



ANNUAL REPORT
2010 - 2011



Ranked # 1 in Microfinance industry

Ujjivan is among India's top 15 Best Companies to Work for, and ranks # 1 in Microfinance industry

- 2011 Survey by Great Place to Work Institute (India) and The Economic Times

Legal & Regulatory Framework

Ujjivan Financial Services Pvt. Ltd. is registered as a Non Banking Financial Company.

The Company holds a valid Certificate of Registration dated 31-10-2005 issued by the Reserve Bank of India under section 45 1A of the Reserve Bank of India Act, 1934.

However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayments of deposits / discharge of liabilities by the company.

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Letter from Managing Director

"When the tide goes out, we find out who's been swimming without a bathing suit" - Warren Buffet

2010-11: Ironically at the beginning of October 2010 I was invited to FOROMIC, the annual conference of MFIs in Latin America to share the incredible success of Indian MFIs who scaled up in a very short time. Microfinance in Latin America is over 40 years old. Yet, they were astonished at the sheer magnitude of the scale achieved in half a dozen years in India. What was the secret?

No sooner had I returned to India when all hell broke loose in Andhra Pradesh. Fortunately for me, I had also attended the last session of the Summit which shared a report on 'TAKING THE GOOD FROM THE BAD IN MICROFINANCE: LESSONS LEARNED FROM FAILED EXPERIENCES IN LATIN AMERICA'. (Refer <http://www.ujjivan.com/MFI-failures>). I quietly went on to study the Latin American report. This report not only explains the root causes of our crisis but also provides directions for our future. What we are going through now, Latin America has already been through and more importantly, survived.

I do not want to sound like Cassandra but in my letter last year in May 2010, I wrote: *"We expect turbulent times for MFIs in the near future: pressure on interest rate margins; changes in primary sources of funding; and bad press, as some of the poor business practices & governance of some MFIs come to light. As microfinance makes deeper inroads we can expect disruptive reactions from those who have vested interests in maintaining status quo. Under these circumstances building a solid foundation, following sound business & human resource practices and ensuring good governance of our enterprises will be essential for survival and success."*

Since October 2010, it has been crisis management mode.

Our first task was managing our liquidity as bank funding quickly dried up. We prioritized our outflows: operating expenses, debt service requirements and serving our good customers. Meanwhile, there was a concerted search for funds. We are extremely grateful to SIDBI, Developing World Markets and IDBI Bank which provided us fresh funding and stood by us in times of our need. (Refer Funds Management Chapter)

The second task during this period was managing and protecting our portfolio quality from 'collateral' damage despite not having

any exposure in Andhra. We started facing problems in some pockets in two states: Tamil Nadu and West Bengal. Here the problem was mainly that, as excessive MFI competition evaporated, customers who had over borrowed or ring leaders who had committed fraud through 'ghost lending', started to default. We had to work out a branch by branch recovery program. (Refer Credit Performance Chapter)

As the major MFIs began to seriously struggle and with the barrage of negative publicity from the media, it was natural for our staff spread across the country to feel insecure. As a third task it was necessary for proactive communications with honest discussions of the crisis, its impact on us, our plans, and provide reassurance on the security of their jobs.

Finally, as new regulations started dawning on us courtesy the Malegam Committee and the Reserve Bank of India, there was a need for extensive dialogue with the regulators to ensure that the new regulations did not kill the sector as did the ham-handed Andhra Ordinance. Industry associations: MFIN, Sa-Dhan, and AKMI, along with industry leaders did a commendable job in lobbying for pro-sector changes.

All through the crisis we carried on with our Social Development programs at branch level, working with the staff, customers and community (Refer <http://www.ujjivan.com/Social-development>). This, along with our work on disaster relief and the various programs we undertake with Parinaam Foundation (www.parinaam.org): Health Camps, Education Scholarship & Loan Interest Refund, and Sports Days for children, have helped us develop a unique bond with the community where we work. This was a major gap which was evident post-crisis especially in Andhra, where the MFI's relationship with customers and community had degenerated into merely that of another 'money lender'.

It has been a hectic eight months for us and the challenge for Ujjivan was to emerge from the crisis stronger and be ready for a new world. We operated normally as far as possible, during this period, firm with the belief in the work we do and in our mission: providing financial services to the poor to better their lives. Our financial & business results reflect that.

Particulars	Mar-10	Mar-11	Growth 2010-11
Customers	620,624	991,584	60%
Disbursement (Rs. Mn.)	9,319	20,734	122%
Outstanding (Rs. Mn.)	3,700	6,251	69%
Employees	2,830	4,009	42%
Branches	230	351	53%
Repayment Rate	98.96%	98.91%	n/a

Future: Emerge stronger from the crisis and be ready for the brave new world

The RBI regulations announced on May 3rd, 2011 are far better than the original Malegam Committee recommendations. Over the next two years, Ujjivan and the sector need to adapt to the new environment post-shake out from the crisis, Andhra Ordinance/Legislation and the new RBI regulations. The vast population of the poor continues to remain financially un-served or under-served. It is a critical gap in our country which needs to be addressed. This is recognized both nationally and internationally.

The immediate implications are to learn the lessons from this crisis and adapt.

- The new regulations will put a lot of pressure on our margins and profitability. Hence the need to bring our operational expenses down significantly. We have initiated a major project to rationalize our branch structure and increase the efficiencies of our field staff. We should see significant improvement in our Operating Expense Ratio by year-end.
- Second, the industry suffers from customer dropout rates of 20-25% per annum which is a serious setback from both, the viability and mission perspectives. We have researched and identified the reasons for high dropouts and instituted changes to cut the rate to acceptable levels of around 10%.
- The days of easy money for the sector are over. Traditional sources like banks and private equity investors are having second thoughts. Funding, both debt and capital, will need a serious rethink and specialized effort. The problem is compounded as 'Customer Security Deposit' as an additional source is now closed.
- Customer suicides resulting from over indebtedness and coercive collection practices were the biggest reasons for the debacle of the sector. This is an area that needs to be urgently addressed if we are to survive. First, the 'joint liability group

(JLG) system' which creates enormous social pressure especially in the higher loan cycles needs to be phased out. This is a lesson not only from India but also the world over including Bangladesh, which removed this over a decade ago. We have already started work in changing our methodology and phasing out the JLG system. In addition we are revising our staff incentive structure. We are also working very closely with MFIN (Microfinance Institutions Network) in sharing customer data through the credit bureaus. This however, will take a couple of years to be effective. The problem of over indebtedness of customers or over extension of credit by MFIs needs to be jointly tackled by the customer and ourselves. We have introduced a major financial literacy program for customers to manage their debt. Even though it is being very well received, the impact of this training will be in the long term.

- The Social Development Program, disaster relief and the various programs we undertake jointly with Parinaam Foundation will need to be strengthened to build on our connection with the customer and community. This is the core of our mission to help customers build a better life.
- Finally, additional business channels need to be developed which will allow us to serve our customers outside the purview of regulations. The Individual Lending Business is one such major initiative we are undertaking to build over the next few years.

In the long run, it is important to remain within the ambit of our mission to provide financial services to the poor. Microfinance can only succeed if it becomes a full service provider to this segment. MFIs have to become self-funded through their customer deposits. In countries with a more advanced microfinance sector such as in Asia and Latin America, that is the direction it has evolved. The setting up of NBFC-MFI as a separate category by RBI, and the announcement by the Ministry of Finance in the last budget for separate banking licenses which focus on financial inclusion, are clear pointers. The path is littered with obstacles but the long term direction is clear.



Samit Ghosh
May 16, 2011



Company Profile

Ujjivan is a Microfinance Institution serving the economically active poor in urban and semi-urban areas. It is a Non Banking Financial Company holding a valid Certificate of Registration dated 31-10-2005 issued by the Reserve Bank of India. Ujjivan has its headquarters in Bangalore, with regional offices in New Delhi, Kolkata & Pune. It has 351 branches in twenty states and union territories across India.

Mission:

Provide financial services to the economically active poor, to help alleviate poverty

Goals:

- Provide full range of financial services required by the customers
- Build an institution which is best in class in all aspects: customer service, innovation, efficiency, work place engagement, leadership, governance and reputation
- Operate a viable business to provide satisfactory returns for investors
- Provide professionally rewarding careers to employees and, attract and retain quality talent
- Holistically approach poverty reduction, in partnership with Parinaam Foundation, through social welfare; healthcare, education, vocational training, community development, shelter, and disaster relief, to enable customers lead a "better life".

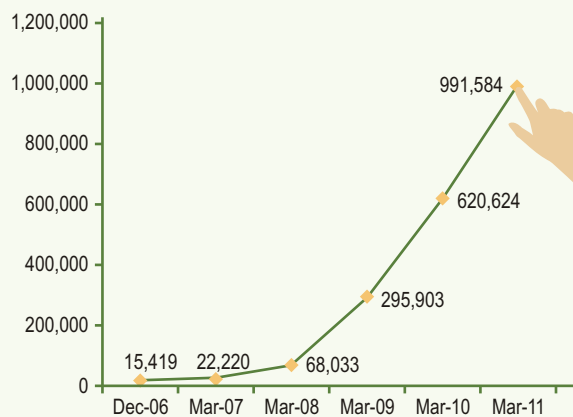
We provide a range of financial products and services to cover our customers' needs. It combines the unique Grameen Bank methodology of selecting, training, selling & servicing customers in the front end with that of technology, process & disciplines of modern retail banking in the back end.

Ujjivan has had an excellent growth phase in the past few years with customer outreach of 991,584 and a cumulative disbursement of Rs.20734 million as on 31st March 2011. It has 4009 employees across the country.

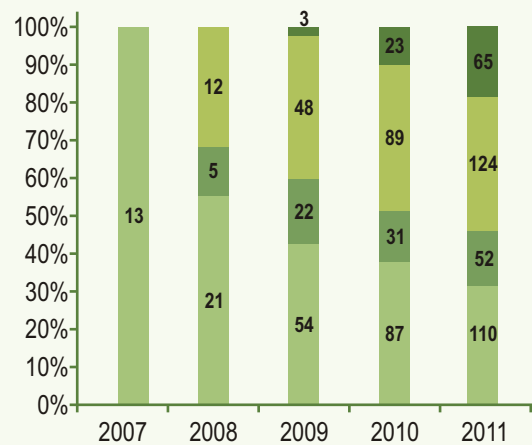
Loan Disbursement Growth



Customer Growth



Regional Branch Expansion

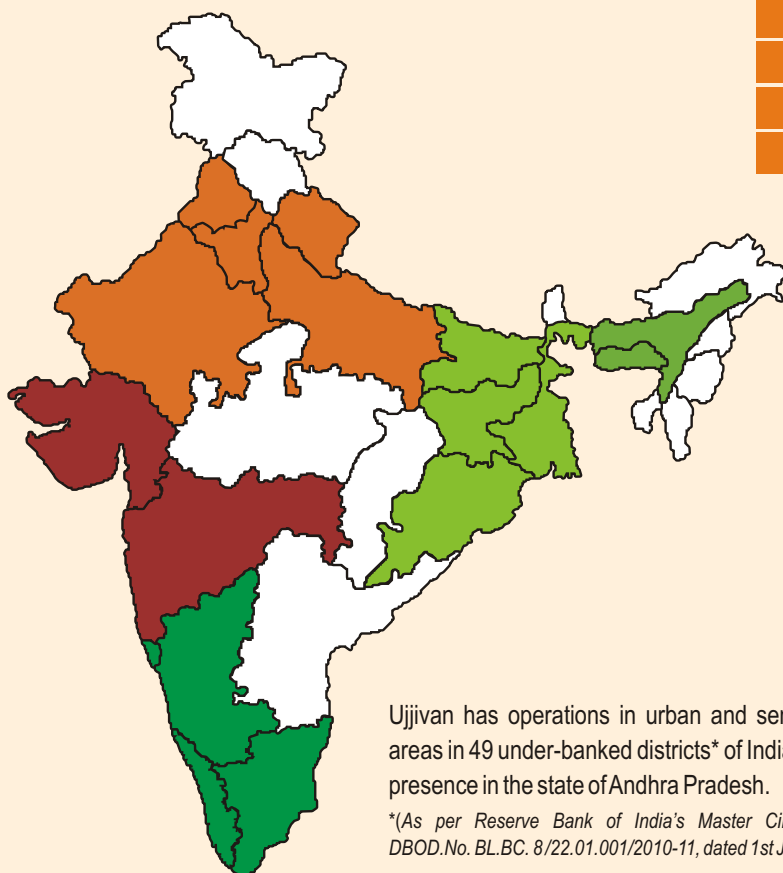


South East North West



Ujjivan

Geographical Outreach



Number of States	20
Number of Branches	351
Number of Customers	991,584
Amount of Loans Disbursed	Rs.20734 Million

North

Chandigarh
New Delhi
Haryana
Punjab
Rajasthan
Uttarakhand
Uttar Pradesh

East

Assam
Bihar
Jharkhand
Meghalaya
Orissa
West Bengal

West

Maharashtra
Gujarat

South

Karnataka
Kerala
Tamil Nadu
Goa
Puducherry

Region	No. of States/UTs	Branches	Customers	Amount of Loans Disbursed
South	5	110	306,480	Rs. 8541 Million
East	6	124	367,047	Rs. 7121 Million
North	7	69	182,872	Rs. 3291 Million
West	2	48	135,185	Rs. 1780 Million

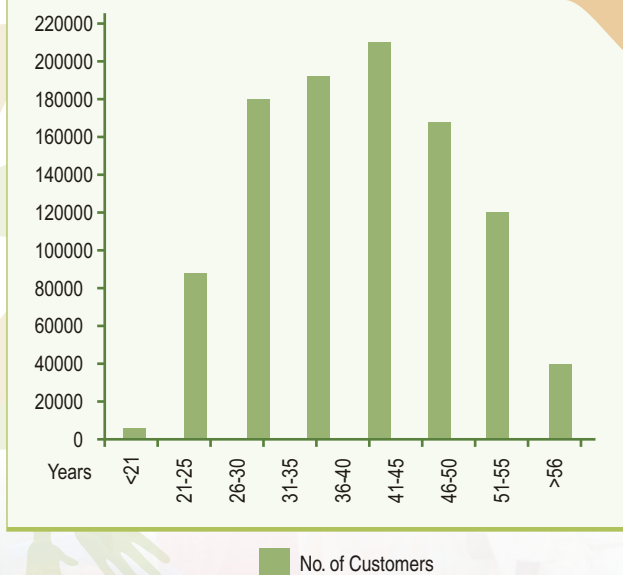
Our Customers

Ujjivan's customers are industrious, hard-working women from India's urban and semi-urban areas. They hold a variety of occupations, often owning small shops and tailoring businesses or are employed as housemaids or as piece rate workers in factories.

Some top occupations of Ujjivan customers

- Cloth Sellers
- Factory workers
- Flowers/vegetables vendors
- House Maids
- Milk Suppliers
- Petty traders
- Shopkeepers
- Tailors

Customer breakdown by age



Region-wise customer breakdown by occupation



Key Milestones

2010

April	First Branch opened in North East India, in Guwahati (Assam)
	First Branch opened in Meghalaya

May	100 Branches in Eastern Region
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June	Eastern Region first to serve over 300,000 customers
	100000 families served in Northern Region
	Service Champion Program launched

July	300th Branch in Sikandrabad (Uttar Pradesh)
	First NCD issue listed on BSE (Bombay Stock Exchange)
	Over 750000 customers served across India

August	Social Development Program launched
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September	Becomes MFI with largest branch network in Delhi/NCR
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October	Wins Srijan MFI Transparency Award in Established MFI category
	100000 families served in the Western Region

November	First Branch opened in Goa
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December	Wins Gold Award for Social Performance Reporting on MIX Market
	350th Branch in Guruvayoor (Kerala)
	Crosses 4000 employees

2011

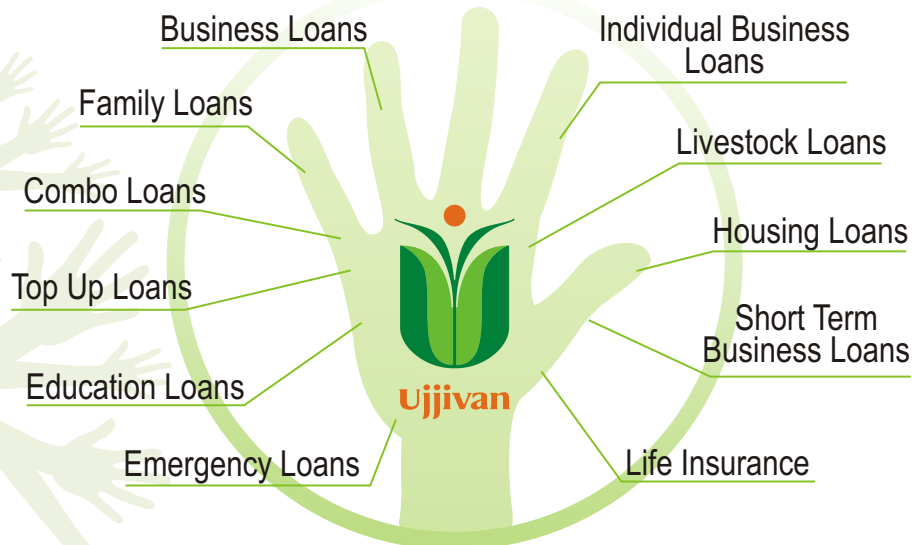
January	Ujjivan serves 900,000 customers
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February	Becomes largest MFI in Mumbai – over 50,000 families served
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March	Samit Ghosh invited to be on Board of Women's World Banking
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Products & Services

Ujjivan provides a basket of customised products to meet a wide range of customer needs. Products are continually designed and developed to enable families to build assets, generate income, protect themselves from sudden variations in their cash flow and to help them become self-reliant.



Core Products

Business Loan	Family Loan	Combo Loan
Helps self-employed women finance diverse business needs such as working capital, capital equipment expenditure, vocational training, repayment of high-cost debt etc.	Allows low-income women to finance a range of family needs such as children's school expenses, medical care, house repairs, social and religious obligations, buying consumer durables, and the repayment of high-cost debt previously taken for family needs	Many women need money for both family and business needs. This loan provides flexibility to the customer and is used for both family and business purposes
Loan Amount : Rs.5000 – Rs.10000 (first loan cycle) Interest Rate : 26% p.a. declining (1.22% flat monthly) Tenure : 12 months/ 48 weeks Processing fees : 1% of loan amount		

Value-Added Products

Business Top-up Loan

Many women need additional money during the year to cater to tide over sudden lows in business cash flow. This loan allows customers access to additional financing over and above their initial loan and is given based on a satisfactory credit history.

- Loan Amount: Rs.3000 – Rs.6000
- Interest Rate: 26% p.a. declining (1.22% flat monthly)
- Tenure: 12 months/ 48 weeks
- Processing Fee: 1% of loan amount

Emergency Loan

This loan is designed to meet the unforeseen emergency requirements of customers and is disbursed within 24 hours of request

- Loan Amount: Rs.2000
- Interest Rate: 25% p.a. declining (1.17% flat monthly)
- Tenure: 6 months/ 24 weeks
- Processing fee: None

Education Loan

This has been designed to finance the education expenses (admissions fees, text books, uniforms etc.) of children studying between Kindergarten and Class 12

- Loan Amount: Rs.3000 – Rs.10000
- Interest Rate: 23% p.a. declining (1.07% flat monthly)
- Tenure: 12 months/ 48 weeks
- Processing fee: 1% of the loan amount

Individual Loan Products

Individual Business Loan (IBL)

This is a popular individual loan, which gives men and women business owners access to finances for capital expansion and asset improvement of their businesses.

- Loan Amount: Rs.21000 - Rs.100000
- Interest Rate: 28% p.a. declining
- Tenure: 12 months

Housing Loan

This gives women financial access to pay for rental deposits, lease amounts, or for home improvements

- Loan Amount: Rs.10000 – Rs.75000
- Interest Rate: 24% p.a. declining
- Tenure: 6 – 24 months
- Security Deposit: 10% of loan amount

Short-term Business Loan

Specially designed with seasonal businesses in mind, this loan provides finances for special short term needs of self employed customers, based on their business cycles and cash flow requirements i.e. Sari sellers (peak festive season), Silk reeling (post-monsoon period) etc.

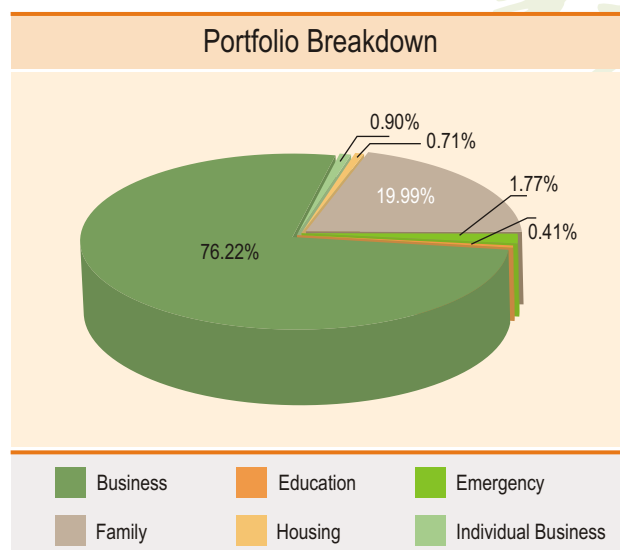
- Loan Amount: Rs.10000 – Rs.30000
- Interest Rate: 28% p.a. declining
- Tenure: 3 – 8 months

Livestock Loan

This loan facilitates income enhancement by providing capital to livestock breeders for purchasing additional cattle.

- Loan Amount: Rs.15000 - Rs.35000 (first loan cycle)
- Interest Rate: 25% p.a. declining
- Tenure: 18 - 24 months
- Security Deposit: 10% of loan amount

[Processing fee: 2% of loan amount for all individual loans]



Life Insurance

Ujjivan offers customers a mandatory life insurance cover while spouse cover is optional. We partnered with ICICI Prudential and later with Bajaj Allianz Life Insurance to offer a Group Term Life (GTL) Insurance policy. This policy provides a sum assured value of Rs.30000 in case of natural or accidental death.

We also have a Funeral Advance facility with the objective of providing financial assistance to the bereaved family at the time of death. Under this program, Ujjivan provides Rs.2000 in cash to the nominee or family member within 24 hours of death of an insured

member (customer or spouse). Ujjivan provides this financial assistance as an advance from the claim amount receivable from the insurance company.

During 2010-11, Ujjivan covered 791,519 customers and 380,066 spouses. Ujjivan has settled 1204 death claims of customers and 564 death claims of spouses across all regions. The mortality rate is 0.12 % for the last financial year. We disbursed a claim amount of Rs.42.01 Million among nominees and family members, provided Rs.569,400 as funeral advance and recovered loans of Rs.7.55 Million.

Number of Lives Covered			
Region	Customers	Spouse	Total
North	100,276	143,658	243,934
East	292,914	167,699	460,613
West	124,218	8,215	132,433
South	274,111	60,494	334,605
All India	791,519	380,066	1,171,585

Particulars	All India
Number of customer claims settled	1204
Number of spouse claims settled	564
Amount disbursed among nominees (Rs.)	42,019,471
Loan amount adjusted from the claim (Rs.)	7,549,529
Number of customer families benefitted by Funeral Advance	381
Total amount given as funeral advance (Rs.)	569,400
Mortality rate	0.12%

Service Champion



Roshan Mascarenhas
Parinaam Foundation
Bangalore

In Pratap Rudrapur, a small town 18 kilometres from Ujjivan's Phulnakhara Branch in Orissa, four houses were burnt to ashes in a fire. Two of the homes belonged to Ujjivan's clients, who lost everything from basic essentials like food and clothes to all their life's savings. Morale was extremely low among the affected families. One husband could not even bring himself to go back to work despite the support and care the people in the locality.

Ujjivan staff instinctively went to their aid and brought the incident to the notice of Parinaam Foundation. Roshan, in Parinaam Foundation's Bangalore office, took up this aid project with a great sense of determination. He arranged for monetary donations, and managed logistics, organizing collections of clothes and other basic necessities. Coordinating with the Ujjivan staff and Parinaam's Field Coordinator, he undertook painstaking research to ensure that the right livelihood training was provided to these families.

At every step, Roshan continually motivated and counselled Ujjivan's and Parinaam staff in Orissa in decision-making on ground. He also arranged for a loan from "Habitat for Humanity" to help rebuild the homes of those affected and monitored the right utilization of the grant by customers and their families. When Roshan learned that the houses did not have access to electricity, he even arranged for solar lamps to be distributed to all the four affected families.

Urban Customer Profile: Delhi

Meenu Patel

Tailor cum Beautician

Childhood

Born in the small town of Kharagpur (West Bengal), Meenu was the third of five children in the family. Her father ran a petty shop business and her mother was a house wife devoting most of her time in raising Meenu and her siblings. All the children were educated at a government school nearby.

Life was not easy for Meenu and her family. Her father started incurring losses in his business, which finally led them to taking a decision to move to Delhi, where the opportunities seemed more promising. Meenu, as a result, had to drop out of her school after class IX when the family shifted.

On moving to Delhi, Meenu, the self determined girl that she was, decided to take up vocational training in stitching and a beautician course, with the hope of contributing to her family's pool of income. Staying at her uncle's place in Najafgarh (who agreed to support her in endeavour), she not only finished her vocational training but later also joined a well known boutique cum beauty parlour in the neighbourhood. She drew a monthly salary of Rs.2000.

In 1998, at the age of 19, Meenu was married off to Ajay Patel, and she quit her job to take over her marital responsibilities. Her husband was involved in the family business of tentage (renting out Tent houses, shamiyanas for various public and private festive occasions).

Adulthood

After her marriage, Meenu moved to her in-laws' house in Nangloi (Delhi). They lived in a joint family along with Ajay's brother, brother's wife and their children. While the tent business did generate income, it was not enough to meet all the familial requirements especially after Meenu and her husband decided to start a family and have children. One major drawback of the trade was that it was seasonal, and only after long spells of joblessness were they able to get good business.

Meenu used her stitching skills to make ends meet during the long spells of her husband's unemployment. She would stitch maxi skirts and her husband would go out to sell them. However, even after the honest effort put in, the couple could barely get by. Meenu says that at that time they could have expanded their maxi business by getting more raw materials, but unfortunately they

never had enough surpluses to re-invest. Life seemed bleak with no hope for the future.



New opportunities knocked at her door when she was able to receive a sum of Rs.8000 from Ujjivan in 2008. She used the loan amount to purchase creams to kick start her business as a beautician, while her husband experimented with opening an electronics shop in Nangloi.

Subsequently, Meenu was able to judiciously utilise her loan amount to expand her beautician business, get material for stitching shirts at home and also invest in her husband's electronics shop. Like all businesses in the nascent stage, Meenu had to run from pillar to post to get women to try out her beauty products and services. Meenu did not have any shop to run her beauty parlour business. She had visits from customers from the nearby locality and catered to them at home.

Slowly and steadily her business started picking up pace. Using the income from her beauty parlour business and stitching contracts, she was able to buy expensive creams which resulted in her getting visits from customers from posh localities, which translated into getting more money for the service she provided. At the other end, her husband's business also expanded and his electronics shop (now relocated at Noida) began to flourish.

Current Situation

Meenu still lives with her husband and her two children in the same house that she moved into 11 years ago after her marriage. She still shares her life with her in-laws like she used to, and while some things remain unchanged her living standards have definitely improved. Today, her husband is able to earn Rs.8000 to 9000 per month. She herself is able to earn around Rs. 4000 per month. Together, they are able to save Rs.7000 after meeting all the

monthly household expenses which includes the education costs of both their children at a Government School.

Education of Children

Both of Meenu's children are enrolled at a Government School nearby. Saurabh, her 14-year old son is in Class 9 and plans to study further and take up a good job like both his maternal uncles. Sukanya, Meenu's 8-year old daughter, on the other hand, is studying in Class 4 at the same school.

Meenu plans to invest - when they have more money to spare - in plans that would mature in time to fund her children's education in future.

Asset Ownership

Meenu and her husband were able to save and generate enough surplus over the years to buy some consumer durable goods. Currently Meenu has a refrigerator, TV, Computer (for her son's use), sewing machine (for the clothes she stitches on a contract basis) and a water purifier. She has purchased all these items in instalments. The fridge not only helps her store food but also the creams that she uses for facial massage. This also helps save up a lot of her money, due to better preservation of the creams and prevention of unnecessary wastage.

Levels of Indebtedness, Savings and Insurance

Meenu claims that she has taken only one loan, which is from Ujjivan. Besides this they do not have any other debt. She has,

Principal	Rs.16000
Purpose	To invest in business
Source	Ujjivan
Duration of the loan	12 months
Interest rate per month	1.07%
Frequency, Amount of Repayment	Rs. 1498/- per month

however invested her savings in 2 local cooperative societies in her neighbourhood.

She has also managed to open a savings account with the Punjab National Bank. In future she aspires to be able to generate enough income, so as to be able to take medical insurance.

Overall Socio-economic Well-being

According to Meenu, life has never been better. She feels that her "Ujjivan connection" has brought happiness and prosperity in her life not just in terms of the much needed financial support, but also in terms of good luck. She considers Ujjivan's loan "Lakshmi" incarnate (Goddess of Wealth), because she has always received positive returns from where ever she has invested the money.

In future, she would like to take an individual loan of higher amount. She aspires to use this in setting up her own boutique cum parlour and also use a part of it in her husband's business, who wants to open a shop selling sunglasses in the summers, in addition to his electronics shop.

