

Private & Confidential – Not for Circulation

Serial No. _____
Addressed to: _____

**INFORMATION MEMORANDUM
UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED**

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: December 28, 2004

Registered Office: Grape Garden, 3rd 'A' Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560095

Telephone No: +91-80-4071 2121

Website: <http://www.ujjivan.com>

**Information Memorandum for issue of Debentures on a private placement basis on
December 11, 2014**

Issue of 500 (Five Hundred) Secured, Rated, Listed, Redeemable, Non-convertible Debentures of face value of Rs. 1,000,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 500,000,000/- (Rupees Fifty Crores only) on a private placement basis (the "Issue")

Background

This Information Memorandum is related to the Debentures to be issued by Ujjivan Financial Services Private Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on May 07, 2014 and the Board of Directors of the Issuer on November 25, 2014 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated May 07, 2014 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit for amounts up to INR 30,000,000,000 /- (Rupees Three Thousand Crores only). The present issue of NCDs in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited ("Rating Agency / ICRA"). The Rating Agency has vide its letter dated November 17, 2014 assigned a rating of "[ICRA] A- (A minus)" in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure II of this Information Memorandum for the letter dated November 17, 2014 from the Rating Agency assigning the credit rating abovementioned and the letter dated November 17, 2014 issued by the Rating Agency disclosing the rating rationale adopted for the aforesaid rating.

Issue Schedule

Issue Opens on: December 11, 2014

Issue Closing on: December 12, 2014

Deemed Date of Allotment: December 12, 2014

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the Bombay Stock Exchange ("BSE").

Sole Arrangers

IFMR Capital Finance Pvt. Ltd.

10th Floor-Phase 1, IIT-Madras
Research Park, Kanagam Village,
Tharamani, Chennai- 600 113
Contact Person: Mr Vineet
Sukumar
Tel: +91-44-6668 7000
Fax: +91-44-6668 7010
Email: contact.capital@ifmr.co.in

Registrar & Transfer Agent

Karvy Computershare Private Limited

8-2-596, St. No. 1, Banjara Hills,
Hyderabad - 500 034

Tel: +91 40 2331 2454

Fax: +91 40 2331 2454

Debenture Trustee

GDA Trusteeship Limited

GDA House, Plot No. 85, Bhusari
Colony (Right), Paud Road, Pune - 411
038

For Ujjivan Financial Services Pvt. Ltd.

Authorised Signatory

Private & Confidential – Not for Circulation

TABLE OF CONTENTS

SECTION 1:	DEFINITIONS AND ABBREVIATIONS	3
SECTION 2:	NOTICE TO INVESTORS AND DISCLAIMERS	5
SECTION 3:	AUTHORISATION LETTER	10
SECTION 4:	RISK FACTORS	11
SECTION 5:	FINANCIAL STATEMENTS	17
SECTION 6:	REGULATORY DISCLOSURES	18
SECTION 7:	TRANSACTION DOCUMENTS AND KEY TERMS	57
SECTION 8:	OTHER INFORMATION AND APPLICATION PROCESS	80
SECTION 9:	DECLARATION	88
ANNEXURE I:	TERM SHEET	89
ANNEXURE II:	RATING LETTER & RATING RATIONALE	90
ANNEXURE III:	CONSENT LETTER FROM THE DEBENTURE TRUSTEE	92
ANNEXURE IV:	APPLICATION FORM	94
ANNEXURE V:	LAST AUDITED FINANCIAL STATEMENTS	97
ANNEXURE VI:	ILLUSTRATION OF BOND CASH FLOWS	100

SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer Letter, to apply for subscription to the Debentures, which is in the form annexed to this Information Memorandum and marked as Annexure IV.
Arranger / Sole Arranger	IFMR Capital Finance Pvt. Ltd.
Board/Board of Directors	The Board of Directors of the Issuer
Business Day	Shall mean a day (other than a public holiday or a Sunday) on which banks are normally open for business in Mumbai and Bangalore.
CDSL	Central Depository Services (India) Limited
Debentures / NCDs	500 (Five Hundred) Secured Rated Listed Redeemable Non-Convertible Debentures bearing a face value of Rs. 1,000,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 500,000,000/- (Rupees Fifty Crores only).
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time
Deemed Date of Allotment	December 12, 2014
Debenture Trustee	GDA Trusteeship Limited
Debenture Trustee Agreement	Agreement to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or upon exercise of the option to redeem the Debentures prior to the scheduled Maturity Date.
EFT	Electronic Fund Transfer
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year
GAAP	Generally Accepted Accounting Principles
Issue	Private Placement of the Debentures.



Private & Confidential – Not for Circulation

Issue Opening Date	December 11, 2014
Issue Closing Date	December 12, 2014
Issuer/ Company	Ujjivan Financial Services Private Limited
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 75% (Seventy Five per cent) of the value of the nominal amount of the Debentures for the time being outstanding.
Maturity Date	December 12, 2016 being 24 (Twenty Four months) from the Deemed Date of Allotment.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
N.A	Not Applicable.
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer Letter	Shall mean the offer letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
RBI	Reserve Bank of India.
Rating Agency	ICRA Limited
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Karvy Computershare Private Limited
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in Annexure I.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 1956 ("1956 Act"), or where applicable, the notified provisions of the Companies Act, 2013 ("2013 Act").
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Annexure I.
WDM	Wholesale Debt Market.



SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general. The Issuer has mandated IFMR Capital Finance Private Limited to act as an arranger for the Debentures and to distribute either itself and/or through its affiliates this Information Memorandum to identified potential investors.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum/ Disclosure Document to be filed or submitted to the SEBI for its review and/or approval. However pursuant to the provisions of Section 42 of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the copy of this Information Memorandum/ Private Placement Offer Letter shall be filed with the ROC and SEBI within the stipulated timelines under the Companies Act, 2013.

This Information Memorandum has been prepared in conformity with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for



Private & Confidential – Not for Circulation

statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer Letter and the contents hereof and thereof respectively are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer Letter and all reproductions whether in whole or in part and any other information, statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum, and/or the Private Placement Offer Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.



2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

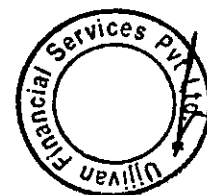
2.3 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. However the Company undertakes to file this Information Memorandum/Offer Letter with SEBI within 30 days from the Deemed Date of Allotment as per the provisions of the Companies Act, 2013 and the rules thereunder.

2.4 DISCLAIMER CLAUSE OF THE SOLE ARRANGER

The Issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Information Memorandum and/or the Private Placement Offer Letter. The only role of the Sole Arranger with respect to the Debentures is confined to arranging placement of the Debentures on the basis of this Information Memorandum as prepared by the Issuer. Without limiting the foregoing, the Sole Arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The Issuer is solely responsible for the truth, accuracy and completeness of all the information provided in this Information Memorandum and/or the Private Placement Offer Letter. Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum and/or the Private Placement Offer Letter, nor is the Sole Arranger responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum and/or the Private Placement Offer Letter. The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum and/or the Private Placement Offer Letter. It is to be distinctly understood that the aforesaid use of this Information Memorandum and/or the Private Placement Offer Letter by the Sole Arranger should not in any way be deemed or construed to mean that the Information Memorandum and/or the Private Placement Offer Letter has been prepared, cleared, approved, scrutinized or vetted by the Sole Arranger. Nor should the contents of this Information Memorandum and/or the Private Placement Offer Letter in any manner be deemed to have been warranted, certified or endorsed by the Sole Arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Information Memorandum and/or the Private Placement Offer Letter.

The Sole Arranger has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Debenture Holders. Each of the Debenture Holders



Private & Confidential – Not for Circulation

should conduct such due diligence on the Issuer and the Debentures as it deems appropriate and make its own independent assessment thereof.

Distribution of this Information Memorandum and/or the Private Placement Offer Letter does not constitute a representation or warranty, express or implied by the Sole Arranger that the information and opinions herein will be updated at any time after the date of this Information Memorandum and/or the Private Placement Offer Letter. The Sole Arranger does not undertake to notify any recipient of any information coming to the attention of the Sole Arranger after the date of this Information Memorandum and/or the Private Placement Offer Letter. No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Information Memorandum and/or the Private Placement Offer Letter nor for providing access to any additional information as further information becomes available.

Neither the Sole Arranger nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Information Memorandum or in any other information or communications made in connection with the Debentures.

The Sole Arranger is acting for the Company in relation to the Issue of the Debentures and not on behalf of the recipients of this Information Memorandum and/or the Private Placement Offer Letter. The receipt of this Information Memorandum and/or the Private Placement Offer Letter by any recipient is not to be constituted as the giving of investment advice by the Sole Arranger to that recipient, nor to constitute such a recipient a customer of the Sole Arranger. The Sole Arranger is not responsible to any other person for providing the protection afforded to the customers of the Sole Arranger nor for providing advice in relation to the Debentures.

Each recipient of this Information Memorandum and/or the Private Placement Offer Letter acknowledges that:

- (a) each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- (b) such recipient has not relied on the Sole Arranger in connection with its investigation of the accuracy of such information or its investment decision.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy,



Private & Confidential – Not for Circulation

adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.



Private & Confidential – Not for Circulation

SECTION 3: AUTHORISATION LETTER

Date: December 11, 2014

To: IFMR Capital Finance Pvt. Ltd. (the "Arranger")

Dear Sirs:

Issue of Secured Rated Listed Redeemable Non-Convertible Debentures on a Private Placement basis (the "Debentures")

Ujjivan Financial Services Private Limited (the "Company" or the "Issuer"), refers to the information memorandum dated December 11, 2014 (the "Information Memorandum") in connection with the Debentures proposed to be issued by the Issuer.

The Issuer confirms that, as at the date of this letter, the factual information contained in the Information Memorandum is true and accurate and no factual information has been omitted that renders such information contained in the Information Memorandum untrue or inaccurate in any material respect and any financial forecasts and projections contained in any part of the Information Memorandum have been prepared on the basis of recent historical information and assumptions believed by the Issuer to be fair and reasonable. All expressions of opinion, statements and estimates set forth and reflected in the Information Memorandum have been made by the Issuer after due and proper consideration. In addition, the Issuer is not aware of any information not contained in the Information Memorandum, the omission of which would lead to the Information Memorandum being inaccurate, untrue or misleading in any material respect. The Issuer further confirms that it is in compliance and shall comply with all applicable laws and regulations in relation to the proposed issue of the Debentures.

The Issuer authorises the Arranger and/or its affiliates to deliver copies of the Information Memorandum to those specified persons identified by the Company/Arranger from whom the Arranger proposes to seek participation in the Debentures. The Issuer agrees to indemnify and hold the Arranger, its affiliates and each of its and their officers, employees, representatives, and agents harmless from and against any and all losses, liabilities, damages, claims, costs or expenses which may be imposed on or incurred by the Arranger or its affiliates, officers, employees, representatives, and agents as a result of any inaccurate, untrue or misleading statement contained in the Information Memorandum or caused by an omission of any material fact which is necessary to make any of the statements contained in the Information Memorandum not misleading.

This letter and all claims arising in connection with it are governed by, and are to be construed in accordance with, Indian law. The Issuer submits to the exclusive jurisdiction of the courts and tribunals at Mumbai for the resolution of any dispute arising in connection with this letter.

Yours faithfully,
For and on behalf of
Ujjivan Financial Services Private Limited

By: _____
Name: Mr _____
Title: _____



SECTION 4: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer Letter and reach their own views prior to making any investment decision.

4.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential investors should be aware that receipt of the principal amount (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

4.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential investors may have to hold the Debentures until redemption to realize any value.

4.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

4.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF NCDs.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.



Private & Confidential – Not for Circulation

4.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

4.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

4.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

4.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

4.9 LEGALITY OF PURCHASE

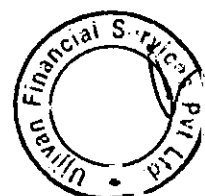
Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

4.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

4.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- (a) *Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of*



non-performing loans (“NPAs”) in the future, or if the Issuer’s loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.

A majority of the Issuer’s loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client’s ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk. All group lending loans are provided under the Grameen Model and based on the joint liability of the group.

As at September 30th, 2014, the gross NPA was 187 Lakhs on a gross portfolio of Rs. 2419.01 Crores.

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage our NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The members are poor and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer’s members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that its monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(b) ***The Issuer’s business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer’s business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer’s dependence upon automated systems to record and process



Private & Confidential – Not for Circulation

transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

- (c) ***Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income***

All of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothed operating expense.

- (d) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations to other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to



Private & Confidential – Not for Circulation

sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

- (e) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

- (f) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

- (g) ***The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations***

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (circular dated August 3, 2012 and NBFC-MFI Directions) the Issuer is required to maintain its status as a NBFC- MFI in order to be eligible for categorization as priority sector advance for bank loans. See 'risk factor titled —Current Microfinance Industry Challenges' for details. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and fails to maintain the status of NBFC-MFI, it will not be eligible for priority sector



Private & Confidential – Not for Circulation

loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.



Private & Confidential – Not for Circulation

SECTION 5: FINANCIAL STATEMENTS

Set out in **Annexure V** hereto



Private & Confidential – Not for Circulation

SECTION 6: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

6.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on May 07, 2014, authorizing the issue/offer of non-convertible debentures by the Company;
- (e) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories;
- (f) Certified true copy of the resolution passed by the Company at the Extra Ordinary General Meeting held on May 07, 2014 authorising the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 30,000,000,000 /- (Rupees Three Thousand Crores Only);
- (g) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc and the same would be uploaded on the website of the BSE, within 5 (five) working days of execution of the same;
- (h) Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- (i) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

6.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- (e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.



Private & Confidential – Not for Circulation

6.3 Name and Address of Registered Office of the Issuer

Name: Ujjivan Financial Services Private Limited
Registered Office of Issuer: Grape Garden, 3rd 'A' Cross, 18th Main, 6th Block,
Koramangala, Bengaluru - 560095
Corporate Office of Issuer: Grape Garden, 3rd 'A' Cross, 18th Main, 6th Block,
Koramangala, Bengaluru - 560095
Compliance Officer of Issuer: Mr Sanjeev Barnwal
CFO of Issuer: Ms Sudha Suresh
Registration Number: N-02-00224
Corporate Identification Number: U65999KA2004PTC035329

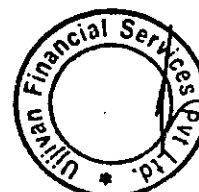
Phone No.: +91-674-2350253
Contact Person: Mr Sanjeev Barnwal
Email: sanjeev.barnwal@ujjivan.com
Website of Issuer: www.ujjivan.com
Auditors of the Issuer: Deloitte Haskins & Sells, Chartered Accountants
Address: Deloitte Centre, Anchorage III,
100/2 Richmond Road,
Bangalore- 560025

Arranger to the Issue: IFMR Capital Finance Private Limited
Address: 10th Floor-Phase 1, IIT-Madras Research
Park, Kanagam Village, Taramani, Chennai – 600
113

Trustee to the Issue: GDA Trusteeship Limited
Address: GDA House, Plot No. 85, Bhusari Colony
(Right), Paud Road, Pune - 411 038

Registrar to the Issue: Karvy Computershare Private Limited
Address: 16/22 Bake House, Maharashtra Chamber
of Commerce Lane, Opposite MSC Bank, Fort,
Mumbai – 400 023, Maharashtra

Credit Rating Agency of the Issue: ICRA Limited
1105, Kailash Building, 11th Floor, 26,
Kasturba Gandhi Marg,
New Delhi - 110001



Private & Confidential – Not for Circulation

A brief summary of business / activities of the Issuer and its line of business

(a) Overview

The Issuer is based in Bangalore with the mission of providing a full range of financial services, including loans, life and health insurance, to the economically active poor. As on date of this Offer Letter, the Issuer has no Subsidiaries.

The Issuer's unique venture combines successful models in microfinance with the technology and efficiencies of modern retail banking. The Issuer focuses on the urban poor and its target customers include salaried women working in garment factories, hospitals, or as house maids, cooks, or office workers, and self-employed women working as vegetable or fruit vendors, small shop owners, tailors, or agar bathi.

The Issuer currently operate 405 (Four hundred and five) branches spread over 24 (twenty four) states in 4 (four) regions – South, East, North and West - with a staff of 6,131 (Six thousand one hundred and thirty one) employees. The Issuer's present customer base is 16,10,881 (Sixteen lakhs ten thousand Eight hundred Eighty one) as on 30th September ,2014 with Rs. 8,688 Crores (Rupees Eight thousand Six Hundred Eighty Eight Crores) disbursed from inception and Rs. 2,419.01 crores (Rupees Two Thousand Four Hundred and Nineteen Crores and One lakhs) as the portfolio outstanding in loans disbursed. The Issuer plans to reach 2,000,000 (twenty lakh) customers and around 500 (five hundred) branches by the 10th (tenth) year of its operations.

The Issuer's mission is to provide financial services to the economically active poor, to enable them to lead a "better life". Its primary objects are to: (i) provide financial services to customers to enable them to be free of poverty; (ii) expand nationally in both urban and rural areas and serve 20,00,000 (twenty lakh) customers by the 10th(tenth) year of operations with 500 (five hundred) branches nationwide with 4 (four) hubs: Bangalore, Delhi, Kolkata and Pune; (iii) operate a viable business and provide an attractive return on equity of not less than 15% to investors and not be dependent on grants and donations; (iv) provide professionally and financially rewarding careers to employees and attract and retain top quality talent; and (v) participate in a holistic approach to alleviate poverty through a partnership with Parinaam NGO by collaborating with institutions focused on childcare, education, health, vocational training, community development, shelter, and disaster relief.

Industry Overview

Indian microfinance now has 70 million borrower accounts, by-far the largest in any country across the world. Over the last year Indian microfinance institutions that are organised as NBFC-MFIs and operating in remote rural areas of India have emerged as effective financial intermediaries offering an alternative to the inaccessible formal financial institutions. Most of them who received funding and growth capital from banks, have demonstrated commendable scale, sustainability and impact.

