

UJJIVAN/SE/2017-18/19

August 03, 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: Outcome of the Board Meeting held on August 03, 2017

Please refer to our letter dated July 17, 2017, wherein we have intimated about the convening of the meeting of the Board of Directors on August 03, 2017 to approve inter alia the un-audited financial results of the Company for the quarter ended June 30, 2017.

In connection therewith, subsequent to the review of the Audit Committee, the Board in its meeting held today August 03, 2017 (meeting commenced at 01:30 PM and concluded at 03:30 PM) has approved and taken on record unaudited financial results of the Company (standalone and consolidated) for the Quarter ended June 30, 2017 together with a copy of the limited review report issued by the statutory auditors of the Company.

A copy of the aforesaid un-audited financial results and limited review report issued by the Statutory Auditors and the press release with regard to the above financial results are enclosed herewith.

We request you to please take the above 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

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF UJJIVAN FINANCIAL SERVICES LIMITED (Formerly UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED)

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Ujjivan Financial Services Limited** ("the Company"), for the Quarter ended June 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

S. Sundaresan

S.Sundaresan
Partner
(Membership No. 25776)

BENGALURU, *August 3*, 2017

UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)
CIN No: L65999KA2004PLC035329

Regd Office : Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru 560 095

Website: www.ujjivan.com

Statement of Standalone Financial Results for the Quarter and Period ended June 30, 2017

(Rs in Lakhs)

Sl. No.	Particulars	Quarter ended		Year ended	
		June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Audited
I. Continuing operations:					
1	Income from Operations	-	-	-	-
2	Other income	192.76	611.83	694.61	2,370.53
	Total income	192.76	611.83	694.61	2,370.53
3	Expenditure				
(i)	Employee benefits expenses	41.64	35.20	31.17	139.85
(ii)	Depreciation and amortisation expenses	0.12	-	-	-
(iii)	Administrative and other expenses	57.73	3.63	3.63	14.50
(iv)	Finance cost	-	-	-	-
(v)	Provisions and Contingencies	-	-	-	-
	Total expenditure (i)+(ii)+(iii)+(iv)+(v)	99.49	38.83	34.80	154.35
4	Profit before tax (2-3)	93.27	573.00	659.81	2,216.18
5	Tax expense	27.14	198.32	228.36	762.44
6	Net Profit after tax (4-5)	66.13	374.68	431.45	1,453.74
II. Discontinued operations:					
7	Profit from discontinued operations before tax	-	1,365.71	10,151.02	28,268.57
8	Profit from transfer of business	-	1,600.00	-	1,600.00
9	Tax expense on transfer of business	-	369.15	-	369.15
10	Tax expense on discontinued operations	-	930.07	3,445.81	10,189.55
11	Net Profit from discontinued operations after tax	-	1,666.49	6,705.21	19,309.87
12	Net Profit from Total operations after tax (6+11)	66.13	2,041.17	7,136.66	20,763.61
13	Paid-up equity share capital (Face value of the Share is Rs.10 each)	11,964.36	11,937.71	11,824.13	11,937.71
14	Reserve excluding Revaluation Reserves	-	-	-	163,584.67
15	Earnings Per Share (EPS) (of Rs.10 each):				
	Basic (Rs.)				
	(i) Continuing operations	0.06	0.31	0.39	1.24
	(ii) Discontinuing operations	-	1.40	6.00	16.51
	(iii) Total operations	0.06	1.71	6.39	17.75
	Diluted (Rs.)				
	(i) Continuing operations	0.05	0.30	0.37	1.20
	(ii) Discontinuing operations	-	1.35	5.79	15.90
	(iii) Total operations	0.05	1.65	6.16	17.10

Notes:

1 The Company received an approval from Reserve Bank of India ("RBI") to setup a Small Finance Bank. Consequently, Company executed an agreement to transfer its business undertaking to its wholly owned subsidiary 'Ujjivan Small Finance Bank Limited' ("the Bank") with the transfer being effective from February 01, 2017. The Bank commenced operations w.e.f February 01, 2017, on which date the Company ceased to operate as a Micro finance company. Pursuant to this change, the Company has sought to surrender its NBFC - MFI license and has applied for its registration as a NBFC- Core Investment Company ("CIC") with RBI and the approval from RBI is awaited. Accordingly, results for the Current period and Previous period is not comparable.