Service Champion



Tasneem Patel
Mumbai

A massive fire at Mankhurd Baiganwadi Transit Camp (in Mumbai) due to a stove explosion, burned down more than 26 houses in the locality. Luckily there were no casualties, but one of our customers, Tabassum and her family lost their home and a major portion of their belongings.

Ujjivan's Customer Relationship Staff, Tasneem Patel, upon learning of the incident rushed to the spot to offer help to Tabassum, who was her client. Upon seeing their plight, Tasneem made sure that Tabassum and her family received food packets and other items being distributed by the NGOs. Tasneem, immediately, with the help of her supervisor Neeraj Tripathi, organised a donation aid drive amongst her branch staff.

She personally took responsibility of collections and the logistics of arranging items such as utensils, blankets, and groceries for Tabassum and her family. Despite her busy schedule, Tasneem visited the customer regularly providing her moral support and enquiring if there were other requirements with which she or Ujjivan could help. Tabassum and family are now well settled.

Awards & Recognition

Srijan MFI Transparency Award

In October, Ujjivan won the Srijan MFI Transparency Award 2010 in the Established MFI category from among a host of other large MFIs from around the country.

Transparency of intent and operations continues to be one of the major concerns in the microfinance sector. The Srijan 2010 MFI Transparency Award, instituted by Intelicap recognizes MFIs which have initiatives and practices that enable them to be transparent and eventually be fairer to their clients.

The award jury comprising eminent industry experts from banking and investment, evaluated MFIs on criteria, which included, transparency in pricing and product design, financial literacy initiatives promoting transparency with clients, effectiveness of communication & reporting mechanisms, and Organizational systems & innovative practices that promote transparency

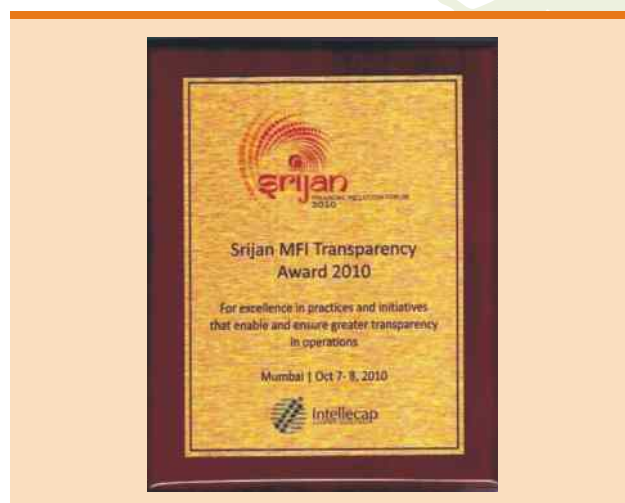
This Award serves as an important recognition of Ujjivan's efforts and practices to ensure maximum transparency in our operations and implementation of RBI's Fair Practices Code for all microfinance stakeholders especially the customers.

Gold Award Social Performance Reporting

In December 2010, for the second consecutive year, we were awarded the Gold Award for Social Performance Reporting on MIX Market. The award is sponsored by CGAP (Consultative Group to Assist the Poor), Michael & Susan Dell Foundation (MSDF), Ford Foundation and Social Performance Task Force (SPTF). The award recognizes microfinance providers who provide reports on a set of social performance indicators, that were developed through a process involving global industry leaders and led by SPTF. This award is of special significance as it reaffirms that Ujjivan has stayed true to the mission to bring people out of poverty, even as the organization scaled up to reach nearly a million customers across twenty states in India.

Certificate of Recognition from Microfinance Transparency

Ujjivan was awarded a Certificate of Recognition for being a global industry pioneer by participating in the India Transparency Pricing Initiative program organised by Microfinance Transparency (www.mftransparency.org). The organisation promotes the integrity of microfinance as a poverty alleviation practice and promotes the welfare of poor micro-entrepreneurs.



Credit Performance

Ujjivan's portfolio quality held up well in 2010-11 in the context of the crisis facing the microfinance industry in Andhra Pradesh (AP). At the end of March 2011, portfolio at risk (PAR) was 1.54% (1.03% was more than 30 days overdue) and cumulative repayment rate averaged 98.91% (Table 1 and Chart 1). Overall, the impact of the AP crisis on Ujjivan's credit performance has been muted. Credit policies were proactively tightened in the form of strict outside borrowing norms, and lower loan and credit exposure limits in

Table 1: Ujjivan Portfolio Performance at a glance

PAR over 30 days as of 31/03/11	1.03%
Average Cumulative repayment rate	98.91%
Credit write-off for the year	Rs. 7.4 Million
Net Credit provision for the year	Rs. 37.9 Million
Credit recoveries for the year	Rs. 1.2 Million

select states where multiple borrowing was seen as a concern. In the past one year, Ujjivan has also taken measures to diversify the portfolio – the West and North regions together account for nearly a third of the total portfolio now (Chart 2).

The impact of excessive MFI lending was felt in certain areas across the country. Over-indebted customers who were “revolving” their loans faced a serious cash crunch as the number of active MFIs dwindled in the wake of the crisis in the industry.

PAR grew rapidly in the southern districts of West Bengal, north Tamil Nadu, and select pockets in Odisha (formerly Orissa) and Jharkhand. However, these trends have largely stabilized over the last two months as branch management and field credit review processes were strengthened in late 2010. Ujjivan has continued to lend to existing customers in these affected areas who demonstrated strong credit discipline and have been a good example for others in their groups/centres. In addition, a targeted rescheduling program has been launched to help needy customers overcome temporary financial setbacks. Steady focus on collections and strengthening customer relationships in erstwhile “mass default” branches in South Karnataka led to significant improvement in overall portfolio at risk at these branches (Table 2).

With support from Parinaam Foundation, Ujjivan's investments in local communities through social development programs, financial literacy programs/videos, health camps, sports days and interest waivers on education loans have helped it distinguish itself in the minds of the customer contributing to successful collection efforts.

Table 2: Credit write-offs and recoveries in “mass default” South Karnataka branches

Write-off (2009)	Rs. 13.8 Million
Cumulative Recoveries	Rs. 3 Million

Chart 1: Trend in Ujjivan's Portfolio at Risk

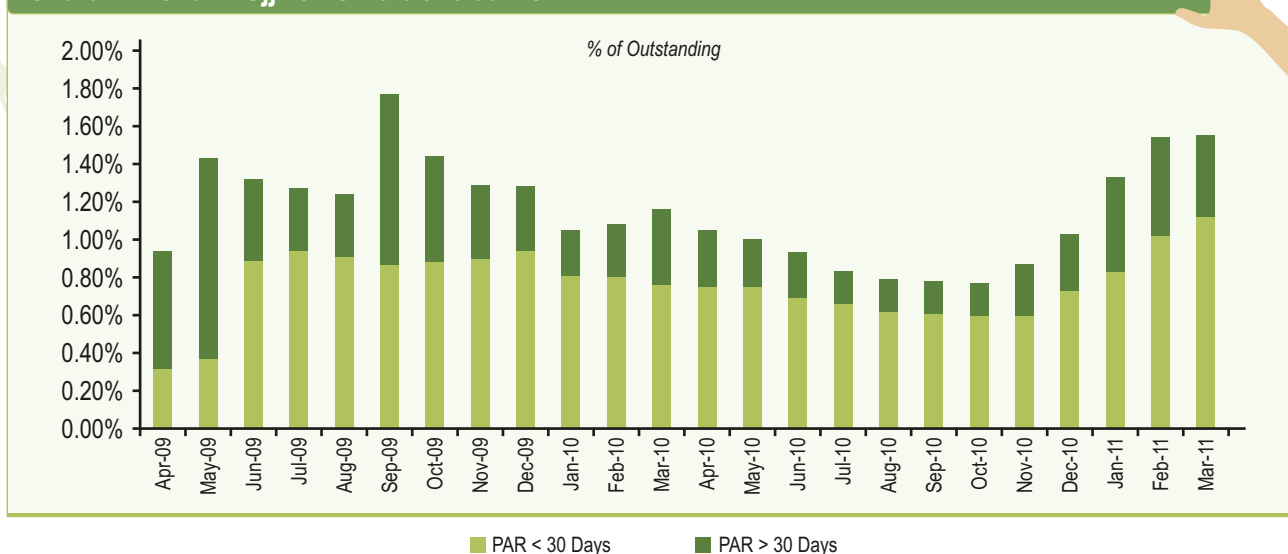
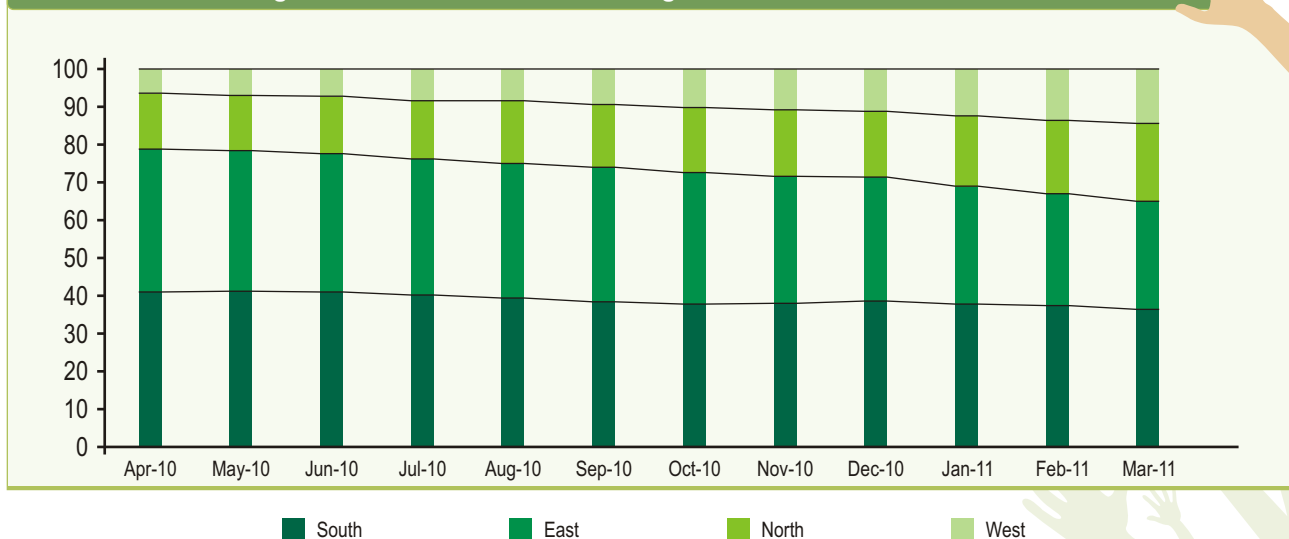


Chart 2: Outstanding Loan Portfolio Mix Across Regions



The credit evaluation process includes an independent review of applications and a back-end credit check. Going forward, this process will be supplemented with a credit bureau check. Ujjivan is now a member of both Highmark and CIBIL. A pilot with three branches is currently underway in partnership with Highmark. This is expected to ramp up to cover all branches by the end of 2011. In addition, steps have been initiated to strengthen back-end data infrastructure, credit monitoring processes and analytical frameworks to detect trends in branch credit performance and initiate timely corrective action.

Credit write-offs during the year amounted to Rs. 7.4 Million. This includes accounts involving customers who are dead, absconding, facing serious financial hardships, or where all collection efforts have been exhausted. All write-off decisions are supported by comprehensive documentation of collection efforts by branch management and supervisors, and independently vetted by credit and vigilance resources. The vast majority of these loans are overdue by more than 180 days. Ujjivan follows provisioning norms that are conservative relative to current

regulatory requirements. Our provisioning norms approved by the board for the financial year 2011-12 will continue to be in line with or more conservative than those proposed by the Malegam committee on the MFI sector (Table 3).

Table 3: Ujjivan's Provisioning Norms for FY 2010-11

Overdues	Ujjivan Norms
Current	0.25%
1-7 Days	0.25%
8-30 Days	5%
31-60 Days	20%
61-90 Days	50%
91-180 Days	80%
180+ Days	100%
Reschedule	50%
Provision as of March 2011	Rs. 56.5 Million (0.90%)



Financial Literacy Program

There were several underlying reasons for the crisis in the microfinance sector; however, over-borrowing by customers and over-lending by MFIs have been at the base of the problem. This led to defaults on loans and some instances of coercive collection practices by some MFIs. The problem of over indebtedness of customers or over extension of credit by MFIs can only be resolved jointly by the customers and us (MFIs). That is why we have introduced **Sankalp & Diksha, a Financial Literacy Program on Debt Management**.

This would help customers avoid financial distress arising from excessive borrowing and sub-lending, and train them to manage debt prudently based on their financial capacity.

The Program targets the following issues:

- a) Excessive Borrowing – Individuals occasionally falls into the trap of borrowing more than their capacity to repay.
- b) Sub/Ghost Lending – A malpractice whereby loans are taken in the name of a customer but utilised by another individual. The customers in whose name the loans are taken, are usually given commission for identity. In many cases, the person receiving funds, abandon the borrowers leaving them in the lurch. The applicant customers who are responsible do not have the funds to repay and faces the repercussions of being defaulter.
- c) Impact of the Credit Bureau – With the advent of Credit Bureau, the customers need to be careful that their credit record remains blemished in order to access loans in the future in favourable terms.

The financial literacy program is being executed in two stages:

a) Stage 1: Awareness Creation: Sankalp

The first part of the program is the screening of a 30-minute dramatized film (Sankalp) of two MFI customers who fall into the trap of excessive borrowing & ghost lending, and have to

face the consequent dangers. This film is to create awareness of the problem among our million plus customers across the country and is available in 12 Indian languages. The film is screened at customer centre meetings, customer functions and even on local cable TV. We are also making this film freely available to any organisation that wants to use it for financial literacy.

b) Stage 2: Training on Financial Literacy through five modules: Diksha

To make a lasting impact on financial management, a follow-up training program will be conducted on a voluntary basis for customers. This is a customer training program developed by Parinaam Foundation, based on their needs.

The Key areas covered through five training modules, include:

- a) Importance of understanding & managing the family's cash flows.
- b) Basic numeric skills.
- c) Budgeting & planning for expenses
- d) The importance of saving, ways to save and where to save
- e) Pro & cons of different types of loans
- f) Dangers of ghost lending and excessive borrowing
- g) Credit bureau, its functions, and its impact on the customer

A training kit which includes, manuals, calculators, financial diaries and role playing games, is used as part of the training program.

This financial literacy initiative is supported by Unitus and Lok Capital.

Service Quality

“Managing Service Quality is managing the business”

– Dr. Armand Feigenbaum

Ujjivan has grown rapidly in its first 5 years of operations in terms of customer acquisition and outreach into various regions of the country. The large customer base presents us an opportunity to differentiate on the basis of our customer service and the connect with our customers. As Industry heats up with high competition and Andhra crisis-led turbulent situations, Ujjivan's initiatives to differentiate through excellent customer service shall be the key to retaining valued customers. The microfinance industry is a people-centric operation where the behaviour and service focus of frontline workers are critical factors in customer satisfaction. Our service quality program is well positioned to further develop our relationship with the customers into a deep and meaningful one.

The Service Quality Program is part of our mature business management strategy. We have introduced new and innovative programs for deepening our customer connect. With replicable processes and a nationwide presence, our service quality programs have already started showing great impact.

Overview

The Webster's Dictionary defines Quality as the “degree of excellence” that can be achieved while Service is defined as “work done by one person or group that benefits another”. The responsibility of quality is not the sole preserve of the quality professional, but of all. Hence, we at Ujjivan cultivate a Total Quality Management environment where the approach is centred on quality through active participation of all members.

Service Quality Tri-components

The focus of Service Quality is on three key dimensions: Customer Service, Process Improvements, and Industry Compliances.

Customer Service

- Customer Care Representatives at Branches
- Help Desk at Regional Offices
- Dedicated Grievance Redressal contact number
- Financial Literacy Program
- Rewarding Staff for outstanding Customer Service

Process Improvements

- Departmental service goal setting and monitoring service metrics
- Employee and Customer Satisfaction Surveys
- Process Improvement Projects
- Soft skills Training
- Training on Quality and Service related activities

Compliance and Industry Regulations

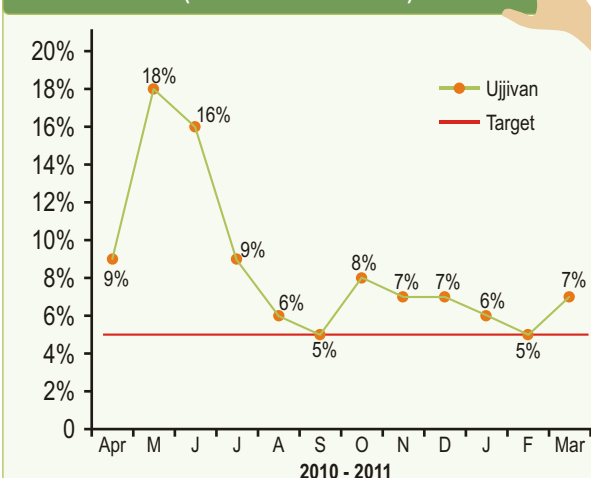
- Grievance Redressal Mechanisms as per RBI regulations
- Smart Campaign Client Protection Principles
- Sa-dhan and MFIN Code of Conduct

Service Quality Programs

Customer Care

As Ujjivan expands in a variety of regions the need of the hour is to maintain high levels of efficiency in customer service and ensure retention through customer loyalty. The Customer Care Representative (CCR) initiative is one that provides a single point contact for the customer at the branch for query resolution and grievance redressal. Furthermore, the CCR conducts quality checks to ensure that credit documentation related errors are brought down to minimum at the branch level leading to a lower 'loan turnaround time'. Average credit error rate for branches with a CCR dropped from 18% to 5% over a period of a year. One of the major achievements of CCR project was a streamlined exit

Credit Error Rate (at Branches with CCR)

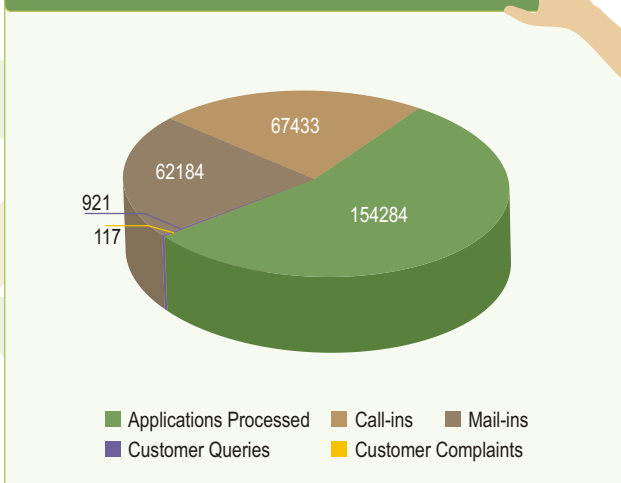


interview process for our customers in order to get their feedback on reasons for dropping out and pain points. These feedbacks resulted in a few major changes in our lending practices and field processes such as increasing group size, reducing centre meeting frequency and revising joint liability model. Currently there are 85 CCRs working in mature branches.

Customer and Staff Helpdesk

Branch staff were receiving operational issue queries from customers on a very frequent and regular basis. These were in turn forwarded to Operations personnel, thus placing a huge burden on their time and impacting efficiency. A national toll-free telephone number was set up and a Help Desk instituted to ensure that all such queries would be tracked, resolved and if required, escalated on a timely basis. Each region has a dedicated Help Desk and services both, internal and external customers. It currently addresses Operational/ Credit/ Admin/ IT queries and complaints, through telephonic and written communication.

Help Desk Performance Snapshot 2010-11



Reward & Recognition Program

We often hear stories of outstanding service provided by employees well beyond the call of duty. This service mindset forms the core of Ujjivan's mission. To recognize all such employees and celebrate their exceptional act of service, we have instituted a Service Champion award. This is given to an employee who has provided exceptional service to a customer or her family.

Nominations for the award are provided by the immediate supervisor or a colleague, which are validated by the regional Chief Operating Officer. A Committee comprising the Head of Service Quality and the Managing Director decide on the awards.

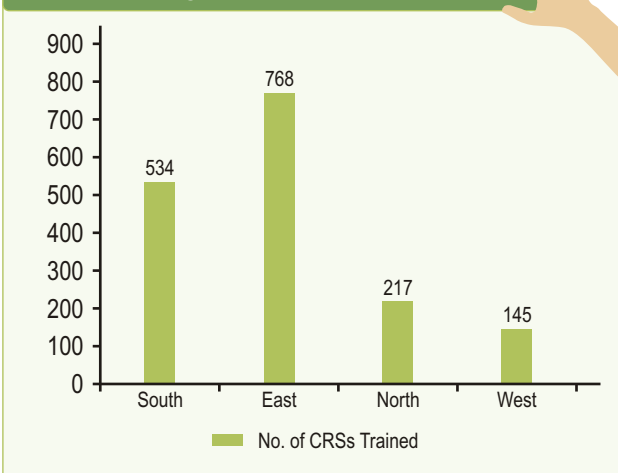
The award consists of a merit certificate, a letter from the Managing Director and a cash gift. The award winners are further given recognition in our monthly newsletters and through individual emails from the National Leadership Team.

Soft Skills Training Program

As we continue to grow, our Customer Relationship Staff (CRSs) need to manage more and more customers. They face a variety of new challenges in handling difficult situations as customers mature and their expectations/demands become more complex. This developing trend necessitates an upgrade of skills to enable our CRSs to address these customer issues and provide better service.

Soft Skills training has been imparted to all CRSs across all regions. This also forms part of the basic level training program module for all new field employees. The Service Quality and Human Resource departments have jointly implemented this program in 113 batches across regions.

Soft Skills Training for Customer Relationship Staff



Grievance Redressal Policy

Prompt and efficient Customer Service is the key to success of any service organization. Any thriving organization experiences some instances of complaint that arise. The policy aims to define the process that allows us to deal with all such matters.

Ujjivan has appointed Customer Care Representatives (CCR) at high volume branches, and customers who have any complaints regarding branch staff can approach the CCR for resolution of the complaint. If the customer is not satisfied with the solution or in case of delay, she can escalate the issue to the Grievance Redressal Officer. The Regional Service Quality Manager acts as

a Grievance Redressal Officer. Ujjivan's Grievance Redressal Policy is prominently displayed and complaint forms available at all branches.

'Smart Campaign' – a global initiative on Client Protection in microfinance

Ujjivan recognizes the need for proactively adopting best practices with regard to client protection. We are the only Indian MFI last year, on the steering committee of 'Smart Campaign' – a global initiative on Client Protection in microfinance. The Smart Campaign has been endorsed by microfinance institutions, donors and networks the world over and emphasizes client protection through the following 6 principles:

- Avoidance of over-indebtedness
- Transparent & Responsible Pricing
- Appropriate Collection Practices
- Ethical staff behavior
- Mechanism for grievance redressal
- Privacy of client data

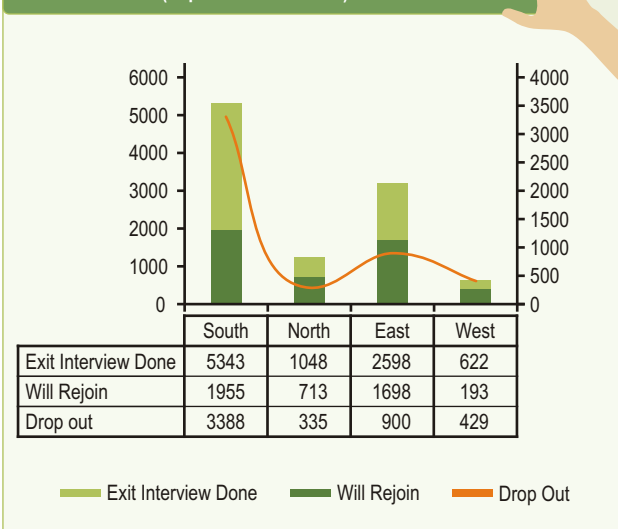
Amongst the Smart Assessments undertaken world over, Ujjivan is the first MFI to have undergone an in-depth Client Protection Assessment under the SIDBI and the Smart Campaign Partnership Project in India on Responsible Financing. We scored highly across the parameters. In the current market environment where there is severe criticism of MFIs in public media, it was especially heartening to receive high scores on parameters of 'ethical staff behaviour' and 'appropriate collection practices'. This is indeed a matter of great pride and satisfaction, for it reasserts that these principles are not just guidelines, but are actually reflected in the actions of each employee.

The Smart Campaign audit has also recognized the following exemplary practices at Ujjivan:

- Compulsory Group Training (CGT) process: Ujjivan communicates the terms and conditions of products and services offered in clear written format to the customer, to ensure greater understanding and clear accountability.
- Establishment of a dedicated Service Quality department: an industry first, whereby departmental processes, functions and personnel responsibilities are exclusively devoted to improving customer satisfaction and query resolution.

These practices will be included in 'Smart Notes' – a repository of best practices on client protection in the microfinance industry.

Exit Interviews (Sep 2010 to Mar 2011)



Funds Management

Ujjivan has one of the most geographically diversified portfolios of any microfinance institution in India. This was a conscious strategy we have followed since inception, in order to mitigate political/social risk as well as to uphold our strategy to bring microfinance services to underserved areas.

We have always maintained a standard of excellence in terms of corporate governance and continually aim to balance our growth and mission. This has ensured minimal impact of the microfinance industry crisis on our operations and business. We are one of the very few MFIs who received funding and managed to maintain a sound liquidity position when the industry as a whole was facing a liquidity crunch.

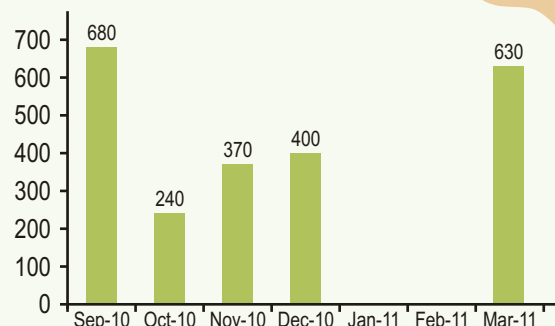
Liquidity Position

Ujjivan followed a prudent cash management policy and aligned its business with a fine balance of caution and continued growth. Ujjivan enjoys the benefit of a positive Asset and Liability Management on account of its receivables tenure being of shorter duration than its repayment (borrowings) tenure. We have also maintained an excellent debt leveraging capacity with a strong capitalization base for the last three years. While other MFIs are leveraged more than 6 to 7 times, Ujjivan has a leverage ratio of approx. 4.5 due to its robust capitalization.

Ujjivan has an impeccable track record of timely repayments and ensures the same for all its debts and obligations. During 2010-11, apart from term funding from various banks and financial institutions, Ujjivan had consciously explored diversification of its funding sources including non-convertible debentures (NCDs), bullet repayment loans, sub debt, loan against guarantee, and securitisation. Some of the transactions were concluded successfully during the year amidst the crisis situation when funding was tight for the entire microfinance sector in India

Ujjivan recorded an impressive performance due to its excellent business growth during the first half of FY 2010-11. Its sound operational strength, quality MIS, strict internal controls and proactive strategies during the crisis, coupled with its stringent credit policies, enabled Ujjivan to provide a high comfort level and impress the bankers and financial institutions. We also attracted new infusions such as NCDs from DWM (Cyprus) and Standard Chartered bank, structured funding from Kotak, and term funding from other banks and Financial Institutions.

Fund Raised in FY 2010-11 (Rs. Millions)



In fact, Ujjivan was one of the select few MFIs to get a fresh debt infusion during the crisis, from September 2010 to March 2011. Apart from other banks and new investors who reposed faith in Ujjivan's sound business management during the crisis period, we were also very well supported by the confidence of SIDBI and IDBI who lent more than Rs.1000 Million at the time.

Ujjivan thus managed a comfortable position till March 2011, achieving a disbursement of Rs.1050 Million in March 2011 with total disbursements in the financial year being Rs.11,411 Million (USD 254 Million).

With most banks continuing to repose trust in Ujjivan's strong credentials and robust operations, new tie ups with Foreign Investors through NCD and other avenues such as securitisation and sub debts, Ujjivan is confident of maintaining its reasonably strong liquidity position in FY 2011-12.

Ujjivan is already in the process of raising Equity Capital to the tune of USD 30 Million. We expect the same to be concluded before the end of this fiscal year. This would further strengthen our capital base, leveraging potential and Capital Adequacy Ratio.

To summarise, Ujjivan has managed the current crisis situation due to its inherent strength of sound business policies, operational controls, prudent strategies and efficient cash management with a clear focus on its mission to continue serving the poor customers. Its differential status in the MFI sector, good governance, and sound policies supported by the Board and Management has clearly distinguished it as an outstanding MFI.

Ujjivan is committed to continue its robust operations and business in line with RBI regulations and guidelines as may be mandated in future with respect to all key parameters such as fees, interest rate structure etc.

Urban Customer Profile: Mumbai

Sharda Vilas Gade

Petty shop owner

CHILDHOOD

Sharda was born in Sion-Koliwada area in Mumbai in 1963. She was living with her parents, three brothers and two sisters. She was the eldest among all her siblings. Sharda's parents owned a coconut and vada-pav (Indian vegetable burger) stall in the same locality. Her parents' business was not running well and they could not cope with the family expenses. Due to this, Sharda quit her education at the age of 12 and started working as a scrap collector. She used to collect all kinds of scrap in the day and sell them in evening, earning Rs.10 - 15 per day. With this, she supported her family and helped her siblings to pursue an education.

Sharda had an arranged marriage with Vilas Gade at a very young age. Her husband worked as a tailor in Baiganwadi area, in Govandi.