Many NBFC-MFIs have received a good quantum of capital in FY 2014 in the form of both debt and equity. Almost all NBFC-MFIs (less than INR 1000 crores of assets under management) have been consistent in their growth, maintaining excellent portfolio quality in FY 2013.

As a result of a crisis in the MFI industry on October 2010 in the southern state of Andhra Pradesh, the RBI set up a committee to study issues and concerns in the MFI sector, which provided the Malegam Committee Report. The Malegam Committee Report has made various operational and financial recommendations on the microfinance sector that may have negative implications on the operating and financial performance of MFIs including the



Private & Confidential – Not for Circulation

Issuer. Some of the recommendations made include:

- i. Increase in regulatory restrictions on a NBFC-MFI (minimum net worth, establishing client protection codes, increase in information technology systems and corporate governance, maintenance of solvency and penalty on MFI for non-compliance);
- ii. State level legislations to be enacted for regulation of MFIs; Maximum indebtedness of an individual borrower;
- iii. Maximum annual income of a household qualifying for a loan from an NBFC-MFI;
- iv. Maximum number of loans to an individual borrower;
- v. Restrictions on the end usage of the loan for income generating purposes; and
- vi. Maximum interest rate and maximum margin over cost of funds, maximum processing fees.

Most of the recommendations made under the Malegam Committee Report in January 2011 have been accepted by RBI and the RBI has issued circular dated July 20, 2012 to banks stating that bank loans to micro finance sector will be eligible for categorization as priority sector advance if they meet the eligibility criteria's set out in the said circular and has created a new category of NBFCs called the Non-Banking Financial Company-Micro Finance Institution (the NBFC-MFIs). The directions issued by the RBI on August 3, 2012 have been incorporated and now form part of the NBFC-MFI Directions.

All non-deposit taking NBFCs (other than a company licensed under Section 25 of the Indian Company Act, 1956) that has not less than 85% of its net assets in the nature of —qualifying assets and has a minimum net owned funds of Rs. 5 Crores other than the ones registered in north eastern region of the country for which net owned fund requirement stands at Rs. 2 Crores. The existing NBFCs to be classified as NBFC-MFIs will be required to comply with the NBFC-MFI Directions w.e.f. April 01, 2012. Existing NBFCs with asset size of more than Rs. 100 Crores are required to maintain a minimum CRAR of 15% from Dec 2, 2011 onwards. Some of the key requirements of the NBFC-MFI Directions which the Issuer is required to comply with which will affect the business operations of the Issuer, which are:

- i. All registered NBFCs intending to convert to NBFC-MFI must seek registration with immediate effect and in any case not later than October 31, 2012, subject to the condition that they shall maintain Net Owned Funds (NOF) at Rs.3 Crores by March 31, 2013 and at Rs.5 Crores by March 31, 2014, failing which they must ensure that lending to the Microfinance sector i.e. individuals, SHGs or JLGs which qualify for loans from MFIs, will be restricted to 10 per cent of the total assets.
- ii. NBFC-MFIs are required to maintain not less than 85 per cent of their net assets as Qualifying Assets. In view of the problems being faced by NBFCs in complying with these criteria on account of their existing portfolio, it has been decided that only the assets originated on or after January 1, 2012 will have to comply with the Qualifying Assets criteria. As a special dispensation, the existing assets as on January 1, 2012 will be reckoned towards meeting both the Qualifying Assets criteria as well as the Total Net Assets criteria.
- iii. Rate of interest on individual loans may exceed 26%, the maximum variance permitted for individual loans between the minimum and maximum interest rate cannot exceed 4 per cent.
- iv. Maintain margin cap of 10% for NBFC- MFIs with assets more than INR 100 Crores and 12% for NBFC-MFIs with assets less than INR 100 Crores
- v. NBFC-MFIs are also required to ensure that the aggregate amount of loans given for



Private & Confidential – Not for Circulation

income generation is not less than 70 per cent of the total loans extended.

- vi. NBFI MFIs will have to ensure compliance with, among others, conditions relating to annual household income levels Rs. 60,000/- for rural and Rs. 1,20,000/- for urban and semi urban households, total indebtedness not to exceed Rs. 50,000/- membership of SHG/JLG, borrowing sources as well as percentage of qualifying assets and percentage of income generating assets
- vii. Maintain fair practices in lending as stated in the NBFC-MFI Directions;
- viii. Ensure that it has a code of conduct and systems are in place for supervision of field staff such that non- coercive methods for recovery are used;
- ix. Ensure corporate governance norms are adopted and there is improvement in efficiency, information technologies etc.; and submit statutory auditors certificate with reference to the position of the company as at end of the financial year ended March 31 every year which should also indicate that the company fulfils all conditions stipulated to be classified as an NBFC-MFI.

(b) Corporate Structure

i. Vision and Mission:

Mission:

Provide full range of financial services to the economically active poor to build better lives

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"

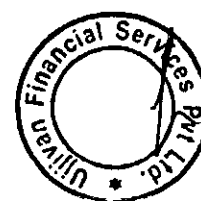
ii. Current Corporate Status:

The Issuer was incorporated as a private limited company on December 28, 2004 and is currently registered as a non-deposit accepting NBFC with the RBI. The Issuer has received the NBFC-MFI licence from the RBI in September 05, 2013.



Brief Profile of the Board of Directors

Name	Background
K. R. Ramamoorthy	Mr.Ramamoorthy is credited with providing transformational leadership to these two banks. He also served as an Advisor to CRISIL, a leading Credit Rating Agency in India. After his career in leadership positions, he has been consulting independently and also through his firm BankConsult, for the World Bank, IMF, IFC and leading commercial banks in India and other developing countries. He serves as an independent director on the Boards of ING Vysya Bank, Fidelity Trustee Company, Clearing Corporation of India and other leading corporations.
Samit Ghosh	Samit Ghosh pioneered consumer banking in India with Ravindra Bahl and Jaitirth Rao at Citibank in 1985. He subsequently led the launch of retail banking for Standard Chartered in the Middle East and South Asia and for HDFC Bank in India. His last commercial assignment was Chief Executive India, of Bank Muscat. He has had international banking experience for over thirty years now. He is an alumnus of Jadavpur University and Wharton School.
Sunil Patel	Sunil Patel is the former Director of A. F. Ferguson and Co. and Partner, A. F. Ferguson Associates. He has had consulting assignments in corporate strategy, FDI, financial services, IT and pharmaceutical sectors. He has an MBA from Wharton Business School.
Bhama Krishnamurthy	Bhama Krishnamurthy has over 30 years experience in development banking both in IDBI and SIDBI covering areas relating to Human Resource Development (HRD), Treasury and Funds Management, Resources raising from domestic and International markets, Direct Finance Operations, Risk Management and Asset Liability Management, Market Risk Management and NBFC portfolio. As in-charge of the Karnataka Region, generated number of proposals under Micro Finance and sanctioned assistance to MFIs, was also in-charge of the Corporate Social Responsibility Activity of the Bank . She holds a Masters Degree in Science.
Mona Kachhwaha	<p>Mona has over 17 years of financial services industry experience. Prior to joining Caspian, Mona worked with the Global Consumer Group of Citibank India. At Citibank, she worked in a range of functions including Operations, Sales, Product Development, Credit Risk Management and Business Management. During her tenure she held various senior positions, including as head of credit risk (Policy & Credit Administration) for the mortgage business.</p> <p>In 2005, Mona assumed responsibility for setting up and heading Citibank's microfinance business in India. As the head of microfinance business, some of her key responsibilities included creating business alliances and partnerships with microfinance institutions, developing relationships with industry bodies, funding agencies and networks.</p> <p>Mona holds an MBA from Xavier Labour Relations Institute (XLRI), Jamshedpur and a B.Sc in Mathematics from Delhi University.</p>
Sandeep Farias	Sandeep has a Varied experience with NBFCs, Micro Finance companies and other financial and investment companies and holds Law & Arts Honors Degree from the National Law School of India University in Bangalore, India and one of the well-known names in microfinance



Private & Confidential – Not for Circulation

	<p>industry.</p> <p>Previously, Sandeep founded Unitus' India operations in 2004 and was Chief Innovation Officer of Unitus in 2007. He conceptualized Unitus' India strategy, built the India team and partnered with seven microfinance institutions that cumulatively lent to over 2.5 million women across multiple states, test piloting ideas and projects on a global basis shaping Unitus' long term strategy. Sandeep came to the impact space from Nishith Desai Associates (NDA), one of India's leading law firms where he founded the firm's development sector practice, incubated new practice areas and led its corporate law practice (mergers and acquisitions, capital markets, and investments). He also established the firm's offices in Palo Alto, California and Bangalore, India.</p> <p>Lack of access to basic services for any individual is really an issue of discrimination and must be challenged. If a service can be provided by a business on a low cost, high volume basis to the masses, it is imperative that we leverage the power of markets to scale and provide access to life changing services to millions of individuals and communities. It is this idea that drives Sandeep to provide equity to entrepreneurs who challenge discrimination, help them prove their business model, establish the right governance, and raise additional capital to grow.</p> <p>Sandeep's work after the Gujarat earthquake in 2000 on behalf of American India Foundation helped NDA win the Asian Law Firm of the Year (Pro Bono) Award by the International Financial Law Review. In different capacities, Sandeep has represented or advised organizations such as Google, Amazon, Ashoka, Singapore Telecom and IL&FS Trust Company.</p> <p>Sandeep serves as a Director of Vistaar Finance, Aarusha Homes, Glocal Healthcare, Shubham Housing Finance, Madura Microfinance and a non-profit entity Dream A Dream and earlier served as a Director of Ujjivan.</p>
<p>Mohit Bhatnagar</p>	<p>Mohit Bhatnagar serves on the boards of Bharti Telesoft, Ideacts, Mauj, Nazara, Prizm Payments, Satnav Technologies and SKS Microfinance. Prior to joining Sequoia Capital, Mohit served as the Senior Vice President - Value Added Services at India's leading telecom company, Bharti Cellular Ltd where his experiences spanned electronic payments, mobile entertainment, interactive media and the Internet. Mohit's first entrepreneurial venture was Brightpod which he co-founded by orchestrating a spin off from Ericsson. Earlier in his career he worked at Ericsson based in North America, Taiwan and Philippines. He received an MBA with distinction from UNC - Chapel Hill and an MSEE in Fibre Optics & Telecom from Virginia Tech.</p>
<p>Venkatesh Natarajan</p>	<p>Venky Natarajan has almost 15 years of work experience in engineering and investment. Prior to joining Lok, he served in various positions at Intel and Intel Capital, including product manager and strategic investment manager. As a strategic investment manager he was responsible for sourcing, due-diligence, structuring, negotiating, closing and monitoring of Intel Capital's venture investments. He assisted portfolio companies with issues concerning executive recruitment, market positioning, global strategy, fund raising, financial analysis, competitive analysis and strategic relationships. Venky holds an MBA from Cornell University, a Master's degree in Electrical Engineering from Arizona State University and a Bachelor's in Electronics &</p>

Private & Confidential – Not for Circulation

	Instrumentation Engineering from Annamalai University, India.
Sanjiv Kapur	<p>Sanjiv Kapur heads the Asian operations of Wolfensohn Capital Partners, an emerging markets private equity fund. Currently based in New Delhi, he joined Wolfensohn in 2006, in Singapore. Previously, he was Senior Partner & Head, Asia Pacific for Henderson Private Capital in Singapore where he founded and managed a pan-Asia fund. He has served as a Director/Observer on the Boards of Fabindia (India - Retail), HT Media (India - Media), Maginet (Singapore - Technology), and Airmate (China - Outsourcing).</p> <p>As the Chief Investment Officer, Private Capital for AMP Henderson Global Investors, he established the successful India infrastructure fund with UTI and also managed private equity/ infrastructure funds in Australia/ New Zealand.</p> <p>Mr. Kapur has held various investment positions at the IFC (World Bank Group) in Washington D.C. including as Head, Private Equity and Head, International Securities Group, investing in financial institutions, corporates and investment funds across Asia, Latin America, Central Europe and Africa. He served on the Boards of Handlowy Heller (Poland) and CIC (Chile). Mr. Kapur also worked in New York City at the HSBC Group, AIG and State Bank of India.</p> <p>He has a BA (Hons.) in Economics from St. Stephen's College (Delhi University) and an MBA degree with distinction from the Thunderbird School of Global Management (US).</p>
Christina Juhasz	<p>Christina has over 18 years of rich experience in Investment Banking, Global Banking, Finance and Microfinance sectors and also in Investment Analysis. She is currently working for WWB-New York. She has worked for Deutsche Bank, Merrill Lynch, Goldman Sachs & Co and began her career in the US Military. Christina holds a MBA from Stanford University.</p>
Vandana Viswanathan	<p>Vandana Viswanathan has 18 years of work experience that spans key roles in HR, design and consulting in HR strategy, organizational effectiveness and leadership development. She began her career as Personnel Manager at Hindustan Unilever in Mumbai, managing restructuring, labour unions, worker productivity and engagement. She worked with HUL for a little over 6 years, and in 2000, she co-founded CoCoon, a niche design and consulting firm.</p> <p>CoCoon works with clients in the business and social sectors in the areas of organizational effectiveness and leadership development. Vandana has worked with clients in India and Asia, in an advisory and partner role, supporting them on strategic business, HR and talent related priorities. Her work includes design and implementation support in organization design, leadership development, talent management, managing change and transitions (for leaders and organizations), and HR strategy. Vandana has worked extensively with MFIs in India, to help them to scale, grow, and transition sustainably, through effective HR and leadership solutions.</p> <p>She has a Master's degree in Industrial Relations and Personnel Management from the Tata Institute of Social Sciences.</p>
Sarvesh Suri	<p>Sarvesh joined IFC Indonesia as the Country Manager effectively on January 3, 2012.</p>



Private & Confidential – Not for Circulation

	<p>Prior to his current job, Sarvesh was Special Assistant to IFC Executive Vice President Lars Thunell, supporting him in all aspects of the Corporation's strategy and operations -- spanning investments, mobilization and advisory services. From 2005 to 2009, Mr. Suri was a Senior Investment Officer in General Manufacturing and Services as well as the Acting Sector Head for the Forest Products Sector team at HQ. He led a number of complex debt and equity transactions across sectors and regions, which have yielded high developmental impact and financial returns. Mr. Suri started his career in IFC's Delhi office, where he was an Investment Officer focusing on business development and client relationship management for the real sector in the South Asia region.</p> <p>Mr. Suri holds a Post-Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad and Bachelor's in Mechanical Engineering from the Delhi University. He is a member of Cohort 4 of IFC's Global Business Leadership Program.</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

iii. Brief Profile of the Senior Management

Name & Function	Background
Samit Ghosh Chief Executive Officer and Managing Director	Samit Ghosh has been in international banking for over 30 (thirty) years. At Citibank, he co-pioneered consumer banking in India in 1985. He led the launch of retail banking for Standard Chartered in the Middle East and South Asia and for HDFC Bank in India. His last assignment was as Chief Executive (India) of BankMuscat. He founded the Issuer in 2005 as a pioneering microfinance firm for the urban poor. He is an alumnus of Jadavpur University and Wharton School.
Sudha Suresh Chief Financial Officer	She is a chartered accountant with a rich corporate career spanning over 2 (two) decades. Her expertise and contributions include areas of fiscal management, strategic planning, capital and debt syndication, MIS and compliances in private and public limited companies. She is amongst the CFO 100 Roll of Honour for 2013 awarded by CFO India. She is also a qualified cost accountant and company secretary.
Carol Furtado Chief Operating Officer – South	Carol has been with the Issuer since inception. She is a finance professional with over 15 (fifteen) years of experience, having worked in ANZ Grindlays and Bank Muscat, where she specialized in modern retail banking operations. In 2009, she won the Financial Women's Association of New York Leadership Award. Carol is an MBA from Mount Carmel Institute of Management, Bangalore.
Harshdeep Singh Munhjal Chief Operating Officer – North	Mr. Harshdeep Singh Munjal has completed his bachelor's in mathematics from St. Stephens, Delhi and MBA in Marketing and Finance, from The Peter F. Drucker Graduate Management Centre, Claremont, California. He first started his career with Am-Ex Ltd., and then moved on to work with American Express Bank-USA, Citibank, Standard Chartered Bank, HDFC Bank Ltd., Dubai Bank, Bank of Bahrain and National Bank of Oman. He headed and helped in formation of franchise for HDFC bank in the northern part of India. He was a member of core team of Standard Chartered Bank which managed to form into a retail bank.
Jolly Zachariah	He has over 22 (twenty two) years of international banking experience