2 Consequent to the transfer of business as above in the previous year, the details of discontinued operations have been separately disclosed for current and previous years.

3 The unaudited financial results for the period ended June 30, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 03, 2017 in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4 EPS for the quarter is not annualised.

5 Details of Total Income and Expenditure from Operations:

(Rs in Lakhs)

Sl. No.	Particulars	Quarter ended		Year ended	
		June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations:				
(i)	Income from Continuing operations	192.76	611.83	694.61	2,370.53
(ii)	Income from Discontinued operations	-	12,677.46	32,236.99	116,382.39
	Total Income from Operations (i)+(ii)	192.76	13,289.29	32,931.60	118,752.92
2	Expenses (Including Tax)				
(i)	Expenses of Continuing operations	126.63	237.15	263.16	916.79
(ii)	Expenses of Discontinued operations	-	11,010.97	25,531.78	97,072.52
	Total expenses (Including Tax) (i)+(ii)	126.63	11,248.12	25,794.94	97,989.31
3	Net Profit after Tax				
(i)	Net profit from Continuing operations	66.13	374.68	431.45	1,453.74
(ii)	Net profit from Discontinued operations	-	1,666.49	6,705.21	19,309.87
	Net Profit from Total operations after tax (1)-(2)	66.13	2,041.17	7,136.66	20,763.61

6 Figures for the previous periods have been regrouped/reclassified, wherever necessary to correspond with the current period classification/disclosure.

For Ujjivan Financial Services Limited

Place: Bengaluru
Date: August 3, 2017



Sudha Suresh
Managing Director and CEO

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF UJJIVAN FINANCIAL SERVICES LIMITED (Formerly UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED)

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Ujjivan Financial Services Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of its subsidiary Ujjivan Small Finance Bank Limited.
4. Based on our review conducted as stated above and based on the consideration of the review reports of other auditor's referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We did not review the interim financial results of its subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 35,812.09 lakhs for the Quarter ended June 30, 2017, and total loss after tax of Rs. 7,560.33 lakhs for the Quarter ended June 30, 2017, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditor whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of its subsidiary is based solely on the reports of the other auditor.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done by other auditor.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



S.Sundaresan
Partner
(Membership No. 25776)

BENGALURU, *August 3,* 2017

UJJIVAN FINANCIAL SERVICES LIMITED
(Formerly Ujjivan Financial Services Private Limited)
CIN No: L65999KA2004PLC035329

Regd Office : Grape Garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru 560 095
Website: www.ujjivan.com

Statement of Consolidated Financial Results for the Quarter and Period ended June 30, 2017

(Rs in Lakhs)

Sl. No.	Particulars	Consolidated			Standalone
		Quarter ended		Year ended	Quarter/Period ended
		June 30, 2017	March 31, 2017	March 31, 2017	June 30, 2016
		Unaudited	Unaudited	Audited	Unaudited
1	Income:				
(i)	Income from Operations	32,340.43	31,453.44	134,937.35	32,168.21
(ii)	Other income	3,523.20	2,546.33	4,825.04	763.39
	Total Income (i)+(ii)	35,863.63	33,999.77	139,762.39	32,931.60
2	Expenses:				
(i)	Employee benefits expenses	8,803.00	7,654.38	27,161.56	5,987.37
(ii)	Depreciation and amortisation expenses	783.95	513.38	1,263.10	221.74
(iii)	Administrative and other expenses	6,095.88	5,484.60	17,380.03	3,246.67
(iv)	Finance cost	15,725.40	16,169.65	54,272.22	12,040.18
(v)	Provision / write off for receivables under financing activity	15,921.40	717.07	7,511.62	624.81
	Total expenditure (i)+(ii)+(iii)+(iv)+(v)	47,329.63	30,539.08	107,588.53	22,120.77
3	Profit/(Loss) from ordinary activities before tax (1-2)	(11,466.00)	3,460.69	32,173.86	10,810.83
4	Tax expense	(3,971.78)	1,525.63	11,406.75	3,674.17
5	Net Profit/(Loss) from ordinary activities after tax (3-4)	(7,494.22)	1,935.06	20,767.11	7,136.66
6	Paid-up equity share capital (Face value of the Share is Rs.10 each)	11,964.36	11,937.71	11,937.71	11,824.13
7	Reserve excluding Revaluation Reserves	-	-	163,588.18	-
8	Earnings Per Share (EPS) (of Rs.10 each):				
	Basic (Rs.)	(6.27)	1.62	17.76	6.39
	Diluted (Rs.)	(6.06)	1.56	17.10	6.16