ADULTHOOD

After marriage, Sharda moved to Govandi area, where her husband had a job. They lived in a tin roofed house close to where he worked. Soon Sharda gave birth to a baby girl. As her husband did not hold a well-paying job, she felt that she needed to work to make ends meet. She started working at an onion dealer, earning about Rs.50 a day, and using the money for her family expenditure. Sharda's daughter went to a government school nearby.

In the communal riots in Mumbai in 1992, Sharda lost her only brother. Her husband Vilas was diagnosed with tuberculosis and was admitted to a hospital where Sharda incurred serious medical expenses. After the TB diagnosis, Vilas had to quit work and took up a daily wage job in the locality. The family was not able to pay off the hospital expenses and had to take a loan of Rs.25000 at 10% per month interest from a moneylender.

Sharda could no longer rely on her husband for financial support and could not earn enough by working at the onion dealer. So, she decided to start a part time business by running a petty shop at her house, selling chocolates and stationery. Her husband soon passed away due to his illness.



CURRENT SITUATION IN THE HOUSEHOLD

Sharda lives with her daughter and three sons in a small house in Baiganwadi locality. She earns about Rs. 250 a day from her petty shop business. Her elder daughter Anita started a tailoring business in the house and supports her mother with family expenses.

Sharda's elder son Jitender, who passed his Class 12 at a Marathi medium college, works in a glass company in Kurla. He earns Rs. 4500 a month and also goes to an evening college to complete his graduation.

EDUCATION OF CHILDREN

Sharda's other two children, Ritesh and Krishna are studying in Class 8 and 10 at a Marathi medium school. She spends around Rs. 7,000 annually on their education.

ASSET OWNERSHIP

Sharda says she has been able to make enough over the last two years to indulge in some luxuries. She purchased a gas stove and a refrigerator two years ago. She invested some of her surplus into her business and her daughter's tailoring business. Sharda uses the refrigerator to store cold drinks and packaged water bottles for her shop.

LEVELS OF INDEBTEDNESS

After taking a loan from the moneylender at the time of her husband's illness, Sharda says she does not want to borrow more

money from any moneylender to meet her family and business needs. Instead she invests her profits partly into business.

Sharda took a loan of Rs.10000 from Ujjivan in the first year in 2009-10 to invest in her petty shop. Now she has taken a second cycle loan of Rs. 15,000 to invest in her business.

Principal	Rs.15000
Purpose	To invest in business
Source	Ujjivan
Duration of the loan	12 months
Interest rate per month	1.04%
Frequency, Amount of Repayment	Rs. 1404/- per month
Total Current Indebtedness = Rs.15,000/-	

SAVINGS, INSURANCE & HEALTH

Sharda has a bank account in Hindustan Co-operative Bank. When she gets a significant surplus, she invests in jewellery or durables. She keeps some of her money at home for any emergency and generally holds about Rs.800 in these savings at a time.

She has an insurance policy from LIC, a nationalized life insurance company. It is a 4 year old policy and she pays Rs.711 every six months as premium.

Sharda says that she has never had any major health problems so far. For any minor ailments, they go to a local general practitioner for medical advice. Sharda says they would probably access a government hospital in case they needed medical admission and care. But she is very keen to take up a health insurance cover. She is planning it to buy for her whole family by end of this year.

OVERALL SOCIO-ECONOMIC WELL-BEING

Sharda believes she is much better off today than she was some years ago. Not only does she have a good business, her daughter has also begun to contribute to the household's income. Her son is also earning and contributing to meet the family's expenses. Sharda recently expanded her shop to stock more inventories. She is hopeful of the future and rates her current state of well-being as 'good.'

Service Champion



Vikash Saw
Jamshedpur

Tarawati Bhagat was a disciplined customer attending meetings and repaying her instalments on time. Unfortunately life suddenly changed for Tarawati and her family. She was unable to make the repayments to Ujjivan and another couple of MFIs. The field staff from the other MFIs started pressurizing her for repayments and misbehaved with her on various occasions. If this was not enough, Tarawati's neighbours too, started pressurizing her since they were in turn being forced to pay on her behalf.

Due to all this, Tarawati could not bear it anymore and left town with her family. However, one day, she visited Ujjivan's branch office and met with Vikash explaining all the issues. Her daughter had been physically abused and her husband had met with an accident, because of which he could not continue working.

On learning of Tarawati's problems, Vikash visited the locality to persuade the other group members not to compel her for the repayment, explained to them the situation Tarawati was in, and convinced them to support her. Not satisfied with this, Vikash met Tarawati's entire family including her in-laws and her 2 older daughters who were married and living separately, convincing each one of them to support her financially for a few days. Vikash also advised her husband to start working, at least on daily wages, to mitigate the financial distress. Tarawati's neighbours and group members stood by her and supported her during the stressful period. Her husband even started working and slowly but surely, Tarawati's troubles began to dissipate and she began her repayments. She and her neighbours were thankful to Vikash for having helped them during such a trying time.

Ujjivan Team



Samit Ghosh, Chief Executive Officer and Managing Director

Samit has been a banker in India and overseas for over thirty years starting his career with Citibank in 1975 and ending as the CEO of Bank Muscat in India. Samit founded Ujjivan as an urban microfinance institution in 2005. He graduated with an MBA from Wharton School in 1974.



Sanjay Sharma, Chief Operating Officer

Sanjay has worked at leading banks in India and overseas for over 20 years. In his last role as the CEO-International of the largest housing mortgages company in UAE, he launched the organization and led it to the premier position in the industry. He has contributed in senior leadership roles to many new initiatives at Standard Chartered Bank, HDFC bank, ICICI Bank and MNYL Insurance Company. He is an alumnus of IIT Mumbai and IIM Bangalore.



Carol Furtado, Chief Operating Officer – South & East

She is a banker with over 11 years of experience with ANZ Grindlays Bank and Bank Muscat, where she specialized in modern retail operations. Carol was Head of Operations at Ujjivan before her current assignment. She was presented with the Financial Women's Association (FWA) of New York Leadership Award in 2009. Carol has an MBA from Mount Carmel Institute of Management, Bangalore.



Vikram Jetley, Chief Operating Officer – North

He has over 14 years of experience in Consumer Banking, handling portfolios such as Branch Banking, Direct & Channel Sales Management, Secured & Unsecured lending, and Wealth Management. He held strategic positions with HDFC Bank, IDBI Bank and National Bank of Oman (Oman/UAE/Egypt). His last assignment was as Vice President at Development Credit Bank. He has an MBA from The FORE School of Management, New Delhi.



Jolly Zachariah, Chief Operating Officer – West

He has over 20 years of International Banking experience with Citibank. Jolly led and managed Consumer Banking and Credit Card businesses in India and overseas. His last assignment was with Citigroup's CitiCards as Senior Vice President & Director, Agent & Affinity Banking, in New York. He is responsible for firmly establishing Ujjivan as the leading microfinance service provider in urban Maharashtra and Gujarat.



Sudha Suresh, Chief Financial Officer

She is a Chartered Accountant with a rich corporate career. Her corporate expertise and contributions span areas of fiscal management, strategic planning, capital & debt syndication, MIS and compliances in private and public limited companies. At Ujjivan, Sudha has been instrumental in the smart management of funding initiatives and strategic investor relations. She is also a qualified Cost Accountant and Company Secretary.



Yatindra Nath, Head of Credit

Yatindra spent 11 years with Capital One Financial Services managing a range of consumer lending businesses. His areas of expertise span credit and fraud risk, yield management, marketing, product development, retention, valuations, collections and supply chain management. Yatindra is an alumnus of IIM Ahmedabad and IIT Roorkee.



Minakshi Sarkar, Head of Operations

She has over 19 years of experience with State Bank of India and ICICI Bank, specializing in retail banking, back office operations and internal audit. She handled projects in process standardization and corporate internet banking at ICICI Bank. She joined Ujjivan as the Regional Operations Manager (East) in 2009. She has a PGDBM from IIM Calcutta.



Alagarsamy AP, Head of Audit

He is a Banking & Financial Services professional with over 15 years of experience in sales, credit, risk and audit. He was with ICICI Bank for over 8 years in the Retail Assets & Rural Business Groups handling various roles in Sales, Credit & Risk functions. His last assignment was as Assistant Vice President - Risk with Fullerton India Credit Company. He was part of the core team which launched their Rural Business and he also handled Audit. Alagarsamy is a Management Graduate from Osmania University, Hyderabad.



Vittal Rangan, Head of Human Resources

He has over 14 years of HR experience largely with Financial Services. He has worked with Birla Sun Life Insurance, Cholamandalam DBS Finance, HDFC Standard Life and Asian Paints, where he played leadership roles heading Sales HR and Corporate verticals. His areas of interest are organizational development, institution building and leadership. He is an alumnus of SRCC, Delhi and Symbiosis, Pune.



Susan Priti, Head of Service Quality

A Chemical Engineer by training, Susan has widespread experience in the IT/ITES sector. Her previous assignments were with Avaya India and Aditya Birla Minacs where she led Transactional Quality teams in domains such as Software, Automobile, Banking, and Data Processing. As an ISO Lead Auditor (Certified by IRCA), she has also successfully led multiple sites across the APAC region for Certification Audit of ISO 9001:2000.



Deepak Ayare, Chief Technology Officer

He is an IT professional with 21 years of experience in different aspects of technology. Deepak worked in the Gulf and in East Africa for 14 years. His core strengths are in implementing ERP and developing business systems for organizations in different verticals. He has a good knowledge of small scale agri-based business projects. He has a Post Graduate Diploma in Computer Science.



Premkumar G., Head of Administration

He has over 13 years of experience in similar positions with One World Hospital and Paul D'Souza & Associates, a leading Law firm in Bangalore. He was the Regional Administration Manager (South) for 2 years before taking up his current role. He holds a Commerce degree and is a member of the Indian Society of Ergonomics (ISE).



Directors' Report

The Members,

Your Directors are pleased to present the Seventh Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2011. The summarized financial results for the year ended 31st March, 2011 are as under:

FINANCIAL RESULTS		
Particulars	FY 2010-11 (Rs.)	FY 2009-10 (Rs.)
Operating Income	1,518,933,594	828,551,045
Other Income	45,497,324	11,344,632
Total Income	1,564,430,918	839,895,678
Less Operational Expenses	-	-
Personnel Expenses	553,832,794	328,966,692
Administrative Expenses	285,193,865	158,147,974
Finance Charges	476,604,812	186,301,727
Depreciation	26,145,855	16,933,409
Provision For Doubtful Debts	45,374,014	30,615,059
Profit Before Tax	177,279,578	118,930,816
Less: Income tax	79,000,000	27,911,630
Less Deferred tax	(15,812,738)	(5,372,844)
Profit / (Loss) After Tax	114,092,316	96,392,030

Review of Operations

The operational highlights for the financial year ended 31st March 2011 include:

- 351 branches across 20 states
- Customer base of 991,584 and cumulative disbursement of Rs.20,734 Million
- Loan outstanding up from Rs.3,707 Million the previous financial year to Rs.6,251 Million

Ujjivan has had profitable operations for a second consecutive year and returned a post tax profit of Rs. 114.09 Million. It has transferred an amount of Rs.22.82 Million to statutory reserve fund in accordance with the provisions of Section 45- IC of The Reserve Bank of India Act 1934. After considering cumulative profit of Rs.10.50 Million and transfer of Statutory Reserve, Ujjivan's profit stands at Rs.101.77 Million as at 31st March 2011.

Dividend

The Board has recommended a dividend of 2% amounting to Rs.8.09 Million (including dividend distribution tax of Rs.1.13 Million.)

Credit Rating

CRISIL has assigned the Company's mFR 3 grading in October 2010. CARE has assigned a 'CARE BBB' rating to Ujjivan during the same time for its bank loan facilities of Rs.3106.3 Million.

Capital Adequacy

The Capital Adequacy Ratio of the company was 17.47% as of 31st March 2011 as against the minimum capital adequacy requirements of 15% by RBI.

Corporate Governance

Clause 49 of the Standard Listing Agreement and the Corporate Governance report under this clause are not applicable to the company. However, a corporate governance report is attached and forms part of the Directors report.

Management Discussion And Analysis

The Management Discussion and Analysis Report, highlighting the important aspects of the business, forms part of this report.

RBI Guidelines

The Company being a systemically important non deposit taking NBFC has complied with all applicable regulations of the Reserve Bank of India, as per Non-Banking Finance Companies RBI Directions, 1998. The Directors hereby report that the Company did not accept any public deposits during the year and did not having public deposits outstanding at the end of the year.

Code Of Conduct, Transparency & Client Protection

The Company has fully implemented the Reserve Bank of India's Fair Practice Code and also adopted Sa-dhan's and the Microfinance Institutions Network's (MFIN) Codes of Conduct.

Ujjivan is proud to be the sole representative from Indian microfinance institutions, on the international steering committee for 'Smart Campaign'. It is a campaign initiated by Accion International and CGAP (World Bank) for Client Protection in Microfinance.

Corporate Social Responsibility

Ujjivan has a holistic approach to poverty alleviation, partnering with Parinaam Foundation, a not for profit organization (Section 25 Company), for programs in health care, financial literacy, education and vocational training for Ujjivan's customers and their family members.

Ujjivan also conducts self-sustained Social Development Programs together with its staff and customers in the communities where it operates. The program follows a decentralised and participatory approach with the view to empowering the customers and the branch team to jointly decide and undertake urgently needed community development projects to benefit the families of the area especially children. In 2010-11, these projects were carried out in 107 branches, benefitting over 34,000 children in 752 institutions including state government-run *anganwadis* (child day-care centres). A total of over Rs.2.10 Million was spent on this program. We plan to cover more branches in the near future.

Conservation Of Energy, Technology Absorption

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

Exchange Earnings and Outgo

The Foreign Exchange Inflow for the Company during the year was Rs.Nil (previous year- Rs.5,291,930).

The Foreign Exchange outflow during the year towards revenue expenses is Nil (Previous year Nil)

Directors

During the financial year, Non Executive Director Mr. Ravindra Bahl and Nominee Director of Michel Susan and Dell Foundation, Mr. Raghavendra Singh have resigned from the Board. The Board

places on record its gratitude for the services rendered by them towards the organizational growth. The Board composition also witnessed the inclusion of Ms. Geeta Goel, Nominee Director from Michael and Susan Dell Foundation in the place of Mr. Raghavendra Singh and Mr. M K Raveesha, a Nominee from Small Industrial Development Bank (SIDBI) on the Board of the Company.

The Board of Directors of the Company consists of the following Directors as on 31st March 2011. The number of board meetings eligible to be attended, and actually attended by the Board of Directors are also indicated hereunder:

	Director	No. of meetings eligible to attend	No. of meetings attended
1	Mr. K.R. Ramamoorthy	4	4
2	Mr. Samit Ghosh	4	4
3	Ms. Geeta Goel	3	2
4	Mr. Viswanatha Prasad	4	3
5	Mr. Sunil Patel	4	4
6	Mr. M.K. Raveesha	3	3
7	Mr. A Vikraman	4	4
8	Mr. Mohit Bhatnagar	4	3
9	Mr. Venkatesh Natarajan	4	4
10	Mr. Christopher Brookfield	4	2

Personnel

None of the employees fall under the category specified under Sec.217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rules) 1975, as amended from time to time.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that:

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. The Directors had prepared the Annual Accounts on a going concern basis.

Related Party Disclosures:

A. Details of Related Parties are given below

- 1) Holding Companies : Nil
- 2) Subsidiary Companies : Nil
- 3) Key Management Personnel : Mr. Samit Ghosh,
Managing Director
- 4) Common Control : Nil

B. Summary of Transactions with Related Parties during the year is as below:

	Samit Ghosh	Sunil Patel	A Vikraman	K R Ramamoorthy
Remuneration Paid Rs.	31,20,000	Nil	Nil	Nil
Sitting Fee Paid Rs.	Nil	1,60,000	80,000	80,000

Employee Stock Option Scheme

The Company has granted options under the Employee Stock Options 2010 which is in continuation with the Employee Stock options 2006 and 2007 and 2008. The information pertaining to the ESOP 2010 is contained in the Notes to Accounts.

Auditors

M/s Deloitte Haskins and Sells, Chartered Accountants, Bangalore will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Members are requested to consider their re-appointment on remuneration to be decided by the Board.

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

Acknowledgements

The Board of Directors wishes to gratefully acknowledge the assistance and guidance received from the Investors, Lawyers, Accountants, Suppliers, Partner NGOs, Institutions & Foundations, Police & Government Departments, Advisors and all our well wishers. The Board also wishes to place on record their warm appreciation for the creative and dedicated efforts of staff at all levels.

For and on behalf of the Board



Samit Ghosh
Managing Director



Sunil Patel
Director



Place : Bangalore

Date : May 12, 2011

Management Discussion and Analysis

Operational Performance in FY 2010 - 11

Ujjivan completed the fiscal year successfully with balanced growth and profitability. Considering the severity of the crisis situation in the MFI Industry from the second half of the year, Ujjivan has managed its business and liquidity excellently to ensure continued business and strong support to its customers. For the second consecutive profitable year of operations Ujjivan's Board approved the social development program initiatives for all its mature branches & bonus for the employees, and recommended a modest dividend.

Ujjivan is the only MFI which after its first year of profitable operations in 2009-10 voluntarily reduced interest rates by 1.9 - 2.9% p.a. across the board on all its loans effective July 1, 2010. Our interest rates of our loan products for our group lending customers (99% of our portfolio) range between 22 to 25% p.a. Our Board endorses the view of the regulators that MFIs as social enterprises should pass on some of the benefits of scale to the customers through reduced interest rates. Ujjivan has always ensured it maintains a standard of excellence in terms of its corporate governance and balanced growth & mission focus.

The Company has expanded its customer outreach by opening 121 branches during the year. Customers increased by 370,960 during the same period. As at 31st March 2011 total customers stood at 991,584. Disbursement during the year amounted to Rs.11,414 Million and cumulative disbursements stood at Rs. 20,734 Million. The loan book grew by 89% to Rs. 6251 Million in March 2011 from Rs.3700 Million during March 2010.

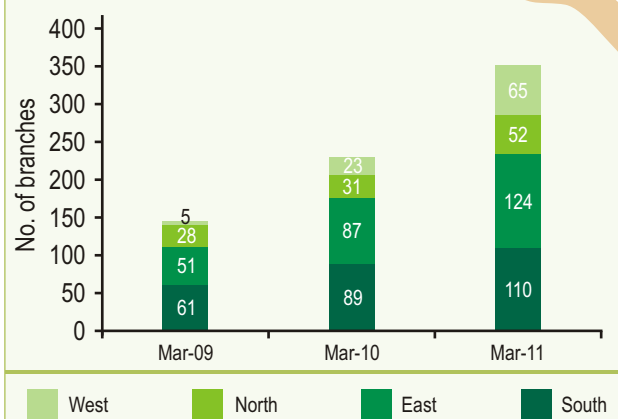
Geographical Diversification

The Company has seen a robust growth of 53% in terms of number of branches, ending the year with 351 branches as of March 2011. Ujjivan spread its reach to encompass Puducherry (formerly Pondicherry) in the South; Goa and Gujarat in the West; Assam and Meghalaya in the East and Punjab in the North, taking our national footprint up to twenty states and Union Territories.

Ujjivan's geographical diversification ensures a well diversified portfolio. Currently the top five states contributing 67% of the portfolio outstanding, include, Karnataka (23.8%), West Bengal (13.8%), Maharashtra (11.9%), Tamil Nadu (11.1%), and Uttar Pradesh (5.9%).

In Mumbai, we serve over 60,000 customers through 22 branches and are the largest MFI operating in this vast metropolis.

Geographical Diversification



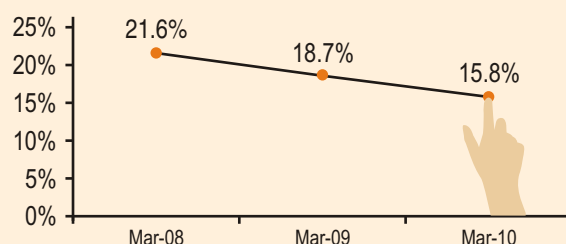
Financial Performance

Ujjivan had a successful year in terms of its growth and financial performance. We posted a pre-tax profit of Rs.177.2 Million, an increase of 49% over its PBT the previous year. The post tax profits stood at Rs. 114.09 Million as on 31st March 2011, an increase of 18% over Rs. 96 Million for the previous year. After adjusting the cumulative profit of Rs. 10.50 Million from last year and transferring Rs.23 Million to statutory reserve, the profit carried forward was Rs.101.77 Million. Proposed dividend of 2% amounting to Rs.8.09 Million has been factored in the financials.

We have made considerable progress in consistently reducing our OER over the year from 18.7% to 15.8% partly due to economies of scale and partly due to increased operation efficiency and cost reductions. As we consolidate in the South and East regions, the North and the West regions are in an expansion mode and are expected to show significant decline in the OER in the coming year.

We have also initiated a major OER reduction program for 2011-12 through improved field staff productivity, branch consolidation,

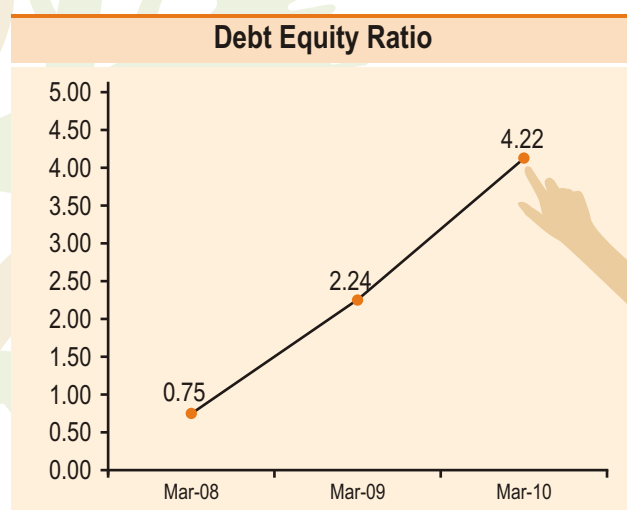
OER



customer retention, products rationalization, improved technology, improved processes for better efficiency both in the field and support functions, and improved cost management. We expect to see significant drop in OER by end of this financial year.

Resource Mobilization

Ujjivan ensured substantial diversification of its funding sources during the year. It further established new banking relationships with a few public and private sector banks and increased its term funding significantly. Ujjivan also transacted differential structures and raised NCDs through the capital market to the tune of Rs. 850 million. With a strong equity base, the Company continues to have an excellent leverage for further debt funding. It has a comfortable debt equity ratio of 4.22 and can leverage further during the next financial year. The company has availed of Rs.3600 Million from various banks and financial institutions during the year and explored other financing structures. Some of these are in process and likely to be completed during the ensuing quarters.



The Company has also completed its first securitisation transaction in May 2011.

The Capital Adequacy Ratio (CAR) is 17.47% as of 31st March 2011 against Reserve Bank of India's CAR requirement of 15%.

Credit Rating

CARE has assigned a 'CARE BBB' [Triple B] rating to the bank loan facilities of Ujjivan during October 2010. During the same time CRISIL had assigned a grading of mfr3 for the Company.

Mature Branch Management

Ujjivan embarked on an ambitious and comprehensive Mature Branch Management initiative during the year. The initiative was aimed at grooming the mature branches (branches which have been in operations for >12 months or have crossed a 2500 customer base) into stable profitable business units through quality customer service and improved efficiencies.

The Mature Branch Management program is extremely comprehensive and encompasses business analysis, portfolio quality, and functional team support along with human resource development at branches. All branch operations are discussed monthly on a case by case basis with the distribution team to ensure smooth functioning and efficiency at the branch level. This entails the functional teams providing a comprehensive support system to optimize business at the branches and provide the staff with a comfortable and efficient work environment.

The program has been highly successful in terms of bringing greater awareness, focus and clarity for the teams at branches as well as the support functions at the regional offices. Communication channels are evidently more transparent and effective with quicker response time across all verticals. In-depth planning, follow up, monitoring, analysis and resolution of branch specific issues have been key to developing comprehensive business plans for these mature branches.

Overall, the program will continue to be a significant contributor to higher levels of branch productivity and financial performance; customer satisfaction and retention; employee satisfaction, and their career growth.

Risk Management

Credit Risk:

Ujjivan's portfolio quality held up well in 2010-11 in the context of the crisis facing the microfinance industry in Andhra Pradesh. It continued to lend to existing customers in affected areas who demonstrated strong credit discipline. However, credit policies have been tightened selectively in areas where multiple borrowing was rampant. We have also started using credit bureau information to avoid lending to over-indebted or delinquent customers. We expect to cover all branches across the country in the next few months.

Ujjivan has continued to focus on strengthening customer relationships through social development programs, financial literacy programs/videos and a variety of other programs in partnership with Parinaam Foundation. These initiatives have helped Ujjivan distinguish itself in the minds of the customer contributing to relatively stable credit performance in most branches.

Operational Risk

Day to day cash handling continues to be associated with risk as is the nature of the microfinance business. Ujjivan has successfully introduced cash management services across many branches for depositing and withdrawing cash from banks and is looking at expanding the services to all branches during the year. Controls on day to day cash management, review of charges, idle funds monitoring and reduction of TAT (turnaround time) were the key focus areas during the year

Sector Risk

The microfinance sector faced its biggest crisis since inception, from October 2010. There was tremendous pressure due to the crisis in Andhra Pradesh and the harsh stance of the state government Ordinance. The entire industry received a backlash in terms of the ruthless media questioning the very sanctity of the microfinance and the banks shutting down funding. Political vulnerability was at its peak, affecting the entire sector.

In January 2011, the RBI-appointed Malegam Committee came out with a set of recommendations which again triggered a debate. During this entire phase, banks and financial institutions, with minimal sanctions/ disbursements, virtually shut the funds flow. The Priority Sector Lending (PSL) status for their lending was also awaiting clarity and affirmation.

The Monetary Policy released on 3rd May 2011 and the subsequent notification to Banks on PSL status for bank loans to MFIs has substantially eased the uncertainty for the sector. Although there are a lot of logistics issues in terms of uncertainty of implementation, review processes, confirmations, and verifications, the clear specifications on lending rates and processing fees have enabled MFIs to have greater clarity.

Ujjivan has aligned itself on these key parameters of the RBI Regulations and is well set to ensure all compliances as may be relevant for NBFC MFIs. The next two years are going to be a period of consolidation for the sector. Institutions including Ujjivan will have to make a number of fundamental changes in the way we operate under the new regulatory environment. Our priorities are

to: 1. become more efficient and bring down our operating costs; 2. retain our customers; 3. phase out the joint liability system and develop the individual lending business; 4. develop better customer & community connect.

Our focus will remain true to our mission of providing financial services to the poor customers and improving their lives. We believe that microfinance is the best discipline to achieve the objective of financial inclusion and will ultimately become part of the organized financial sector. The process has received an impetus from the Malegam Committee recommendations and subsequent regulations by RBI, and also by the announcement made by the Finance Minister during the budget speech.

Audit & Internal Controls

The Audit & Risk Management Committee of the Board approves the audit plan in the beginning of the financial year in consultation with the Head of Audit. The internal audits are conducted with a view to periodically evaluating adequacy of internal control systems in all spheres of the company's operations. This is carried on an ongoing basis in two tiers:

- Ujjivan has an Internal Audit Department [IAD] to carry out audit of the back office & field processes of the branches. We have introduced internationally practiced Microsave's Loan Portfolio Audit Process (LPAT). Each branch undergoes a minimum of 3 audits (1 complete audit and 2 short audits) a year, comprising a complete check of back office processes [Operations, Credit, Documentation], and field processes [customer acquisition, loan disbursement, centre meeting process, cash handling etc.,] at the branches. In case of Risky branches the audit coverage is 6 times a year (2 complete & 4 short audits). The audit findings are put up to the Audit Committee [comprising one independent director, Managing Director, and Head of Audit]. Suggestions arising out of these help in continuous improvement of policies and processes, in consultation with the relevant functional heads.
- The Company has sourced the services of independent CA firms to carry out internal audit of its various functions and back office processes at Regional Offices and the Head Office which are not covered by the IAD. These audits are carried out every quarter at each of the Regional Offices of Ujjivan and at the Head Office covering functions such as Operations, Credit, Human Resources, Administration and Finance & Accounts.

In addition, the Audit Department also prepares and rolls out a Branch Risk Profile score, based on overall performance of the

branch on various parameters such as Business, Credit, Operations, Human Resources and Audit. This is a useful management tool, which brings together all the departmental parameters and helps analyse trends, enabling the branch to identify areas needing improvement, as well as help compare with the other branches of Ujjivan on each of the parameters. The scores of the Risk Profile are used not only to rate the branch's performance, but also to help in fixing the periodicity of audits.

Apart from this, Audit Department is also involved in Area Cross Check along with Vigilance Department to validate the Area Survey done by the Distribution team for opening up of new branches.

Service Quality

Ujjivan's large customer base presents us an opportunity to differentiate ourselves on the basis of our customer service and the connection with our customers. As Industry heats up with high competition and Andhra crisis-led turbulent situations, Ujjivan's initiatives to differentiate through excellent customer service shall be the key to retaining valued customers.