Private & Confidential – Not for Circulation

Chief Operating Officer – West	with Citibank. Jolly led and managed consumer banking and credit card businesses in India and overseas. His last assignment was with Citigroup’s Citi Cards as Senior Vice President and Director, Agent and Affinity Banking, in New York. He is responsible for establishing the Issuer as the leading microfinance service provider in urban Maharashtra and Gujarat.
Rajat Singh	Rajat joined the Issuer in 2007 as a financial analyst. His first assignment was to build and expand the organizational finance function. Rajat was instrumental in developing and implementing organizational budgeting processes and basic business analytics structures. In June 2010 he was appointed Chief of Staff for the Eastern region, overseeing the regional business and was soon promoted as Chief Operating Officer (East) in October 2011. Recently, in April 2013, Rajat became Chief Operating Officer of North. Rajat has a B.Tech degree in Agricultural and Food Engineering from IIT, Kharagpur.
Head of Strategy & Planning	
Abhiroop Chatterjee	Abhiroop joined the Issuer in April 2008 as part of the first batch of management trainees. His first assignment was to establish operations at Jharkhand as Area Manager. He later went on to taking up the role of Distribution Manager in May 2010. Later Abhiroop worked across all the states of operations in East. In January 2014 he was appointed Chief of Staff for the Eastern region and was soon promoted as Chief Operating Officer of East in April 2014. Abhiroop has a PGDM-Rural Management from Xavier Institute of Management, Bhubaneswar.
Chief Operating Officer – East	
Martin Pampilly	He has over 13 (thirteen) years of retail banking experience with ANZ Grindlays, Bank Muscat and Centurion Bank. Martin was a core member in setting up the centralized back office and customer services unit for Centurion Bank. He joined the Issuer in 2009 as Regional Operations Manager (South), and also managed the successful testing, training and implementation of the Core Banking Project. Martin attended the strategic leadership program at Harvard in April 2013. He also served as the Chief Operating Officer of Eastern region for sometime. Martin is a computer science graduate from St. Joseph’s College, Bangalore.
Head of Operations	
Sneh Thakur	Sneh joined the Issuer in April 2008 in the first batch of management trainees. She was a corporate financial analyst and handled corporate finance and investor relationships for over 2 (two) years. During this time she stewarded 2 (two) rounds of equity fund raising. In 2011, Sneh was appointed as the Regional Credit Manager (South) overseeing the transition phase of credit bureau verifications and compliance to regulatory changes. Recently, in April 2013, she was appointed Head of Credit. Sneh has an MBA in Finance from SDM, Mysore.
Head of Credit	
Alagarwamy AP	He is a banking and financial services professional with over 19 (nineteen) years of experience in sales, credit, risk and audit. Alagar was with ICICI Bank for over 8 (eight) years in Retail Assets and Rural Business Groups handling various roles in sales, credit and 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 also handled audit. Alagarwamy is a Management Graduate from Osmania University, Hyderabad.
Head of Audit	



Private & Confidential – Not for Circulation

Sunil Kutty Head of HR	Sunil Kutty joined Ujjivan as Head HR in August 2014 as it gets geared-up to expand it's branch operations and product offerings across India. Sunil holds a Masters degree in HR from Pune University. He has over 25 years experience having worked in IT, NBFC, Realty industries with organizations like Kale Consultants Ltd., KPIT Cummins Ltd., Tata Capital and Nelco. Sunil has led HR practices in training and development, performance management, employee engagement before heading the HR function in the last five years with a mandate for change management, organization restructuring, succession planning and leadership development.
Deepak Ayare Chief Technology Officer	Deepak is an IT professional with 23 (twenty three) years of experience in different aspects of Technology. He worked in the Gulf and in East Africa for 14 (fourteen) years. His core strengths lie in implementing ERP and developing business systems for organizations in different verticals, IT Vision and cost saving with open source technology. He graduated from Bombay University. Additionally, Deepak has good knowledge about animal husbandry and related business at a rural level.
Premkumar G Head of Vigilance and Corporate Administration	He has over 14 (fourteen) years of experience in administration positions with One World Hospital and PaulD'Souza & Associates, a leading law firm. Prem was Head of Administration for 4 (four) years, prior to his current role. He has recently moved as Head of Vigilance. Prem holds a commerce degree and is a member of the Indian Society of Ergonomics.
Suresha C CEO, Ujjivan Social Services Foundation	Suresha has 6 (six) years of experience in NGOs and research institutes related to health, socio-economic and community development. Development economics being his main area of interest, he has been greatly interested in the microfinance domain. Starting with the Issuer in 2007 as a Branch Manager, he has served in various sales positions in the Bangalore region for 3 (three) years. He has been instrumental in setting up the Issuer's service quality department, starting in 2009, and has ensured end-to-end implementation of processes on customer service, complaint management and responsible finance practices. He holds a Masters in Economics from Kuvempu University, Karnataka.
Murli Manohar National Program Manager - Individual Lending	Murli comes with a work experience of a decade, distributed equally between government and private sectors. He was with ICICI Bank till February 2013 where his last assignment was in Small Enterprises(Finance) Group. He had studied economics and education before joining Xavier Institute of Management-Bhubaneswar, from where he graduated in 2008 with a gold medal in PGDM- Rural Management. He has interests in the areas of financial inclusion, micro-enterprise finance and business development.
S Aryendra Kumar Head of Housing Finance	S. Aryendra Kumar most prominently known as Aryean, comes with an Engineering background with an MBA and with 20 years of Professional experience spread across the spectrum of Businesses in service sector. The experience has blend of Business & People Management which includes working in different types of large organizations, different functions and varied work culture and capability to manage large team. The experience is spread across in Mortgage finance (Sales & Credit), Business Analysis & IT Sales related to consumer finance, Human Resource Management Exposure



	includes Rural, Semi Urban & Urban mortgage Lending with Vysya Bank, SBI, Citibank and Tata Capital. Has worked in various capacities in IT and HR function with work experience in Denmark and UK. The last assignment was with Tata Capital Housing finance as Head Mortgages responsible for building up profitable business. Ayendra joined Ujivan as the head of housing finance in the month of September.
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

i. Business Segments

The Issuer conducted a unique and in-depth market research study of the socio-economic conditions, financial needs, and aspirations of the urban poor working women of Bangalore, in conjunction with Delphi Market Research. The findings of the market research study were published in “A Study of Economically Active Poor Women in Bangalore” in November 2006. In addition to this, the Issuer also conducted a study of the present providers of financial services to this particular segment, which includes their products, pricing, and mode of operations. Based on this study the Issuer approaches the market through working in the major urban slum areas and organizing working women in groups through its branch net work and field teams under the model devised by the Grameen Bank of Bangladesh.

The Issuer offers three basic loan products: (i) Family Loans; (ii) Business Loans; and (iii) Individual Loans. Family loans allow women to use loans to finance a range of family needs, including school expenses, medical care, housing expenses, and the repayment of high-cost debt previously taken for family needs (“Family Loans”). Business loans give women access to loans to finance a range of business needs, including working capital, capital equipment, vocational training, or the repayment of high-cost debt previously taken for business needs (“Business Loans”). Individual loans provide business owners access to financing for capital expansion and asset improvement of business (“Individual Loans”).

Additional loan products offered by the Issuer include: (i) top-up loans; (ii) emergency/festival loans; and (iii) education loans, for customers with strong track records for at least 6 (six) months.

The Issuer also offers the following individual loan products: (i) individual business loans; (ii) housing loans; and (iii) livestock loans. Housing loans give women access to financing for rental deposits, lease amounts, or house improvements (“Housing Loans”). Individual business loans are given to customers and/or their husbands who are running viable businesses for working capital or investment (“Individual Business Loans”).

PRODUCT DETAILS

Loan Product	Loan Tenure	Interest Rate	Processing Fees	Repayment Method
Business Loan	12-24 months	23.6%	1%	Monthly
Family Loan	12-24 months	23.6%	1%	Monthly
Business Top-up Loan	9 months	23.6%	1%	Monthly
Emergency Loan	6 months	23.6%	Nil	Monthly
Education Loan	12 months	23.6%	1%	Monthly
Individual Business Loan	6-24 months	28%	2.2%	Monthly



Private & Confidential – Not for Circulation

Home Improvement Loan	12-24 months	26%	1%	Monthly
New Individual Bazaar Loan	6-24 months	28%	2%	Monthly
Higher Education Loan	12-60 months	26%	1%	Monthly

The Issuer offers customers a mandatory life insurance cover while spouse cover is optional. We have partnered with Bajaj Allianz for the Group Term Life policy. Customers and their spouses are covered in case of natural or accidental death.

The Issuer is well positioned to manage competition. The significance of competition for the Issuer differs from region to region and place to place (within a region) as far as its operations are concerned. Primarily, the competition significance is based on parameters such as loan sizes and turn-around times in loan disbursements. The Issuer's competitive advantage lies in its demonstrated commitment to the double bottom line philosophy. The Issuer considers itself as a 'social enterprise' and works towards fulfilling its organizational objective of poverty alleviation of the economically active poor.

The Issuer's key differentiator is a 'customer centric' approach, which deviates from the traditional transactional and process oriented focus of the microfinance industry. This philosophy has yielded dividends on two fronts: (i) products suite; and (ii) customer service. The Issuer offers a wide variety of products covering different life cycle needs of a customer. The Issuer strives to tailor products to an individual customer's needs culminating in the customer paving her way out of poverty.

The Issuer has also carried out pioneering initiatives on the customer service front. The Issuer is one of the few MFIs to have a dedicated service quality department to optimize customer service and address grievances. The Issuer has conducted market research in terms of a customer satisfaction survey to gauge customer sentiment and gather feedback on products and services. The results of this study were used to benchmark its services on various parameters and identify areas of focus for the future.

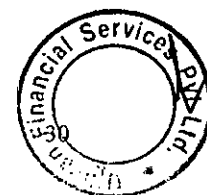
The Issuer has the following competitive advantage: (i) quality customer service – the Issuer has a dedicated service quality vertical to ensure that customers are receiving the highest quality of service in the industry; (ii) transparency - each and every financial transaction other than repayment is recorded by cash receipt; (iii) industry leaders in number of products offered (both financial and non financial); (iv) reduced interest rate –; and (v) strong training program for customers.

ii. Lending Methodology

The Issuer utilizes the joint-liability lending methodology, in which 5 members form a group and cross-collateralize each other's loans. The Issuer also does a thorough background check on each potential customer based on several parameters designed to assess credit-worthiness and ability to repay a loan. Finally, the Issuer has a policy, wherein the Issuer will not give a loan to a member if they have more than two other loans outstanding. These measures have helped the Issuer mitigate the credit risk in a sector and have allowed it to maintain a cumulative repayment rate of over 98%.

Cash Management:

The Issuer has taken many steps to ensure that it is able to mitigate its cash handling risk. Cash handling risk arises due to cash in transit risk when the branch staff



Private & Confidential – Not for Circulation

transports cash to and from the bank (for deposits and withdrawals). All the cash-handling employees of the Issuer have fidelity coverage. Further all cash related transactions are insured by National Insurance Company Limited. During repayment week when collections are extremely high, cash is transported in a vehicle with adequate security (armed guard) back to head office to ensure risk is minimized. Finally, in some of the working areas, the Issuer has outsourced its cash management to a cash management facility which is responsible for transporting cash between the branch and the bank and vice versa each day.

Holistic approach to poverty reduction

The Issuer believes that microfinance is an important element but not the only one to eradicate poverty. Consequently, the Issuer has adopted a holistic approach to poverty reduction through its partnership with Parinaam NGO. The Issuer and Parinaam NGO collaborate with institutions focused on vocational training, job enhancement, community development, and public health. Parinaam NGO works with Labournet to provide job enhancement programs, Unnati for vocational training, government and private hospitals to provide health camps for microfinance customers, and private philanthropists to provide subsidized treatment and surgeries. Additionally Parinaam NGO plans to roll out programs in health education, community development, water and sanitation, and more in the coming year.

Employees

The Issuer employs professionals seeking a career in the social sector. The Issuer sources its field staff from economically deprived sections of society similar to those of its customers. The Issuer's managerial staff brings a diverse body of experience in both social and private sectors. All the employees of the Issuer receive permanent full benefits. As at March 31,2014, the Issuer has 4,667 employees pan-India.

Outstanding Litigation

There is no outstanding litigation pending against the Issuer which may have any material adverse effect on its business prospects or financial condition.

iii. Shareholders

Shareholding Pattern of the Issuer as at September 30, 2014, being the last quarter end:

S.No.	Particulars	Total No. of Equity Shares	No of shares in demat form	Total shareholding as % of total no of Equity Shares
1.	Domestic Individual Investors	2,550,930	50,000	3.89%
	Domestic Institutional Investors			
2.	AW Holding Private Limited	1,333,340	1,333,340	2.03%
3.	M.G. Industries Pvt. Ltd.	50,000	Held in physical	0.08%
4.	Dhruvi Securities Pvt. Ltd	50,000	Held in physical	0.08%



Private & Confidential – Not for Circulation

5.	Nucleus Software Exports Ltd.	250,000	Held in physical	0.38%
Foreign Individual Investors				
6.	Foreign Individual Investors	1,623,300	Held in physical	2.48%
Foreign Institutional Investors				
7.	Mauritius Unitus Corporation	4,869,476	Held in physical	7.43%
8.	WWB ISIS Fund Limited Partnership	5,406,628	5,406,628	8.24%
9.	Elevar Equity Mauritius	5,535,732	Held in physical	8.44%
10.	India Financial Inclusion Fund	5,896,182	5,896,182	8.99%
11.	Sequoia Capital India Investments III	9,529,376	Held in physical	14.53%
12.	Lok Capital LLC	1,583,692	1,583,692	2.41%
13.	Lok Capital II LLC	5,870,426	5,870,426	8.95%
14.	WCP Holdings III	7,017,544	Held in physical	10.70%
15.	FMO Netherlands	6,120,000	Held in physical	9.33%
16.	International Finance Corporation	7,894,737	Held in physical	12.04%
	Total Subscribed Capital	65,581,363	20,140,268	100.00%

iv. Company Credit Rating

[ICRA] A- (Pronounced "A Minus") by ICRA Limited. The rating is based on significant infusion of capital from the promoters, satisfactory operational set up and governance framework coupled with IT infrastructure, satisfactory capitalization levels, liquidity and comfortable asset quality.

(c) Key Operational and Financial Parameters for the last 3 audited years

(Rs. Crores)

PARTICULARS	Year ended March 31,			September
	2012	2013	2014	2014
	Audited			
	Rs. in Crores			
Net worth	233.88	314.32	362.78	383.01
Total Debt	617.24	997.45	1,649.97	2,092.30
- Non current maturities of long term borrowings	255.04	383.47	565.14	830.47
- short term borrowings	-	4	1.93	0.00
- current maturities of long term borrowings	362.2	609.98	1,082.90	1,261.83
Net Fixed Assets	11.16	11.13	12.72	13.80
Non Current Assets	54.21	197.84	250.35	369.42
Cash and Cash Equivalents	47.83	48.28	111.61	55.65
Current Investments	113.62	130.34	282.84	5.58



Private & Confidential – Not for Circulation

Current Assets	832.15	1,151.26	1,421.18	2,175.34
Current Liabilities	397.82	654.26	1,138.73	1,327.46
Assets under Management	703.42	1125.99	1,617.27	2,419.01
Off Balance Sheet Assets	12.26	-	0	
Interest Income	133.82	206.63	325.45	222.85
Interest Expense	55.4	77.86	144.85	111.82
Provisioning & Write Offs	5.76	6.9	8.29	10.48
PAT	1.72	33.85	55.04	25.76
Gross NPA (%)	0.91%	0.09%	0.07%	0.08%
Net NPA (%)	0.00%	0.00%	0.01%	0.02%
Tier I Capital Adequacy Ratio (%)	32.41%	27.03%	21.81%	15.4%
Tier II Capital Adequacy Ratio (%)	0.00%	0.24%	0.92%	3.0%

Gross Debt: Equity Ratio of the Company (As of November 30, 2014):

Before the issue of debt securities	5.94
After the issue of debt securities	6.06

Calculations

As on November 30, 2014 debt-to-equity ratio is calculated as follows:-

Debt	Rs. 2,351.32 Cr
Equity	Rs. 396.16 Cr
Debt/Equity	5.94x

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:-

Debt	Rs. 2,401.32 Cr
Equity	Rs. 396 Cr
Debt/Equity	6.06x

(d) Project cost and means of financing, in case of funding new projects:

Not applicable

6.4 Brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on last quarter end i.e. September 30, 2014:

	No. of Shares	Face Value	Cumulative Face Value	Premium	Cumulative Share Capital
		in Rs.	Rs. in Crore	Rs. in Crore	Rs. in Crore
AUTHORISED CAPITAL	100,000,000	10	100.00	-	100.00
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	65,581,363	10	65.59	208.39	273.98

(b) Changes in its capital structure as on last quarter end i.e. September 30, 2014, for the last five years:

Date of Change (AGM/EGM)	Authorised Capital in Rs.	Particulars
August 18, 2008 - AGM	40,00,00,000	Authorised capital increased from 12.5 Crores to Rs. 40 Crores with 40,00,000 equity shares of face value of Rs. 100 each.



Private & Confidential – Not for Circulation

November 30, 2010 - EGM	60,00,00,000	Authorised capital increased from 40 Crores to Rs. 60 Crores with 60,000,000 equity shares of face value of Rs. 10 each.
November 11, 2011 - EGM	75,00,00,000	Authorised capital increased from 60 Crores to Rs. 75 Crores with 75,000,000 equity shares of face value of Rs. 10 each.
September 22, 2014 - EGM	100,00,00,000	Authorised capital increased from 75 Crores to Rs. 100 Crores with 100,000,000 equity shares of face value of Rs. 10 each.

(c) Equity Share Capital History of the Company as on September 30, 2014, for the last five years:

Date of Allotment	No of Equity Shares	Issue Price per Equity Share (in Rs.)		Consideration (cash, other than cash, etc)	Nature of Allotment	Cumulative		
		Face Value	Share Premium			No. of Equity Shares	Equity Share Capital Rs. in (Crore)	Equity Share Premium Rs. in (Crore)
23-Jul-08	189	100	0	Cash	ESOP	1,233,207	12.33	2.30
10-Dec-08	638,561	100	275	Cash	New allotment	2,599,707	25.99	41.70
	727,939		300					
13-Mar-09	77,044	100	275	Cash	New allotment	3,484,246	34.84	67.68
	106,240		287					
	158,499		288					
	42,804		289					
	499,952		300					
12-Oct-10	Face value of equity shares subdivided from Rs. 100 to Rs. 10.	N.A.	N.A.	N.A.	Sub-division of face value from Rs. 100 to Rs. 10 each	34,842,460	34.84	67.68
31-Jan-12	16,724,166	10	47	Cash	New allotment	51,566,626	51.57	146.28
1-Feb-12	57,20,000	10	47	Cash	New allotment	57,286,626	57.28	173.16
18-Sep-12	8,294,737	10	47	Cash	New allotment	65,581,363	65.58	212.15

(d) Details of any Acquisition or Amalgamation in the last 1 (one) year:

There has been no acquisition or amalgamation in the last 1 (one) year.