Notes:

- The Company received an approval from Reserve Bank of India ("RBI") to setup a Small Finance Bank. Consequently, the Company executed an agreement to transfer its Business undertaking to its wholly owned subsidiary 'Ujjivan Small Finance Bank Limited' ("the Bank") with the transfer being effective from February 01, 2017. The Bank commenced operations w.e.f February 01, 2017, on which date the Company ceased to operate as a Micro finance company. Pursuant to this change, the Company has sought to surrender its NBFC - MFI license and has applied for its registration as a NBFC- Core Investment Company ("CIC") with RBI and the approval from RBI is awaited. Accordingly, results for the Current period and Previous period is not comparable.
- The unaudited consolidated financial results for the quarter ended June 30, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 03, 2017 in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- EPS for the quarter is not annualised.
- Bank was incorporated on July 4, 2016, hence consolidation figures pertaining to corresponding 3 months ended June 30, 2016 and Year-to-date figures for the previous year ended June 30, 2016 was not applicable, however additional disclosure of standalone corresponding figures have been disclosed for reference.
- The Group's business segment is primarily in Micro and Retail Financing. The principal geographical segment is in India.

(Rs in Lakhs)

Segment wise revenue and results:		Quarter ended		Year ended
Particulars		June 30, 2017	March 31, 2017	March 31, 2017
Segment revenue				
Treasury		3,408.14	1,971.92	1,971.92
Micro and Retail financing		32,403.95	31,416.02	135,419.93
Total		35,812.09	33,387.94	137,391.85
Segment results				
Treasury		634.33	1,971.92	1,971.92
Micro and Retail financing		(11,895.56)	1,429.15	29,248.86
Total		(11,261.23)	3,401.07	31,220.78
Unallocated:				
Income		51.54	611.84	2,370.54
Expenses		(256.31)	(552.22)	(1,417.46)
Tax expenses (including deferred tax)		3971.78	(1,525.63)	(11,406.75)
Net Profit/(Loss)		(7,494.22)	1,935.06	20,767.11

6 Figures for the previous periods have been regrouped/reclassified, wherever necessary to correspond with the current period classification/disclosure.

For Ujjivan Financial Services Limited

Place: Bengaluru
Date: August 03, 2017

Sudha Suresh
Managing Director and CEO





Press Release

Ujjivan Financial Services consolidated Q1 FY 2017-18 Total Income increase 8.90% to ₹358.64 crore

**Collection efficiency back to normal at 99.76% for new business from January to June'17
1.76 lakh new borrowers added during the quarter**

Bengaluru, August 3, 2017: Ujjivan Financial Services Ltd. [BSE: 539874; NSE: UJJIVAN], the promoter of its 100% subsidiary "UJJIVAN SMALL FINANCE BANK", today announced its consolidated financial performance for the quarter ended June 30, 2017.

Summary of Business Performance – Q1 FY 2017-18:

- 🔥 All the financials indicated are consolidated numbers
- 🔥 Gross Loan Book at ₹6,459.27 crore; growth of 10.40% over Q1-FY17 and an increase of 1.25% over Q4-FY17
- 🔥 Managed portfolio as on June 30, 2017 at ₹348.57 crore
- 🔥 Net Loan Book at ₹6,110.70 crore; growth of 9.95 % over Q1-FY17 and an increase of 4.08 % over Q4-FY17
- 🔥 Disbursement at ₹1,701.92 crore; decrease of 9.41% over Q1-FY17 and an increase of 20.97% over Q4-FY17
- 🔥 **1.76 lakh new borrowers added during the quarter; Total Borrowers stands at 36.25 lakh**
- 🔥 **Collection efficiency back to normal for new business at 99.76% from January to June'17**
- 🔥 Secured portfolio increased to ₹150 crore from ₹117 crore in March 2017
- 🔥 GNPA at 6.16% and NNPA at 2.30%, as sticky Nov-Jan over dues rolling over to higher buckets
- 🔥 **Provisions for Q1 FY 2017-18 at ₹150 crore including ₹43 crore of additional provision to cover hard core NPAs of Nov-Jan period**
- 🔥 Provision Coverage Ratio at 64%

Mr. Samit Ghosh, MD & CEO, Ujjivan Small Finance Bank said, "We have taken significant provision in this quarter based on the collection trends in the quarter. We have ensured 100% provision of the hard core NPAs of the November, December & January loan portfolio amounting to ₹ 150 crore. We have fully dedicated teams engaged on recovery at branches in affected states to optimize overdue collections. In addition we have set up specialized collection teams focussed on over dues over 90 days. This is yielding good results as shown with overall reduction in PAR in the quarter. We will continue monitoring the trend in the next quarters and ensure adequate provisioning for the balance NPAs.

Further the collection efficiency for the new business from January is back to normal which stands at 99.76%. On the business front, we have seen normalcy returning in terms of disbursements across states with disbursement crossing a monthly average of pre-demonetization level. Growth will kick-in from this quarter onwards for overall business.

On the SFB Branch roll out plans, we are on track with 52 branches already rolled out till now and there is a good interest from both existing MFI customers and open markets customers in terms of deposit generation"

Commenting on the performance of the company **Ms. Sudha Suresh, MD & CEO Ujjivan Financial Services** said, "Our Cost to income in absolute amount is in line with the expectation, however the ratio in percentage terms is higher due to the low base impact of flat loan book and reversal of interest income due to NPA. We expect cost to income ratio to consistently come down during the year.

As we await the schedule bank status, we are confident to raise deposits enabling our funding cost to come down by around 150 bps.

Our CAR is positioned comfortably at 19.83%. We expect this ratio to improve further with the run-down of the grandfathered bank loans. We expect a repayment of around 65-70% of these loans during this financial year”

Summary of Financial Performance – Q4 FY 16-17

- 👉 All the financials in this presentation are consolidated numbers
- 👉 Total Income at ₹358.64 crore, an increase of 8.90% over Q1-FY17 and an increase of 5.48% over Q4-FY17
- 👉 NII at ₹138.22 crore, a decrease of 19.66% over Q1-FY17 and an increase of 7.72% over Q4-FY17
- 👉 NIM at 9.23 % in Q1-FY18 decreased from 12.96% in Q1-FY17 and an increase from 7.14% in Q4-FY17
- 👉 Cost to Income ratio at 78%, increased from 45.6% in Q1-FY17 and 76.69 % from Q4-FY17
- 👉 Net Loss at ₹74.94 crore
- 👉 Deposit base of ₹403.7 Crore against ₹206.4 crore in March 2017
- 👉 Average Cost of Deposits is 5.6%

About Ujjivan Financial Services Limited:

Ujjivan Financial Services, is the promoter and non-operative holding company of its 100% subsidiary “Ujjivan Small Finance Bank”, which has started the banking operations from February 2017. Ujjivan SFB serves over 36.25 lakh active customers through 457 branches and 10,653 employees spread across 209 districts and 24 states in India. Ujjivan’s Gross Loan Book stand at ₹6,459.27 crore. Ujjivan SFB currently has over 52 liability taking branches with deposit base of ₹403.7 crore

Ujjivan also runs a robust financial literacy program in collaboration with Parinaam Foundation which is a non-profit organization apart from its community development & disaster relief programs for customers.

Web: www.ujjivan.com; www.ujjivansfb.in Twitter: [@UjjivanSFB](https://twitter.com/UjjivanSFB)

Safe Harbour:

Some of the statements in this document that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

For further information, please contact:

Ujjivan Financial Services	
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