The focus of Service Quality is on three key dimensions: Customer Service, Process Improvements, and Industry Compliances. Our service quality program integrates with our managing mature business strategy. We have introduced new and innovative programs for deepening our customer connect. With replicable processes and a nationwide presence, a number of our service quality programs have already started showing great impact:

- Customer Care Representatives (CCRs) provide a single point contact for the customer at the branch for query resolution and grievance redressal. The CCRs have contributed to the process quality by lowering credit documentation related errors from 18% to 5% over the year.
- With our Service Reward & Recognition Program, we at Ujjivan aim to treasure our employees and their exceptional acts of service well beyond the call of duty. We have also instituted a Service Champion award to recognize such employees.
- Soft Skills Training Program: As customers' demands and expectations become more complex, our Customer Relationship Staff (CRSs) face a variety of new challenges in handling difficult situations. This training helps upgrade their skills and enables them to address these complex customer issues and provide better service.

- Grievance Redressal: In any thriving organization, there are always some instances of complaints. We have instituted a Grievance Redressal Policy and Process that enables us to deal with all such matters, from the ground up.

More details on these programs are available in the Service Quality section of the Report.

Human Resources Development

Ujjivan strongly believes that the employees are the key differentiating factor in ensuring quality service to its large customer base. The focus of the year was in identifying and nurturing right talent across the organization. The company has invested in bringing in professionals across levels in both national and regional leadership roles. With the focus on increasing outreach, the headcount additions were largely in regions / branches. Ujjivan's headcount saw a growth of 42% in the last financial year.

Our employee development initiatives focused on supervisory skills training, soft skills training, and management development programs for new B-school recruits.

Region	31st March 2010 headcount	31st March 2011 headcount
South	1010	1235
North	432	756
East	1080	1429
West	279	553
Corporate Office	29	36
Total	2830	4009

Ujjivan believes that building a better work culture leads to serving the customer better. Some of the key HR initiatives that were well received by employees included ESOP plan administration, Gender Sensitization Workshop in collaboration with Women World Banking (WWB), and the Performance Management Workshop for managers organised through Cocoon Consulting.

Over the years, Ujjivan has worked towards strengthening HR processes to meet the business demands by bringing in best-in-class practices and working on employee feedback on overall staff development. This reflects in our achievements, which includes Ujjivan being consistently ranked among the Best Companies to Work for in India.

With recent developments in the Industry, the coming year will be one of consolidation keeping employee focus intact.

Employee Stock Options

The Company has also granted options under the Employee Stock Options (ESOP) 2010, which is in continuation with the Employee Stock options 2006 and 2007 and 2008. The information pertaining to the ESOP 2010 is contained in the Notes to Accounts.

Community & Customer Programs

We have been carrying out a number of programs since inception in addition to the microfinance we provide our customers. These include a number of successful social programs with Parinaam Foundation such as the health camps. This year we also added the education loan interest refund & scholarship program with help from Parinaam, which was a resounding success. In addition, the Foundation has started also conducting sports days for the children of our customers.

The Social Development Program initiated by Ujjivan at the mature branches this year, which primarily focussed on the welfare and

education of children in the communities we work in, has been a tremendous success.

The disaster relief program for customers & staff, which is jointly funded by the employees and the Company, has also provided assistance to those impacted by both natural and man-made disasters across the country.

In view of the microfinance crisis, underlying which, is the problem of over lending or borrowing, our special initiative this year is, a financial literacy program for customers to manage their debt. We believe that this critical problem can only be solved jointly by us and the customers. Their awareness and education through financial literacy is vital.

Details of these programs forms part of this year's double bottom line annual report.



Corporate Governance

Ujjivan's excellent corporate governance and sound management practices are well acclaimed across all stakeholders. Ujjivan's Board consists of experienced and independent professionals from the financial services sector and nominees of major investors, bringing the best practices of the industry and corporate governance.

Board of Management:

- **Mr. K. R. Ramamoorthy**, Former Chairman and Managing Director/CEO of Corporation Bank and later of ING-Vysya Bank
- **Mr. A. Vikraman**, Former Chief General Manager, SIDBI
- **Mr. Sunil Patel**, Chartered Accountant and Management Consultant
- **Mr. M.K. Raveesha**, General Manager, SIDBI
- **Mr. S. Viswanatha Prasad**, Fund Manager, Bellwether
- **Ms. Geeta Goel**, Michael and Susan Dell Foundation, Global Microfinance Initiative
- **Mr. Christopher Miles Brookfield**, Managing Director, Elevar Equity
- **Mr. Mohit Bhatnagar**, Operating Partner, Sequoia Capital
- **Mr. Venkatesh Natarajan**, Managing Director, Lok Capital LLC
- **Mr. Samit Ghosh**, Chief Executive Officer and Managing Director, Ujjivan

Changes in Board Composition during the year:

During May 2010, the Board composition underwent a few changes as follows:

- **Ms. Geeta Goel** has been nominated by Michael & Susan Dell Foundation in place of Mr. Raghavendra Singh;
- **Mr. M.K. Raveesha** has been nominated from SIDBI on the Ujjivan Board, and
- **Mr. Ravindra Bahl** retired from the Board

Internal Guidelines on Corporate Governance

The Board ensures good corporate governance in terms of sound business policies and practices, adherence to compliances, and protection of stakeholders' interests. During the year the Board reviewed the existing procedures and policies on Corporate Governance and made certain additions to further strengthen the governance practices.

Fair Practice Code and Client Protection measures:

Ujjivan has fully implemented the Reserve Bank of India's Fair Practice Code and also adopted the Fair Practice Code and Client Protection Measures formulated by Sa-dhan and the Microfinance Institutions Network (MFIN), a self-regulatory body of NBFC MFIs. The same has been posted on the website of the company.

The policy of the company focuses on fair practices with borrowers including promoting transparency, fixing overall lending limits at client level, data sharing, recruitment practices, whistle blower policy and enforcement mechanisms.

Further, all the Board Members and senior management personnel have affirmed their compliance with the Fair Practice Code.

Committees of the Board

A) Nomination Committee

Committee Composition:

- Mr. K.R. Ramamoorthy
- Mr. Samit Ghosh
- Mr. Sunil Patel
- Mr. Mohit Bhatnagar
- Mr. Christopher Brookfield

Meetings held:

During the year 2010-11 one meeting of the Nomination committee was held on 17th May 2010 and all the members of the committee were present thereat.

Terms of reference:

The Committee is responsible for

- Ensuring process of "due diligence" to determine the suitability

of the candidate for appointment/continuing to hold the position as a Director on the Board based upon his/her qualification, expertise, track record, integrity and other fit and proper criteria.

- Overseeing all other committees and their functioning

B) Audit & Risk Management Committee

Committee Composition:

- Mr. Samit Ghosh
- Mr. Sunil Patel
- Mr. Vishwanath Prasad
- Mr. Venkatesh Natarajan

Meetings held:

This Committee's meetings are generally held in conjunction with Board meetings. During the year 2010-11, four meetings of the Committee were held on 17th May 2010, 19th August 2010, 24th November 2010 and 17th February 2011.

Terms of Reference:

The Committee is responsible for policies, procedures and reviewing the soundness and efficiency of:

- Internal control systems
- Information technology systems

The Board reviews the functions of the Audit and Risk Management Committee every year and gives its suggestion for its effective and efficient functioning.

Audit Sub-committees

For efficient functioning of this committee, two sub committees comprising members of the Board as well as Senior Management are in operation. The Audit & Risk Management Committee reviews the meetings held by the Audit Sub-committee and the Asset Liability Management (ALM) Sub-committee of the Company.

Audit Sub-committee Composition:

- Mr. Samit Ghosh
- Mr. Sunil Patel
- Mr. Alagarsamy AP (Head – Audit)

Terms of Reference:

The committee meets on a monthly basis and is responsible for reviewing internal audit and controls.

Asset Liability Management (ALM) Sub-committee Composition:

- Mr. Samit Ghosh (MD)
- Ms. Sudha Suresh (CFO)
- Ms. Carol Furtado (COO – South and East)
- Ms. Minakshi Sarkar (Head – Operations)
- Mr. Vikram Jetley (COO – North)
- Mr. Jolly Zachariah (COO – West)

Terms of Reference:

The responsibilities of the committee include

- Liquidity & Interest Rate Risk Management
- Funding and Capital Planning
- ALM reporting compliances
- Credit Risk Management

C) Human Resources & Compensation Committee

Committee Composition:

Members from the Board:

- Mr. Samit Ghosh
- Mr. Christopher Miles Brookfield
- Mr. Mohit Bhatnagar

Members from Senior Management:

- Ms. Carol Furtado
- Mr. Vittal Rangan

Meetings held:

Committee meetings have been held in conjunction with Board meetings during the year and further as and when required.

During the year 2010-11, four meetings of the committee were held on 17th May 2010, 19th August 2010, 24th November 2010 and 17th February 2011.

Terms of Reference:

The Committee's responsibilities include:

- Evaluating, administering and reviewing the Company's primary strategies for executive and employee development and retention
- Ensuring that the Senior Management of the Company are compensated and motivated effectively in a manner consistent with industry trends/practices

- Overseeing a broad range of overall strategic decisions by the Company on human resources programs, compensation, and employee benefits (including ESOP).

D) Social Performance Management Committee

This committee was formed during the year 2009-10 and is constituted of:

- Ms. Geeta Goel,
- Mr. Mohit Bhatnagar, and
- Mr. Samit Ghosh

Meetings held:

The Committee holds meetings regularly to review the status of Programmes undertaken on social performance.

During the year 2010-11, three meetings of the committee were held on 19th August 2010, 24th November 2010 and 17th February 2011.

Terms of Reference:

The objective is to oversee social programs undertaken by the Company and monitor economic & social impact on customer.

The Company is well supported by a team of Auditors, Advisory Group, Resource partners, Legal counsel and Banks & Financial Institutions and who have partnered in the Company's growth and success

Advisory Group

- Mr. Jaithirth (Jerry) Rao, Ex- Chairman and CEO, Mphasis
- Mr. Vijay Mahajan, Chairman, BASIX
- Mr. Bhaskar Menon, Private Equity Professional
- Mr. Vishnu R. Dusad, Founder and Managing Director, Nucleus Software Exports Limited
- Mr. Ravindra Bahl, Managing Director, ChrysCapital

Partnerships

- Grameen Bank
- Unitus
- Women's World Banking (WWB)

Membership of Industry Associations:

- Association of Karnataka Microfinance Institutions (AKMI)
- Sa-Dhan
- Microfinance Institutions Network (MFIN)

Banks and Financial Institutions

A select few of our funding institutions include, among others:

- Axis Bank
- Bank of India
- Corporation Bank
- HDFC Bank
- ICICI Bank
- IDBI Bank
- Small Industries Development Bank of India (SIDBI)
- Standard Chartered Bank
- State Bank of Travancore

Auditors

- Deloitte Haskins & Sells (Statutory)
- V. Nagarajan & Co.

Market Research Agency:

- Delphi Research Services Private Limited

Legal Counsel

- Universal Legal



Auditors' Report

To The Members of Ujjivan Financial Services Private Limited

- 1) We have audited the attached Balance Sheet of UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED (the "Company") as at March 31, 2011, the Profit and Loss Account and the Cash flow statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash flow statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

(v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

(b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and

(c) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

- 5) on the basis of the written representations received from the directors of the Company, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

for **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 008072S



S. Ganesh
Partner
M. No. 204108

Place: Bangalore
Date : May 12, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- 1) Having regard to the nature of the Company's business/activities/result during the year clauses ii, iii (b) to (d), (f) & (g), v (b), vi, viii, xii, xiii, xiv, and xx of CARO are not applicable to the company.
- 2) In respect of its fixed assets,
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. Fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern of the Company.
- 3) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services and we have not observed any continuing failure to correct major weakness in such internal controls. There is no purchase of inventory and sale of goods during the year.
- 5) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- 6) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

- 7) According to the information and explanations given to us in respect of statutory dues:

- a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year except for certain delays in remittance of provident fund, profession tax and employees state insurance.
- b. There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
- c. Details of dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Finance Act, 1994	Service Tax	Additional Commissioner	2006 -10	569,796

- 8) The Company does not have accumulated losses at the end of the financial year and has not incurred cash loss during the financial year and the immediately preceding financial year.
- 9) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- 10) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks and financial institutions.
- 11) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- 12) According to the information and explanations given to us, and

on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the period for long term investment.

13) The Company has not made any preferential allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

14) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 40 debentures of Rs. 1 crore each and 450 debentures of Rs. 10 lakhs each. The Company has created security in respect of the debentures issued.

15) According to the information and explanations given to us, certain employees have misappropriated funds as identified

by the management, which is estimated to be Rs.1,539,702/- of which Rs. 708,703/- has been recovered as on the balance sheet date.

for **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 008072S



S. Ganesh
Partner
M. No. 204108

Place: Bangalore
Date : May 12,2011

UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Balance Sheet as at March 31, 2011

(Amount in Rupees)

PARTICULARS	Schedule	As at March 31, 2011	As at March 31, 2010
I. Sources Of Funds			
(1). Share Holders Funds:			
Share Capital	1	348,424,600	348,424,600
Reserves and surplus	2	813,866,016	707,872,655
(2). Loan Funds:			
Secured Loans	3	4,718,865,955	2,365,544,749
Unsecured Loans	4	2,444,208	4,038,265
TOTAL		5,883,600,779	3,425,880,269
II. Application Of Funds			
(1). Fixed Assets:	5		
(a) Gross Block		149,890,488	109,563,928
(b) Less: Depreciation		52,295,548	28,453,647
(c) Net Block		97,594,940	81,110,281
(d) Capital Work in Progress (including capital advances Rs. 6,071,534/- (PY Rs.4,135,617/-)		6,071,534	4,135,617
		103,666,474	85,245,898
(2) Investments	6	1,000,000	1,000,000
(3) Deferred Tax Assets [Refer Schedule 18B Note 8]		21,185,582	5,372,844
(4) Current Assets, Loans & Advance			
(a) Receivables under Financing Activities	7	6,251,444,548	3,707,647,907
(b) Cash & Bank Balances	8	606,725,465	225,854,816
(c) Other current assets	9	64,472,895	21,096,329
(d) Loans & Advances	10	68,196,091	42,111,458
		6,990,838,999	3,996,710,510
Less : Current liabilities & Provisions	11		
(a) Current liabilities		1,141,088,710	620,402,136
(b) Provisions		92,001,566	42,046,847
		1,233,090,276	662,448,983
Net current assets		5,757,748,723	3,334,261,527
TOTAL		5,883,600,779	3,425,880,269

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Ganesh
Partner



Place : Bangalore
Date : May 12, 2011

For and on behalf of the Board of Directors

Samit Ghosh
Managing Director



Sunil Patel
Director

UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Profit and Loss Account for the year ended March 31, 2011

(Amount in Rupees)

Particulars	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
A. INCOME			
Income from Operations	12	1,518,933,594	828,551,045
Other Income	13	45,497,324	11,344,632
Total Income (A)		1,564,430,918	839,895,677
B. EXPENDITURE			
Personnel Expenses	14	553,832,794	328,966,692
Administrative & Other Expenses	15	285,193,865	158,147,974
Finance charges	16	476,604,812	186,301,727
Depreciation	5	26,145,855	16,933,409
Bad debts / Provision for Receivables under Financing Activities	17	45,374,014	30,615,059
Total Expenditure (B)		1,387,151,340	720,964,861
Profit / Loss Before Tax (A - B)		177,279,578	118,930,816
Provision for taxation			
Current tax		73,000,000	27,911,630
Provision for earlier years		6,000,000	-
Deferred Taxes [Refer Schedule 18B Note 8]		(15,812,738)	(5,372,844)
Profit / (Loss) After Tax		114,092,316	96,392,030
Less: Transferred to Statutory Reserve		22,818,463	19,278,406
		91,273,853	77,113,624
Profit / (Loss) Carried forward from previous year		10,504,849	(58,482,904)
		101,778,702	18,630,720
Appropriations			
Proposed Dividend		6,968,492	6,968,492
Dividend distribution Tax		1,130,463	1,157,379
Balance Carried to Balance sheet		93,679,747	10,504,849
		101,778,702	18,630,720
Basic and Diluted Earnings per Share:			
Profit for the year		114,092,316	96,392,030
Wght. Avg. no of Equity Shares [Refer Schedule 18B Note 7]		34,842,460	34,842,460
Basic Earnings per Share		3.27	2.77
Diluted Earnings per Share		3.02	2.72
Significant accounting policies & notes to accounts	18		

Schedules referred to above form are integral part of the Profit and Loss Account

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Ganesh
S. Ganesh
Partner



For and on behalf of the Board of Directors

Sammit Ghosh
Samit Ghosh
Managing Director



Sunil Patel
Sunil Patel
Director



Place : Bangalore
Date : May 12, 2011

UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2011

(Amount in Rupees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Net Profit / (Loss) as per Profit & Loss Account	177,279,578	118,930,816
Adjustments for		
Depreciation	26,145,855	16,933,409
Interest Income	(7,073,342)	(3,131,136)
Income from investments	(8,808)	(1,073,658)
Dividend on Mutual Funds	(9,910,215)	(593,689)
Provision for Receivables under Financing Activities	37,915,257	16,692,137
Loss/Profit on sale of Fixed Assets	583,029	(9,651)
Operating Profit before Working capital changes	224,931,354	147,748,228
Receivables under Financing Activities	(2,543,796,641)	(2,017,878,357)
Loans and Advances	(26,084,632)	(21,471,507)
Other current assets	(38,361,281)	(8,947,416)
Trade and other payables	529,728,609	410,161,360
Cash flow from operations	(1,853,582,591)	(1,490,387,692)
Tax paid	(75,975,658)	(24,081,104)
Net Cash from operating activities	(1,929,558,249)	(1,514,468,796)
Cash flows from Investing activities		
Purchase of Investments	-	(1,000,000)
Purchase of Fixed Assets	(45,564,925)	(60,328,538)
Sale of Fixed Assets	415,465	65,340
Interest Income	2,058,057	642,838
Income from investments	8,808	1,073,658
Dividend from Mutual Funds	9,910,215	593,689
Net Cash from investing activities	(33,172,380)	(58,953,013)
Cash flows from financing activities		
Refund of share application money	-	(38,424,402)
Dividend and Dividend Tax Paid	(8,125,871)	-
Borrowings from banks	4,465,291,510	2,565,203,974
Repayment of Borrowings from bank/others	(2,113,564,361)	(917,360,084)
Net Cash from financing activities	2,343,601,278	1,609,419,488
Net increase / (decrease) in cash and cash equivalents	380,870,649	35,997,679
Balance of cash - Opening	225,854,816	189,857,137
Balance of cash - Closing	606,725,465	225,854,816

Notes

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow Statements'.
2. Cash & cash equivalents at year end includes Rs.108,334,714/- (P.Y.Rs. 56,473,531/-) in term deposits with banks, under lien against loans availed by the Company.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Ganesh
Partner



Place : Bangalore
Date : May 12, 2011

For and on behalf of the Board of Directors

Sammit Ghosh

Samit Ghosh
Managing Director



Sunil Patel

Sunil Patel
Director

UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Schedules forming part of Balance Sheet

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised Capital		
60,000,000 Equity Shares of Rs.10/- each [Previous Year 4,000,000 Equity Shares of Rs.100/- each]	600,000,000	400,000,000
	600,000,000	400,000,000
Issued, Subscribed & Paid up Capital		
34,842,460 Equity Shares of Rs.10/- each* [Previous Year 3,484,246 Equity Shares of Rs.100/- each]	348,424,600	348,424,600
	348,424,600	348,424,600
* Equity share of face value of Rs.100/- each subdivided into Equity share of face value of Rs.10/- each		



UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Schedules forming part of Balance Sheet

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE 2		
RESERVES & SURPLUS		
Securities Premium Account as per last Balance sheet	676,789,400	676,789,400
	676,789,400	676,789,400
Statutory Reserve		
Opening Balance	19,278,406	-
Add: Addition during the year	22,818,463	19,278,406
	42,096,869	19,278,406
Employee Loan Grant as per last Balance sheet	1,300,000	1,300,000
Balance carried from Profit and Loss account	93,679,747	10,504,849
	813,866,016	707,872,655
SCHEDULE 3		
SECURED LOANS		
From Banks		
Term Loan	2,825,217,045	1,803,396,435
Cash credit	8,791,510	-
From Financial Institutions		
Term Loan [Term Loan Repayable within one year Rs.3,039,707,580/- (P.Y. Rs.1,362,492,084/-)] (Above are secured by way of hypothecation of book debts and/or term deposits)	1,034,857,400	562,148,314
450 (PY. Nil) 10.95% Secured Redeemable Non Convertible Debentures of Rs.1,000,000/- each redeemable at par at the end of 366 days from the date of allotment July 27, 2010.	450,000,000	-
40 (PY. Nil) 10.40% Secured Redeemable Non Convertible Debentures of Rs.10,000,000/- each redeemable at par at the end of 720 days from the date of allotment December 31, 2010.	400,000,000	-
(Secured by way of hypothecation of book debts)		
	4,718,865,955	2,365,544,749
SCHEDULE 4		
UNSECURED LOANS		
Others [Repayable within one year Rs.1,796,222 /-(P.Y. Rs.1,594,057/-)]	2,444,208	4,038,265
	2,444,208	4,038,265



UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED
Schedules forming part of Financial Statements

(Amount in Rupees)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2010	Additions	Adjustment / Deletions	As at March 31, 2011	Up to March 31, 2010	For the Year	Adjustment / Deletions*	Up to March 31, 2011	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 5 FIXED ASSETS										
TANGIBLE ASSETS										
Office Equipments	16,853,589	10,463,300	463,219	26,853,670	2,624,948	2,633,143	76,907	5,181,184	21,672,486	14,228,641
Computers, Printers & Peripherals / networking	35,322,426	18,497,877	127,535	53,692,768	6,618,738	6,689,005	30,445	13,277,298	40,415,470	28,703,688
Furniture & Fixtures	12,910,241	8,918,381	689,616	21,139,006	4,553,443	7,064,881	335,067	11,283,257	9,855,749	8,356,798
Motor Vehicles	1,885,881	382,445	247,958	2,020,368	238,762	203,083	91,456	350,389	1,669,979	1,647,119
Cycles	626,662	-	66,116	560,546	626,662	-	66,116	560,546	-	-
Leasehold Improvements	29,322,403	2,600,770	1,708,004	30,215,169	10,298,939	7,306,302	1,703,963	15,901,278	14,313,891	19,023,464
INTANGIBLE ASSETS										
Software	12,642,726	2,766,235	-	15,408,961	3,492,155	2,249,441	-	5,741,596	9,667,365	9,150,571
Grand Total	109,563,928	43,629,008	3,302,448	149,890,488	28,453,647	26,145,855	2,303,954	52,295,548	97,594,940	81,110,281
Previous Year	46,184,537	63,442,921	63,530	109,563,928	11,528,079	16,933,409	7,841	28,453,647	81,110,281	-

*Net of grants received for purchase of computers Rs.1,550,000/-



UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Schedules forming part of Balance Sheet

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE 6		
INVESTMENTS [Refer Schedule 18B note 11]		
Long term Investment - Trade		
Unquoted - in Alpha Micro Finance Consultants Pvt Ltd 100,000 Equity shares (P.Y. 100,000) of Rs.10/- each at cost fully paid up	1,000,000	1,000,000
	1,000,000	1,000,000
SCHEDULE 7		
RECEIVABLES UNDER FINANCING ACTIVITIES [Refer Schedule 18B Note 10]		
Unsecured		
Family & other loans		
Business loans	4,765,169,624	2,902,564,209
Family loans	1,282,043,313	763,621,999
Loans for consumer products	20,281,985	-
Education Loans	17,637,222	10,365,577
Live stock Loans	29,558,313	416,460
Housing loans	68,716,724	11,494,901
Individual Business loans	68,037,367	19,184,761
	6,251,444,548	3,707,647,907
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash balance on hand	4,955,110	6,419,252
Bank balances with Scheduled banks		
in current accounts	127,535,641	87,962,033
in deposit accounts (includes deposits under lien Rs.108,334,714/- (P.Y.Rs.56,473,531/-))	474,234,714	131,473,531
	606,725,465	225,854,816
SCHEDULE 9		
OTHER CURRENT ASSETS		
Interest accrued but not due		
on Receivables under Financing Activities	56,518,988	18,157,707
on Fixed deposits	7,953,907	2,938,622
	64,472,895	21,096,329



UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Schedules forming part of Balance Sheet

(Amount in Rupees)

Particulars		As at March 31, 2011		As at March 31, 2010
SCHEDULE 10				
LOANS & ADVANCES UNSECURED				
(Considered Good unless otherwise mentioned)				
Advances Recoverable in cash or kind or for value to be received		39,816,004		21,284,696
Deposits		28,380,087		20,826,762
		68,196,091		42,111,458
(Considered doubtful)				
Other Advances		1,529,524		1,845,980
Less: Provision for other advance		1,529,524		1,845,980
		-		-
		68,196,091		42,111,458
SCHEDULE 11				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Dues to micro and small enterprises [Refer Schedule 18B Note 16]		-		-
Dues to other than micro and small enterprises		42,875,788		22,393,640
Credit Balance in current account with Scheduled Banks		-		80,000
Interest accrued but not due		49,288,986		3,196,965
Deposit from vendors		300,000		150,000
Other Liabilities		9,190,197		10,961,095
Security deposits from customers		1,039,433,739		583,620,436
		1,141,088,710		620,402,136
Provisions				
Provision for Dividend		6,968,492		6,968,492
Provision for Dividend distribution tax		1,130,463		1,157,379
Provision for employee benefits [Refer Schedule 18B Note 2]		21,123,167		12,081,132
Fringe Benefit Tax payable	2,434,480		2,434,480	
Less: Advance Tax	<u>2,271,957</u>	<u>162,523</u>	<u>2,271,957</u>	<u>162,523</u>
Provision For Tax	106,911,630		27,911,630	
Less: Advance Tax	<u>100,787,265</u>	<u>6,124,365</u>	<u>24,811,608</u>	<u>3,100,022</u>
Provision for Receivables under Financing Activities [Refer Schedule 18B Note 10]		56,492,556		18,577,299
		92,001,566		42,046,847

UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Schedules forming part of Profit and Loss account

(Amount in Rupees)

Particulars		Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE 12			
INCOME FROM OPERATIONS			
Interest on Loans		1,326,710,601	720,195,666
Loan Processing fee		192,222,993	108,355,379
		1,518,933,594	828,551,045
SCHEDULE 13			
OTHER INCOME			
Interest on fixed deposit *		7,073,342	3,131,136
Profit on Sale of Investment [Net]		8,808	1,073,658
Dividend on Mutual funds		9,910,215	593,689
Profit on Sale of Fixed Assets [Net]		-	9,651
Fee and other Income		26,597,804	5,494,146
Miscellaneous Income		1,907,155	1,042,352
		45,497,324	11,344,632
*Includes Tax deducted at source		748,200	432,208
SCHEDULE 14			
PERSONNEL EXPENSES			
Salaries & Bonus		474,075,604	280,522,998
Leave salary		8,684,346	6,092,253
Contribution to provident and other funds [Refer Schedule 18B Note 2]		45,706,822	22,223,741
Staff welfare		25,366,022	20,127,700
		553,832,794	328,966,692
SCHEDULE 15			
ADMINISTRATIVE & OTHER EXPENSES			
Electricity & Water Charges		6,927,132	4,084,129
Rent [Refer Schedule 18B Note 6]		43,186,916	26,791,847
Repairs & Maintenance			
Buildings		807,696	1,740,037
Others		4,353,700	2,259,840
Security & House keeping Expenses		19,378,839	7,609,534
Office Maintenance		7,483,536	4,965,224



UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

Schedules forming part of Profit and Loss account

(Amount in Rupees)

Particulars		Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE 15 (Contd.)			
Insurance		3,132,596	1,185,824
Rates & Taxes		4,480,827	1,149,553
Audit Fees [Refer Schedule 18B Note 5]		1,339,750	1,234,032
Professional Charges		23,660,344	12,324,560
Donation		-	11,000
Sitting fee		320,000	130,000
Foreclosure Rebate		24,028,511	7,601,524
Postage & Courier		9,699,016	5,269,416
Printing & Stationery		27,892,799	20,901,960
Recruitment Expenses		766,591	748,097
Telephone Charges		16,916,990	9,624,922
Training & conference Charges		9,522,753	7,526,192
Travelling and Conveyance Expenses		63,010,922	35,897,282
Miscellaneous Expenses		12,530,002	5,247,021
Assets Written Off	5,488,372		
Less: Provision reversed	316,456	5,171,916	-
Loss on sale of Fixed Assets		583,029	-
Provision for other Advances		-	1,845,980
		285,193,865	158,147,974
SCHEDULE 16			
Finance charges			
Interest on Term Loan		457,916,339	178,664,038
Interest on others		150,919	139,048
Loan processing fees and Bank Charges		18,537,554	7,498,641
		476,604,812	186,301,727
SCHEDULE 17			
Bad debts / Provision for Receivables under Financing Activities			
Bad Debts written off		7,458,757	13,922,922
Provision for Receivables under Financing Activities (Net)		37,915,257	16,692,137
		45,374,014	30,615,059



UJJIVAN FINANCIAL SERVICES PVT LTD

SCHEDULE – 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies:

1. Basis of preparation

The financial statements are prepared under historical cost convention on an accrual basis and in accordance with the applicable mandatory accounting standards and the provisions of the Companies Act 1956 and the directions issued by the Reserve Bank of India (RBI) to the extent applicable to the Company.

2. Use of estimates

The presentation of financial statements in conformity with Indian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.

3. Cash flow statement

The Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3.

4. Fixed Assets

Fixed assets are stated at cost net of depreciation. The cost of an asset comprises its purchase price (net of capital grants) and any cost directly attributable for bringing the asset to its working condition and location for its intended use.

5. Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. Leasehold improvements are depreciated over the primary lease period.