(e) Details of any Reorganization or Reconstruction in the last 1 (one) year:

There has been no reorganization or reconstruction in the last 1 (one) year.



Private & Confidential – Not for Circulation

6.5 Details of the shareholding of the Company as on the latest quarter end, i.e. September 30, 2014:

(a) Shareholding pattern of the Company as on last quarter end, i.e. September 30, 2014

S.No.	Particulars	Total No. of Equity Shares	No of shares in demat form	Total shareholding as % of total no of Equity Shares
1.	Domestic Individual Investors	2,550,930	50,000	3.89%
Domestic Institutional Investors				
2.	AW Holding Private Limited	1,333,340	1,333,340	2.03%
3.	M.G. Industries Pvt. Ltd.	50,000	Held in physical	0.08%
4.	Dhruvi Securities Pvt. Ltd	50,000	Held in physical	0.08%
5.	Nucleus Software Exports Ltd.	250,000	Held in physical	0.38%
Foreign Individual Investors				
6.	Foreign Individual Investors	1,623,300	Held in physical	2.48%
Foreign Institutional Investors				
7.	Mauritius Unitus Corporation	4,869,476	Held in physical	7.43%
8.	WWB ISIS Fund Limited Partnership	5,406,628	5,406,628	8.24%
9.	Elevar Equity Mauritius	5,535,732	Held in physical	8.44%
10.	India Financial Inclusion Fund	5,896,182	5,896,182	8.99%
11.	Sequoia Capital India Investments III	9,529,376	Held in physical	14.53%
12.	Lok Capital LLC	1,583,692	1,583,692	2.41%
13.	Lok Capital II LLC	5,870,426	5,870,426	8.95%
14.	WCP Holdings III	7,017,544	Held in physical	10.70%
15.	FMO Netherlands	6,120,000	Held in physical	9.33%
16.	International Finance Corporation	7,894,737	Held in physical	12.04%
	Total Subscribed Capital	65,581,363	20,140,268	100.00%

Notes: Details of shares pledged or encumbered by the promoters (if any): NIL

(b) List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. September 30, 2014

Sr. No.	Name of Shareholder	Address of Shareholder	No. of Equity Shares held	No. of Equity Shares in Demat form	Total shareholding as % of total no of Equity Shares
1.	Sequoia Capital India Investments III	C/o. International Proximity 608, St. James Court, St. Denis Street, Port Louis, Mauritius	9,529,376	Held in physical	14.53%



Private & Confidential – Not for Circulation

Sr. No.	Name of Shareholder	Address of Shareholder	No. of Equity Shares held	No. of Equity Shares in Demat form	Total shareholding as % of total no of Equity Shares
2.	International Finance Corporation	2121 Pennsylvania Avenue, N.W. Washington, D.C. 20433, USA	7,894,737	Held in physical	12.04%
3.	WCP Holdings III	Temple Court, 2 Labourdonnais Street, Port Louis, Mauritius	7,017,544	Held in physical	10.70%
4.	FMO Netherlands	Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V., Anna van Saksenlaan 712593 HW, The Hague, The Netherlands	6,120,000	Held in physical	9.33%
5.	India Financial Inclusion Fund	C/o International Management (Mauritius) Limited 3rd Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius	5,896,182	5,896,182	8.99%
6.	Lok Capital II LLC	Les Cascades, Edith Cavell Street, Port Louis, Mauritius	5,870,426	5,870,426	8.95%
7.	Elevar Equity Mauritius	C/o IFS, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius	5,535,732	Held in physical	8.44%
8.	WWB ISIS Fund Limited Partnership	8 W. 40 th St, New York, New York 10018	5,406,628	5,406,628	8.24%
9.	Mauritius Unitus Corporation	220 W. Mercer Street Suite W-500 Seattle, WA 98119	4,869,476	Held in physical	7.43%
10.	Lok Capital LLC	Les Cascades, Edith Cavell Street, Port Louis, Mauritius	1,583,692	1,583,692	2.41%
	Grand Total		59,723,793	18,756,928	91.07

6.6 Following details regarding the directors of the Company:

(a) Details of current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

Sr. No.	Name of the Directors	DIN	Age	Designation	Address	Director of the Issuer since	Other Directorships
1	Samit Ghosh	185369	64	Managing Director	Pairi Daesa, No 550/49, Borewell Road, 5th Cross, Whitefield, Bangalore -66	13 August, 2005	1) Parinaam Foundation (90% Shareholding) 2) Ujjivan Social Services Foundation - Director 3) Alpha Micro finance Consultants Private Limited - Director



Private & Confidential – Not for Circulation

Sr. No.	Name of the Directors	DIN	Age	Designation	Address	Director of the Issuer since	Other Directorships
2	Kuttalam Rajagopalan Ramamoorthy	00058467	73	Independent Director	No 519, 8th Cross Road, J P Nagar 3rd Phase, Bangalore - 560 078	28 December, 2004	<ol style="list-style-type: none"> 1. Subros Limited 2. GMR Ambala Chandigarh Express Highway Private Limited 3. Amrit Corp. Limited (Formerly Amrit Banaspati Limited) 4. Vasan Health Care Private Limited. 5. Nilkamal Limited 6. National Securities Clearing Corporation Limited 7. UAE Exchange and Financial Services Limited
3	Sunil Vinayak Patel	00050837	64	Independent Director	2989/H, 12th Main Road, HAL 2nd Stage, Bangalore	29 July, 2006	NIL
4	Mona Kachhwaha	1856801	41	Nominee Director	T-05-A Windsor Court, DLF Phase IV, Gurgaon, 122002, Haryana, India	8 August, 2012	<ol style="list-style-type: none"> 1. Micro Housing Finance Corporation Limited. 2. Aptus Value Housing Finance India Limited. 3. India Financial Inclusion Fund (Mauritius). 4. A Little World Private Limited.
5	Sandeep Marian Farias	00036043	41	Nominee Director	102, Lewis Manor, 7, Lewis Road, Cooke Town, Bangalore,	11 November, 2013	<ol style="list-style-type: none"> 1. Elevar Advisors Private Limited 2. Madura Microfinance 3. Vistaar Financial Services Private



Private & Confidential – Not for Circulation

Sr. No.	Name of the Directors	DIN	Age	Designation	Address	Director of the Issuer since	Other Directorships
					560005, Karnataka, India		Limited 4. Aarusha Homes Private Limited 5. Glocal Health Care Systems Private Limited 6. Shubam Housing Finance Development Company Private Limited
6	Venkatesh Natarajan	02453219	45	Nominee Director	Y/4/7B, A R Colony, Vasanth Nagar, Madurai – 625003, Tamil Nadu, India	10 December, 2008	1. Asirvad Finance Private Limited. 2. Suryoday Micro Finance Private Limited 3. Rural Shores Business Services 4. Lok Advisory Services Private Limited 5. Everest Edusys and Solutions Pvt Ltd 6. MAS Financial Services Ltd
7	Mohit Bhatnagar	00381741	44	Nominee Director	A-1/19, Shanti Niketan, New Delhi - 110 057, India	10 December, 2008	1. Sequoia Capital India Advisors Private Limited 2. One Assist Consumer Solutions Private Limited 3. Ideacts Innovations Private Limited 4. Knowlarity Communications Private Limited 5. IMIMobile Private Limited 6. Citrus Payment Solutions Private



Private & Confidential – Not for Circulation

Sr. No.	Name of the Directors	DIN	Age	Designation	Address	Director of the Issuer since	Other Directorships
							Limited 7. Micromax Informatics Limited 8. Zomato Media Private Limited - Director
8	Bhama Krishnamurthy	2196839	59	Nominee Director from SIDBI	Flat.No:601, Raheja Majestic, Plot.No:161, TPS-III, Manmala Tank Road Near Star city cinema, Mahim (West), Mumbai-16	11 July, 2013	1. Tamil Nadu Industrial Investment Corporation Ltd. - Nominee Director
9	Christina Juhasz	6451902	46	Nominee Director	99,Reade ST # 7W, New York NY-10013	5 December, 2012	Banco WWB, Colombia Ananya Finance
10	Vandana Viswanathan	05192578	42	Independent Director	No 302, Lovedale Apartment 19/1, Kensington Road, Ulsoor Bangalore - 560 008	22 February, 2012	Phicus Social Solutions
11	Sanjiv Kapur	1356126	45	Nominee Director	No 1/13, 3rd Floor, Shanti Niketan, New Delhi - 110021	22 February, 2012	1. Wolfensohn Indian Advisors Pvt. Ltd
12	Sarvesh Suri	06760975	40	Nominee Director	258,Bank Enclave, Laxmi Nagar, Delhi, 110092, Delhi, India	20 December, 2013	NIL



Private & Confidential – Not for Circulation

*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: None

Details of change in directors since last three years:

Name	Designation	DIN	Date of appointment	Date of Cessation	Remarks
A.Vikraman	Independent Director	01978341	July 28, 2008	November 9, 2011	-
M.K.Raveesha	SIDBI Nominee	03113608	May 17, 2010	August 12, 2011	-
S.N.Gowan	SIDBI Nominee	02306942	August 26, 2011	July 3, 2012	-
Viswanatha Prasad	Nominee Director from Bellwether	00574928	November 17, 2005	August 8, 2012	-
Geeta Goel	Nominee Director from MSDF	02277155	May 17, 2010	September 7, 2012	-
Sanjiv Kapur	Nominee Director from WCP Holdings	1356126	February 22, 2012	-	-
Vandana Viswanathan	Independent Director	05192578	February 22, 2012	-	-
K. Natarajan	SIDBI Nominee	2541816	July 3, 2012	July 11, 2013	-
Mona Kachhwaha	Nominee Director from IFIF	1856801	August 8, 2012	-	-
Christina Juhasz	Nominee Director from WWB ISIS Fund	6451902	December 5, 2012	-	-
Bhama Krishnamurthy	SIDBI Nominee	2196839	July 11, 2013	-	-
Christopher Miles Brookfield	Nominee Director from Elevar Equity	02387490	October 18, 2009	November, 11, 2013	-
Sandeep Marian Farias	Nominee Director from Elevar Equity	00036043	November, 11, 2013	-	-
Sarvesh Suri	Nominee Director from IFC	06760975	December, 20, 2013	-	-
Ritesh Bawri	Nominee Director from FMO	00604464	August 6, 2014	October 20, 2014	-



Private & Confidential – Not for Circulation

6.7 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name	Address	Auditor since	Remark
Deloitte Haskins & Sells , Chartered Accountants	Deloitte Centre, Anchorage III, 100/2 Richmond Road, Bangalore- 560025	January 2005	None.

(b) Details of change in auditors since last three years:

Name	Address	Date of appointment / resignation	Auditor since	Remark
NIL	NIL	NIL	NIL	NIL

6.8 Details of borrowings of the Company, as on latest quarter ended September 30, 2014 :

(a) Details of Secured Loan Facilities:

Name and address of bank/institution	Type of Facility	Cumulative Amount Sanctioned (Rs. Crs)	Date of Sanction	Present Outstanding (Crs)	Repayment Terms	Security Offered
Axis Bank Ltd	Term Loan	50.00	5-Mar-13	12.5	8 Quarterly Installments without moratorium. First installment due from 3rd month from disbursement	Hypothecation of Book Debts
	Term Loan	25.00	14-Oct-13	15.0	8 Quarterly Installments without moratorium. First installment due from 3rd month from disbursement	
	Term Loan	50.00	18-Mar-14	37.5	8 Quarterly Installments without moratorium. First installment due from 3rd month from disbursement	
	Term Loan	75.00	4-Sep-14	75.0	8 Quarterly Installments without moratorium. First installment due from 3rd month from disbursement	
SIDBI	Term Loan	20.00	20-Jan-10	0.4	54 Monthly Installments after 6 months moratorium	Hypothecation of Book Debts & Cash Collateral
	Term Loan	75.00	17-Sep-10	2.1	54 Monthly Installments after 6 months moratorium	



Private & Confidential – Not for Circulation

	Term Loan	45.50	19-Aug-11	3.9	54 Monthly Installments after 6 months moratorium	
	Term Loan	65.00	13-Dec-12	16.0	27 Monthly Installments after 3 months moratorium	
	Term Loan	100.00	27-Nov-13	81.5	27 Monthly Installments after 3 months moratorium	
HDFC Bank Ltd	Term Loan	25.00	7-Jan-14	11.7	15 Monthly Installments after 3 months moratorium	Hypothecation of Book Debts
	Term Loan	29.00	1-Feb-13	19.3	15 Monthly Installments after 3 months moratorium	
	Term Loan	83.20	17-Jul-14	83.2	15 Monthly Installments after 3 months moratorium	
Corporation Bank	Term Loan	30.00	1-Feb-13	13.8	24 equal monthly installments after 6 months moratorium	Hypothecation of Book Debts
Development Credit Bank Ltd	Term Loan	13.00	26-Jun-14	12.5	24 equal monthly installments after 2 months moratorium	Hypothecation of Book Debts
	Term Loan	15.00	17-Aug-13	8.1	24 equal monthly installments after 2 months moratorium	
	Term Loan	15.00	12-Dec-13	10.6	24 equal monthly installments after 2 months moratorium	
	Term Loan	20.00	14-Sep-12	1.7	24 equal monthly installments after 2 months moratorium	
IDBI Bank	Term Loan	40.00	28-Feb-12	6.7	21 Monthly Installments after 3 months moratorium	Hypothecation of Book Debts & Cash Collateral
	Term Loan	100.00	14-Feb-13	30.4	21 Monthly Installments after 3 months moratorium	
	Term Loan	125.00	14-Nov-13	84.3	21 Monthly Installments after 3 months moratorium	
	Term Loan	150.00	14-Aug-14	150.0	21 Monthly Installments after 3 months moratorium	Hypothecation of Book Debt
State Bank of Travancore	Term Loan	15.00	30-Oct-12	0.6	21 equal monthly installments after 3 months from date of drawl	Hypothecation of Book Debts
	Term Loan	20.00	28-Mar-14	17.1	21 equal monthly installments after 3	



Private & Confidential – Not for Circulation

					months from date of drawl	
Standard Chartered Bank	Term Loan	37.00	17-Jan-13	9.3	8 Quarterly Installments	Hypothecation of Book Debts
	Term Loan	33.00	3-Jun-13	16.5	8 Quarterly Installments	
	Term Loan	75.00	26-Mar-14	56.3	4 Quarterly Installments	
The Ratnakar Bank Ltd	Term Loan	10.00	30-Oct-12	1.4	7 quarterly Installments commencing 6 months from the date of draw down	Hypothecation of Book Debts
	Term Loan	55.00	17-Dec-12	7.9	7 quarterly Installments commencing 6 months from the date of draw down	
	Term Loan	20.00	14-Mar-13	5.0	8 Quarterly Installments after 3 months from drawdown	
	Term Loan	20.00	30-Jul-13	10.0	8 Quarterly Installments commencing 3 months from drawdown	
	Term Loan	47.00	4-Dec-13	35.3	8 Quarterly Installments commencing 6 months from drawdown	
	Term Loan	40.00	11-Jun-14	40.0	8 Quarterly Installments commencing 6 months from drawdown	
Credit Agricole	Term Loan	20.00	10-Mar-14	15.0	24 monthly Installments	Hypothecation of Book Debts
Bank of America	Term Loan	25.00	19-Mar-14	25.0	Bullet Payment	Hypothecation of Book Debts
Andhra Bank	Term Loan	15.00	30-Mar-12	2.5	36 monthly Installments	Hypothecation of Book Debts
	Term Loan	20.00	28-Mar-13	10.0	36 monthly Installments	
	Term Loan	50.00	21-Jul-14	47.2	36 monthly Installments	
South Indian Bank	Term Loan	10.00	30-Aug-12	4.0	10 Quarterly Installments commencing 6 months from drawdown	Hypothecation of Book Debts
	Term Loan	15.00	7-Jan-14	15.0	10 Quarterly Installments commencing 6 months from drawdown	
YES Bank Ltd	Term Loan	25.00	29-Nov-12	3.3	23 monthly installments after 1 month moratorium	Hypothecation of Book Debts
	Term Loan	75.00	28-Sep-13	52.1	24 monthly installments	
	Term Loan	125.00	26-Aug-14	89.2	24 monthly installments	
Kotak Mahindra Bank Ltd	Term Loan	50.00	9-Nov-12	5.3	24 months EMI	Hypothecation of Book Debts



Private & Confidential – Not for Circulation

	Term Loan	50.00	17-Oct-13	30.7	24 months EMI	
	Term Loan	100.00	22-Aug-14	47.9	24 months EMI	
ING Vysya Bank	Term Loan	20.00	15-Jan-13	5.8	24 equal monthly installments after 3 months from date of drawl	Hypothecation of Book Debts
	Term Loan	15.00	27-Feb-13	5.0	24 equal monthly installments after 3 months from date of drawl	
	Term Loan	20.00	28-Sep-13	12.5	24 equal monthly installments after 3 months from date of drawl	
	Term Loan	15.00	9-Dec-13	11.3	24 equal monthly installments after 3 months from date of drawl	
	Term Loan	23.00	18-Sep-14	23.0	24 equal monthly installments after 3 months from date of drawl	
Dhanlaxmi Bank	Term Loan	20.00	5-Feb-13	7.5	8 Quarterly Installments after 3 months from drawdown	Hypothecation of Book Debts
HSBC Limited,	Term Loan	50.00	14-Mar-13	14.3	21 equal monthly installments after 3 months from date of drawl	Hypothecation of Book Debts
	Term Loan	41.50	25-Oct-13	31.2	18 monthly installments after 6 months from date of drawl	
	Term Loan	50.00	23-Jul-14	50.0	18 monthly installments after 6 months from date of drawl	
Union Bank of India	Term Loan	25.00	25-Mar-13	11.5	24 equal monthly installments after 2 months moratorium	Hypothecation of Book Debts
	Term Loan	25.00	28-Dec-13	18.8	24 equal monthly installments after 2 months moratorium	
IndusInd Bank	Term Loan	50.00	5-Aug-13	27.1	24 equal monthly installments	Hypothecation of Book Debts
	Term Loan	31.25	6-Feb-14	24.5	23 equal monthly installments	
	Term Loan	50.00	5-Aug-14	50.0	23 equal monthly installments	
Bank of India	Term Loan	25.00	28-Sep-13	12.5	8 Quarterly Installments with a moratorium period of 3 months	Hypothecation of Book Debts
ICICI Bank	Term Loan	40.00	30-Dec-13	28.1	8 Quarterly Installments with a moratorium period of 3 months	Hypothecation of Book Debts
	Term Loan	35.00	24-Mar-14	26.3	8 Quarterly Installments with a moratorium period of 3 months	

