing notes.





Build a Better



Build a Better Life