Depreciation on additions is charged proportionately from the date of acquisition / installation. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of acquisition.



6. Investments:

Investments are classified into current investments and long-term investments. Current investments are carried at lower of cost or fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Profit and Loss Account. Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments.

7. Receivables Under Financing Activities

Receivables under financing activities include Business Loans, Family Loans, Housing Loans, Education loan, Live stock Loans, Bazaar Loans, Short term Business Loans, Individual Business Loans and loans for purchase of mobile phones, solar light and water purifier. Loans are classified into 'Performing and Non-Performing' assets in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India as amended from time to time.

8. Revenue Recognition

Revenue from Interest on loans financed by the company is recognized on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. Loans are classified into 'Performing and Non-Performing' assets in terms of the said Directions.

Revenues from loan documentation and meeting charges are recognised as income on cash basis.

Revenue from interest income on Fixed Deposits with Banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive is established.

9. Grants

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

10. Employee benefits

a) Short term employee benefits including salaries, social



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

b) Defined Contribution Plan

Company's contributions paid / payable during the year to Provident Fund and Pension fund are recognised in the Profit and Loss Account.

c) Defined Benefit Plan

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

d) Liability for compensated absences is provided based on actuarial valuation carried out at the end of each financial year using Projected Unit Credit Method and is not funded.

Actuarial gains and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds.

11. Lease

Assets acquired under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss account on accrual basis.

12. Earnings per share

In determining the earnings per share the company considers the net profit / (loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share

and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

13. Income taxes & Deferred taxes

Provision for current year tax is made after taking into consideration benefits/disallowances admissible under the provisions of the Income Tax Act, 1961.

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carried forward business losses, are recognized only if there is virtual certainty that they will be realized and are reviewed every year. The tax effect is calculated on the accumulated timing differences at the end of the year based on enacted or substantially enacted tax rates.

14. Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event, 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.

All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

15. Employee Stock Option Plan

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



B. NOTES ON ACCOUNTS

1. Commitments and contingent Liabilities

(Amount in Rupees)

SI No.	Particulars	31st March 2011	31st March 2010
1	Capital commitments (net of advances)	5,927,000	4,598,211
2	Disputed taxes – Service tax	569,796	-

2. Employee Benefits:

The details of employee benefits are as given below:

I Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Profit and Loss Account

(Amount in Rupees)

Particulars	31st March 2011	31st March 2010
Employers' Contribution to Provident & Pension Fund	25,695,267	11,919,829
Employers Contribution to Employees State Insurance	14,229,261	5,603,096

Included in Contribution to provident and other funds (Refer Schedule 14)

II Defined Benefit Plan

Contribution to Gratuity Fund:

Details of defined benefit plan of gratuity are given below:

(Amount in Rupees)

SI No.	Particulars	31st March 2011	31st March 2010
I	Components of employer expense		
	Current Service cost	3,837,080	1,061,605
	Interest cost	475,760	94,800
	Expected return on plan assets	(420,607)	(61,184)
	Actuarial Losses/(Gains)	1,890,061	3,605,595
	Total expense/ (income) recognized in the Statement of Profit & Loss Account	5,782,294	4,700,816
II	Actual Contribution and Benefit Payments for the year ended		
	Actual benefit payments	1,269	-
	Actual Contributions	3,282,828	1,999,868
III	Net asset/(liability) recognized in balance sheet as at		
	Fair value of plan assets	6,366,338	2,664,172
	Present Value of Defined Benefit Obligation	(12,148,632)	(5,947,000)
	Excess of plan assets over present value of obligation	-	-
	Net (liability) recognized in balance sheet	(5,782,294)	(3,282,828)



(Amount in Rupees)

SI No.	Particulars	31st March 2011	31st March 2010
IV	Change in Defined Benefit Obligation (DBO) during the year ended		
	Present Value of DBO at the beginning of the year	5,947,000	1,185,000
	Current service cost	3,837,080	1,061,605
	Interest cost	475,760	94,800
	Actuarial (gains)/losses	1,890,061	3,605,595
	Benefits paid	(1,269)	-
	Present Value of DBO at the end of the year	12,148,632	5,947,000
V	Change in Fair Value of Assets during the year ended		
	Plan assets at the beginning of the year	2,664,172	603,120
	Expected return on plan assets	420,607	61,184
	Actuarial gain/(losses)	-	-
	Actual Company Contributions	3,282,828	1,999,868
	Benefit Paid (estimated)	(1,269)	-
	Plan assets at the end of the year	6,366,338	2,664,172
VI	Actuarial Assumptions		
	Interest Rate	-	-
	Discount Rate	8.00%	8.00%
	Expected Return on plan assets	9.15%	9.00%
	Rate of increase in compensation	8.00%	10.00%
	Attrition rate	21.65%	16.60%
	Retirement age	58	58
VII	Investment details of plan assets		
	Government Securities	20%	20%
	Government Securities or other approved securities	40%	40%
	Approved investment	Not exceeding	Not exceeding
		60%	60%

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

In absence of details relating to experience adjustment the same are not furnished.

III Other Long term employee benefits – Compensated absences

(Amount in Rupees)

Particulars	31st March 2011	31st March 2010
Charge in Profit & Loss account	8,684,346	6,092,253
Liability as at the year end	15,340,873	8,798,304



3. Segment Reporting

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

4. Related Party Disclosures

A. List of Related Parties are given below:

Key Management Personnel : Mr. Samit Ghosh,
Managing Director

B. Transactions with Related Parties during the year:

Particulars	Key Management Personnel	
	31st March 2011	31st March 2010
Remuneration:		
Mr. Samit Ghosh	3,120,000	3,000,000
Outstanding Balances		
Due from	-	-
Due to Mr. Samit Ghosh	776,910	476,910

5. Auditor's Remuneration

Particulars	(Amount in Rupees)	
	31st March 2011	31st March 2010
For Statutory Audit	600,000	600,000
For Tax Audit	300,000	300,000
Other attest services	420,000	310,000
Out of pocket expenses	19,750	24,032
Total	1,339,750	1,234,032

6. The Company has taken on operating lease premises for a period ranging from 11 months to 120 months which are non-cancellable for the period as reflected in the agreement. The total minimum lease payments for the current year, in respect of operating leases, included under rent, aggregates to Rs.43,186,916/- (P.Y.Rs.26,791,847/-)

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

Particulars	(Amount in Rupees)	
	31st March 2011	31st March 2010
Not later than one year	40,420,548	28,656,962
Later than one year but not later than five years	53,074,485	48,137,182
Later than 5 years	12,695,385	14,307,000

7. Earnings per share

Particulars	(Amount in Rupees)	
	31st March 2011	31st March 2010
Net profit / (loss) after tax (Rs.)	114,092,316	96,392,030
Weighted average shares outstanding – Basic (Nos.)	34,842,460	3,484,2460
Weighted average shares outstanding – Diluted (Nos.)	37,811,175	35,389,150
Earnings / (loss) per share – Basic (Rs.)	3.27	2.77
Earnings / (loss) per share – Diluted (Rs.)	3.02	2.72

Nominal value of equity shares - Rs. 10/- . During the year the Company has sub divided its Equity shares of face value of Rs.100/- each to Equity share of face value of Rs 10/- pursuant to approval of members in the Extra Ordinary General Meeting held on October 12, 2010 and the earnings per share for the previous year has been computed accordingly. Other key ratios are indicated below:

Particulars	31st March 2011
Debt Service ratio	0.27
Interest Coverage ratio	1.53
Debt Equity Ratio	4.22

8. Deferred Tax

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", the company has recognized Rs.15,812,738/- (PY. Rs. 5,372,844) as deferred tax credit as detailed below:



(Amount in Rupees)

Particulars	Deferred Tax (Assets) / Liabilities as on April 1, 2010	Current year (credit) / charge	Deferred Tax (Assets) / Liabilities as on March 31, 2011
Difference between book and tax depreciation	4,527,437	(34,343)	4,493,094
Provision for Employee benefits	(3,116,178)	(3,737,234)	(6,853,412)
Others	(6,784,103)	(12,041,161)	(18,825,264)
Net Deferred Tax (Asset) / Liability	(5,372,844)	(15,812,738)	(21,185,582)

9. Employee Stock Option Plan

The Company has established Employee Stock Option Plan (ESOP) for compensation to its employees, being ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010. The Company had granted options under the ESOP 2010 plan during July 2010 based on an exercise price of Rs.400/- each fully paid after a vesting period of 4 years after the grant date.

Option activity under the plans is as given as below:

Particulars	Nos.	
	31st March 2011	31st March 2010
Options granted, beginning of year	546,690	201,560
Granted during the year	2,609,350	396,680
Exercised during the year	-	-
Forfeited/Expired during the year	187,330	51,550
Options granted, end of year	2,968,710	546,690
Option exercisable at the year end	537,230	128,230
Weighted average of remaining contractual life (years) at the year end	3.28	1

For the options granted under ESOP 2010 plan the difference between the intrinsic value of the underlying shares in the year of grant and the options exercise price is charged to the profit and loss account. Accordingly, the compensation charge thereon in the current year is Rs. Nil.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and Earnings Per Share (EPS) both basic & diluted, had the company adopted the fair value method amortizing the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2011 would have been lower by Rs. 526,614/- and the basic and diluted EPS would have been revised to Rs.3.26 and Rs.3.00 respectively.

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 years, an expected dividend rate of 2% on the underlying equity shares, risk free rate of 7.29% and volatility in the share price of 0% since the company being closely held and its shares not being freely traded. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur.

10. Asset Classification & Provisioning:

The Company follows Prudential Norms of the Reserve Bank of India (RBI) with regard to classification in respect of all loans extended to its customers. The loans inclusive of unpaid interest, when the installment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more is treated as Non performing assets. Provision is made for loan assets as per the Company's policy which is higher than the provision required under the prudential norms.

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

(Amount in Rupees)

Classification of Assets	31st March 2011			
	Family & Other Loans	Housing Loan	Individual Business Loan	Total
Standard assets	6,097,174,152	68,314,134	67,887,910	6,233,376,196
Sub-standard assets	17,440,090	402,590	149,456	17,992,136
Doubtful assets	76,216	-	-	76,216
Loss assets	-	-	-	-
Total	6,114,690,458	68,716,724	68,037,366	6,251,444,548
Provision for doubtful loans				
Standard assets*	53,602,926	542,991	532,182	54,678,099
Sub-standard assets	1,744,009	40,259	14,946	1,799,214
Doubtful assets	15,243	-	-	15,243
Loss assets	-	-	-	-
Total	55,362,178	583,250	547,128	56,492,556

(Amount in Rupees)

Classification of Assets	31st March 2010			
	Family & Other Loans	Housing Loan	Individual Business Loan	Total
Standard assets	3,669,888,534	11,226,708	19,146,932	3,700,262,174
Sub-standard assets	7,072,723	268,193	37,831	7,378,747
Doubtful assets	6,986	-	-	6,986
Loss assets	-	-	-	-
Total	3,676,968,243	11,494,901	19,184,763	3,707,647,907
Provision for doubtful loans				
Standard assets*	17,358,144	396,763	83,121	17,838,028
Sub-standard assets	707,272	26,819	3,783	737,874
Doubtful assets	1,397	-	-	1,397
Loss assets	-	-	-	-
Total	18,066,813	423,582	86,904	18,577,299

* As per Company policy. During the year based on internal study and approval by the Board, the Company has revised its estimates, which has resulted in provision being higher by Rs.6,178,170/- and profit for the year being lower by that amount to such extent.



(Amount in Rupees)

Classification of Assets	31st March 2011			
	Family & Other Loans	Housing Loan	Individual Business Loan	Total
Standard assets	6,097,174,152	68,314,134	67,887,910	6,233,376,196
Sub-standard assets	17,440,090	402,590	149,456	17,992,136
Doubtful assets	76,216	-	-	76,216
Loss assets	-	-	-	-
Total	6,114,690,458	68,716,724	68,037,366	6,251,444,548
Provision for doubtful loans				
Standard assets*	53,602,926	542,991	532,182	54,678,099
Sub-standard assets	1,744,009	40,259	14,946	1,799,214
Doubtful assets	15,243	-	-	15,243
Loss assets	-	-	-	-
Total	55,362,178	583,250	547,128	56,492,556

11. Details of investments purchased and sold during the year:

Mutual Fund	Option	Unit Purchased	Amount Invested (Rs.)	Units Sold	Sale Proceeds (Rs.)
Birla Sunlife Saving Fund - Retail	Growth	(59,504)	(1,000,000)	(59,504)	(1,000,750)
Fortis Overnight Fund Inst Plan	DDR	3,999,231.61 (10,997,347)	40,000,000.00 (110,000,000)	3,999,231.61 (10,997,347)	40,004,313.79 (110,006,661)
Fortis/BNP Paribas Money Plus Inst Fortis Money Plus Inst	DDR	54,766,133 (13,519,679)	546,004,314 (135,066,722)	54,766,133 (13,519,679)	547,938,372 (135,238,701)
Fortis Money Plus Inst	Growth	(2,239,057)	(30,000,000)	(2,239,057)	(30,106,131)
HDFC Cash Management Saving Plan – Liquid	DDR	14,104,226 (5,641,519)	210,000,000 (60,000,000)	13,634,142 (5,641,519)	145,018,192 (60,005,453)
HDFC Cash Management Savings Plan	Growth	(4,230,831)	(80,000,000)	(4,230,831)	(80,010,337)
HDFC Floating Rate Income Fund - Short Term Plan	DDR	3,476,455	35,002,821	3,476,455	35,045,798
HDFC Floating Rate Income Fund - Short Term Plan	Growth	(2,274,617)	(35,004,914)	(2,274,617)	(35,056,154)
HDFC Cash Management Treasury Advantage - Wholesale	DDR	90,795,840 (7,484,750)	928,015,889 (75,031,212)	90,795,840 (7,484,750)	930,818,474 (75,083,274)
HDFC Cash Management Treasury Advantage - Wholesale	Growth	(4,807,045)	(95,005,423)	(4,807,045)	(95,212,988)
Kotak Flexi Debt Fund Fund Inst	DDR	5,480,881 (1,494,329)	54,974,683 (15,000,000)	3,212.12 (1,494,329)	55,069,150.61 (15,014,270)

Mutual Fund	Option	Unit Purchased	Amount Invested (Rs.)	Units Sold	Sale Proceeds (Rs.)
Kotak Floater Long Term	DDR	84,600,751 (1,489,171)	850,500,000 (15,001,135)	84,600,751 (1,489,171)	852,758,647 (15,010,541)
Kotak Liquid - Inst	DDR	8,178,918 (1,226,776)	100,005,667 (15,000,000)	817,894 (1,226,776)	100,012,624 (15,001,135)
LIC MF Income Plus Fund	DDR	33,653,531 (9,016,075)	336,281,247 (90,044,863)	33,653,531 (9,016,075)	336,535,306 (90,160,747)
LIC MF Income Plus Fund	Growth	- (26,347,361)	- (315,003,876)	- (26,347,361)	- (315,426,770)
LIC MF Liquid Fund	DDR	10,747,710 (12,068,349)	126,000,856 (132,500,000)	10,747,710 (12,068,349)	126,011,783 (132,511,675)
LIC MF Liquid Fund	Growth	- (3,466,738)	- (57,500,000)	- (3,466,738)	- (57,506,888)
LIC MF Savings Plus	Growth	- (1,739,521)	- (25,003,012)	- (1,739,521)	- (25,032,236)
LIC MF Saving Plus Fund	DDR	12,118,508 (6,758,785)	121,093,397 (67,506,175)	12,118,508 (6,758,785)	121,185,083 (67,587,849)
Templeton India TMA -Inst Plan	Growth	- (49,542)	- (70,053,764)	- (49,542)	- (70,069,575)
Templeton India Ultra Short Bond Fund Institutional Plan	Growth	- (7,189,735)	- (82,502,718)	- (7,189,735)	- (82,667,849)
Templeton India Ultra Short Bond Fund Retail	DDR	- (1,400,992)	- (14,000,000)	- (1,400,992)	- (14,024,768)
UTI Liquid cash Plan - Inst	DDR	304,125 (9,810)	155,000,000 (10,000,000)	304,125 (9,810)	155,019,237 (10,000,845)
UTI Treasury Advantage Fund - Inst	Growth	- (46,501)	- (55,000,001)	- (46,501)	- (55,057,688)
UTI Treasury Advantage Fund Inst	DDR	1,047,667 (125,110)	1,045,519,239 (125,038,933)	1,047,667 (125,110)	1,047,890,831 (125,136,810)

(Previous year details are in bracket).

12. Director's Remuneration:

(Amount in Rupees)

Particulars	31st March 2011	31st March 2010
Salaries, Bonus and Allowances	3,110,640	2,990,640
Contribution to provident & other fund *	9,360	9,360
Total	3,120,000	3,000,000

*Contribution towards Gratuity fund and Leave encashment are not included as the same is recognized based on actuarial valuation of all employees and hence identifying to an individual is not possible.



13. Disclosure on foreign currency exposure:

Foreign Currency Exposure as at 31st March, 2011, that have not been hedged by a derivative instrument or otherwise:

Particulars	Amount (in Rs.) 31st March 2011	Amount (USD) 31st March 2011	Amount (in Rs.) 31st March 2010	Amount (USD) 31st March 2010
Advances Received	2,322,863	52,024	2,908,456	64,432

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

(i) Capital to Risk asset ratio

(Amount in Rupees)

Sl No.	Particulars	31st March 2011	31st March 2010
1	Tier I Capital	1,130,137,669	1,040,473,839
2	Tier II Capital	-	-
	Total	1,130,137,669	1,040,473,839
	Total Risk Weighted Assets	6,467,281,434	3,847,570,337
	Capital Ratios		
1	Tier I Capital as a percentage of Total Risk Weighted Assets (%)	17.47%	27.04%
2	Tier II Capital as a percentage of Total Risk Weighted Assets (%)	-	-
	Total Capital (%)	17.47%	27.04%

(ii) Exposure to Real Estate Sector, Both Direct & Indirect

The Company does not have any Direct or Indirect exposure to the Real Estate Sector as at 31st March 2011.

(iii) Maturity Pattern of Asset Liability

Maturity pattern of certain items of assets and liabilities as on March 31, 2011

(Amount in Rupees)

	Up to one month	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks and other financial institutions	187,918,736	334,752,499	307,018,622	1,093,148,745	1,127,456,710	1,645,171,614	25,843,237	-	4,721,310,163
Market Borrowings	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-
Advances	824,233,439	808,746,473	876,142,013	1,943,948,427	1,726,985,929	71,051,371	168,062	168,834	6,251,444,548
Investments	-	-	-	-	-	-	-	1,000,000	1,000,000

Notes:

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



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

17. The Company's objectives is to provide micro finance and hence the particulars under clauses 4, 4A, 4C, 4D of part II of schedule VI of the Companies Act 1956, are not applicable to the Company.

18. Earnings/ inflow in foreign currency– Rs. Nil (PY. Rs.5,291,930/-)

19. Expenditure in foreign currency – Rs. Nil (PY. Rs. Nil)

20. Previous year's figures have been regrouped / reclassified to conform with the current year grouping / classification.

Signature to schedule 1 to 18

For and on behalf of the Board of Directors



Samit Ghosh
Managing Director



Sunil Patel
Director

Place : Bangalore
Date : May 12, 2011



Schedule to the Balance Sheet of Ujjivan Financial Services Pvt Ltd-a Non Deposit taking Non Banking Financial Company

(as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) companies Prudential Norms
(Reserve Bank) Directions, 2007)

Rs. in lakhs

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities Side		
(1)	Loans and advances availed by the Non Banking finance company inclusive of interest accrued thereon but not paid		
	a) Debentures - Secured	8,500.00	Nil
	- Unsecured (other than falling within the meaning of public deposits)	Nil	NA
	b) Deferred Credits	Nil	NA
	c) Term Loans	38,625.19	Nil
	d) Inter corporate Loans and borrowing	Nil	NA
	e) Commercial Paper	Nil	NA
	f) Other loans (Cash credit)	87.92	Nil
	Assets Side		
(2)	Break up of Loans and advances including Bills Receivables (Other than those included in 4 below:)		
	a) Secured	Nil	
	b) Unsecured		
	i) Rental & other deposits	283.80	
	ii) Advances Recoverable in cash or kind or for value to be received	398.16	
	iii) Interest receivables and accrued on Fixed Deposits placed with Bank	644.73	
	iv) Receivables under Financing Activities	62,514.45	
(3)	Break up of Leased assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under Sundry Debtors		
	(a) Financial Lease	Nil	Nil
	(b) Operating Lease	Nil	Nil
	(ii) Stock on assets including hire charges under Sundry Debtors		
	a) Assets on Hire	Nil	Nil
	b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed	Nil	Nil
	b) Loans other than (a) above	Nil	Nil

Rs. in lakhs

	Particulars	Amount Outstanding	Amount Overdue
(4)	Break up of Investments		
	Current Investments	Nil	Nil
	1. Quoted		
	(i) Shares - a) Equity		
	b) Preference		
	(ii) Debentures and bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		
	2. Unquoted		
	(i) Shares - a) Equity		
	b) Preference		
	(ii) Debentures and bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		
	Long term investments		
	1. Quoted	Nil	Nil
	(i) Shares - a) Equity		
	b) Preference		
	(ii) Debentures and bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		
	2. Unquoted		
	(i) Shares - a) Equity	10.00	
	b) Preference		
	(ii) Debentures and bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		



	Particulars		
(5)	Borrower Group-wise Classification of Assets Financed as in (2) & (3) above. Please see note 2 below		
		Amount in Rs. (Net of Provisions)	
	Category	Secured	Unsecured
			Total
	(1) Related parties**		
	a. Subsidiaries	Nil	Nil
	b. Companies in the Same Group	Nil	Nil
	c. Other related parties	Nil	Nil
	(2) Other than related parties	Nil	-
	Total	Nil	-
(6)	Investor Group-wise Classification of all Investments (Current and long term) in shares and securities (both quoted and unquoted) please see note 3 below		
	Category	Market value/Breakup or fair value or NAV	Book Value (Net of Provisions)
	(1) Related parties**	Nil	Nil
	a. Subsidiaries	Nil	Nil
	b. Companies in the Same Group	Nil	Nil
	c. Other related parties	Nil	Nil
	(2) Other than related parties	Nil	10
	Total	Nil	10
	** as per accounting standard of ICAI (Please see Note 3)		
(7)	Other information		
	Particulars		Amount
	(i) Gross Non performing Assets		
	a. Related parties		Nil
	b. Other than related parties		0.00
	(ii) Net Non performing Assets		
	a. Related parties		Nil
	b. Other than related parties		0.00
	(iii) Assets acquired in satisfaction of debt		Nil

Notes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance in public Deposit (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial(non-Deposit Accepting or Holding) companies Prudential Norms(Reserve Bank) directions, 2007.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

For and on behalf of the Board of Directors



Samit Ghosh
Managing Director



Sunil Patel
Director



Place: Bangalore
Date : 12th May, 2011

Part IV of Schedule VI of the Companies Act, 1956 (As Amended) Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. : 035329

State Code : 08

Balance Sheet Date : 310311

II Capital Raised during the year (Rs. in thousands)

Public Issue : NIL

Right Issue : NIL

Bonus Issue : NIL

Private Placement : NIL

III Position of Mobilisation and Deployment of Funds (Rs. in thousands)

Total Liabilities : 7116691

Total Assets : 7116691

Source of Funds

Paid-up Capital : 348425

Reserve and Surplus : 813866

Secured Loan : 4718865

Unsecured Loans : 2444

Application of Fund

Net Fixed Assets : 103666

Investments : 1000

Net Current Assets : 5757748

Misc Expenditure : NIL

Accumulated Losses : NIL

IV Performance of Company

Turnover : 1564430

Total Expenditure : 1387151

Profit (Loss) before Tax : 177279

Profit (Loss) after tax : 114092

Earnings per Share : 3.27

Dividend Rate : 02

V Generic Name of Three Principal Products/Services of Company (As per Monetary terms)

Item Code No : NIL

Product Description : MICROFINANCE

For and on behalf of the Board of Directors



Samit Ghosh
Managing Director



Sunil Patel
Director



Place: Bangalore

Date: May 12, 2011





Registered Office: Ujjivan Financial Services Pvt. Ltd. #93, Jakkasandra Extension, Sarjapur Main Cross Road, 1st Block, Koramangala, Bangalore - 560 034
+ 91 80 4071 2121 | www.ujjivan.com

SOCIAL PERFORMANCE MANAGEMENT

2010 - 2011





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Social Development Programs

After making profits for the first time last year, Ujjivan apportioned a part of the profits to empower customer leaders and the branch team at the field level to undertake Social Development Programs (SDP) of their choice preferably to support the welfare of their (customers') children.

This initiative surpassed expectations and received support from far and wide, turning into a movement of sorts. Community leaders, customers and Government officials, all supported the initiative to bring real change on ground in improving their local communities and provide for a better future of the children born into poverty.

The program follows a decentralised and participatory approach with the view to empowering the customers and the branch team to jointly decide and undertake urgently needed community development projects to benefit the families of the area especially children.

From remote semi-urban parched areas of Orissa to densely populated Government schools to city-based crèches and orphanages, we have been able to impact over 30,000 young children and citizens with the Social Development Programs. Whether it has been providing chalks and pencils to children in an *anganwadi* (child day-care centre) or installing streetlights and tube wells in a local community, Ujjivan has been able to conduct these projects with the help of the branch staff, customer leaders and the local community.

All these project functions were attended by Senior Government officials (Block Officers, Police Inspectors etc.) as well as by MLAs.

These events were also widely covered by local media.

Social Development Programs 2010-11					
	South	North	East	West	Total
No. of branches	52	22	29	4	107
No. of programs conducted	52	6	29	4	91
No. of beneficiary institutions	572	10	115	55	752
No. of children benefited	19,882	709	10,990	2,475	34,056
Total expenses (Rs.)	1,275,656	144,618	632,144	100,000	2,152,418



Social Development Programs 2010 - 11

Region/Branch	Items Provided	No. of Beneficiaries
NORTH		
New Delhi		
Madangir	Air coolers, water purifiers, blankets, educational kits to creche	150
Uttar Pradesh		
Yamuna Vihar, Meerut	School bags, water filters, carpets, fans, classroom equipment	493
Rajasthan		
Bharatpur	Repair of washrooms and drainage systems, motor pumps installation at Community Hall	1500
Alwar	Water tank, educational kit, blankets to 2 orphanages	250
Ajmer	Lunchroom furniture to school for the blind	250
NORTH TOTAL		2643
EAST		
Bihar		
Danapur	Installation of water handpump	400
Patna City	Tri-cycles to physically challenged	4
Jharkhand		
Baridih, Mango, Parsudih, Dhanbad, Katras, Ratu Road, Hinoo, Kokar, Adityapur	Stainless steel water filters, blackboards, educational kits, classroom amenities for anganwadis	5012
Orissa		
Chandrashekharpur, Samantrapur, Baramunda	Street lights, education kits, steel plates, fans, utensils, blackboards, wall clock, chairs	498
West Bengal		
Garcha, Tollygunge, Kalighat, Bidhan Nagar	School Bags	1200
Garia, Kasba	Fans, mats, blackboard, classroom furniture, study kits, sports items	1007
Dumdum, Park Circus, Baruiipur, Habra, Sreerampore, Chakdah, Subhasgram	School Bags, educational kits	2375
Batanagar	Blackboards, Water Filters	495
EAST TOTAL		10991



Region/Branch	Items Provided	No. of Beneficiaries
WEST		
Maharashtra		
Pune East, Pimpri, Nashik Road, Nashik CIDCO	Tri-cycles, educational kits, toys, water containers and water purifiers	2475
WEST TOTAL		2475
SOUTH		
Karnataka		
Bangalore		
Koramangala, Yeshwantpur, Magadi Road, Kavalbysandra, HAL, Devaiah Park, Chamarajpet, Lingarajpuram, Whitefield, Jakkasandra, Chandra Layout, KR Puram, Peenya, Yelahanka, BR Pura, Anekal, Uttarahalli	Plastic chairs, steel drums, mats, educational kits, steel plates and glasses, kitchen utensils, classroom facilities, toys, motor pumps.	5814
Rest of Karnataka		
Ramanagar, Maddur, Channapatna, Chikkaballapur, Dharwad North, Hubli Old, Hubli North, Siddalghata, Belgaum, Haveri, Davangere South, Davangere North, Tumkur, Chitradurga, Gauribadanur, Shimoga, Gadag, Mysore Brindavan, Mysore Chamundi, Tiptur, Chintamani, Challakare, Nanjangud, Sira, Ranebannur	Plastic chairs, plastic drums, steel drums, water filters, mats, educational kits, steel plates and glasses, kitchen utensils, classroom facilities, toys, motor pumps to anganwadis	8122
Tamil Nadu		
Gobichettapalyam	Plastic chairs, toys, educational kits, mats	130
Tirupathur		136
Hosur		396
Krishnagiri	Well pulley system installation. Mats, steel water drums for anganwadis	716
Dharmapuri, Vaniambadi, RS Puram, Salem Suramangalam, Erode Surampati, Erode Kaveri	Plastic chairs, toys, educational kits, mats	2543
SOUTH TOTAL		17857



Future Plans 2011-12					
	South	North	East	West	Total
No. of branches	110	69	124	48	351
No. of programs	87	31	88	48	254
New initiatives	<ul style="list-style-type: none"> • Training programs on livelihood & enterprise development • Include more institutions working with physically challenged • Community development through infrastructure support • Inspire customers to channel resources at their disposal (e.g. Centre fines fund) towards social activities 				





Customer-sponsored Social Development Programs

The urban poor that Ujjivan serves lead a tough life. Whether it's their children's education, or their spouse's business or even running day-to-day household chores, these women have to put in every bit of effort to improve their lives.