Private & Confidential – Not for Circulation

Federal Bank Ltd, JP Nagar Branch	Term Loan	25.00	24-Jan-14	20.8	12 Quarterly Installments with a moratorium period of 3 months	Hypothecation of Book Debts
	Term Loan	25.00	15-Sep-14	25.0	12 Quarterly Installments with a moratorium period of 3 months	
Central Bank of India	Term Loan	25.00	4-Mar-14	18.8	8 Quarterly Installments with a moratorium period of 3 months	Hypothecation of Book Debts
Citibank NA	Term Loan	30.00	28-Mar-14	30.0	Bullet payment	Hypothecation of Book Debts
Oriental Bank of Commerce	Term Loan		28-Mar-14	11.3	24 equal monthly installments	Hypothecation of Book Debts
		15.00				
Vijaya Bank	Term Loan	25.00	24-Mar-14	18.8	8 Quarterly Installments with a moratorium period of 3 months	Hypothecation of Book Debts
Societe Generale	Term Loan	18.00	26-Mar-14	15.8	24 equal monthly installments	Hypothecation of Book Debts
IFMR Capital	Term Loan		28-May-14	17.8	24 months EMI	Hypothecation of Book Debts & Cash Collateral
		20.00				
BNP Paribas	Term Loan	41.00	24-Jun-14	41.0	8 Quarterly Installments without moratorium. First installment due from 3rd month from disbursement	Hypothecation of Book Debts
SBI	Term Loan	50.00	12-Sep-14	50.0	30 monthly installments after a moratorium of 3 months	Hypothecation of Book Debts
SBP	Term Loan	25.00	5-Sep-14	25.0	33 monthly installments after a moratorium of 3 months	Hypothecation of Book Debts
Capital First	Term Loan	50.00	16-Sep-14	50.0	Bullet Payment	Hypothecation of Book Debts
Total Bank Borrowings		2987.45		1,905.8		

(b) Details of Unsecured Loan Facilities:

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule
SIDBI	Unsecured	3.50	3.50	6 monthly installments after 18 months moratorium
SIDBI	Unsecured	50.00	50.00	6 monthly installments after 60 months moratorium

(c) Details of Non-Convertible Debentures as of September 30, 2014:



Private & Confidential – Not for Circulation

Debenture Series	Tenor	Interest	Amount (Rs in Crores)	Date of Allotment	Redemption date or Schedule	Credit Rating	Secured or Unsecured	Security
NA (Closed)	3 Years	13.35%	40.00	31/12/2010	31/12/2013	CARE BBB+	Secured	Book Debts
NA (Closed)	3 Years	12.86%	23.00	27/06/2011	26/06/2014	ICRA BBB+	Secured	Book Debts
NA (Closed)	2 Years	13.12%	29.00	16/01/2012	16/01/2014	CARE BBB+	Secured	Book Debts
NA	6 Years	12.75%	40.00	30/07/2013	30/07/2019	CARE A-	Secured	Book Debts
NA	2 Years	12.75%	33.00	30/08/2013	30/08/2015	CARE A-	Secured	Book Debts
NA	5 years	12.60%	60.00	01/07/2014	28/05/2019	CARE A-	Secured	Book Debts

(d) **List of Top 10 Debenture Holders (as on September 30, 2014)**

S. No.	Name of Debenture Holder	Amount (Rs. in Crores)
1	UTI International Wealth Creators 4	40.00
2	Oiko Credit	33.00
3	International Finance Corporation	60.00

(e) **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued. (if any)**

The Company has not issued any corporate guarantee for any third party as at September 30, 2014.

(f) **Details of Commercial Paper:**

The Company has not issued any Commercial Paper as at September 30, 2014

(g) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2014:**

As at the date of this Information Memorandum, no debt securities have been issued or borrowings have been taken for consideration other than cash or in pursuance of an option or at a premium/ discount except as below:

- The non-convertible debentures issued on January 16, 2012, for Rs. 29 crores were issued at a discount of 0.45% to the face value of each NCD. These non-convertibles debentures

Private & Confidential – Not for Circulation

were redeemed in full on January 16, 2014 and a no-objection certificate was received from the debenture trustee and the debenture holder.

- (h) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the company, in the past 5 years:**

NIL

- (i) **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

NIL

6.9 Details of Promoters of the Company:

- (a) **Details of Promoter Holding in Company as on latest quarter end, i.e. September 30, 2014:**

Sr No	Name of the shareholders	Total No of Equity shares	No .of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	Samit Ghosh	868,340	868,340	1.33%	NIL	NIL
	Total	868,340	100%	1.33%	NIL	NIL

6.10 Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

Particulars	Financial Years ended March 31		
	2012	2013	2014
	Audited		
	(Rs. in crores)		
I. EQUITY AND LIABILITIES			
(1) Share Holder's Funds:			
(a) Share Capital	57.29	65.58	65.58
(b) Reserves and Surplus	185.45	255.76	306.95
	242.73	321.34	372.53
(2) Non-Current Liabilities			
(a) Long-term borrowings	255.04	383.48	565.15
(b) Long term provisions	1.92	1.16	2.3
	256.96	384.64	567.45
(3) Current Liabilities			
(a) Short-term borrowings	-	4	1.93
(b) Trade payables	4.09	4.8	5.05
(c) Other current liabilities	383.39	631.03	1,108.33
(d) Short-term provisions	10.35	14.44	23.42
	397.82	654.27	1,138.73



Private & Confidential – Not for Circulation

Total	897.51	1,360.24	2,078.70
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets			
(ii) Intangible assets	8.73	8.28	9.8
(b) Non-current investments	2.42	2.86	2.92
(c) Deferred tax assets (net)	11.15	11.14	12.72
(d) Long term loans and advances	0.1	0.1	0.1
(e) Other non-current assets	3.22	4.02	6.83
	2.96	3.32	5.11
	47.92	190.4	238.3
(2) Current assets	54.2	197.84	250.35
(a) Receivables under financing activity			
(b) Cash and Bank Balances	653.07	947.4	1,387.62
(c) Short-term loans and advances	161.45	178.62	394.45
(d) Other current assets	2.23	6.18	10.62
	15.41	19.07	22.94
Total	832.16	1,151.26	1,815.63
	897.51	1,360.24	2,078.70

PARTICULARS	Financial Years ended March 31		
	2012	2013	2014
	Audited		
	(Rs. in Crores)		
INCOME			
Income from Operations	148.24	222.52	347.89
Other Income	8.06	11.41	9.77
Total Income (A)	156.3	233.93	357.66
EXPENDITURE			
Personnel Expenses			
Administrative & Other Expenses	60.16	65.77	81.32
Finance charges	27.19	28.96	36.2
Depreciation	58.59	80.63	144.85
Provision for Doubtful Loans	2.4	2.52	3.15
Total Expenditure (B)	5.76	6.9	8.29
Profit/(Loss) Before Tax (A - B)	154.1	184.78	273.82
Excess depreciation of earlier years	2.2	49.15	83.84
PROFIT/(LOSS) FOR THE PERIOD	2.2	-	-
Income tax		49.15	83.84
Deferred Taxes	1.58	16.1	31.7
Provision for earlier years	-1.1	-0.8	-2.81
PROFIT/(LOSS) AFTER TAX	-	-	-
Less: Transferred to Statutory Reserve	1.72	33.85	55.04
	0.34	6.77	11
Less: Adjusted Depreciation			
Profit/(Loss) carried forward to Balance Sheet	1.38	27.08	44.04
Profit/(Loss) Carried forward from previous year	9.37	10.74	35.9
Appropriations			
Proposed Dividend			
Corporate Dividend Tax	-	1.64	3.28
	-	0.28	0.56

Private & Confidential – Not for Circulation

Balance Carried to Balance sheet	10.74	35.9	76.08
Profit for the year	1.72	33.85	55.04
Basic and Diluted Earnings per Share	0.44 & 0.41	5.48&5.12	8.39&7.89

6.11 Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information and auditors qualifications, if any.

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

Particulars	September 2014
I. EQUITY AND LIABILITIES	
(1) Share Holder's Funds:	
(a) Share Capital	65.58
(b) Reserves and Surplus	331.63
	397.21
(2) Non-Current Liabilities	
(a) Long-term borrowings	830.47
(b) Long term provisions	3.43
	833.9
(3) Current Liabilities	
(a) Short-term borrowings	-
(b) Trade payables	5.91
(c) Other current liabilities	1,291.69
(d) Short-term provisions	29.85
	1,327.45
Total	2,558.56
II. Assets	
(1) Non-current assets	
(a) Fixed assets	
(i) Tangible assets	11.19
(ii) Intangible assets	2.61
	13.8
(b) Non-current investments	0.1
(c) Deferred tax assets (net)	11.58
(d) Long term loans and advances	6.06
(e) Other non-current assets	351.69
	369.43
(2) Current assets	
(a) Receivables under financing activity	2,075.93
(b) Cash and Bank Balances	55.65
(c) Short-term loans and advances	14.84
(d) Other current assets	28.91
	2,175.33
Total	2,558.56



PARTICULARS	September
	2014
INCOME	
Income from Operations	243.36
Other Income	7.28
Total Income (A)	250.64
EXPENDITURE	
Personnel Expenses	58.18
Administrative & Other Expenses	28.16
Finance charges	111.83
Depreciation	3.28
Provision for Doubtful Loans	10.48
Total Expenditure (B)	211.93
Profit/(Loss) Before Tax (A - B)	38.71
Excess depreciation of earlier years	0
PROFIT/(LOSS) FOR THE PERIOD	38.71
Income tax	17.7
Deferred Taxes	-4.74
Provision for earlier years	0
PROFIT/(LOSS) AFTER TAX	25.75
Less: Transferred to Statutory Reserve	5.15
Less: Adjusted Depreciation	1.08
Profit/(Loss) carried forward to Balance Sheet	19.52
Profit/(Loss) Carried forward from previous year	76.08
Appropriations	
Proposed Dividend	-
Corporate Dividend Tax	-
Balance Carried to Balance sheet	95.6
Profit for the year	25.75
Basic and Diluted Earnings per Share	3.93 & 3.70

5.12 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.13 Names of the Debentures Trustees and Consents thereof

The Debenture Trustee of the proposed Debentures is GDA Trusteeship Limited. GDA Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in Annexure III of this Information Memorandum.

5.14 Rating and Rating Rationale



Private & Confidential – Not for Circulation

The Rating Agency has assigned ratings of “[ICRA] A– (A Minus)” to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

- 6.15 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

Not applicable

- 6.16 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The in-principle approval of the BSE has been obtained in this regard.

- 6.17 Other details:**

- (a) Debenture Redemption Reserve Creation:**

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures.

- (b) Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder and the SEBI Debt Listing Regulations.

- (c) Application process:**

The application process for the Issue is as provided in Section 8 of this Information Memorandum.

- 6.18 A statement containing particulars of the dates of, and parties to all material contracts, agreements:**

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.



Private & Confidential – Not for Circulation

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the registered office of the Company between 10.00 am to 4.00 pm on working days.

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer
2	Board Resolution dated November 25, 2014 authorizing issue of Debentures offered under terms of this Disclosure Document.
3	Shareholder Resolution dated May 07, 2014 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolution dated December 07, 2014 authorizing the borrowing by the Company and the creation of security.
5	Copies of Annual Reports of the Company for the last three financial years
6	Credit rating letter from the Ratings
7	Letter from GDA Trusteeship Limited giving its consent to act as Debenture Trustee
8	Letter for Register and Transfer Agent
9	Certified true copy of the certificate of incorporation of the Company
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the National Securities Depository Limited/CDSL

6.19 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 50,00,00,000/- (Rupees Fifty Crores only) by issue of Secured Rated Listed Redeemable Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 6.22 of this Information Memorandum.

6.20 Issue Size

The aggregate issue size for the Debentures is. Rs. 50,00,00,000/- (Rupees Fifty Crores only).

6.21 Utilization of the Issue Proceeds

The proceeds shall be used for loan portfolio growth of the company subject to such restrictions as the parties may have agreed upon and shall not be utilised for the purposes mentioned below.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

The Issuer undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2013-14 dated July 1, 2013:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: Commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.



Private & Confidential – Not for Circulation

- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market

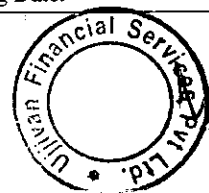
6.22 Issue Details

Security Name	13.65% XIRR Ujjivan Financial Services Private Limited
Issuer	Ujjivan Financial Services Private Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured, Redeemable, Taxable Non-Convertible, Rated, Listed Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible/Identified Investors	As provided in Clause 8.14 below
Listing	<p>Debentures are to be listed on the WDM of Bombay Stock Exchange within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment.</p> <p>In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors, or Qualified Foreign Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investor(s) or such sub-account(s) of Foreign Institutional Investor(s) or Qualified Foreign Investors.</p> <p>In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1 % p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures</p>
Rating of Instrument	"[ICRA] A- (A minus)"
Issue Size	Rs. 50,00,00,000/- (Rupees Fifty Crores only)
Option to retain oversubscription	N.A.
Objects of the Issue	To raise senior secured debt to the extent upto Rs. 50,00,00,000/- (Rupees Fifty Crores only)
Details of the utilization of the Proceeds	The issue proceeds will be utilized for providing debt financing for expanding the loan portfolio of the Issuer.
Coupon Rate	13.65% (Thirteen Decimal Point Six Five Percent) per annum calculated on XIRR basis, payable annually and subject to the obligation of the Issuer as provided for in Section 8.25 of the IM
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annually
Coupon Payment Dates	Annually on December 12th of every calendar year until Maturity Date
Coupon Type	Fixed Coupon rate
Exercise Date/Coupon Reset Date	N.A.
Day Count Basis	Actual / 365 (or 366 in the case of a leap year)



Private & Confidential – Not for Circulation

Interest on Application Money	13.65% XIRR per annum
Default Interest Rate	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Prepayment Penalty	In case of early redemption of the Issue at the instance of the Issuer, on any date other than the Due Date and not arising due to an Event of Default, the Issuer shall pay a penalty of 2% ((Two) Percent) on the principal amount repaid. Prepayment shall be subject to the consent of the Majority Debenture-Holders which consent shall not be unreasonably withheld provided that the Issuer has given the Debenture Trustee and the Debenture Holders at least 15 (Fifteen) calendar days written notice prior to the date of such prepayment. Any such early repayment shall be subject to the applicable RBI guidelines.
Coupon Reset Process	N.A.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penalty interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	24 (Twenty Four) months from the Deemed Date of Allotment
Redemption Date	December 12th, 2016 being 24 (Twenty) months from the Deemed Date of Allotment
Redemption Amount	Rs. 1,000,000/- (Rupees Ten Lakhs Only) per Debenture on the Redemption Date plus accrued Coupon if any.
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 1,000,000/- (Rupees Ten Lakhs Only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	Rs. 1,000,000/- (Rupees Ten Lakhs Only) per Debenture
Minimum Application size and in multiples of thereafter	3 Debentures and in multiples of 1 Debenture thereafter
Issue Timing	Issue Opening Date: December 11, 2014 Issue Closing Date: December 12, 2014 Pay-in Dates: December 11, 2014 to December 12, 2014 Deemed Date of Allotment: December 12, 2014 All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Trustees to be completed and made available to the Sole Arranger, 1 (One) business day prior to Issue Opening Date.



