

BUSINESS RESPONSIBILITY REPORT – 20-21

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

SECTION A - General Information about the Company:

Sr.	Particulars	Company Information
(i)	Corporate Identity Number (CIN)	: L65999KA2004PLC035329
(ii)	Name of the Company	: Ujjivan Financial Services Limited
(iii)	Address of the Registered Office and Contact Details	: Grape Garden, No. 27, 3 rd A Cross, 18 th Main, 6 th Block, Koramangala, Bangalore – 560095, Karnataka
(iv)	Website	: www.ujjivan.com
(v)	Email id	: compliance@ujjivanfin.com
(vi)	Financial Year Reported	: FY 2020-21
(vii)	Sector(s) that the Company is engaged in (industrial activity code-wise)	: As on March 31, 2021 the Company is a NBFC-Core Investment Company. The NIC Code is 64200.
(viii)	List three key products/services that the Company manufactures/provides (as in balance sheet)	: The Company is an investment Company and its main objects are to carry on the business of making investments in group company(ies) in the form of securities and providing guarantees etc. and to carry on financial activities, whether in India or outside, in the nature of investment in bank deposits, money market instruments (including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment companies from time to time
(ix)	Total number of locations where business activity is undertaken by the Company	: The Company as on March 31, 2021 carries its business from its registered office and has no branches.
	(a) Number of International Locations	: Nil
	(b) Number of National Locations	: 1 (Registered Office); However our subsidiary Ujjivan Small Finance Bank Limited has 575 branches.
(x)	Markets served by the Company – Local/State/National/International	: Ujjivan together with its subsidiary 'Ujjivan Small Finance Bank Limited' serves the national market only

SECTION B – Financial Details of the Company:

Sr.	Particulars	Company Information
(i)	Paid-up Capital as on March 31, 2021	: 12,16,55,986 equity shares of Rs. 10 each aggregating to Rs. 1,21,65,59,860
(ii)	Total Turnover:	(Rs. in crore) (Ind-AS)
	(a) Standalone	: 8.44
	(b) Consolidated	: 3,180.99
(iii)	Total Profit After Tax:	(Rs. in crore) (Ind-AS)
	(a) Standalone	: 2.93
	(b) Consolidated	: (239.11)
(iv)	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: CSR spends during the year – Rs. 2.81 lacs 0.96% of the PAT of FY 2020-21
(v)	List of activities in which expenditure in (iv) above has been incurred	: Please refer Annexure 5 of the Board's Report

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

SECTION C – Other Details of the Company:

Sr.	Particulars	Company Information
(i)	Does the Company have any Subsidiary Company/ Companies?	: Yes, Ujjivan Small Finance Bank Limited is the material listed subsidiary of the Company
(ii)	Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	: During the FY 2020-21, the Company carried out the BR initiatives in partnership with external agencies. Going forward, the Company is expected to get participation to the extent legally permissible by its subsidiary.
(iii)	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	: No

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

Sr.	Particulars	Company Information
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies	
	1. DIN Number	: Not Applicable
	2. Name	: Mr. Barun Kumar Agarwal
	3. Designation	: Chief Financial Officer
(b)	Details of the BR Head	
	1. DIN Number	: Not Applicable
	2. Name	: Sanjeev Barnwal
	3. Designation	: Company Secretary and Compliance Officer
	4. Telephone Number	: 080-40712121
	5. email id	: sanjeev.barnwal@ujjivanfin.com

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

Principles to Assess Compliance with Environmental, Social and Governance Norms

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

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

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

Sr.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?									
10)	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	NA

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

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

(3) Governance related to BR

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

Annually

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers,

government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

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

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

Stakeholders Complaints

Complaints	No. of Complaints Received	No. of Complaints Resolved	% of Complaints Resolved
Shareholder Complaints	38*	38	100%

* The complaints primarily pertained to non-receipt of dividend warrant; all of which were resolved and closed. There is no pending investor complaints as on March 31, 2021.

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

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

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

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

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

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

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

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

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

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

Not applicable to the Company considering its business operations.

Principle 3: Businesses should promote the wellbeing of all employees

Sr.	Questions	Status
1)	Please indicate the Total number of employees.	4
2)	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil

3)	Please indicate the Number of permanent women employees.	Nil
4)	Please indicate the Number of permanent employees with disabilities	Nil
5)	Do you have an employee association that is recognized by management?	No
6)	What percentage of your permanent employees is members of this recognized employee association?	N.A.
7)	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8)	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	(a) Permanent Employees	100%
	(b) Permanent Women Employees	N.A.
	(c) Casual/Temporary/Contractual Employees	N.A.
	(d) Employees with Disabilities	N.A.

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

- Has the company mapped its internal and external stakeholders?
Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

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

Principle 5: Businesses should respect and promote human rights

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

The Company is firmly committed to fairness and objectivity in all its action and interactions with all its stakeholders. Justice and fairness is imbibed in the Company's fabric to ensure procedural fairness, impartiality and consistency in its operations. The Company believes in providing facilities to customers in a fair and transparent manner.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer to the response under principle 1.

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

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

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

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

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

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

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

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

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

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

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Our Company in the past has taken few initiatives in the area of environment sustainability.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The aspects under this principle are not directly relevant to the Company given the nature of its business. However, our Company has funded a few solar based lighting related small projects in the past.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable

7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of the Financial Year.

None

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with

No

The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles and hence does not have a separate policy for this principle.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company alongwith its subsidiary supports inclusive growth and equitable development of all the relevant stakeholders through various trainings and development programs for its employees.

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

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

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

Yes

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

Ujjivan has continuously conducted self-sustained Corporate Social responsibility (CSR) programs directly or through its registered CSR partners. During the FY 2020-21, the Company has continued with its engagement with Parinaam Foundation for undertaking various community development programs across various districts in India.

Please refer Annexure 5 of the Board's Report for further details.

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

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

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

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No complaints are pending as on the end of the financial year

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Not applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

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

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

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

Ujjivan has consistently been recognized for its excellence in providing customer centric services, a fulfilling career to its employees, social performance, transparency and innovations. Ujjivan received the prestigious "Microfinance Organization for the Year" award in 2011 and since 2009 it has always been recognized as one of the 'Best Place to Work' in India. It has also been ranked among the 'Top 100 Innovative Companies' in the past.

Great Place to Work Institute has ranked Ujjivan Small Finance Bank as 3rd in the Best Companies to Work For 2020. Ujjivan has been recognised as amongst the top 100 best places to work, for the last ten years in a row. In April, amidst the gloom of an unfolding pandemic, the Ujjivan Small Finance Bank shone bright as amongst Asia's top 5 best places to work (in the category of companies with over 10,000 employees).