So, it was indeed a big surprise when over 8000 such women customers at five of our branches approached Ujjivan saying they wanted to monetarily help their local community by themselves.

During the course of microfinance operations, customers sometimes have to pay a token fine for not attending centre meetings regularly. At the end of the loan cycle, this fine amount is returned to the customers. It was this amount that the customers wanted to utilise as charity to their local community initiatives.

Ujjivan branch staff helped facilitate the necessary documentation and logistics to make these events happen for the customers. The amount was used for the benefit of anganwadis, orphanages, old age homes and schools for children with special needs.

Louisa, a 37-year old with two children, whose husband works as a school van driver while she runs a tailoring business, decided to support a local institute for disabled children. She said, "Just the way we have been helped by Ujjivan, we wanted to help other disadvantaged neighbours". Together, Louisa and her group members used their fine amount to purchase games, puzzles and educational stationery as well as provisions for the institute, which helps children with special needs such as those suffering with autism and polio.

In another instance, Usha Rani and Mangala and other members of their group unanimously decided to contribute money for the eye operation of Shashikala's school-going son. Having kids of their own, the likes of Usha Rani and Mangala have high aspirations and dreams for their children, educating them in the best schools. Empathetic to their neighbour, they wanted to help Shashikala achieve her aspirations for her son and hence took the step to contribute their hard-earned money for the well-being of the child.

These events reaffirm our belief that lives can be made better, not only economically but also in terms of spirit.



Customer-sponsored Social Development Programs 2010-11

No. of customers	8000+
No. of beneficiary institutions	60
No. of beneficiaries (primarily children)	2025
Total amount (Rs.)	117,984



Usha Rani & Mangala







ಅಸಹಾಯಕರಿಗೆ ನೆರವಾಗಿ: ಸಂಘ, ಸಂಸ್ಥೆಗಳಿಗೆ ಸಲಹೆ

ಪ್ರಜಾವಾಣಿ ವಾರ್ತೆ

ಚಳ್ಳಕಟ್ಟಣ: ಸಮಾಜದಲ್ಲಿರುವ ಕೆಳಸ್ತರದವರು ಹಾಗೂ ಅಸಹಾಯಕರಿಗೆ ಉಳ್ಳವರು ಮತ್ತು ಸಂಘ ಸಂಸ್ಥೆಗಳು ಮುಂದಾಗಬೇಕು ಎಂದು ನಗರ ಶಾಖೆ ಪಿಎಸ್‌ಐ ಎಚ್.ಎಲ್.ನಂದೀಶ್ ಸಲಹೆ ನೀಡಿದರು.

ಉಳ್ಳವನ ಸಂಸ್ಥೆ ಮಂಗಳವಾರ ಪೇಟೆ ಸರ್ಕಾರಿ ಹಿರಿಯ ಪ್ರಾಥಮಿಕ ಶಾಲೆಯಲ್ಲಿ ಐರ್ವಡಿಸ್ತ ಸಾಮಾಜಿಕ ಅಭಿವೃದ್ಧಿ ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಅವರು ಮಾತನಾಡಿದರು.

ಕೇವಲ ಸರ್ಕಾರದ ಸವಲತ್ತುಗಳನ್ನೇ ದುರ್ಬಲರ ಅಭಿವೃದ್ಧಿಗೆ ಅವ ಉಪಯೋಗಿಸಿದರು. ಸಂಘ ಸಂಸ್ಥೆಗಳು ಸಹ ಇಂತಹ ಸೇವೆಯಲ್ಲಿ ತೊಡಗಿಸಿಕೊಳ್ಳಬೇಕು ಎಂದು ಹೇಳಿದರು.

ಮಹಿಳಾ ಮತ್ತು ಮಕ್ಕಳ ಕಲ್ಯಾಣ ಇಲಾಖೆ ಉಪನಿರ್ದೇಶಕಿ ಚಂದ್ರ ಅವರು ಮಾತನಾಡಿ, ಉಳ್ಳವನ ಸಂಸ್ಥೆಯು ಸಾಮಾಜಿಕ ಸೇವೆಯಲ್ಲೂ ತೊಡಗಿರುವುದು ಶ್ಲಾಘನೀಯ ಎಂದು ತಿಳಿಸಿದರು.

ಈ ಸಂದರ್ಭದಲ್ಲಿ 10 ಅಂಗನ ವಾಡಿಗಳು ಮತ್ತು ಮೂರು ಸರ್ಕಾರಿ ಪ್ರಾಥಮಿಕ ಶಾಲೆಗಳಿಗೆ ಆಟಿಕೆ ಮತ್ತು ಗಳು, ಪಾಚೆ, ಅಡುಗೆ ಸಾಮಗ್ರಿ, ಬ್ಯಾಂಡ್‌ಸೇಟ್‌ಗಳನ್ನು ಸಂಸ್ಥೆಗೆ



ಚಳ್ಳಕಟ್ಟಣ ಮಂಗಳವಾರ ಪೇಟೆ ಸರ್ಕಾರಿ ಹಿರಿಯ ಪ್ರಾಥಮಿಕ ಶಾಲೆಯಲ್ಲಿ ನಡೆದ ಸಾಮಾಜಿಕ ಅಭಿವೃದ್ಧಿ ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಮಹಿಳಾ ಮತ್ತು ಮಕ್ಕಳ ಕಲ್ಯಾಣ ಇಲಾಖೆ ಉಪನಿರ್ದೇಶಕಿ ಚಂದ್ರ ಅವರು ಅಂಗನವಾಡಿಗಳಿಗೆ ಆಡುಗೆ ಸಾಮಗ್ರಿಗಳನ್ನು ವಿತರಿಸಿದರು.

ಯಿಂದ ವಿತರಿಸಲಾಯಿತು. ಸಂಸ್ಥೆ ರಾಜ್ಯ ಮುಖ್ಯಸ್ಥೆ ಜಾನ್, ಸಿಬಿಐ ಕಿರೋಲ್ ಭರ್ತೀಡೋ, ಜಗದೀಶ್ ಬೇಗೂರ್, ವಿತರಣಾ ವ್ಯವಸ್ಥಾಪಕ ಸುರೇಶ್, ಸ್ಥಳೀಯ ಶಾಖೆ ಸಿಬ್ಬಂದಿ ಉಪಸ್ಥಿತರಿದ್ದರು.

ತೊಂದರೆ ನಿವಾರಣೆಗೆ ಆಗ್ರಹ

ಚಳ್ಳಕಟ್ಟಣ: ತಾಲ್ಲೂಕಿನ ಇಗ್ಗಲೂರು ಜಲಾಶಯದಿಂದ ಕೂರಣಗರೆ ಬೆಟ್ಟಕ್ಕೆ ನೀರು ತಂದು ಅಲ್ಲಿಂದ ಕಣ್ಣಿ ಜಲಾಶಯ ಸೇರಿದಂತೆ ತಾಲ್ಲೂಕಿನ

65 ಕೆರೆಗಳಿಗೆ ನೀರು ಹಾಯಿಸುವ ಯೋಜನೆ ಅರ್ಥ ಪೂರ್ಣವಾಗಿದೆ ಯಾದರೂ ಅದಕ್ಕೆ ಎದುರಾಗಿರುವ ತಾಂತ್ರಿಕ ತೊಂದರೆಗಳ ಬಗ್ಗೆ ಚಿಂತಿಸಿ ತೀವ್ರ ಸಮಸ್ಯೆಗಳನ್ನು ಒಗೆಸಿಕೊಂಡು ಎಂದು ತಾಲ್ಲೂಕು ಕೃಷಿ ಸಮಾಜದ ಅಧ್ಯಕ್ಷ ಜಿ.ರಂಗಸ್ವಾಮಿ ಅಗ್ರಹಿಸಿದ್ದಾರೆ.

ಮಾಜಿ ಶಾಸಕ ಸಿ.ಪಿ. ಯೋಗೇಶ್ವರ್ ರೂಪಿಸಿರುವ ಈ ಯೋಜನೆ ಸ್ವಾಗತಾರ್ಹವಾಗಿದೆ. ಆದರೆ ನೀರಾವರಿ ಸಚಿವ ಬಹದ್ದೂರ ಬೊಮ್ಮಾಯಿ ಅವರೇ ಯೋಜನೆಗೆ ಅಗತ್ಯವಿರುವ ವಿದ್ಯುತ್‌ಕೃತ್ರಿಕ ಪೂರೈಕೆಯ ಬಗ್ಗೆ

ಅಪಸ್ತರ ಎತ್ತಿರುವುದು ತಾಲ್ಲೂಕಿನ ಜನರಲ್ಲಿ ನಿರಾಶೆ ಮೂಡಿಸಿದೆ ಎಂದು ತಿಳಿಸಿದ್ದಾರೆ.

ಉದ್ದೇಶಿತ ಯೋಜನಾ ಪ್ರದೇಶ ಅರಣ್ಯ ಇಲಾಖೆಯ ಕಾಯ್ದುಟ್ಟ ಅರಣ್ಯ ಪ್ರದೇಶವಾಗಿದೆ. ಸ್ಥಳೀಯರೇ ಯೋಜನೆ ಕೈಗೊಳ್ಳಲು ಕೇಂದ್ರ ಸರ್ಕಾರದ ಅನುಮತಿ ಕಡ್ಡಾಯ. ಈಗಾಗಲೇ ಮಲ್ಟಿ ಮಹ ರೇಷ್ಚರ ಬೆಟ್ಟಕ್ಕೆ ಕಾವೇರಿ ನದಿಯಿಂದ ನೀರು ಹರಿಯುವ ಯೋಜನೆಗೆ ಹಲವು ವರ್ಷಗಳ ಹಿಂದೆಯೇ ನಡೆದಿದ್ದು, ಅರಣ್ಯ ಪ್ರದೇಶ ಎಂಬ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಕೇಂದ್ರ ಸರ್ಕಾರ ಅನುಮತಿ ನೀಡದಿರುವುದನ್ನು ಗಮನಿಸಬೇಕಿದೆ ಎಂದು ಹೇಳಿದ್ದಾರೆ.

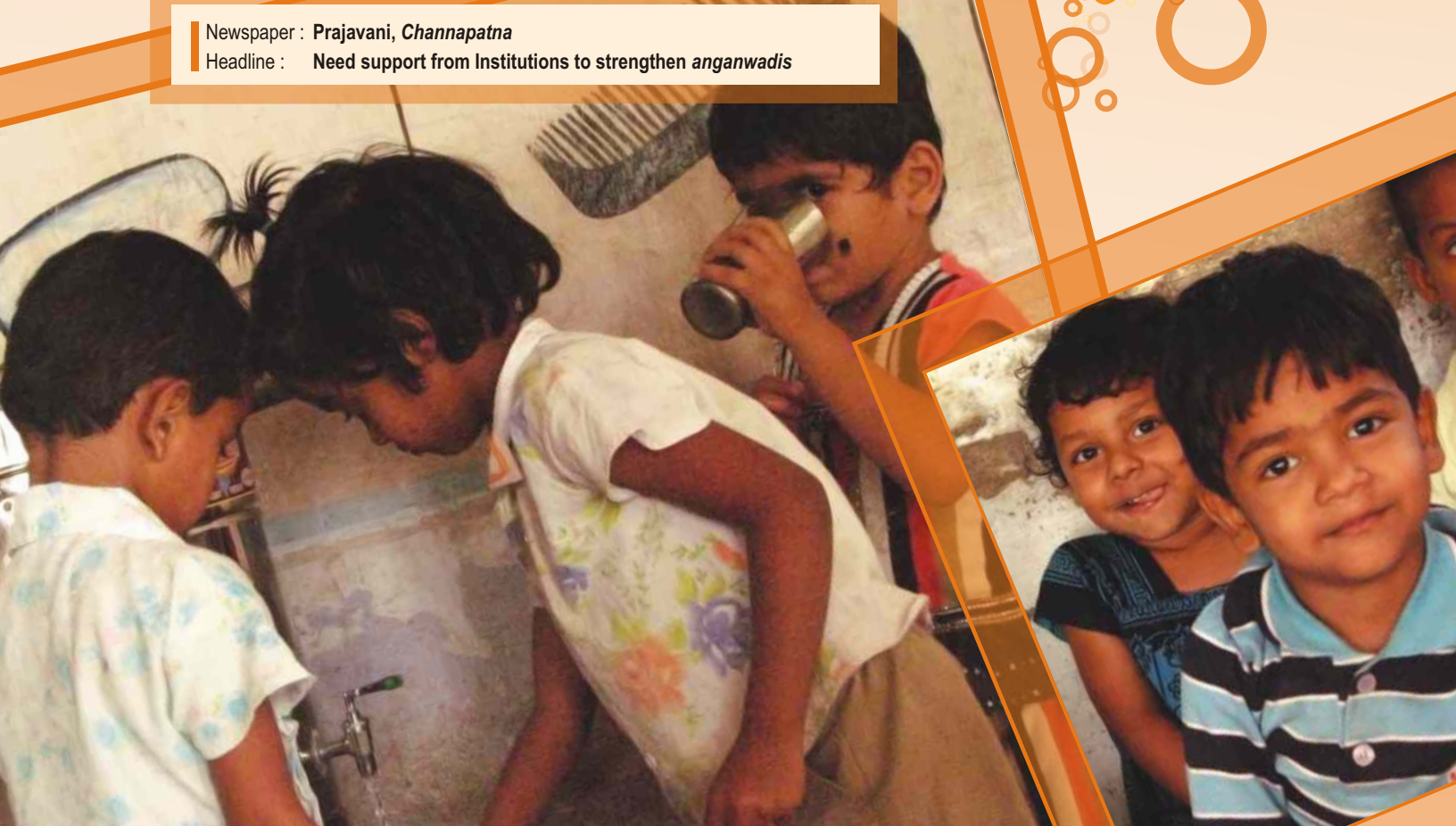
ಕೊರಣಗರೆ ಯೋಜನೆಗೆ ಆಯವ್ಯಯದಲ್ಲೂ ಕಡ್ಡಾಯವಾಗಿ ಹಣ ಮೀರಲಿಡಬೇಕು. ಎದುರಾಗಿರುವ ಅಡೆತಡೆಗಳನ್ನು ಒಗೆಸಿಕೊಂಡು ಯನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸುವಲ್ಲಿ ಸಿ.ಪಿ. ಯೋಗೇಶ್ವರ್ ಮುಂದಾಗಬೇಕು ಎಂದು ಬಹ್ತಾಯುತ್ತಾರೆ.

ವಾರ್ಷಿಕೋತ್ಸವ ಸಾಳೆ

ಮಾಗಡಿ: ಪಟ್ಟಣದ ಸಂಗ್ರಹಿಕೆರ್ ಇಂಗ್ಲಿಷ್ ಶಾಲೆಯ ವಾರ್ಷಿಕೋತ್ಸವ ಇದೇ 21 ರಂದು ಸಂಜೆ 4 ಗಂಟೆಗೆ ನಡೆಯಲಿದೆ.

Newspaper : Prajavani, Channapatna

Headline : Need support from Institutions to strengthen anganwadis



"Today, a lot of MFIs work only for profit. I am happy that Ujjivan is using its profits for social service such as this. Other MFIs should try and follow the example set. Anganwadi teachers must use all the basic utility items provided by Ujjivan to educate the underprivileged children."

- Mr. Vasudev

Deputy Director, Women and Child Welfare Department



**Newspaper : Prabhat Khabar,
Katras**
**Headline : Ujjivan distributes
mats, fans and lights**

"I am surprised that an MFI is helping anganwadis and am seeing this type of support for the first time in my years of service"

- Ms. Chandra

Deputy Director, Women and Child Welfare Department





जेएल रोड : उज्जीवन सामाजिक संस्थेतर्फे अंगणवाडी मैथिली झा शैक्षणिक खेळण्यांचे वाटप करताना ग्रामीण पोलीस अधीक्षिका मैथली झा. शेजारी संस्थेच्या मुख्य कार्यकारी अधिकारी डॉली झुकारिया, प्रकल्प अधिकारी विजय कोळी, संस्थेचे राख्यप्रमुख आनंद भालेराव आदी.

दर्जेदार शिक्षणातून जीवनाला बदला

मैथली झा : 'उज्जीवन'तर्फे अंगणवाडीतील मुलांसाठी शैक्षणिक खेळण्यांचे वाटप

जेएल रोड, ता. १८ (वायव्यद्वार)
: 'चुल आणि मुल' या फेमिन्सडे वाडन मिथ्या आता अगत्या सामर्थ्यावर अवलंबूनही सेवाकार आहेत. सोप्यापद्धतीने शिक्षण देताना शिक्षणातून अगत्या जीवनाला बदलून कर्तव्य बनवते. आज्ञा कर्तव्यात असले तर आपली मुलेही शिक्षणात कर्तव्यवान होतात, हे उद्देशाने पाहिले. असे प्रतिपादन क्रायल पोलीस अधीक्षिका मैथली झा यांनी आज येथे केले.

येथील आपसासंगठनाचे 'उज्जीवन' सामाजिक संस्थेतर्फे

खेळण्यांच्या विविध पध्दतीत अंगणवाडीतील मुलांसाठी शैक्षणिक खेळण्यांचे वाटप करण्यात आले. त्या वेळी त्या बोलत होत्या. 'सकाळ'च्या उत्तर घडणूक आवृत्तीचे संवादक विरवास देवकर, संस्थेच्या मुख्य कार्यकारी अधिकारी डॉली झुकारिया, मैथिली व चालकपणा विभागचे प्रकल्प अधिकारी विजय कोळी, संस्थेचे राख्यप्रमुख आनंद भालेराव, अंगणवाडीच्या विभागप्रमुख शुभादी घटमाळे, पूजा वाप आदी उपस्थित होते.

शैक्षणिक विकास घडविताना त्यांच्या आवडीनिवडी पाहून त्यांच्यावर चांगले संस्कार मनाविणे आवश्यक आहे. त्यासाठी पाठकांनी प्रयत्न केले पाहिजेत.

श्री. देवकर म्हणाले, "पूज्य हो एखाद्याच्या हातांच्या तळवळीवर पेरलेली आहे. त्यापुढे या हातांना बळकटी देण्याचे काम सामाजिक संस्थांनी जाणीवपूर्वक केले पाहिजे. त्यात सतत्य ठेकण्यास अधिकार्या जीवनात निविचन ओशिल बटल कामेस दिवून येत. त्यातून गौरव चुळीनी 'उज्जीवन' या शब्दाचा अर्थ

'जीवनातील उदर' असा सांगितला आहे. त्याप्रमाणे मिथ्या व त्यांच्या पुर्यांच्या जगण्याच्या त्वाडीस बळ देऊन त्यांच्या जीवनासाठी 'उदर' पडतून आणण्यास संस्थेचे नाव चमच्या अर्थाने सार्वत्रिक होत." दरम्यान, या वेळी मान्यवरांच्या हस्ते अंगणवाडी संस्थांच्या पुरेसाठी खेळण्यांचे वाटप झाले. श्री. भालेराव यांनी प्रस्ताविक केले. रंजना वाकर यांनी सूत्रसंचालन केले. राख्यप्रमुख राजे निरमल, निरमल प्रभारी स्वर्नाल वानखेडे, सविन गणकवाड, हिरण्यकर विभागाला राधा पे आदींनी संबोधन केले.

Newspaper : Sakal, Nasik City

Headline : Change your life through education



"I am delighted with this program because Ujjivan is not only helping in customers' economic development but also undertaking community development by providing basic infrastructure to Government schools, which were neglected by the authorities and NGOs"

- Mr.Pamudi
Lead District Manager



"I am very happy with Ujjivan's support to anganwadis and request them to provide same facility to all the centres in the city"

- Ms.Shobha
Field Supervisor, Women and Child Welfare
Department





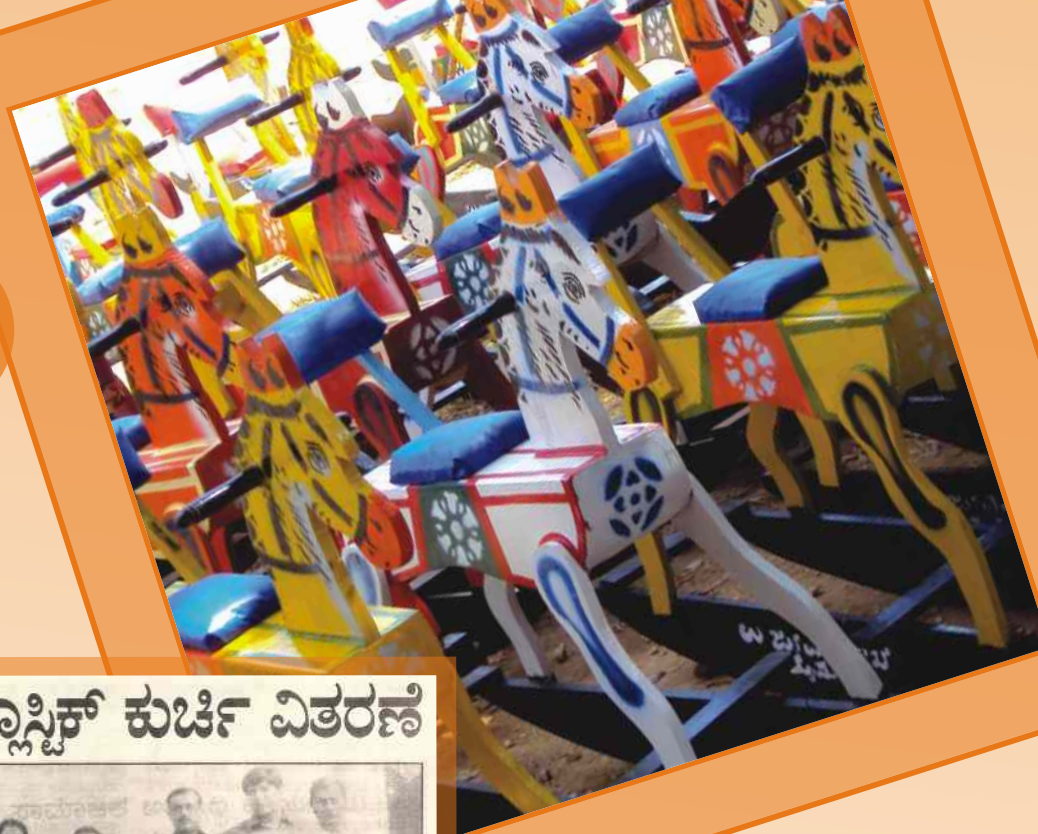
ವಿಕ ಚಿತ್ರಲೋಕ

ಉದಯಗಿರಿ ವ್ಯಾಪ್ತಿಯ ಅಂಗನವಾಡಿಗಳಿಗೆ ಉಜ್ಜೇವನ್ ಫೈನಾನ್ಸಿಯಲ್ ಸರ್ವೀಸ್ ಲಿಮಿಟೆಡ್ ಅವರು ಮಕ್ಕಳ ಆಟಕೆ ಸಾಮಗ್ರಿಗಳನ್ನು ನೀಡಿದರು. ಲೀಡ್ ಬ್ಯಾಂಕ್ ವ್ಯವಸ್ಥಾಪಕ ಚಿನ್ನಪ್ಪ ಸಂಸ್ಥೆ ಮುಖ್ಯಸ್ಥ ಸಮಿತ್ ಫೋರ್ಡ್, ಸಿಡಿಪಿಒ ಮಂಜುನಾಥ್, ಉದಯಗಿರಿ ತಾಣ್ ಎಸ್ ಐ ಶ್ರೀಕಾಂತ್ ಹಾಜರಿದ್ದರು.

News paper : Vijaya Karnataka, Mysore







ಅಂಗನವಾಡಿಗೆ ಪ್ಲಾಸ್ಟಿಕ್ ಕುರ್ಚಿ ವಿತರಣೆ

ಜಿಎಚ್ ಸುದ್ದಿಪೀಠದ ವರದಿ

ಉಜ್ಜಯಿನಿ ಪ್ರಾಂತ್ಯದ ಸರ್ಕಾರಿ ಶಾಲೆ, ಬೆಂಗಳೂರು ವಲಯದ ಸಾಮಾಜಿಕ ಅಭಿವೃದ್ಧಿ ಯೋಜನೆಯಡಿ ಬೆಂಗಳೂರು ತಾಲೂಕಿನ ತಾಂಜಾವಳ್, ಶಿವಾಜಿನಗರ, ರಾಮನಗರ, ಕೇಂಬ್ಲಿಂಗ್ ಅಂಗನವಾಡಿ ಕೇಂದ್ರಗಳಿಗೆ ಉಚಿತವಾಗಿ ಪ್ಲಾಸ್ಟಿಕ್ ಕುರ್ಚಿ ಹಾಗೂ ಕುಡಿಯುವ ನೀರಿನ ಪ್ಯಾಂಕ್ ಗಳನ್ನು ಕನ್ನಡ ಸಾಹಿತ್ಯ ಭವನದಲ್ಲಿ ವಿತರಿಸಲಾಯಿತು.

ಜಗದೀಶ ಬೆಂಗೂರ ಮಾತನಾಡಿ, ಉಜ್ಜಯಿನಿ ಸಂಸ್ಥೆಯು ರಾಷ್ಟ್ರದ 20 ರಾಜ್ಯಗಳಲ್ಲಿ ಕೆಲಸ ಮಾಡುತ್ತಿದ್ದು 351 ಶಾಲೆ ಹಾಗೂ 10 ಲಕ್ಷ ಗ್ರಾಹಕರು, 1500 ಕೋಟಿ ಮೊತ್ತ ಸಾಲಗಳನ್ನು ವಿತರಿಸಿದೆ. ಬಡ ಉದ್ಯೋಗ ಮಹಿಳೆಯರಿಗೆ ಅರ್ಥಿಕ ನೆರವಿನ ಜೊತೆ ದೇಶಾದ್ಯಂತ ಸಾಮಾಜಿಕ ಅಭಿವೃದ್ಧಿ ಕಾರ್ಯಗಳನ್ನು ಪಮ್ಮ ಕೊಂಡಿದೆ. ಪ್ರಸ್ತುತ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ದಕ್ಷಿಣ ರಾಜ್ಯದ ಕರ್ನಾಟಕ, ತಮಿಳುನಾಡು ರಾಜ್ಯಗಳಲ್ಲಿ ಸುಮಾರು 1500 ಅಂಗನವಾಡಿ ಶಾಲೆಗಳಿಗೆ ಮೂಲ ಸೌಕರ್ಯಗಳನ್ನು ಒದಗಿಸಲಾಗುವುದು ಎಂದರು.

ಸಂಸ್ಥೆಯ ಇನ್ನೊಂದು ಅಂಗವಿಭಾಗವಾದ ಪರಿಣಾಮ ಸಂಸ್ಥೆಯ ಮೂಲಕ 2009-10ನೇ ಸಾಲಿನಲ್ಲಿ ಗ್ರಾಹಕರು ಪಡೆದ ಮೊತ್ತವು ಸಾಲದ ಬಡ್ಡಿಯನ್ನು ಹಿಂದಿರುಗಿಸಲಾಗುತ್ತದೆ. ಉಜ್ಜಯಿನಿ



ಬೆಂಗಳೂರು ಕನ್ನಡ ಸಾಹಿತ್ಯ ಭವನದಲ್ಲಿ ನಡೆದ ಅಂಗನವಾಡಿ ಕೇಂದ್ರಗಳಿಗೆ ಪ್ಲಾಸ್ಟಿಕ್ ಕುರ್ಚಿಗಳನ್ನು ವಿತರಿಸಲಾಯಿತು. ಸಂಸ್ಥೆ ಹಣಕಾಸು ಒದಗಿಸುವುದರ ಜೊತೆ ಸಾಮಾಜಿಕ ಕೆಳಕೆಳ ಹೊಂದಿರುವ ಸಂಸ್ಥೆಯಾಗಿದೆ.

ಮಹಿಳಾ ಮತ್ತು ಮಕ್ಕಳ ಕಲ್ಯಾಣ ಇಲಾಖೆಯ ಸಹಾಯಕ ಶಿಶು ಅಭಿವೃದ್ಧಿ ಅಧಿಕಾರಿ ಕೋಟಾ ಕೋಹಲ್ಕಿ, ಸಂಸ್ಥೆಯ ಅಧಿಕಾರಿ ಜಾನ್ ಕ್ರಿಸ್ತಿ

ಜಗದೀಶ ಬೆಂಗೂರ, ರಾಜಕೀಯ ಪ್ರಸಾರ, ಹೆಸರ್ ಕೇಬ್, ಮೇಲ್ವಿಚಾರಕಿಯರಾದ ಅಕ್ಕಮ್ಮ ಶಾಂತೀಶ, ಮಂಜುಳಾ ಬೆನವಾಡ್, ಅಖಿಲಾ ಜಯ್, ಅಂಗನವಾಡಿ ಶಿಕ್ಷಕಿಯರು ಉಪಸ್ಥಿತರಿದ್ದರು. ಆನಂತರಾನೆಯಲ್ಲಿ ನಡೆಯಿತು. ನಿಗದಿಯು ಮಹಿಳೆ ವಂದಿಸಿದರು.