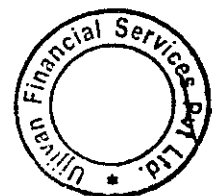
Private & Confidential – Not for Circulation

Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS
Depositories	NSDL/CDSL
Business Days	Means a day (other than a Sunday or a Bank holiday) on which banks are open for general business in Mumbai and Bangalore
Business Day Convention	If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. If the redemption date/exercise date/ maturity date (also being the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (fifteen) calendar days prior to any Due Date.
Security	<p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking charge by way of hypothecation, comprising of the assets of the company as follows :</p> <p>From the Deemed Date of Allotment, the charge shall be created over specific loan receivables / book debt, present and future, representing amounts due from the various borrowers of the Issuer (“Hypothecated Assets”), such that the value of security shall be equal to 1.10 (One Decimal Point One Zero) times the aggregate amount of outstanding principal of the Debentures (“Security Cover”) with a cover of at least 1.0 (One) time comprising the principal amounts arising out of the Hypothecated Assets of the Issuer maintained over the principal amount outstanding and accrued interest under the Debentures. It is clarified that the Security Cover shall be sufficient to cover the principal and coupon amounts outstanding under the Debentures at all times</p> <p>The Issuer undertakes as follows:</p> <ol style="list-style-type: none"> To maintain the value of Security Cover at all times during the period of the Issue; To register and perfect the security over the Hypothecated Assets by executing a duly stamped Deed of hypothecation (“Deed of Hypothecation”) prior to the Deemed Date of Allotment and filing the relevant form immediately and no later than 15 (Fifteen) calendar days from the date of execution of the Deed of Hypothecation; The charge over the Hypothecated Assets is to be created prior to the Deemed Date of Allotment. In the event the Security Cover is not created or has insufficiently created, the proceeds from the Issue are to be placed in an escrow account until the creation of security which shall be no later than one month from the Deemed Date of Allotment. In the event of failure to create the security within 1 (One) month, the monies are to be reimbursed to the Investors; Commencing from the Deemed Date of Allotment till the Maturity Date, to provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient



Private & Confidential – Not for Circulation

	to maintain the Security Cover ("Monthly Hypothecated Asset Report").
Transaction Documents	Shall be as set out in Clause 7.1 below
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> 1. Execution of Debenture Trustee Agreement, Deed of Hypothecation and Debenture Trust Deed 2. Such other undertaking as may be required from the Company.
Conditions Subsequent to Disbursement	<ol style="list-style-type: none"> 1. Filing of the relevant documents inter alia private placement offer letter, return of allotment etc. with the ROC within the timelines specified under the rules under the Companies Act, 2013. 2. Completion of listing of Debentures on BSE 3. Filing of the relevant form with the ROC for the registration of charge over the Hypothecated Assets. 4. Execution of any other documents as customary for transaction of a similar nature and size.
Events of Default	As mentioned in Clause 7.7 below
Provisions related to Cross Default Clause	<p>An event of default shall arise if the Issuer:</p> <p>(A) defaults in any payment of Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created; or</p> <p>(B) defaults in the observance or performance of any agreement or condition relating to any Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or</p> <p>(C) due to any default, any Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.</p> <p>"Indebtedness" means any obligation of the Issuer (whether incurred as principal, independent guarantor or as a surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent."</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders
Covenants	As mentioned in Clause 7.3 below
Representation and warranties	As mentioned in Clause 7.2 below
Illustration of Bond Cashflows	Kindly refer to Annexure VI of this Information Memorandum
Governing Law	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai.



SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue (“**Transaction Documents**”):

- (a) Debenture Trustee Agreement, which will confirm the appointment of GDA Trusteeship Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- (c) Deed of Hypothecation whereby the Issuer will create an exclusive charge by way of hypothecation over Hypothecated Assets in favour of the Debenture Trustee to secure its obligations in respect of the Debentures (“**Deed of Hypothecation**”); and
- (d) Such other documents as agreed between the Issuer and the Debenture Trustee.

The Transaction Documents shall be executed on or prior to the Issue Closing Date.

7.2 Representations and Warranties of the Issuer

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the Transaction Documents.

(i) STATUS:

- a. It is a company, duly incorporated, registered and validly existing under the laws of India.
- b. It has the power to own its assets and carry on its business as it is being conducted.

(ii) BINDING OBLIGATIONS:

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(iii) NON-CONFLICT WITH OTHER OBLIGATIONS:

The entry into, and performance by it of, and the transactions contemplated by, the Transaction Documents do not and will not conflict with:

- a. any law or regulation applicable to it including but not limited to laws and regulations regarding anti-money laundering or terrorism financing and similar financial sanctions;
- b. its constitutional documents; or
- c. any agreement or instrument binding upon it or any of its assets.

(iv) POWER AND AUTHORITY:

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction



Private & Confidential – Not for Circulation

Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(v) VALIDITY AND ADMISSIBILITY IN EVIDENCE:

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- a. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- b. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- c. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(vi) NO DEFAULT:

No Event of Default has currently occurred and is continuing as on the date hereof or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. To the best of the Issuer's knowledge, no other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its assets or which might have a Material Adverse Effect as on the date hereof.

(vii) PARI PASSU RANKING:

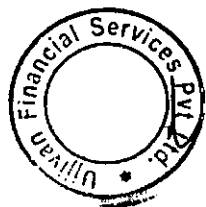
- i. Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other secured creditors, except for obligations mandatorily preferred by law applying to companies generally.
- ii. Its payment obligations under the Transaction Documents shall be superior to all claims of investors in instruments eligible for inclusion in Tier I Capital and Tier II Capital.

(viii) NO PROCEEDINGS PENDING:

There are no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, may have a Material Adverse Effect, have (to the best of its knowledge and belief) been started against it except as disclosed by the Company in its annual reports, financial statements and this Information Memorandum.

(ix) NO MISLEADING INFORMATION:

All information provided by the Issuer to the Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) on which it is stated.



Private & Confidential – Not for Circulation

(x) COMPLIANCE:

The Company is in compliance with all laws for the performance of its obligations with respect to this Issue including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(xi) ASSETS:

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN/FCRN/LLPIN/FLLPIN: U65999KA2004PTC035329 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(xii) FINANCIAL STATEMENTS:

- a. The Issuer's financial statements most recently supplied to the Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- b. The financial statements most recently supplied to the Trustee as of March 31, 2014 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.
- c. Since the date of the audited financial statements for the Financial Year ended March 31, 2014 and since the date of the most recent financial statements delivered there has been no material adverse change in its business or financial condition.

(xiii) SOLVENCY:

- a. The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of the applicable laws, nor in any such case, will it become so in consequence of entering into this Issue.
- b. The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its indebtedness.
- c. The value of the assets of the Issuer is more than its respective liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- d. As on the date hereof, the Issuer has not taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.



(xiv) IMMUNITY

The Issuer is not entitled to claim for itself or any of its assets any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

(xv) SECURITY

- i. The Company is the sole legal owner of the Hypothecated Property;
- ii. The Hypothecated Property is and will at all times be the absolute property of the Company, and shall be free from any prior Security and as to any future Hypothecated Properties the same shall likewise be the unencumbered, absolute and disposable property of the Company, with full power of disposition over the same, other than the Security created under the Security Documents;
- iii. With respect to the Receivables, there are no claims, suits, actions, administrative, arbitration or other proceedings or governmental investigations, including without limitation any counterclaims or claims by the Company or the Obligors or any other statutory authority, pending or to the knowledge of the Company, threatened against the Company;
- iv. Each of the Loan Documents with the Obligors has been duly executed and is legally valid and enforceable in accordance with the terms thereof;
- v. The Loan Agreements forming part of the Portfolio, except for the selection criteria agreed to between the Company and the Trustee, have been chosen randomly;
- vi. All original Loan Documents with respect to the Portfolio are in the possession of the Company. The Company has obtained necessary documents duly signed by the Obligors required for granting the Loans in relation to all the Loan Agreements and shall hand over the same to the Trustee or his agent as and when instructed by the Trustee;
- vii. With respect to each Loan Agreement, there is only one original agreement with the underlying Obligor, which is in the possession of the Company;
- viii. The Company has borne and settled all liabilities on account of fiscal levies or taxes relating to the Loan Agreements that have arisen or otherwise were payable in the regular course;
- ix. All information pertaining to the Loans and Receivables set forth herein is true and correct in all respects, and all names, addresses, amounts, dates, signatures and other statements and facts contained in the Loan Documents relating to the Receivables are genuine, true and correct;



Private & Confidential – Not for Circulation

- x. On the date of the Transaction Documents or any Refreshment Date,
 - a. no Obligor is in default or may potentially be in default, under the Loan Documents;
 - b. all Loans are performing loans, the amounts due, not being overdue; and
 - c. there has been no default under the Loan Documents as on the date of the Transaction Documents and every Refreshment Date in respect of such Loans.
- xi. None of the Obligors are entitled or will be entitled to set-off, counterclaim, deduction, recoupment, recover or rescind under the Loan Agreement(s) or exercise its right of recourse in terms of the Loan Agreement(s) and in the event of the Obligors or the Company exercising any right of set-off or counter-claim, etc. leading to an impairment of the Receivables, the Company undertakes to pay and reimburse such amount of the Receivables as have been impaired;
- xii. The Company has undertaken all required and necessary procedures in order to appropriately review the identity of the Obligors and has conducted all required and adequate due diligence on each of the Obligors at the time of granting the Loans to the Obligors and otherwise has ensured compliance with all applicable 'know your customer' requirements in accordance with all regulatory requirements;
- xiii. The Company shall on each Refreshment Date create a Security on such additional Receivables to ensure that the Portfolio is of a value, not less than 110% (one hundred and ten per cent.) of the aggregate of the outstanding principal amount of the Debentures and not less than 100% (one hundred per cent.) of the aggregate of the outstanding principal amount of the Debentures and all future interest payments on those outstanding Debentures; and
- xiv. The Company is not required to obtain the consent of the Obligors or of any other person for entering into the Transaction Documents or for exercise by the Trustee of its rights therein.

(xvi) NO MISLEADING INFORMATION

All information supplied by the Issuer is true, complete and accurate in all material respects as at the date it was given and is not misleading in any respect.

(xvii) GOOD TITLE TO ASSETS

The Company has good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorizations to use, the assets necessary to carry on its business as presently conducted.

(xviii) LEGAL AND BENEFICIAL OWNERSHIP

The Company is the absolute legal and beneficial owner of its assets.



(xix) COMPLIANCE WITH LAWS

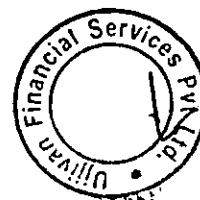
- i. It is in material compliance in all respects with the IFC E&S Management System and all applicable Laws, including but not limited to Environmental Laws, Social Laws and taxation related Laws, required for it to carry on its business.
- ii. The Company has not violated nor breached any Law or material agreements to which it is subject, which has resulted in or could reasonably be expected to have, a Material Adverse Effect.
- iii. The Company does not have a business relationship with any person subject to any sanctions list in connection with anti-money laundering.
- iv. The Company has not made any “unlawful payment” within the meaning of, and is not in any other way in violation of, the U.S. Foreign Corrupt Practices Act of 1977 or other similar Laws.
- v. The operations of the Company are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements and anti-money laundering statutes of all jurisdictions, including, without limitation, all the U.S. and India anti-money laundering laws, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory agency (collectively, the “**Money Laundering Laws**”); and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or threatened against it.
- vi. Without prejudice to the generality of anything contained in this sub-clause (p), the Company has complied with the requirements of Section 42 and Section 71 of the Companies Act, 2013 and the relevant rules issued thereunder for the purposes of the issuance of the Debentures and that the offer for subscription to the Debentures under the Offer Documents is in compliance with Law.

(xx) ANTI-TERRORISM LAWS

Neither the Company, nor any of its respective brokers or other agents acting or benefiting in any capacity in connection with the proceeds of the Debentures, (i) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to any Anti-Terrorism Laws; or (ii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any Anti-Terrorism Laws.

(xxi) CORRUPT PRACTICES

The Company has not violated any applicable anti-bribery or anti-corruption laws, offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any officer,



Private & Confidential – Not for Circulation

employee or any other person acting in an official capacity for any governmental agency, to any political party or official thereof or to any candidate for political office (individually and collectively, a "Government Official") or to any person under circumstances where the Company knew or was aware of a probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of (a) influencing any act or decision of such Government Official in his official capacity, or (b) inducing such Government Official to do or omit to do any act in relation to his lawful duty, or (c) securing any improper advantage, or (d) inducing such Government Official to influence or affect any act or decision of any government authority, (e) assisting the Company in obtaining or retaining business for or with, or directing business to the Company.

(xxii) TAX DEDUCTION

The Company is not required to make any Tax Deduction from any payment it may make under any Transaction Document unless the same has been notified by the Company to the Debenture holders under Clause 2.9.2 (Tax Gross up and Indemnity) of the Debenture Trust Deed.

(xxiii) NO FILING OR STAMP TAXES

Under the law of its jurisdiction of incorporation, save for the payment of stamp duty in accordance with applicable Laws on the Transaction Documents, it is not necessary that the Transaction Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or similar tax be paid on or in relation to the Transaction Documents or the transactions contemplated herein.

(xxiv) TAXATION

- i. The Company has duly and punctually paid and discharged all Taxes imposed upon it and its assets within the time period allowed without incurring penalties save to the extent that (i) payment is being contested in good faith, (ii) the Company has maintained adequate reserves for those Taxes and (iii) payment can be lawfully withheld.
- ii. The Company is not materially overdue in the filing of any Tax returns.
- iii. No claims are being or are reasonably likely to be asserted against the Company with respect to Taxes.

(xxv) DISCLOSURES IN OFFER DOCUMENTS

The Company confirms that all necessary disclosures have been made in the Offer Documents, including but not limited to statutory and other regulatory disclosures.

(xxvi) COMPLIANCE WITH LENDING POLICIES

The operations of the Company have been conducted at all times in compliance with the Lending Policy and in accordance with the internal approval matrix.



7.3 AFFIRMATIVE COVENANTS:-

(i) UTILISATION OF PROCEEDS OF THE DEBENTURES

Utilise the moneys received towards subscription of the Debentures for the purpose mentioned in Clause 2.1 (d) (*Amount of Debenture, Purpose and Covenant to pay principal and interest*) of the Debenture Trust Deed.

(ii) NOTICE OF WINDING UP OR OTHER LEGAL PROCESS

Promptly inform the Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act, or any other notice under any other act relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company.

(iii) LOSS OR DAMAGE BY UNCOVERED RISKS

Promptly inform the Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. or other acts such as war, terrorist attack, insurrection or violence against which the Company may not have insured its properties.

(iv) MATERIAL ADVERSE EFFECT

Subject to applicable Law, promptly inform the Trustee of the happening of or any happenings likely to have a Material Adverse Effect with an explanation of the reasons therefor.

(v) LOSS OR DAMAGE BY UNCOVERED RISKS

Promptly inform the Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. or other acts such as war, terrorist attack, insurrection or violence against which the Company may not have insured its properties.

(vi) COSTS AND EXPENSES

Pay all fees, costs, charges and expenses in any way incurred by the Debenture Holders and/or the Trustee towards protection of Debenture Holders' interests, as agreed with the Trustee under the terms of the Debenture Trustee Agreement, including

- (i) Costs, charges and expenses (notary's fees, lawyer's fees, advertisements, travel costs, telephone and fax costs, stamp duties) incurred in connection with the negotiation, execution, syndication, filing and registration of the Transaction Documents; and
- (ii) travelling and other allowances and such taxes, duties, costs, charges and expenses and legal costs incurred by the Trustee in relation to the enforcement of the rights of the Debenture Holders, in connection



Private & Confidential – Not for Circulation

with or relating to the role of the Trustee in respect of the Debentures and all on an actual basis.

(vii) PRESERVE CORPORATE STATUS

Diligently preserve and maintain its corporate existence and status and all privileges and concessions now held or hereafter acquired by it in the conduct of its business and comply with the said privileges and concessions and all material Laws applicable to its assets or any part thereof. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed.

(viii) PAY STAMP DUTY

In respect of the Transaction Documents, pay all such stamp duty (including any additional stamp duty), other duties, Taxes, charges and penalties, that the Company is required to pay according to Law and in the event of the Company failing to pay such stamp duty, other duties, Taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand.

(ix) PAYMENT OF RENTS ETC.

The Company will duly and punctually pay all Taxes, rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon it or its assets or payable by the Company within the time period allowed, and also pay and discharge all debts and obligations and liabilities which may have priority over the Debentures within a commercially reasonable time (unless contested legally and in good faith and adequate reserves have been made by it for those Taxes) and observe, perform and comply with all covenants and obligations which it is to observe and perform under the Transaction Documents.

(x) FURNISH INFORMATION TO TRUSTEE

- i. Subject to applicable Laws, give to the Trustee or its nominee(s) such information and copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation.
- ii. furnish a quarterly report to the Trustee (or as may be required in accordance with SEBI guidelines) containing the following particulars:
 - a) an updated list of the names and addresses of the Debenture Holders;
 - b) details of the Secured Obligations that may be due in respect of the Debentures, but unpaid and reasons thereof;
 - c) the number and nature of grievances received from the Debenture Holders and resolved by the Company and those grievances not yet resolved to the



Private & Confidential – Not for Circulation

satisfaction of the Debenture Holders and the reasons for the failure to resolve the same; and

- d) a statement that the Hypothecated Property is sufficient to maintain the Minimum Security Cover.
- iii. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly give reasonable consideration to the suggestions and directions that may be given in this regard, from time to time, by the Trustee and shall advise the Trustee periodically of the compliance.
- iv. Promptly inform the Trustee in writing of any major change in the composition of the board of directors of the Company.

(xi) TRANSFER OF UNCLAIMED REDEMPTION AMOUNTS

The Issuer shall comply with the applicable provisions of the Companies Act, relating to transfer of unclaimed / unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it.

The Issuer hereby further agrees and undertakes that during the currency of the Issue it shall abide by the guidelines/listing requirements if any, issued from time to time by the SEBI/RBI.

(xii) FURTHER ASSURANCES

The Issuer shall:

- i. execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Trustee.
- ii. obtain, comply with the terms of and do all that is necessary to maintain in full force and effect, and supply certified copies to the Trustee (on behalf of the Debenture Holders) of, all Authorizations necessary to enable it lawfully to enter into and perform its obligations under the Transaction Documents or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Transaction Documents and to carry on its current business.
- iii. comply with:
 - a. all Laws, rules, regulations and guidelines (including Environmental Laws, Social Laws and taxation related Laws), including but not limited to (i) the SEBI Regulations, as may be in force from time to time during the currency of the Debentures; and (ii) the provisions of the listing agreement entered into by the Company with the Stock Exchange in relation to the Debentures;
 - b. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 or any successor regulation thereto as in force from time to



Private & Confidential – Not for Circulation

time, and furnish to the Trustee such data, information, statements and reports as may be deemed necessary by the Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

- c. the provisions of the RBI circular on “*Raising Money through Private Placement*” dated June 27, 2013 and the subsequent clarification dated July 02, 2014; and
- d. the provisions of the Act in relation to the issue of the Debentures.
- iv. procure that the Debentures are rated and a rating is continued until the Redemption Date.
- v. file with the Stock Exchange for dissemination, along with the yearly and half yearly financial results, a communication, counter signed by the Trustee, containing inter-alia the following information:
 - a. credit rating and name of rating agency;
 - b. asset cover available;
 - c. debt-equity ratio accompanied with a certificate of a practicing chartered accountant confirming the said debt-equity ratio;
 - d. previous due date for the payment of interest/principal and whether the same has been paid or not; and
 - e. next due date for the payment of interest/principal.
- vi. File with the registrar of companies the Offer Letter and the record with respect to the issuance of the Debentures under Form PAS-5, in accordance with the provisions of the Companies Act, 2013 within 30 (thirty) days of circulation of the Offer Letter.
- vii. File with the registrar of companies the return of allotment pertaining to the issue of Debentures under Form PAS-3 in accordance with the provisions of the Companies Act, 2013, within 30 (thirty) days of allotment of the Debentures.