Newspaper : Vijaya Karnataka, Belgaum
Headline : Distribution of Plastic Chairs to anganwadis



"When I told my officer colleagues that this Social Development Program is being conducted by an MFI, they were all taken by surprise. Everyone thinks that MFIs are only focused on doing business but today, thanks to Ujjivan, they know that at least one MFI is also doing good social work"

- Mr. Basavarajappa
Lead District Manager





'उज्जीवन' ने जरूरतमंदों को दिये जरूरत के सामान

पंकज चौहान

दक्षिणी दिल्ली (ओ.बी.)। उज्जीवन गैर सरकारी संस्था जो शहरी माइक्रो फाइनेंस में अपनी संस्था है उन्होंने सामाजिक न्याय को बढ़ाने के लिये एक कार्यक्रम आयोजन किया। जिसमें दक्षिण पुरी के केच में आए, मदनगौर, अम्बेदकर नगर, दक्षिणी पुरी के गरीब, विधवा, बुजुर्ग महिलाओं को उनके जरूरत के सामान उपलब्ध कराए गये। इस उपलक्ष्य पर मुख्य अतिथि के रूप में निरम पार्षद प्रमोद कुमार चौधरी थे।

प्रमोद कुमार चौधरी ने संस्था के द्वारा किये गये कार्यों की सराहना करते हुए कहा कि जिस प्रकार से नाम है उसी प्रकार से इनके कार्य भी उज्जीवन लोगों के जीवन में भी उजाला कर रहा है। संस्था की ओर विशेष ध्यान रखते हुए उभेद अर्थ ने एक वक्तव्य में बताया कि हमारा उद्देश्य जनता को छोटी-छोटी जरूरतों को पूरा करना है और संस्था के माध्यम से उन्हें हम पिछले कई सालों से करते चले जा रहे हैं। इस समारोह में अशोक, नीरज सचदेवा ने

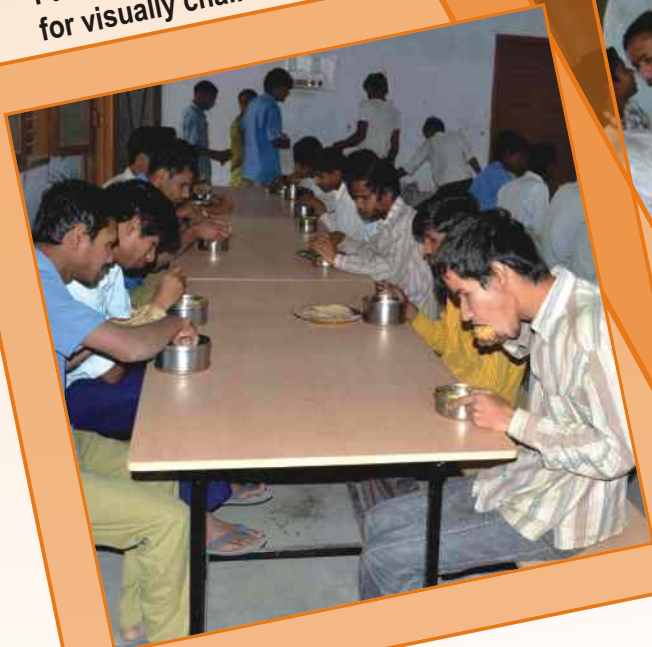


कार्यक्रम के उद्देश्य और सफलता पर प्रकाश डाला। इस कार्यक्रम में शेख के कई गणमान्य व समाजसेवी उपस्थित थे।

Newspaper : Khuli Awaaz, Delhi

Headline : Ujjivan provides help to the needy

Furniture provided to school for visually challenged

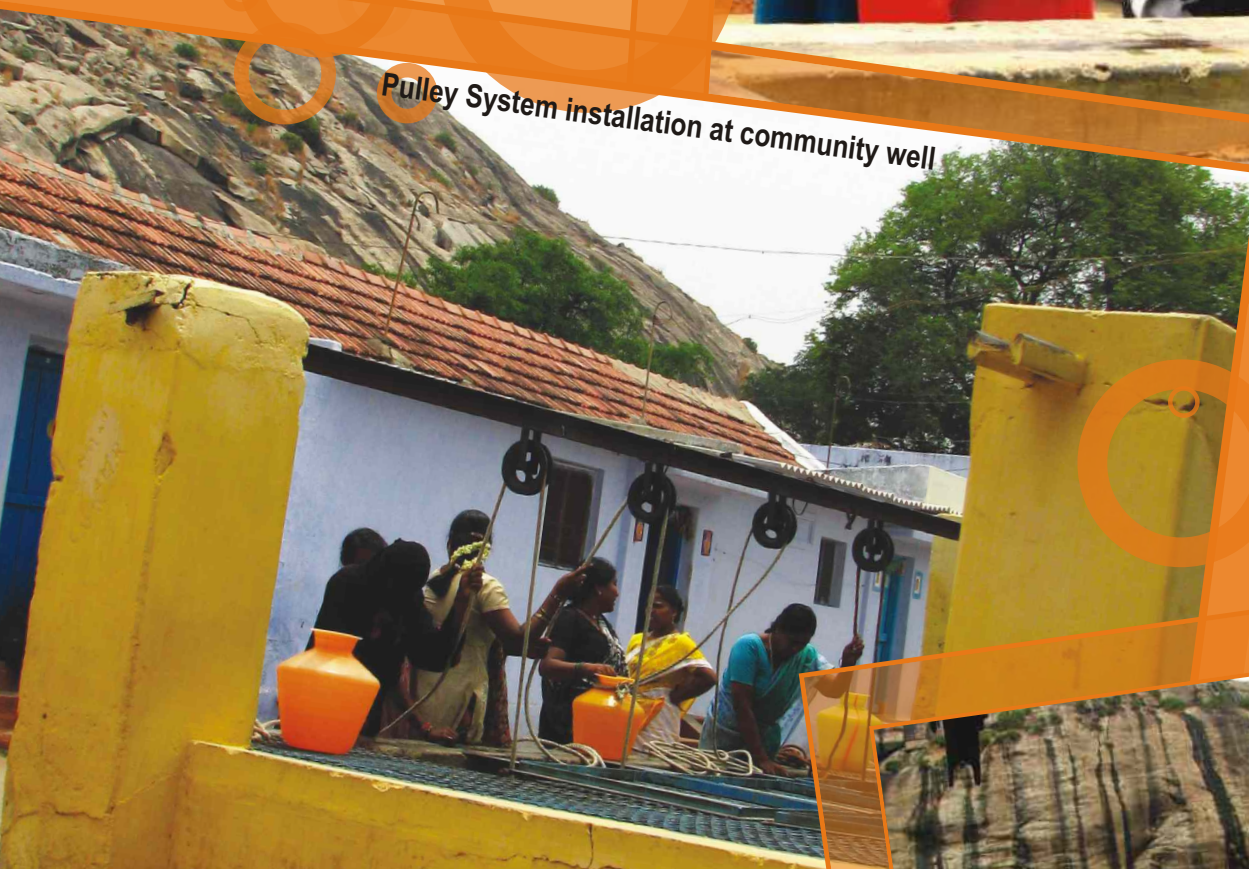


"This Social Development Program is a great initiative by Ujjivan. I am witnessing this type of a social program for the first time in the MFI industry"

**- Mr.Thirumalai
AGM NABARD**



Pulley System installation at community well



11 அங்கன்வாடி மையங்களுக்கு குடிநீர் தொட்டி, தரைவிரிப்பான்

கிருஷ்ணகிரி, டிச.18: கிருஷ்ணகிரியில் செயல்பட்டு வரும் உஜ்ஜீவன் குருநிதி கடன் வழங்கும் நிறுவனம் சார்பில் நடைபெற்றது. மேலாண்மை இயக்குநர் சமித்கோஷ் தலைமை வகித்தார்.

நிகழ்ச்சியில் சிறப்பு அழைப்பாளர்களாக கலந்து கொண்ட நபாரு வங்கி துணை பொதுமேலாளர் திருமலை மற்றும் மாவட்ட ஒருங்கிணைந்த குழந்தைகள் மேம்பாட்டு திட்ட அலுவலர் ரவிந்திரன் ஆகியோர் 11 அங்

கன்வாடி மையங்களுக்கு குடிநீர் தொட்டி, தரைவிரிப்பான் கள் மற்றும் சிவன் கோயில் தெருவில் உள்ள நன்னீர் இணைப்பிற்கு 8 ராட்டினம், கல்லூரியில் பயின்று வரும் ஒரு ஏழை மாணவிக் ரூ.10 ஆயிரம் நிதியுதவி வழங்கினார். நிகழ்ச்சியில் நகராட்சி நடுநிலைப் பள்ளியின் தலைமை ஆசிரியர் பெருமாள் மற்றும் அங்கன்வாடி பணியாளர்கள், உஜ்ஜீவன் வாடிக்கையாளர்கள் கலந்துகொண்டனர்.



கிருஷ்ணகிரியில் நடைபெற்ற விழாவில் உஜ்ஜீவன் குருநிதி கடன் வழங்கும் நிறுவனம் சார்பில் 11 அங்கன்வாடி மையங்களுக்கு குடிநீர் தொட்டி, தரை விரிப்பான்களை நபாரு வங்கி துணை பொதுமேலாளர் திருமலை வழங்கினார். அருகில் மேலாண்மை இயக்குநர் சமித்கோஷ் உள்ளிட்டோர் உள்ளனர்.

Newspaper : Dinathanthi, Krishanagiri

Headline : Distribution of utility items to 11 anganwadis and installation of pulleys in open well



Toilet after renovation



Toilet before renovation



Initiative for community service



Ujjivan Financial Services Pvt Ltd, a Bangalore based microfinance company and NGO Parinaam foundation organised a health camp at Park Circus. Reputed eye and ENT doctors provided free consultations to the family members of employees at Ujjivan.

Newspaper : The Bengal Post, Kolkata





दानापुर विधायक ने किया चापाकल का उद्घाटन

प्रतिनिधि = मनेर

प्रखंड के रोहपुर, रामपुर गांव में एक निजी संस्था की ओर से लगाया गया छीप बोरिंग चापाकल का उद्घाटन दानापुर विधायक आशा सिन्हा ने किया, भौके पर अविनाश चौधरी, अमिताभ कुमार, प्रभाकर कुमार सहित कई लोग मौजूद थे.



कार्यक्रम को संबोधित करती विधायक आशा सिन्हा.

Newspaper : **Prabhat Khabar,
Danapur**

Headline : **Tubewell inaugurated
by Danapur MLA**



Tube-well in Danapur, Bihar

"We can do lot more social development work in the community with the support of industry. Ujjivan has shown the way – using its profits to help in the development of the community"

- Mr.Babu Kaladagi

Assistant Project Officer, Women and Child Welfare Department



Tri-Cycles for handicapped





Ujjivan and Staff sponsored Disaster Relief

Accidents, calamities and disasters, natural or man-made are common occurrences. When unforeseen catastrophes take place, the poor are most vulnerable. It is the responsibility of the society to come quickly to the rescue or support of those who are affected. Our customers and staff are frequently exposed to such dangers.

In line with the organization's philosophy to help build a better life, Ujjivan & Parinaam Foundation's employees took initiatives to raise funds for such disaster relief efforts, both for customers and for staff themselves. Voluntary contributions were made by employees to contribute one day's salary. Ujjivan matches the contribution of the employees, with an equivalent amount. This amount is held in a Disaster Relief Fund account for disbursement to beneficiaries during the year.

This year, in April and May alone, employees have contributed over Rs.877,000 which is being matched by Ujjivan, raising the total amount available for disaster relief to over Rs.1.75 Million.

Beneficiaries	Fund Amount used (Rs.) [Dec 2009 – Feb 2011]
Customers	152954
Staff	172480





Accident & Disaster Relief – I

Pune, Maharashtra (West India)


Ambedkar Nagar, located near Market Yard off the Pune-Satara Road is serviced by the Pune South branch. On the fateful day of 3rd May 2010, a gas cylinder blast led to a massive fire. The houses in the locality situated very close to each other, led to the fire spreading wildly. The raging fire caused a blast of another 11 gas cylinders which resulted in an inferno of epic proportions.

Out of the 2400 households in Ambedkar Nagar, an estimated 100 houses were totally gutted. The fire caused panic amongst the residents who, together with family members, ran away to save their lives, not having enough time to salvage their personal belongings. Some miscreants even took advantage of the situation and went on a stealing rampage.

Post-tragedy, the situation was very grim as the affected families had to run from pillar to post, looking for food and shelter. Out of all Ujjivan's 194 customers in the locality, 17 families lost their houses and movable assets while another 24 families' houses were partially damaged.

The women folk residing in the area work as house maids, labourers or have a petty business. These families had to suspend their daily work, which resulted in stoppage of a daily income. Ujjivan's field staff, on learning of the tragedy, were the first to reach them and moved swiftly to provide financial assistance and help at the time of their need. However, the proud customers refused any sort of help and instead, they requested a rescheduling of their current loans and a sanction of further loans to help tide over the critical period.

After conducting a quick study of the situation, Ujjivan implemented a systematic rescheduling exercise, allowing an 8-week and 4-week repayment holiday for fully affected and partially affected customers respectively. A Special Top-up loan was also sanctioned to 14 partially affected customers.



A touching moment was when Mrs. Dhondabai Chavan, a client whose house was gutted, and who had lost all her belongings in the fire, showed her Repayment Loan Card that she had salvaged along with a few other of her items as proof of her commitment to Ujjivan.

Interestingly customers also requested that Centre meetings continue to be conducted even during the repayment holiday. There was almost 85 % attendance at these meetings where they discussed and shared their experiences of that fateful day.





Accident & Disaster Relief – II

Chitradurga, Karnataka (South India)

In 2009, floods in North Karnataka left many families including field staff and customers devastated. Ujjivan was the first MFI to come forward to help the flood victims. Last year, heavy rains destroyed the homes of 35 customers in the Chitradurga district in North Karnataka and Ujjivan, once more, lent a helping hand to the unfortunate victims.


The heavy rains which lashed the district destroyed customers' homes and left many stranded without a roof. Ujjivan branch staff and distribution supervisors immediately rushed to the affected sites and were shocked to see the intensity of damage caused. A quick brief report was prepared including a list of the affected areas and customers who needed immediate financial aid along with food items since entire household groceries were also destroyed.

Ujjivan immediately approved relief aid for 35 beneficiaries in form of cash and food grains, based on intensity of damage and customers' requirements. Relief aid worth Rs.52000 was provided to the affected families.

On the special request from customers, Ujjivan also allowed customers to reschedule their repayments to help them rebuild their life and resume their occupations without having the burden of repayment at such a difficult time.

The flood relief distribution program was conducted at Chitradurga branch, and was attended by Mr.C.P Patil, Lead District Manager. The program was also attended by the Social Development Program Committee Members, Customer Centre Leaders and Ujjivan staff.

Mr. Patil distributed the food grains and cash to the flood victims while appreciating Ujjivan's efforts in helping and supporting customers' families at a time of crisis. He acknowledged Ujjivan as the one and only MFI which had taken the initiative to help flood victims and provide full fledged support. For the customers who lost their houses,



he promised to help to construct their houses through government relief fund and *Namma Mane* scheme, requesting Ujjivan supervisors to follow up with LDM regularly for making it happen.

The flood aid program from Ujjivan was unexpected by customers and they expressed their high regard for the organisation, committing themselves to continuing their long term relationship.





Accident & Disaster Relief – III

Surat, Gujarat (West India)

It was not a good start to 2011 for residents of Bhathena in Surat (Gujarat). A fire in the area started at an adjacent textile paper carton warehouse in the early hours of 7th January. The fire spread because of kerosene oil kept in the neighbouring households. Nearly 30 households were affected by the fire with 15 to 20 houses completely gutted. Luckily there were no major casualties and only minor injuries caused during evacuation.

Many customers lost their houses and all household items. The branch staff quickly put together Rs.1000 on the spot, which they used to buy utensils and other necessary items for distribution to customers in the affected area. Most of the customers had to stay with relatives and neighbours.

Taking cognizance of this humanitarian crisis, Ujjivan donated Rs.2000 to each of the affected families. Further, it also rescheduled all their loans and waived off all sundry fees and charges.

Customers were almost in tears, expressing how much they appreciated the help offered by the branch staff, who contributed nearly Rs.3500 for buying a blanket and a few basic utensils for each family.

One of the customers said, “After losing our home in the fire, other than our close relatives no one came forward to offer us even a glass of water, whereas staff from Ujjivan treated us as family members and visited us regularly.” Ujjivan's Customer Relationship Staff Vinay Kahar who managed this area, helped customers salvage whatever they could from their burnt houses and even helped them in reconstructing their houses.

In a show of gratitude to Ujjivan, these customers did not default on repayment even once at the time of crisis. Group members who were not impacted by the accident readily took up responsibility in repaying the dues on the others' behalf.





Accident & Disaster Relief – IV

Jamshedpur, Jharkhand (East India)

Diwali did not turn out to be happy and prosperous for residents of a low-income settlement in Jamshedpur (Tata Nagar).

8th November, 5.30 pm, Chaya Nagar (a slum in Jamshedpur): A stray firecracker leads to the explosion of an LPG cylinder in this congested area. This blast, in turn causes the explosion of a further 8 gas cylinders in the neighbouring houses. As soon as the fire broke out, Sri Ram Sharma, a Customer Relationship Staff from the Baridih branch informed Arvind Ram, Programme Manager who in turn made calls to the local fire station.

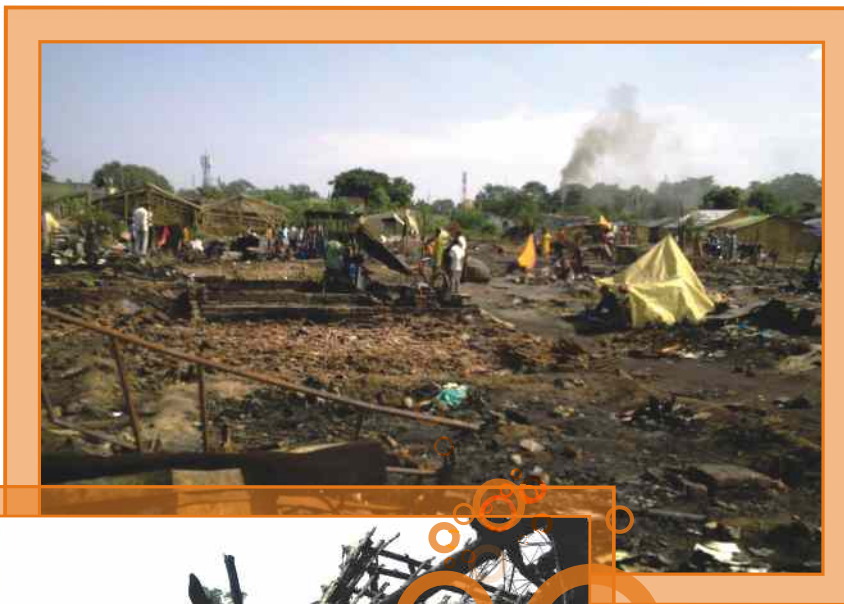
Within just 30 minutes, over 104 houses caught fire which spread rapidly all through the congested slum area. The houses were burnt down instantly. However, the firemen helped contain the fire soon. Thanks to the presence of mind of Sri Ram and Arvind in mobilizing resources, further damage was avoided.

Near 180 families were affected in this tragic incident. They lost all their precious possessions and tried to salvage whatever they could all through the night. Nineteen of these families belonged to customers of Ujjivan. No other MFI worked in the area.

Several NGOs and local outfits turned up to help the victims with blankets and temporary shelter. Ujjivan's staff arranged for snacks for the victims, some of who had not had anything to eat for over 18 hours.

Taking stock of the crisis, Ujjivan donated Rs.2000 to each of the affected families. Further, a two month repayment holiday was provided to the affected customers.

These women work as housemaids, have tailoring businesses, own petty shops, and undertake pottery and bamboo work. Ujjivan was in constant touch with them, counselling them post-crisis and helping them get back on their feet as soon as possible, for their sake and their families.







THE SOCIAL IMPACT OF PARINAAM FOUNDATION

In the four years (3 years of our formal incorporation) since Parinaam began its mission to “change” the lives of the urban and semi-urban poor families under our care, we have come a long way. Our mandate to provide social services to poor women and their families has grown by leaps and bounds, in spite of a lack of funds, but with the strong support of our partners and our volunteers. Our beneficiaries are beginning to realise that they have a friend and caregiver in Parinaam and we do our best to rise to every occasion where we are called on for help.

The year 2010-2011 found us racing to keep pace with our strategic partner, Ujjivan Financial Services, a microfinance institution which has risen to be one of the most respected in the field of microfinance around the world. As the second half of the year mired the Indian MFIs in a host of controversies and the fall-out affected all of them, good, bad and ugly, it became crucial that Parinaam proved to the Ujjivan customers that they would be as lovingly cared for as if all was right with their world. As more and more partnerships are formed and programs launched, we have a feeling of satisfaction our beneficiaries are getting the best of micro-credit & “plus” services that under normal circumstances, they cannot hope to access.

Our programs have become so innovative that thinking “out of the box” has become the rule among Parinaam staff rather than the odd occasional “Eureka!” Recognizing that poverty manifests itself in various forms and the disadvantaged do not understand or care how they get the help they so desperately need, we too have learnt that there is no such word as “impossible”. We are increasingly building a reputation for providing multi-dimensional solutions to problems that are endemic in our world of urban poverty. For Parinaam it is and always will be, in the words of President Obama, “YES WE CAN” and IBM's evocative advertisement “THINK DIFFERENTLY”.

Read about our programs in the following pages of the Report. The joy and happiness you will see on the faces of the little children and their Mothers will gladden your heart as they do ours each time a program is successfully carried out. Our Urban Ultra Poor Program, one of the most innovative and unique in India, will bring an understanding of just how challenging it sometimes is to support what the desperately poor need and give it to them rather than force them to accept our own notions of what they want and should have. The simple joys of our Sports Days (conducted across 3 of Ujjivan's regions and with the complete support of Ujjivan staff) makes our families realise that, sometimes, Happiness is Free! Our Scholarship Program and the 'Education Loan Interest Refund' are our most valued programs. Both of them support the poor's biggest aspiration (after buying a TV!): the education of their children, the need to see them move out of the enervating poverty that they suffer. We have been overwhelmed by the emotions, the tears of



joy, the blessings of every Deity each time we have a little ceremony to give them this financial support. Ujjivan has now asked us to expand our own Financial Literacy Program to include the new need of the hour, Debt Management and the concept of the Credit Bureau for the Poor. This invaluable program will be launched as a pilot across India for a limited number of customers of 32 Ujjivan branches in June 2011.

Parinaam Foundation was incorporated as a not-for-profit organization under Section 25 of the Companies Act 1956, on March 31st, 2008. Parinaam received its tax exempt status under Section 12A on January 20th, 2009 and its current approval under Section 80G of the Income Tax Act 1961 in July 2009. The 80G (5)(vi) of the Income Tax Act 1961 approval, which allows Indian citizens a tax break on donations, is valid up to March 31st, 2012. The general approval under the Foreign Contributions Regulation Act (FCRA) is under process at the Home Ministry of the Government of India and we hope that we will soon be in a position to accept foreign currency donations and grants. Till then we are restricted to Indian Rupee donations and grants from Indian Citizens, Companies and Non Resident Indians holding valid Indian Passports.

Sustainability and funding are key issues faced by most non-profit organizations. Parinaam works with the intention of providing the maximum and best quality benefits at a minimal cost. To successfully continue running our programs, we need support from donors, sponsors, our volunteers and our friends. We appreciate donations of all types – money, time or some product / service that will benefit our families. We are grateful for, and thank, those generous donors & sponsors who made last year's programs possible. We are confident that this year will bring us the sponsorships and donations that will enable us to innovate and expand new programs across India.

Elaine Marie Ghosh
Executive Director

Parinaam Foundation

May 22nd 2011

PROGRAMS CONDUCTED SINCE INCEPTION
(December 2006 to March 2011)

S.No.	PROGRAM		Dec 2006 - Mar 2008	Apr 2008 - Mar 2009	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Grand Total
1	Health Care	Number of Multi-Speciality Camps	16	12	37	60	125
		Number of registered Ujjivan customers + extended family	4964	2714	11838	21312	40828
		Regional Camps: South	16	10	24	22	72
		Regional Camps: East	-	2	9	23	34
		Regional Camps: West	-	-	3	11	14
		Urban Ultra Poor Program	-	-	1	4	5
1A (i)	Eye camps		16	12	37	57	122
	Eye Screenings done		4964	2714	8717	14056	30451
	Cataract Operations completed		43	46	210	221	520
	Eye Glasses distributed		957	867	1670	1804	5298
	Hospital Referrals/other surgeries		153	158	515	368	1194
1A (ii)	ENT Camps			4	24	50	78
	ENT Screenings			790	2252	4795	7837
	Treatments done			8	26	63	97
1A (iii)	Dental Camps			1	24	56	81
	Dental Screenings			130	2805	6659	9594
	Treatments done			2	307	1212	1521
1A (iv)	Diabetes Camps					18	18
	Diabetes Screenings				21	330	351
1A (v)	Cardiac Camp					1	1
	Cardiac Screenings					55	55
	Treatments done					11	11
1A(vi)	General Health Camps				1	2	3
	General Health Screenings (UUPP)				190	391	581
	Treatments done				20	20	40
1A(vii)	Gynecology Camps					1	1
	Gynecology Screenings					25	25
	Treatments done					1	1
1A(viii)	Vaccination Programs	No. of programs				6	6
		Children vaccinated				488	488
1B	Health Education	No. of Programs	2458	330	NIL	60	2848
		Customers attended	34305	5803		3187	43295
		Ujjivan Branches	13			53	66
1C	Healthcare Provider Network (4 Regions)	Multi-Specialty & Specialty Hospitals					81
		Primary Clinics					24
		Pharmacies					9
		Laboratories					3
1D	Substance Abuse Support Alcoholic Anonymous Awareness Program	Meets Conducted			4	32	36
		Attendances			197	2380	2577
		Ujjivan Branches covered			4	31	35
1E	Micro Health Insurance (ICICI Lombard)	Ujjivan Branches	4	2			6
		Customers /family covered	2039	2056	discontinued		4095

S.No.	PROGRAM	Dec 2006 - Mar 2008	Apr 2008 - Mar 2009	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Grand Total
2	Vocational Training	Applications received	97	185	1312	1594
		Completed Course	15	73	261	349
		Accepted Placements	15	73	118	206
3	Livelihood Support	Applications received		84	463	547
		Candidates selected		32	217	249
		Candidates currently working		0	173	173
4	Financial Literacy	No. of FLP sessions conducted			85	85
		No. of Ujjivan customers/Staff educated			4417	4417
		No. of Ujjivan Branches covered			65	65
5	Education Loan "Interest Refund"	No of Student loans interest refunded			2161	2161
		No of Ujjivan customers refunded			1899	1899
		"Interest Refunds" Disbursed(INR)			1512700.00	1512700.00
		No of Ujjivan Branches Covered			47	47
6	Higher Education Scholarship Fund	No. of students applied			84	84
		No. of students Selected			20	20
		Total amount Disbursed (in INR)			189882.00	189882.00
		Ujjivan Branches covered			12	12
7	Sports Day	No. of Sports Days conducted (per Ujjivan Branch)			52	52
		No. of Children attended			4527	4527
		No. of Moms attended			2985	2985
8	Urban Ultra Poor Program	Primary Beneficiaries (women)		38	48	96
		Family members (Beneficiaries)				375
		Children attending tuition centre		46	86	132
		No. of slums		1	2	3





Health Care

Parinaam recognizes that the best way to prevent health shocks is to start the process at the most basic levels of prevention and primary care. We provide multiple interventions that range from health education and vaccinations camps to support for secondary and tertiary care. Multi-speciality health camps provide the first step of screening customers. We currently conduct approximately 7 health camps a month all over India. At present we cover check-ups for eye, ENT, dental and diabetes. Subsequently follow-up referrals are taken forward with the healthcare providers. Hospital intervention happens through our network of Service Providers with whom we negotiate minimum tariffs to bring quality medical aid within the means of our patients. In the event of health shocks we use every resource to provide medical financial aid through donations and subsidies.

How do Parinaam's Health Camps benefit Ujjivan's customers?

During our second health camp at the Whitefield Branch in Bangalore, an Ujjivan customer approached us and said that her husband was unable to get a job earlier due to an eye problem. On attending the first health camp in 2007, her husband was able to get his eyes checked and undergo a cataract surgery at minimal cost. Post-treatment, he got a job as a driver and is now earning a substantial salary that enables him to support the family. This beneficiary generously expressed her gratitude to Parinaam and Ujjivan for conducting such health camps, which helped in her family's welfare.

MULTI-SPECIALITY HEALTH CAMPS CONDUCTED

SOUTH: 22 CAMPS

WEST: 11 CAMPS

EAST: 23 CAMPS

URBAN ULTRA POOR: 4 CAMPS

SPECIALITIES & TREATMENT

EYE: 57 Camps

EYE Screening done: 14056

EYE (Cataract Surgeries): 221

EYE (Hospital Referrals & other
surgeries): 368

Eye glasses: 1804

ENT: 50 Camps

ENT Screening done: 4795

Treatment done: 63

DENTAL: 56 Camps

Dental Screening done: 6564

Treatment done: 1212

DIABETES: 18 Camps

Diabetes check up: 330

CARDIAC: 1 Camp

Cardiac Screening done: 55

Treatment done: 11

GYNACOLOGY: 1 Camp

Cardiac Screening done: 25

Treatment done: 1

VACCINATION PROGRAM: 6 Camps

Vaccination done: 488





Medical Intervention

Open Heart Surgery

Nagaraj, the husband of Sukanya, an Ujjivan customer, was suffering with a heart problem. The doctors told him that his only option was open heart surgery costing nearly Rs.150000. This was an impossible amount of money to come up with for someone whose income was barely above minimum wage. Parinaam intervened and helped them apply for Hrudaya Sanjiveni scheme through which they managed to get Rs.70000. Ujjivan assisted with an additional Rs.20000 from its relief fund while the customer managed to pay the balance amount after the total bill amount was significantly reduced by the hospital authorities, thanks to Parinaam's intervention. The heart surgery was successfully completed in June 2010.