(xiii) AUTHORISATIONS

The Company shall promptly:

- i. obtain, comply with and do all that is necessary to maintain in full force and effect; and
- ii. supply certified copies to the Debenture holders of,

any Authorization required under any Law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability



Private & Confidential – Not for Circulation

or admissibility in evidence in its jurisdiction of incorporation of any Transaction Document and to carry on its current business.

(xiv) INSURANCE

The Company shall:

- iii. maintain insurances on and in relation to its business and assets with reputable independent underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law.
- iv. ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with.

(xv) ACCESS

The Company shall permit the Debenture Holders or the Trustee and/or accountants or other professional advisers and contractors of Debenture Holders or the Trustee free access at all reasonable times and on reasonable notice at the cost of the Company to (a) inspect and take copies and extracts from its books of accounts, accounts, registers and records (including any records or information pertaining to the Hypothecated Property); and (b) meet and discuss matters with senior management employees of the Company.

(xvi) SECURITY

- a. The Issue shall be secured in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being a first ranking exclusive charge by way of hypothecation comprising of the assets of the company as follows.
- b. From the Deemed Date of Allotment, the charge shall be created over specific loan receivables / book debt, present and future, representing amounts due from the various borrowers of the Issuer ("**Hypothecated Assets**"), such that the value of security shall be equal to 1.10 (One Decimal Point One Zero) times the aggregate amount of the outstanding principal of the Debentures ("**Security Cover**") with a Security Cover of at least 1.0 (One) time comprising the principal amounts arising out of the Hypothecated Assets of the Issuer maintained over the principal amount outstanding and accrued interest under the Debentures ("**Principal Security Cover**"). It is clarified that the Security Cover shall be sufficient to cover the principal and coupon amounts outstanding under the Debentures at all times.
- c. The Issuer undertakes:
 - I. to maintain the Security Cover at all times, during the period of the Issue;
 - II. to register and perfect the security over the Hypothecated Assets by executing a duly stamped Deed of hypothecation ("**Deed of Hypothecation**") prior to the Deemed Date of Allotment and filing the relevant form immediately and no later than 15 (Fifteen) calendar days from the date of execution of the Deed of Hypothecation;
 - III. The charge over the Hypothecated Assets is to be created prior to the Deemed



Private & Confidential – Not for Circulation

- Date of Allotment. In the event the Security Cover is not created or has insufficiently created, the proceeds from the Issue are to be placed in an escrow account until the creation of security which shall be no later than one month from the Deemed Date of Allotment. In the event of failure to create the security within one month, the monies are to be reimbursed to the Investors.
- IV. Commencing from the Deemed Date of Allotment till the Maturity Date, to provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover ("**Monthly Hypothecated Asset Report**").
- V. On and from the fifteen day after the Deemed Date of Allotment and until the Maturity Date, the Company shall, on the Security Cover being diminished within 30 (thirty) calendar days, add fresh assets originated by the Issuer in the normal course of business to the secured assets (under the Deed of Hypothecation) so as to maintain the Security Cover.
- VI. The Company shall, on a half yearly basis, as also whenever required by the Trustee, give full particulars to the Trustee of all the moveable assets of the charge from time to time and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Trustee and make furnish and execute all necessary documents to give effect to this security; and
- VII. Nothing contained herein shall prejudice the rights or remedies of the Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Company to the Trustee and/ or the Debenture Holders.

(xvii) LISTED COMPANY COMPLIANCE

The Company shall ensure that it will comply in all respects with the Laws applicable to Listed Companies pursuant to the issuance of the Debentures.

7.4 NEGATIVE COVENANTS:-

Without the prior written permission of the Trustee, the Company shall not take any action in relation to the items set out in this Clause. The Trustee shall give its prior written approval/dissent within 15 (fifteen) Business Days after having received a request to give its approval provided such request is accompanied by the relevant information substantiating the request for the Debenture Holders to make a conscious discussion. The Trustee shall take the consent of the Majority Debenture Holders prior to any such approval/dissent.

I. NEGATIVE PLEDGE

- (i) The Company shall not, without prior Majority Consent, create or permit to subsist any Security over any of its assets on which the Security is



Private & Confidential – Not for Circulation

proposed to be created under the Transaction Documents. It is clarified that the Company shall not create or permit subsistence of any Security over its other assets if such creation of Security, in the opinion of the Trustee, adversely affects the right of the Trustee under the Transaction Documents.

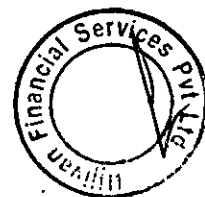
- (ii) The Company shall not, without the consent of the Trustee (such consent to be given in accordance with Majority Consent), in respect of the Hypothecated Property:
- a. sell, transfer or otherwise dispose of any receivables on recourse terms;
 - b. enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, save and except bankers' statutory right to lien and set-off arising under applicable Law; or
 - c. enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

II. DISPOSALS

- (i) The Company shall not, without prior Majority Consent, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (ii) Clause 7.4 II (i) (Disposals) above does not apply to any sale, lease, transfer or other disposal:
- a. made in the Ordinary Course of Business of the disposing entity (and whether such sale, lease, transfer or other disposal is granted in the Ordinary Course of Business shall be determined by the Trustee acting in accordance with Majority Consent);
 - b. of assets in exchange for other assets comparable or superior as to type, value and quality;
 - c. made as part of a repossession by the Company of an asset to which it is beneficially or legally entitled;
 - d. made as part of securitisation transaction in the role of originator; or
 - e. made as an assignment of a loan asset of the Company in the Ordinary Course of Business.

The Company shall not, without prior consent of the Trustee acting in accordance with Majority Consent, acquire any company, business, undertaking or any assets for purposes of conducting any business outside of the Ordinary Course of Business of the Company, if the amount of the acquisition cost during that Financial Year exceeds 10% (ten per cent.) of Total Capital as on the relevant date during that Financial Year.



III. LOANS AND GUARANTEES

The Company shall not without prior consent of the Trustee acting in accordance with Majority Consent make any loans, grant any credit or give any guarantee or indemnity save in the Ordinary Course of Business or (except as required under a Transaction Document) to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person.

IV. DIVIDENDS

The Company will be permitted to declare or payout dividends to any shareholder of the Company (post payment of all statutory / regulatory dues) subject to:

- a. Trustee being of the opinion that Clause 4.3 (Financial Covenant) shall not be breached as result of pay out of dividends;
- b. no Event of Default has occurred or is continuing under the Facility or in the opinion of the Trustee will occur pursuant to payment of dividends; and
- c. the Company having paid or made provisions (to the satisfaction of the Trustee) for payments due in respect of the Debentures in that Financial Year.

V. MERGER

The Company shall not, without the prior consent of the Trustee acting in accordance with Majority Consent enter into any amalgamation, demerger, merger or corporate reconstruction.

VI. CHANGE OF BUSINESS

The Company shall procure that no substantial change is made to the general nature of the business of the Company from that carried on at the date of the Transaction Documents.

VII. ARM'S LENGTH BASIS

The Company shall not, without the prior Majority Consent enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, Affiliate(s), Holding Company(ies), and/or Subsidiary(ies) except on proper commercial terms negotiated at arm's length.

VIII. FINANCIAL INDEBTEDNESS

The Company shall not incur, assume or permit to exist any Financial Indebtedness save in the Ordinary Course of Business.

IX. ISSUANCE OF NEW EQUITY SHARES OR BUY BACK OF EQUITY SHARES



Private & Confidential – Not for Circulation

The Company shall not issue or undertake a buy-back of any equity shares of the Company, without the prior consent of the Trustee acting in accordance with Majority Consent, if such issue or buy back of equity shares would result in Mr Samit Ghosh ceasing to be the Promoter and Managing Director of the Company.

X. EXCLUDED ACTIVITIES

The Company shall not (i) perform any of the excluded activities as listed in Schedule III (Excluded Activities) of the Debenture Trust Deed or (ii) finance any person or Client performing any of the excluded activities as listed in Schedule III (Excluded Activities) Debenture Trust Deed.

7.5 FINANCIAL COVENANTS AND ADDITIONAL COVENANTS:-

The Company shall ensure that it is in compliance with the following financial covenants at all times:

- a. Capital Adequacy Ratio: at least fifteen per cent (15%);
- b. Tier I Capital at least greater than twelve per cent (12%)
- c. NPL shall not be greater than one per cent (1%) , “Non-performing Loans” or “NPL” shall mean the aggregate of all loans, bonds and other credit facilities provided by the Company where one or more repayment instalments are overdue by 90 (ninety) days or more; and
- d. The Company shall have an outstanding rating of at least A- from any rating agency.

7.6 REPORTING COVENANTS

(a) Financial statements

The Company shall provide to the Trustee on behalf of the Debenture holders:

- (i) as soon as the same become available, but in any event within 60 (sixty) days after the end of each of its Financial Years, audited annual financial statements.
- (ii) as soon as the same become available, but in any event within 60 (sixty) days after the end of each quarter of each of its Financial Years, its unaudited quarterly financial statements.

(b) Requirements as to financial statements

- (i) Each set of financial statements delivered by the Company pursuant Sub-Clause 4.2 (a) (Financial Statements) shall be certified by a managing director of the Company (preferably the Chief Financial Officer) as fairly representing its financial condition as at the date as at which those financial statements were drawn up.
- (ii) The Company shall procure that each set of its financial statements delivered pursuant to Sub-Clause 4.2 (a) (Financial Statements) is prepared using GAAP, and accounting practices and financial reference periods consistent with those applied in the preparation of its audited financial statements unless, in relation to any set of



Private & Confidential – Not for Circulation

financial statements, it notifies the Trustee that there has been a change in GAAP, or the accounting practices or reference periods and its auditors deliver to the Trustee:

- (A) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which its financial statements were prepared; and
- (B) sufficient information, in form and substance as may be reasonably required by the Trustee, to enable the Trustee to determine whether Clause 4.3 (Financial Covenants) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the audited financial statements.

(c) Compliance Certificate

- (i) The Company shall supply to the Trustee, as soon as possible, but in any event within 60 (sixty) days after the end of each quarter of each of its Financial Year, a compliance certificate (substantially in the form set out in Schedule X1 (Form of Compliance Certificate)) setting out (in reasonable detail) computations as to compliance with Clause 4.3 (Financial Covenants) as at the date as at which those financial statements were drawn up based on stand alone financial statements.
- (ii) Each such compliance certificate shall be signed by any one of a managing director, chief financial officer or authorized signatory of the Company and each compliance certificate delivered with audited financial statements shall also be reported on by the relevant auditors in a form satisfactory to the Trustee.

(d) Information: miscellaneous

The Company shall submit to the Trustee and the Trustee shall, immediately on receipt of all information and documents submitted by the Company under this Clause 4.2 (f) (Information: miscellaneous) and otherwise pursuant to the terms of the Transaction Documents, forward all such information and documents to each of the Debenture Holders:

- (i) all material documents dispatched by the Company to its creditors generally at the same time as they are dispatched;
- (ii) upon the request of the Debenture Holders, a copy of all reporting it has to submit to RBI or any other governmental authority in accordance with the applicable Laws and monetary regulations;
- (iii) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings (including without limitation any orders, directions, notices of any judicial or administrative authority) which are current, threatened or pending against it, and which might, if adversely determined, have a Material Adverse Effect;

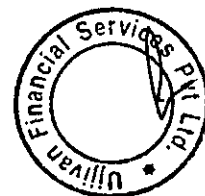


Private & Confidential – Not for Circulation

- (iv) promptly, such further information regarding the financial condition, business and operations of the Company as the Trustee or the Debenture Holders may reasonably request;
- (v) as soon as possible after the date of the Transaction Documents its assigned VAT number and any other details in respect thereof;
- (vi) notice of any change in the authorised signatories of the Company in relation to the issuance of the Debentures;
- (vii) notice of any changes in the auditors of the Company;
- (viii) promptly upon publication, any material changes in relevant regulations from the RBI;
- (ix) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement;
- (x) immediately upon any revision of the rating of the Debentures obtained from ICRA as of the date of the Transaction Documents, notification of such revised rating;
- (xi) (any and all information required to be provided to the Debenture Holders under the listing agreement to be entered into between the Company and the Stock Exchange on which the Debentures are proposed to be listed;
- (xii) promptly, any and all information pertaining to any intended change in the nature and conduct of the business of the Company, prior to effecting such change;
- (xiii) promptly, any and all information pertaining to any significant changes in the composition of the board of directors of the Company;
- (xiv) promptly, on any amalgamation, merger or reconstruction scheme proposed by the Company;
- (xv) promptly upon receiving notice of any application for winding up having been made or any statutory notice of winding up has been given to it under the Law or otherwise of any suit or other legal process filed or initiated against it and such application has been admitted in a court of law or if a receiver is appointed in respect of any of its properties or business or undertaking, information in respect thereof;
- (xvi) any and all information required by the Trustee for the effective discharge of its duties and obligations under the Transaction Documents and under applicable Laws; and

(e) Notification of Event of Default

- (i) The Company shall notify the Trustee of any Event of Default or any



event which, after the notice, or lapse of time, or both, would constitute an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

- (ii) Promptly upon a request by the Debenture holders, the Company shall supply to the Trustee a certificate signed by its managing director on its behalf certifying that no Event of Default is continuing or if an Event of Default is continuing, specifying the default and the steps, if any, being taken to remedy it.

(f) **“Know your customer” checks**

If:

- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of the Transaction Documents;
- (ii) any change in the status of the Company after the date of the Transaction Documents; or
- (iii) a proposed assignment or transfer by a Debenture Holder of any of its rights and obligations under the Debentures to any other party (a **“New Debenture Holder”**),

obliges the Debenture Holder or such prospective New Debenture Holder to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall, promptly upon the request of the Debenture Holder, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Debenture Holder (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective New Debenture Holder) in order for the Debenture Holder or, in the case of the event described in paragraph (iii) above, any prospective New Debenture Holder to carry out and be satisfied that it has complied with all necessary “know your customer” or similar checks under all applicable laws and regulations pursuant to the transaction contemplated in the Transaction Documents.

7.7 EVENTS OF DEFAULT

Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents.

- a. The Issuer does not pay on the Due Date(s) any amount payable pursuant to the Trust Deed (whether at scheduled maturity, by acceleration, as a result of Debenture Holders exercising the Put Option or otherwise) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 7 (Seven) Business Days of its due date;
- b. except for the event contained in clause 7.7(a), the breach of any covenant, obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents and such breach has continued for a period of 30 (Thirty) Business Days;



Private & Confidential – Not for Circulation

- c. The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness;
- d. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.
- e. If the Issuer, in regards to any Indebtedness: (A) defaults in any payment of Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof;
- f. There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Issuer since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business days.
- g. Any expropriation, attachment, sequestration, distress or execution affects any Asset or Assets of the Issuer having an aggregate value of 5% (Five percent) of the total assets of the Issuer and is not discharged within 30 (Thirty) calendar days or as given in the said order.
- h. One or more judgments or decrees shall be entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (Five percent) of the total Assets of such person and such judgments or decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed pending appeal for any period of 30 (Thirty) calendar days.
- i. Any corporate action, legal proceedings or other procedure or step is taken in relation :
 - (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;
 - (b) composition, compromise, assignment or arrangement with any creditor of the Company;
 - (c) the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer,



Private & Confidential – Not for Circulation

- (d) enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction
 - (e) any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in clauses (a), (b), (c) and (d) above.
- j. This Information Memorandum or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer.
- k. It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable.
- l. The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.
- m. The value of the Hypothecated Assets is insufficient to maintain the Security Cover and Issuer fails to maintain the Security Cover within the stipulated timelines in the Deed of Hypothecation; and
- n. Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable.
- o. Security
 - i. The Security created in favour of the Trustee (acting for the benefit of the Debenture Holders) is in jeopardy, in the opinion of the Trustee; or
 - ii. The Company creates or attempts to create any Security over the Hypothecated Property, without the prior consent of the Trustee.
- p. Any event or circumstance occurs which in the opinion of the Trustee (acting in accordance with the Majority Consent) has or is likely to have a Material Adverse Effect.
- q. The listing or trading of the Debentures ceases or is suspended at any point of time prior to the Redemption Date.
- r. The Company ceases or gives notice to the Trustee of its intention to cease to carry on its business or any substantial part thereof.
- s. Cross Default



Private & Confidential – Not for Circulation

- i. Any Financial Indebtedness of Company is not paid when due nor within any originally applicable grace period.
 - ii. Any Financial Indebtedness of Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
 - iii. Any commitment for any Financial Indebtedness of Company is cancelled or suspended by a creditor Company as a result of an event of default (however described).
 - iv. Any creditor of the Company becomes entitled to declare any Financial Indebtedness of the Company due and payable prior to its specified maturity as a result of an event of default (however described).
- t. The Company fails to make such payments as may be directed under the provisions of any judgment or order entered against it by any court.
- u. Any litigation proceeding being initiated against the Company, which in the opinion of Trustee (acting in accordance with Majority Consent) would have a Material Adverse Effect.
- v. Without Majority Consent, Mr Samit Ghosh, ceases to be the Promoter and Managing Director of the Company, the Promoter ceases to be responsible for the business and operations of the Company as the managing director of the Company or by any other designation or ceases to discharge his role and responsibilities as the managing director of the Company or by any other designation; or

A. If any person or group of persons acting in concert gains control of the Company, where:

(i) "control" means:

- (1) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the Company; or
 - appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
 - give directions with respect to the operating and financial policies of the Company which the directors or other equivalent officers of the Company are obliged to comply with; or
- (2) the holding of more than one-half of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), and



Private & Confidential – Not for Circulation

- i. “*acting in concert*” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Company, to obtain or consolidate control of the Company.