Nagaraj has subsequently restarted his coconut business and is living a happy life with his family.

Life of hope



Branch: Pune East, Maharashtra

Customer: Mangal Suresh Nikalje, expired 14th July 2010

Customer's Husband: Suresh Nikalje, expired 2nd October 2010

Daughter: Manisha Suresh Nikalje

Age: 11 years

Monthly Income: 0

Family Members: None

Manisha was suddenly orphaned when both her parents passed away due to a fatal illness. She was left to fend for herself, as she had no relatives to take care of her. A few of Ujjivan's customers tried to take on the responsibility but could only manage for a few days and she was shuffled from one family to the next as no one could afford to take on another mouth to feed permanently.

These customers, on realizing that this was not a long term solution, requested Ujjivan's Pune East Branch Staff for help to admit Manisha in a Hostel. Ujjivan approached Samuel, Parinaam's Field Coordinator in the West, for help. Samuel applied to St. Crispin's Home and persuaded them to take the girl in free of cost. However, when the girl underwent her entrance medical check-up, they realized that she was HIV+ and St. Crispin's was unable to let her stay. After rigorous and determined research by Parinaam we were able to locate Swayamprerit Social Development Trust at Sangamner, a hostel that specialized in accommodating HIV+ children.

With the help of Parinaam, Manisha was able to get admission free of cost, into the Swayamprerit hostel and now lives a happy life with other children and grown-ups who understand what she is going through, giving her a fair chance to live a decent life.



Quality Education

Education Loan “Interest Refund” Program

Ujjivan provides education loans for customers who want to give their children quality schooling. Parinaam supports the loan by refunding the interest component back to the customer at the end of the school year based on strict evaluation criteria. The loan thus becomes a soft loan. It is one of the most highly valued Parinaam programs, ensuring the continuing education of underprivileged children.

UPDATE:

Covered **47 Branches** in South and East.

1899 Beneficiaries

2161 Students

Total of **Rs.15,12,700** has been refunded to Ujjivan Customers

You might wonder how Rs.700 really helps

In North Hubli when we gave back the interest amount to Ujjivan customers, one woman stood up in front of everyone and told us that her daughter was sent back home from school because she was unable to pay the nominal school fees. This mother was very grateful for the interest refunded and said that the first thing she was going to do is take the money to pay the school so that her daughter could return and continue with her education.

We approached many schools in Bangalore to help raise funds for this program. A kid in one of these schools said, “Rs.700? That’s just one meal at KFC for me.” While it is true that for some of us Rs.700 is just one meal at a fast food restaurant, for others it can mean sending a child back to school.



Higher Education Scholarship Program

20 children received scholarships. Total amount disbursed: Rs.189882

The Ujjivan education loan is available only for schooling up to the 12th grade. There are no means to help students who want to go for higher education. Parinaam provides scholarships for deserving students from lower income homes, who want to pursue higher studies but are unable to do so due to high fees and a lack of good family income. Parinaam's scholarship covers 60% of the total annual fees and ranges between Rs.7000 to Rs.15000.

Dhanalakshmi, a widow, struggles to raise her four daughters. She looks after toilets for a living and receives Rs.2 for every toilet she cleans. Despite her extreme poverty she ensures her four girl children receive the education that she was never lucky enough to have. Her daughter, Kalpana is doing her B.Sc in Computer Science and has a dream to eventually become a teacher. She was awarded Rs.9610 as a scholarship which has helped her continue her education and hopefully enabled her to achieve her dreams.

There are so many more stories like Kalpana's. Parinaam, with this program, hopes to make their dreams come true.



Branch : Krishnagiri
Student : Kalpana
Customer : Dhanalakshmi
Education : BSC Computer Science
Life Ambition : Teacher
Scholarship Amount : Rs.9610
Note : Customer is a widow. Looks after a toilet as a livelihood. Struggling to send her 4 daughters with her very small income to school.

Branch : Whitefield
Student : Pushpa
Customer : Rathnamma
Education : BCOM (Yr.I)
Life Ambition : Wants to do her MBA
Scholarship Amount : Rs.13800
Note : Father has a drinking problem and wants the children to stop their education. Mother struggling to make sure that does not happen.



Livelihood & Vocational Training

Livelihood and vocational training are our most difficult programs in terms of attrition and success rate. We try to support our beneficiaries by counselling, mentoring and giving them access to jobs and training that could change their lives forever. No joy comes close to giving an unemployed Ujjivan customer or her family member an opportunity to earn a stable income as a Customer Service Attendant in a Petrol bunk (Shell) or a Customer Care employee at a fast food restaurant (KFC). For any person, a job needs to be in line with personal beliefs, integrate with their lifestyle, and give them the satisfaction of accomplishment. Our beneficiaries are very particular about the work they do or want to do, and trying to find something that suits them is a very difficult task. Candidates expect a high salary or their understanding of the nature of the work is different, and they tend to lose interest or faith quickly.

Livelihood & Vocational Training:

Vocational Training (computers, driving, retail, mobile repairs, beauticians and more):

655 beneficiaries

Livelihood (Shell petrol bunks, KFC, Shahi Exports, Lifestyle, housekeeping and packaging stationary): **291 beneficiaries.**

Parinaam along with the support of Ujjivan's Distribution and Service Quality teams actively counsel the candidates on the importance of different livelihood and vocational training programs. We network and partner with organizations after extensive research and due diligence to ensure that the companies and organizations not only give our beneficiaries the opportunity and provide quality training but also understand their unique and difficult backgrounds, by treating them fairly. Parinaam does not take placement fees from the companies nor do we charge our beneficiaries for any of the services provided to them.

We understand progress will be slow and attrition high but we are clear that the people we manage to help makes it worth the effort. We will continue to persist and try, finding different ways to give our beneficiaries a way to make a sustainable living.



Jyoti Kharvandikar, a customer from Ujjivan's Nashik Road Branch catered breakfast and lunch during our Health Camp for the doctors and volunteers. The doctors from Indorwala Hospital were so impressed with her food that they asked her to cater for their canteen permanently.

She was previously earning Rs. 4000 per month but is now making over Rs. 30000. She is very grateful to Parinaam and Ujjivan for giving her this opportunity and truly changing her life.

Jalmitra Livelihood Development & Safe Water Awareness Program

With the support of a grant from Hindustan Unilever Ltd (HUL), Parinaam initiated a program through which women from Ujjivan's customer base are trained on creating awareness on the importance of safe water and provide the community with cost effective solutions for clean water. The training is conducted with the aid of audio visuals, flip charts and live demonstrations. The "Jalmitra" (friend of water) pilot began on 10th February 2011 in two of Ujjivan's branches in Bangalore - Yeshwantpur and Koramangala. The results were spectacular. In two months, six Jalmitras have attended 331 centre meetings, educated approximately 6000 beneficiaries on safe water, initiated 3091 "interest-free" loan applications for Ujjivan women who are eager to buy the Pure-it water purifier for their homes. Our Jalmitras who were previously unemployed are now earning salaries that were earlier unimaginable. The program was also launched in Pune in March with two Jalmitras who have covered 120 centre meetings and completed 518 loan applications for interested customers.

Program Snapshot (February 2011 to April 2011)

Branches*	No. of Jalmitras	No. of Centre Meetings	No. of House Visit	Applications Filled	Compact Sales	Classic Sales
Koramangala	3	179	395	1664	-	1136
Yeshwantpura	3	152	477	1337	2	864
Pune North	2	120	426	518	-	132
TOTAL	8	451	1298	3519	2	2132

* Yeshwantpura & Koramangala commenced on February 1st, 2011. Pune North Branch commenced as of March 1st, 2011





Financial Literacy / Health Education / AA Awareness Program

Financial Literacy Program

Given the problems microfinance is currently facing, educating our women on financial literacy is crucial. Most financial literacy programs are created at a very basic level, and primarily for the rural sector. In the urban sector however, the women have a number of choices, whether it is to save or take a loan within their means and options of good & bad debt. Most urban women are very savvy when it comes to numbers and knowing their goals. They know they have to save for a better future. Their two main questions when they undergo financial literacy programs are: how do we save and where do we save?

In 2010-2011 after an intensive pilot in three branches with 750 women, Parinaam did a two hour financial literacy session for the staff and 60-70 customers in each branch, covering all branches in Karnataka. We are currently creating a new kit for Ujjivan's Financial Literacy Program and will be doing an intensive 5 module course where we focus on borrowing habits and debt management.

Health Education Program

The various programs at Parinaam are geared towards making our customers self-sufficient. In the critical area of Health Education we have collaborated with several partners who provide hands-on exposure to our beneficiaries. For instance, Kendriya Sadan, the Government's Food & Nutrition department, organized awareness programs with practical demonstrations on food & nutrition, breast feeding, and on iodine deficiency, in the South, East and West Regions.

In addition it is also necessary to teach them about methods of healthy living so that they can secure themselves and their families. Through a Health Education Program developed by Parinaam, we take forward these concepts. Our goal is to create interesting, memorable lessons on basic health practices that will inspire the women and their families to make positive changes in their lives. We want to show the customers that making healthy choices is a realistic possibility.

Classes are held at the branch for small groups of women through 6 modules on:

1) Basic Hygiene; 2) Nutrition; 3) Family Planning & HIV/AIDS; 4) Maternal & Childcare; 5) Common Diseases; and 6) Vaccinations.

Alcoholic Anonymous Awareness Program:

Over the years we have recognized that one of the most devastating addictive disorders that the poor suffer from is substance abuse. Whole families and the community at large are victims when even one member is an alcoholic.

Today, in collaboration with Alcoholics Anonymous (AA), Parinaam conducts awareness programs across 3 regions in India. These programs are held at community halls close to the branch where our Ujjivan customers and their families listen to the experiences shared by AA members and their families. It helps our customers understand that alcoholism can be controlled and that there is a very strong support group that can provide them the strength and assistance to work through it. There has been a great response from the beneficiaries towards these awareness camps and we are working on measures to make it more effective by bringing in a follow-up mechanism.

HEALTH EDUCATION PROGRAM

3187

women attended

ALCOHOLICS ANONYMOUS (AA) AWARENESS PROGRAM

2380

women and the men in their lives attended

FINANCIAL LITERACY PROGRAM:

4417

Women were educated on basic financial literacy principles across 65 Branches





Disaster Relief

Fire hits two families of Ujjivan at Phulanakhara, Orissa

On the 3rd of January 2011, while two of Ujjivan's customers in Orissa were at work, a fire broke out in one house and in no time it spread to four wood and straw houses nearby. The villagers tried in vain to rescue as much property as possible, but were unable to save anything.

These families lost everything in the fire including their basic essentials such as clothes and food. One husband lost Rs.18000, his life's savings from his work while a little girl lost her beloved cycle. Both families are now living in a cattle shed and villagers are helping them with their needs such as food and clothes. One customer's husband was so stressed due to this catastrophe that he was unable to resume his regular activities. His spouse, who was a housewife, was forced to work as a daily labourer to provide for her family's food.

Ujjivan gave them an option to hold off on their loan repayment and provided each family with a grant of Rs.2000. Ujjivan approached Parinaam to help the families re-build their lives and provide support for the children and employment for any of the family members.

Parinaam sent word out to friends and Ujjivan employees in the South and East. With the funds donated by very generous benefactors we were able to collect clothes and money to buy the children what they required for their education and provide a business start-up capital. After rigorous research by the Ujjivan and Parinaam staff, a plan was formed to get the families back on their feet and start their own businesses.

Mrs. Sanjukta Biswal's husband is now a successful and happy vegetable vendor. With the second-hand cycle we gifted him, he is able to buy his vegetables and travel to distant areas where he can make his sales. Mrs. Rinu Biswal's husband has returned to his labour work in the paddy fields and rearing goats. Her daughter, who was most upset about her cycle, was so ecstatic when we presented her with a cycle that she made five trips back & forth to transport all their new items. We learned that a little boy accidentally caused the fire when looking for a coin with the help of a candle. Since the families did not have access to electricity, Parinaam also provided the families and their 2 non-Ujjivan neighbours who were affected, four solar lamps for their homes to avoid such accidents again.

Parinaam Foundation and the Ujjivan branch staff organised help for rebuilding the houses with the support of Habitat from Humanity and the Indira Awas Yojna scheme. The families are currently working out land details before they start rebuilding their homes.

This is a great example of how the two organizations, Parinaam and Ujjivan working together and sharing the same ideology can accomplish difficult feats and change people's lives. Proving that a small amount of kindness will not only help disadvantaged families but also give them confidence that life is not all hopeless and there is a great amount of love and care that exists in our world.





Sports Day

People might wonder how a Sports Day benefits our beneficiaries. After all isn't it just a day of sports? We at Parinaam believe that every person has the basic right to enjoy even the small joys of life. All the mothers who have attended their child's sports event will hold onto that memory as a special moment in her life.

At the Parinaam Sports Days, mothers are not only invited to stay and enjoy the day with their children but are also encouraged to actively take part in games specially organized for them at the end of the day. During the blistering summer and wet monsoons we organize the Sports Days indoors where the kids participate and compete in fun-and-learn activities such as drawing, singing, and various ball games. The accompanying mothers too, participate in various fun activities such as lighting as many candles as they can with one match and many more!

Covered 52 Branches in
South, East & West

2985 Mothers

4527 Children

Customers who have been to these sports days have said that their children do not get the opportunity to participate in school sports events as most schools only hold sports for the children who excel in a sporting event and the mothers are not invited to attend. Parinaam's Sports Days give all children – girl or boy, young or old – an equal opportunity to be part of all the events and all are encouraged to participate.

Joyous memories make for happy families.





The Parinaam Urban Ultra Poor Program

Introduction

In January 2009, Ujjivan Financial Services, our MFI partner, asked Parinaam to develop a program that would bring into the fold of the bankable poor, the urban ultra poor (UUP) who were completely marginalized by the government and the private development services. We knew that if we wanted to be truly effective in treating poverty we had to attack it at its roots with the poorest.

The practicing rural ultra poor programs had no commonalities with the urban sector and the traditional methodologies in use were unrelated to the ground realities of urban slums and their residents. The urban ultra poor were an unknown, unexplored sector.

We started from scratch to create our own PPI (Progress out of Poverty Index), surveys, success metrics, and goals. The program took into account two major factors: 1) What are the circumstances of the urban ultra poor; 2) Parinaam's USP that would care for poor women AND their families as one unit (one stove, one family). We believed that therein lay the key to the success of any initiative that aimed at the uplift of the poor and the eradication of a problem too often ignored in big cities.

It took Parinaam eight months to research and develop a program specifically designed for the urban extreme poor, an initiative which is one of the first urban ultra poor programs in India. It had no precedence of other UUPPs to follow.

GOAL: It is unlikely that even the most successful program will bring radical change in the present generation's lifetime, but it is most certainly a possibility in their children's future. The aim is to ensure that a concerted effort is made to give them every opportunity and support to turn their lives around.

GOAL: Economically and socially empower UUP women & their families, irrespective of age, gender or disability, through a holistic basket of assets. The program's intent is to tackle generational poverty rather than providing isolated individual female support. The enormous pressure on the woman to care for the entire family then amortizes itself over all the members equally; to help carry their own burdens by giving each of them individually tailored support. This would eventually fast track them into earning enough income to be self supportive, to enable them to pull out of the clutches of usurious debt and to access microfinance services and associated social benefits.

The strategic support of Ujjivan, Mr. Ravindra Bahl, our biggest donor and several other private sponsors funded the program for the first 1.5 years. We rolled out Phase I of the pilot in November



2009 and by June 2010, we were in 3 Bangalore slums. We focused on enabling 96 urban ultra poor families to move from extreme poverty to a poverty they can manage with the support of microfinance services. This project has brought hope and “change” (*parinaama*) for a “better life” (*ujjivan*) to them.

Phase II of the pilot, due to start by September 2011, is funded with a Grant from the Michael & Susan Dell Foundation, and will focus on an additional 200 families.

Background

The urban ultra poor are undefined. Lack of statistical information from government sources gives rise to unsubstantiated claims that the only urban ultra poor are the beggars. Without proof of residence, the urban ultra poor receive no government benefits or consideration. They lack food; water; housing; healthcare; education and secure economic sustenance.

Many UUP families have migrated from the villages in search of economic opportunities. They find neither sustainable employment nor are able to access basic necessities that are more easily available in the village – water; food; shelter; field work.

Such families are often headed by a husband/father who incurs huge debt in the pursuit of other women and gambling. Substance/alcohol abuse, which translates into physical abuse, is a recurring problem. Sexual harassment/abuse is a normal way of life for the women and children. Any income that the woman brings in is used to cater to his own needs/vices with little or no care for his family. Women/children from such families are the most in need of help.

SPECIFIC OBJECTIVES THAT INITIATED THE PROGRAM CONCEPT

- Validate criteria for: “who is the urban ultra poor”
- A program geared to their social demographics and needs
- Provide “life” records: 1) a Below Poverty Line ration card; 2) children’s birth certificates
- A 4-pronged attack on poverty: 1) livelihood; 2) healthcare; 3) childcare & education; 4) financial literacy & social support
- To graduate to the bankable poor and access microfinance services
- Strict predefined metrics to track progress. As standard measures cannot be “cut and paste” into an urban program, create our own tools.
- Evaluation and especially external validation, at all levels to measure the socio-economic impact of the program.
- Build a model that will be scalable and deliverable wherever there are urban ultra poor pockets.



PROGRAM DESCRIPTION

The UUPP is broken up into 4 broad categories:

A. Livelihood Development & Support

- **Livelihood development:** Establish a basket of income generating assets that may not necessarily replace their present occupation but could enhance it through training or provide an additional source of income. (1) Women who show entrepreneurial ability are given the choice of “asset baskets” which provide them with the materials to start their own enterprises. (2) Women who prefer wage labour are given vocational training. The same conditions apply to the other adults in the family however, business assets are given to the primary beneficiary.
- **Livelihood counselling:** Field staff provide extensive vocational counselling to UUP families as they make “livelihood” choices. While Parinaam does not make the decisions for them, it believes that intensive individual counselling helps them to make good choices.
- **Need-based stipends:** If required, the stipend will be tailored to each family’s individual sustenance needs. It will be tied to a mandatory personal savings fund which will provide them with a “financial reserve” and encourage savings habits and the wherewithal to cope with crisis.

B. Healthcare Support

- **Healthcare:** Covers: (1) Preventive care through education; multi-specialty health camps; vaccination programs; substance abuse programs. (2) Primary care: access to local public health clinics or mobile clinics; discounts at pharmacies and laboratories. (3) Secondary & Tertiary care through government schemes & Parinaam’s network of hospitals.
- **Nutrition:** Good eating habits/cooking with easily available and affordable ingredients, is taught in coordination with the Government Food and Nutrition Department. Children are provided milk and biscuits at the Tuition Centre. De-worming, for one of the main causes of malnutrition, for our beneficiary families & community.

C. Childcare & Education Support

The biggest risk for any Urban Ultra Poor Program is migration. We believe that if the children are taken care of, the risk will be considerably mitigated.

- **Childcare:** If needed, Childcare support groups (crèche/pre-schooling) will be formed in the slums to enable adult members to go out and earn their living and older girls to go to school. This will be delivered through older women in the Community for whom it would provide an income generating asset.
- **Education:** (1) Children are enrolled in balwadis, anganwadis, schools and Parinaam tuition programs for additional academic help. (2) Financial Literacy classes are conducted for older children to combat generational poverty. They are encouraged to help their mothers keep financial diaries, which gives them an early exposure to the subject. (3) They are included in the Healthcare Education program.

D. Financial Literacy & Social Services Support

- **Financial literacy training:** The Urban Financial Literacy Program developed and taught by Parinaam's FLP Trainer at group meetings. Trainings include recording income and expenditure patterns using pictograms and visual devices; forecasting their savings/spending habits for the following week to develop budgeting skills; devise savings and investment plans for asset acquisition & loan repayment.
- **Savings applications:** Women are required to save a self-determined percentage of earnings. They are permitted to use a proportion for children's education and health needs.
- **Establishing linkages to available services:** Enrolment of the women in government schemes like ration cards, widow pension funds, and other programs which will provide continued economic and social benefits even after graduation.
- **Confidence building & capacity development and counselling:** Lack of confidence is possibly the biggest challenge of the UUPP. Field staff's daily contact develops beneficiaries' trust and provides counsel and advice on enterprise development; financial decisions and family support.
- **Community Development:** The slum community is our biggest asset. We have given slum dwellers access to our health and vaccination camps; helped them acquire solar lamps and in Drumshed, strongly supported them with the Slum Clearance Board who plans to relocate them to buildings with no amenities. In return they encourage our beneficiaries to continue with their jobs, and provide us support on all fronts.



1



3



2



4



5



6



7

1. Weekly Centre Meeting
2. Solar lamps distribution
3. UUP women "graduate" to first micro loans
4. Vaccination camp

5. Post-mentoring and job placement, Deepa now works in a Tech Park
6. Women at financial literacy workshop
7. Children at tuition centre



Program Outreach

The Urban Ultra Poor Program was launched with a multi-speciality health camp on Nov 1st, 2009 with the first group of 59 families from Drumshed Slum, Bangalore. In June 2010 we started operations in 2 more slums LRDE & Nagarapalya with 96 women and 375 family beneficiaries.

- **Livelihood Development:** Our beneficiaries have gone from “unemployed or earning less than Rs. 1000 per month”, to doubling or tripling their salaries. Employments/businesses range from domestic work, housekeeping, gardening, petrol bunk attendants; tailoring, vegetable & fruit vending; construction labourers; tiffin business; garment factory; ironing clothes.
- **Healthcare:** (1) 6 Health modules provide education on basic hygiene, diseases, natal care, HIV/Aids, etc. (2) 5 health camps and 3 vaccination programs. Camp referrals have benefitted 44 patients at the Parinaam network hospitals. They pay for treatment from their savings with subsidized medical aid from us. (3) We have helped with 3 major operations: piles; thyroid and an open heart surgery for a six year old child and 2 family planning surgeries. (4) Alcohol awareness meetings are held regularly.
- **Childcare & Education Support:** (1) Tuition Centres in 3 slums provide academic assistance to 130 children in English and Math. (2) Two 5-week summer camps (in 2010 & 2011) where they played games; did workshops; had excursions & a sports day; attended English & Hindi classes and enjoyed a nutritious meal each afternoon. (3) 15 children have been admitted to quality schools through our ‘Parinaam Academic Adoption Program’.
- **Financial Literacy:** (1) Women have been educated on the Parinaam Financial Literacy models. Children have been assigned to help their mothers maintain their financial diaries. Children have stopped spending money on “treats” and save towards their “goals” (education!). (2) The women have collectively saved over Rs. 58,000 and use it to pay for education and healthcare. We plan to open Post Office/Bank saving accounts as they can now sign their names, a basic requirement to open an account.
- **Social Support:** (1) Capacity building is an ongoing process. The intent is to develop capabilities ranging from increased self confidence to improved communication skills. (2) Rallying the community has worked wonders to motivate our women to stay in the UUPP and help Parinaam’s team to rebuild the balwadis. They helped our women get the proper documents to become Ujjivan customers and birth certificates for the children’s new schools. (3) At Diwali, thanks to generous benefactors we distributed solar lamps to our beneficiaries as they have no access to electricity. (4) At Christmas mothers wanted Christmas cake, decorated X’mas trees and made New Year wishes to have their children well educated! The kids had their own party!



Primary Goal achieved: After an intense one month investigation, our first group of 25 women took their first microfinance loans from Ujjivan Financial Services in January 2011 – just one year after the program began. They have “graduated” from the abysmal pit of poverty to a level where they can pay for their own healthcare; ensure their children’s education; move to “pukka” homes. The loans will help them pay for the flats to which the Slum Clearance Board plans to relocate them. The loan repayment rate has been 100% so far.

Parinaam will continue to oversee their lives and provide a supporting hand for another 12 months to ensure that the giant step forward continues to take them on an upward spiral to a better life.

Conclusion

There have been many challenges and lessons which have taught us a great deal about these folks who live their lives at the very bottom of the pyramid - often requiring hard thinking “out of the box” and hard work to come up with solutions. Our biggest challenge has been the struggle to move the adults, especially the women, into better paying, consistent job opportunities. Their lack of self-confidence is a huge barrier. The 50% attrition rate in Drumshed, our first slum, has brought the numbers down, but then there are also success stories of families who have moved into better living conditions because incomes have gone up. In LRDE and Nagarapalya slums there are no dropouts. On the average, families are better off today than they were 12 months ago.

We have no regrets in including the whole family in our program and taking a multi-dimensional approach to the Urban Ultra Poor. Our biggest success is with the children. Tuition centres and summer camps have given incredible joy and make every initiative worth the effort. During the first summer of 2010, once the schools closed in March, we experienced the disruption of migration back to the home village in the new slums of LRDE & Nagarapalya. However in Drumshed, our first slum, where the women had job stability and the summer camp kept the children occupied, 98% of the families didn’t return to the village. This summer of 2011, 78% of the families in LRDE and Nagarapalya stayed back compared to only 9% in 2010.

The strongest lesson from the past 18 months is that the children are the lynchpins of the program and it must be they who will benefit the most from the holistic interventions of this most unique Urban Ultra Poor Program. It will prove that giving the ultra poor a head start by levelling the playing field for them can only be good.

FUTURE PLANS 2011-2012

SI NO	PROGRAMS (costs shown in single delivery units and/or per beneficiary)	Number of Units / beneficiaries per year per region				Total Units	Unit Cost (INR)	Total Cost (All India) (INR)	No. of beneficiaries per Unit	Total no. of beneficiaries	Cost per beneficiary (INR)
		West	South	East	North						
1	HEALTHCARE PROGRAM										
1a	Multi Speciality Health Camps Camps are conducted with medical partners to provide free screening to Ujjivan beneficiaries and their families. Currently we cover eye, ENT, dental, and diabetes. We also conduct vaccination programs in coordination with govt. agencies. Post-camp, referrals to Hospitals for treatment are a crucial component of the screenings.	12	36	36	18	102	9000	918000	400	40800	23
1b	Health Education Classes are held for small groups of women through 6 modules on 1) Basic Hygiene; 2) Nutrition; 3) Family Planning & HIV/AIDS; 4) Maternal & Childcare; 5) Common Diseases; 6) Vaccinations. (1 Unit = Set of 6 modules)	100	200	0	0	300	700	210000	25	7500	28
1c	Medical Fund for Tertiary Care The main support patients need is for cataract operations (about Rs. 2000/- per op) and more expensive medical support for critical care in other areas. The fund will support patients across India as needed.							1000000			
2	EDUCATIONAL SUPPORT										
2a	Scholarship Fund Scholarships are provided for deserving students who come from lower income homes, where higher education is difficult to access due to lack of good family income. The scholarship covers 60% of total fees. Scholarships range between 7000/- to 15000/-	10	20	10	10	50	13000	650000	1	50	13000
2b	Education Loan "Interest Refund" Ujjivan provides education loans for their customers who want to provide quality schooling for their children. Parinaam supports the loan by refunding the interest component back to the customer at the end of the school year after strict criteria are met. The loan thus becomes a soft loan. It is one of the most highly valued programs, ensuring the continuing education of the underprivileged children.	450	5000	100	100	5650	850	4802500	1	5650	850



SI NO	PROGRAMS (costs shown in single delivery units and/or per beneficiary)	Number of Units / beneficiaries per year per region				Total Units	Unit Cost (INR)	Total Cost (All India) (INR)	No. of beneficiaries per Unit	Total no. of beneficiaries	Cost per beneficiary (INR)
		West	South	East	North						
2c	Financial Literacy Program for Debt Management Parinaam has developed a program to train Ujjivan Customers in the most crucial aspect of their financial sustenance. The program will be delivered through 5 modules on budgeting/expenditure; debt management & credit bureau; aspirations, savings and judicious spending. They will be given Financial Diaries and calculators and will be trained on basic numerical skills and understanding of their loan breakdown. The program is being piloted in Ujjivan branches for 3800 women across India, and will be rolled out to all 348+ branches eventually.	25	40	20	15	100	25000	2500000	120	12000	208
2d	Summer Camp for Urban Ultra Poor Program 2011 Parinaam runs a pilot Urban Ultra Poor Program for destitute families in Bangalore. Every summer we have a special half day Monday-Friday 5-week summer camp for the children. They play games, are given English tuitions, are taken on excursions and are provided a good nutritious lunch. Besides the kids having a great time, it helps the mothers to sustain their jobs without worrying about their children.	0	1	0	0	1	45000	45000	90	90	500
3	Disaster Relief Fund We have had situations in the past year where our beneficiaries have been badly affected by natural and man-made disasters. They need our financial support to get back on their feet and continue their lives with some form of care. Setting up this Fund will help us to provide that care immediately rather than waiting for donations to come in.	10	10	10	10	40	5000	200000	5	200	1000
4	Livelihood Development & Vocational Training Parinaam helps adult members of our beneficiaries enroll for quality vocational training in centres as well as in organizations that train and hire our beneficiaries. As Parinaam does not take placement fees from either the companies or the poor, it is challenging to fund this program which involves a lot of pre-counseling, hand-holding through application & admission processes and then to encourage them to stay the course.	300	600	300	50	1250	150	187500	1	1250	150
	TOTAL							10,513,000			