7.8 CONSEQUENCES OF EVENTS OF DEFAULT

On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Company is expressly waived by the Trustee acting on the instructions of the Debenture Holder(s), (a) upon the expiry of the cure period provided to the Company, or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed cure period, the Trustee shall if so directed by the Majority Debenture Holder(s):

- (i) declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable;
- (ii) accelerate the redemption of the Debentures;
- (iii) enforce the charge over the Hypothecated Assets in accordance with the terms of the Deed of Hypothecation; and/or
- (iv) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.
- (v) Shall prohibit the Issuer from performing the following actions without the Trustee’s prior consent :
 - a. declaring or paying any dividend to its equity shareholders during any Financial Year unless it has paid all amounts due and payable under the terms of the Debentures to the Debenture Holders or Trustee.



SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Trustee for the Debenture Holder(s)

The Issuer has appointed GDA Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and yield thereon and they will take necessary action, subject to and in accordance



Private & Confidential – Not for Circulation

with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders:

- (a) Creating of any additional security; and
- (b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

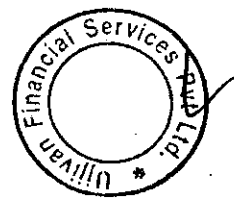
8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be



Private & Confidential – Not for Circulation

notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) calendar days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; or (d) in the case of personal delivery, at the time of delivery.

8.9 Issue Procedure

Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

8.10 Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly or through the Sole Arranger. The entire amount of Rs. 1,000,000/- (Rupees Ten Lakhs only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Beneficiary Name : Ujjivan Financial Services Private Limited
Bank Account No. : 08332150000029
IFSC Code : HDFC0000833



Private & Confidential – Not for Circulation

Bank Name : HDFC Bank Limited
Branch Address : Jakkasandra Branch, Bangalore-560034

8.14 Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- (a) Mutual Funds
- (b) Non-banking financial companies
- (c) Provident Funds and Pension Funds
- (d) Corporates
- (e) Banks
- (f) Foreign Institutional Investors (FIIs)
- (g) Qualified Foreign Investors (QFIs)
- (h) Insurance Companies
- (i) Investment holding companies of high net worth individuals
- (j) Any other person eligible to invest in the Debentures

All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

The Debentures are and have been placed on a private placement basis and shall not be issued to more than 49 (Forty Nine) Eligible Investors.

8.15 Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be



Private & Confidential – Not for Circulation

deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Power Of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that



Private & Confidential – Not for Circulation

the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

8.22 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

8.23 Mode of Payment

All payments must be made through EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

In case any Due Date falls on a day which is not a Business Day the payment to be made on such Due Date shall be made on the next Business Day, except where the Redemption Date falls on a day which is not a Business Day, in which case all payments to be made on the Redemption Date (including accrued Coupon), shall be made on the immediately preceding Business Day.

8.25 Tax Deduction at Source



Private & Confidential – Not for Circulation

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the debenture holders at the office of the Registrar & Transfer Agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this issuance is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including if the Company shall be required legally to make any payment for Tax from the sums payable under the Debenture Trust Deed, (“**Tax Deduction**”), the Company shall make such Tax Deduction.

8.26 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is December 12, 2014 by which date the Investors would be intimated of allotment.

8.27 Record Date

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

8.28 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (Seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.29 Interest on Application Money

Interest shall be payable on all application monies received at the Coupon Rate of 13.65% (Thirteen Decimal Point Six Five Percent) per annum calculated on XIRR basis, from the date of realization of the application monies by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

8.30 PAN Number

Every applicant should mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.31 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

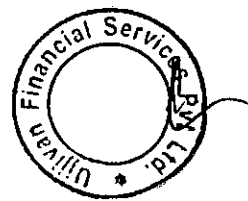


Private & Confidential – Not for Circulation

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

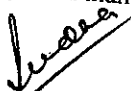


Private & Confidential – Not for Circulation

SECTION 9: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guidelines issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For Ujjivan Financial Services Private Limited



Authorised Signatory

Name: Mr _____

Title: _____

Date: December 11, 2014



Private & Confidential – Not for Circulation

ANNEXURE I: TERM SHEET

AS PER CLAUSE 6.22 ISSUE DETAILS



Private & Confidential – Not for Circulation

ANNEXURE II: RATING LETTER & RATING RATIONALE



ICRA Limited

Ref No: ICRA/BLR/2014-15/RT/605

Date: December 4, 2014

M. Sathya Suresh
Chief Financial Officer
Ujjivan Financial Services Private Limited
Grape Garden, No. 27, 3rd A Cross,
18th Main, 6th Block, Kominigala
Bangalore- 560 095

Dear Madam,

Re: ICRA Credit Rating for Rs 50 Crore NCD Programme of Ujjivan Financial Services Private Limited

Please refer to our earlier letter number BLR/2014-15/RT/564 dated November 17, 2014 communicating the rating of [ICRA]A- (pronounced as ICRA A minus) with positive outlook for the Rs. 75 crore NCD programme of your company. This is to confirm that the captioned Line of Credit (LoC) of Rs. 50 crore is a part of the above mentioned programme. All other terms and conditions, as per the original letter dated November 17, 2014, remain the same.

With kind regards,

Yours sincerely,
Re ICRA Limited

(Jayanta Chatterjee)
Executive Vice President

(Remika Agarwal)
Assistant Vice President

The Millers', Tower B, 100th No. 1004
10th Floor, 1&2 Murphy Road, Ulsoor
Bangalore-560008

Tel: +91-80- 4332 8400
Fax: +91-80- 4332 8405
GID: L74RMC51001N C042743

Website: www.icra.in
Email: info@icra.in; icra@icra.com

Registered Office : (Mumbai) 11th Floor, 20 Keshavnagar (Chowk) Marg, Near 12th Mile, (110021) Tel: +91-22-22257843/33796, +91-22-22182858
Corporate Office: (New Delhi) 27th Floor, B.K. Sreen City Plaza II, Connaught Place, New Delhi - 110022, Tel: +91-11-26457875/76 Fax: +91-11-26457876

RATING • RESEARCH • INFORMATION





ICRA Limited

Ref No: ICRA/BLR/2014-15/RY/564

Date: November 17, 2014

Mr. Sridha Suresh
Chief Financial Officer
Ujjivan Financial Services Private Limited
Orange Garden, No. 27, 3rd A Cross,
18th Main, 6th Block, Kominagala
Bangalore- 560 095

Dear Madam,

Re: ICRA rating for the proposed Rs. 75.00 crore Non Convertible Debenture (NCD) Programme of Ujjivan Financial Services Private Limited (Ujjivan)

Please refer to your Rating Requisition dated October 17, 2014 and the subsequent Rating Agreement of October 17, 2014 for carrying out the rating of the aforesaid debt Programme. The Rating Committee of ICRA, after due consideration, has assigned a "[ICRA]A-" (pronounced as ICRA A minus) rating with a Positive outlook to the captioned debt Programme. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

In any of your publicly material or other document wherever you are using our above rating, it should be stated as "[ICRA]A-(Positive)". We would appreciate if you can send us a signed acceptance of this letter and send it to us within 7 days from the date of this letter as confirmation about the use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

S. L...

Suresh

For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

The Address: Tower B, Unit No. 5034 10th Floor, 1&2 Murphy Road, 18th Cross Bangalore - 560006	Tel : +91-80-4332 6400 Fax : +91-80-4332 6408 CIN : L24999KA1991PL1042749	Website : www.icra.in Email : info@icraeda.com
------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------

Registered Office : 1105, Mahesh Bhawan, 17th Floor, 28, Kuvempu Chowk, Maragatha, Bangalore - 560001. Tel : +91-11-23009400 Fax : +91-11-23257011
Corporate Office : 8th Floor, 11th Cross, 1st Phase, 11th Cross, 1st Phase, 11th Cross, Bangalore - 560008. Tel : +91-80-43326400 Fax : +91-80-43326408



Private & Confidential – Not for Circulation



The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the debentures to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.

You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the company with any lender(s)/ investor(s).

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

Handwritten signature of Jaymin Chatterjee.

(Jaymin Chatterjee)
Executive Vice President

Handwritten signature of Renika Agarwal.

(Renika Agarwal)
Assistant Vice President



ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE



GDA/DEB/CL-MUM/2014-15/162

05th December, 2014

Ujjivan Financial Services Pvt. Ltd.
Grage Garden, No. 27, 3rd A Cross,
18th Main, Koramangala, 6th Block,
Bangalore: 560 035

K.A: Ms. Sudha Suresh

Dear Madam,

Consent to act as Trustee for Secured, Rated Non-Convertible Debentures aggregating to Rs. 50 crores to be issued by your Company.

This is with reference to the discussions and also to the mail dated 05th December 2014 in respect of appointment of GDA Trusteeship Limited to act as Debenture Trustee for the Secured, Rated, non-convertible debentures aggregating to Rs.50 crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/BOND/2009/21/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/CL-5/2009 dated the 28th November, 2009, the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions, as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,


Authorized Signatory

GDA Trusteeship Ltd.


Office No. 12 Old 3, 4th Floor, Rattahalli Road, 1, 4th Cross, Post, Bangalore 560 035. Tel: 01-425-4822405 Fax: 01-425-4822406 Email: gda@gdatrustee.com

Head Office: 10th Floor, 1st Main, 10th Cross, 10th Cross, Post, Bangalore - 560 002. Tel: 01-425-2822401 Fax: 01-425-2822402 Email: gda@gdatrustee.com

Branch Office: 10th Floor, 1st Main, 10th Cross, Post, Bangalore - 560 002. Tel: 01-425-2822401 Fax: 01-425-2822402 Email: gda@gdatrustee.com

Head Office: 10th Floor, 1st Main, 10th Cross, Post, Bangalore - 560 002. Tel: 01-425-2822401 Fax: 01-425-2822402 Email: gda@gdatrustee.com

For Ujjivan Financial Services Pvt. Ltd.


Authorized Signatory



Private & Confidential – Not for Circulation

ANNEXURE IV: APPLICATION FORM

UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: December 28, 2004

Registered Office: Grape Garden, 3rd 'A' Cross, 18th Main, 6th Block, Koramangala, Bengaluru

Telephone No: +91-80-4071 2121 Website: <http://www.ujjivan.com>

DEBENTURE SERIES APPLICATION FORM SERIAL NO. 1

ISSUE OF UPTO 500 (FIVE HUNDRED) SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES OF

RS. 1,000,000/- (RUPEES TEN LAKHS ONLY) EACH AGGREGATING UPTO RS. 50,00,00,000/- (RUPEES FIFTY CRORE ONLY), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE

DEBENTURE SERIES APPLIED FOR:

Number of Debentures 500 In words **Five Hundred Only**

Amount Rs. 50,00,00,000/- in words **Rupees Fifty Crores Only**

DETAILS OF PAYMENT:

RTGS

No. _____ Drawn on _____

Funds transferred to Ujjivan Financial Services Private Limited

Dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS)

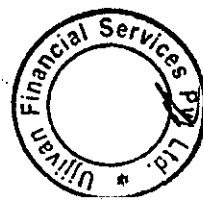
SPECIMEN SIGNATURE

--	--

APPLICANT'S ADDRESS

ADDRESS			
STREET			
CITY		Luxembourg	
PIN		PHONE	
		FAX	

APPLICANT'S PAN/GIR NO. _____
IT CIRCLE/WARD/DISTRICT _____



Private & Confidential – Not for Circulation

WE ARE (x) COMPANY () OTHERS () SPECIFY

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL (X) CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	Beneficiary Bank Name: Account No: IFSC Code: Branch:
--------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, the Arranger and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account



Private & Confidential – Not for Circulation

details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Arranger (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. We undertake that upon sale or transfer to subsequent investor or transferee (“**Transferee**”), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and the Arranger (and all such persons acting on its or their behalf) and also hold the Issuer and Arranger and each of such person harmless in respect of any claim by any Transferee.

Applicant’s
Signature

FOR OFFICE USE ONLY			
DATE OF RECEIPT	_____	DATE OF CLEARANCE	_____

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

- ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.

1									
---	--	--	--	--	--	--	--	--	--

Received from

Address _____	
Cheque/Draft/UTR # _____	Drawn on _____ for
Rs. _____	on account of application of _____ Debenture



ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

ULIVAN FINANCIAL SERVICES PRIVATE LIMITED					
BALANCE SHEET AS AT MARCH 31, 2014					
Particulars	Note No.	As at		(Amount in Rupee)	
		March 31, 2018	March 31, 2013	March 31, 2018	March 31, 2013
EQUITY AND LIABILITIES					
(1) Share Holder's Funds:	3	435,213,610		655,813,630	
(a) Share Capital	4	3,009,652,262	3,725,271,892	2,557,955,692	2,211,509,325
(b) Reserves and Surplus					
(2) Non-Current Liabilities	5	5,631,471,277		3,634,757,100	
(a) Long-term borrowings	6	22,963,616	5,674,434,913	11,607,790	1,644,364,850
(b) Long-term provisions					
(3) Current Liabilities	7	19,274,168		40,017,277	
(a) Short-term borrowings	8	20,585,671		47,385,071	
(b) Trade payables	9	11,087,272,760		6,310,281,656	
(c) Other current liabilities	10	234,176,297	11,587,308,721	144,338,224	6,547,682,819
(d) Short-term provisions					
Total			20,787,035,826		13,602,417,044
Assets					
(1) Non-current assets					
(a) Fixed assets	11A	98,082,075		82,787,031	
(i) Tangible assets	11B	29,260,193	127,251,408	28,592,170	111,978,235
(ii) Intangible assets					
(b) Non-current investments	12	1,010,000		1,000,000	
(c) Deferred tax assets (net)	25.6	68,320,423		40,189,794	
(d) Long-term loans and advances	13	51,330,686		33,724,218	
(e) Other non-current assets	14	2,283,005,235	2,303,066,044	1,903,927,415	1,378,412,451
(2) Current assets	15	13,876,127,851		4,473,954,775	
(a) Receivables under financing activity	16	2,844,504,661		1,285,234,211	
(b) Cash and bank balances	17	106,217,035		61,788,206	
(c) Short-term loans and advances	18	229,336,637	14,156,297,674	120,642,346	11,511,625,133
(d) Other current assets			20,787,035,826		13,602,417,044
Total	1-20				

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan

S Sundaresan
Partner

Place: Bangalore
Date: May 15, 2014



For and on behalf of the Board of Directors

Samit Ghosh

Samit Ghosh
Managing Director

Sudhanshu Ashok
Sudhanshu Ashok
Company Secretary

Place: Bangalore
Date: May 15, 2014

Smit Patel

Smit Patel
Director

Sudha Buresh
Sudha Buresh
Chief Financial Officer



Private & Confidential – Not for Circulation

ULIVAN FINANCIAL SERVICES PRIVATE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014			
(Amount in Rupees)			
Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
A. INCOME	19	3,478,892,285	2,225,188,809
(a) Income from Operations	20	97,734,887	114,096,905
(b) Other Income		2,876,627,272	2,119,285,714
Total Income (A)			
B. EXPENDITURE	21	813,217,770	657,683,842
(a) Employee benefit expense	22	362,044,678	289,625,706
(b) Administrative and Other Expenses	23	1,448,546,085	806,244,857
(c) Finance cost	13	31,467,170	25,216,993
(d) Depreciation and amortization expenses	24	82,973,821	69,026,691
(e) Provision / write off for receivables under financing activity		2,738,218,122	1,847,948,159
Total Expenditure (B)		838,406,158	491,837,555
Profit Before Tax (A - B)			
Tax expenses		917,000,000	161,080,000
(a) Current tax expenses		(836,236)	
(b) Provision for tax of earlier year	25.6	128,535,625	(7,866,780)
(c) Deferred Tax		550,875,011	338,574,318
Profit for the Year	26.5		
Earnings per Equity Share:			
(a) Basic		8.35	6.49
(b) Diluted		7.89	5.12
See accompanying notes forming part of the financial statements			
	1-30		

In terms of our report attached

For Deloitte Huskins & Sells
Chartered Accountants

S. Sundaresan
S. Sundaresan
Partner

Place: Bangalore
Date: May 14, 2014



For and on behalf of the Board of Directors

Smit Ghosh
Smit Ghosh
Managing Director

Suhani Achok
Suhani Achok
Company Secretary

Place: Bangalore
Date: May 16, 2014

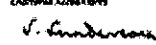
Sunil Patel
Sunil Patel
Director

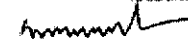
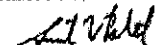


Sudha Suresh
Sudha Suresh
Chief Financial Officer



UNIJIVAN FINANCIAL SERVICES PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024		
Particulars	Amount in Rupees	
	Year ended March 31, 2024	Year ended March 31, 2023
Net Profit (as per Statement of Profit & Loss)	478,498,119	444,523,873
Adjustments for:		
Depreciation and amortisation expenses	31,487,378	25,216,943
Profit on sale of investment	(49,804,843)	(21,398,377)
Change in financial assets		(11,998,076)
Goodwill written off	(8,511,713)	(6,861,758)
Provision for impairment of financial assets	61,191,313	52,292,899
Provision for impairment of intangible assets	2,446,312	1,114,445
Impairment reversal of		
Intangible assets	152,826	1,415,911
Intangible assets	32,399	
Gain (Profit) on sale of fixed assets	(48,458,947)	(21,182,908)
Decrease in provisions	2,211,564	808,263
Decreasing Profit before Working capital changes	485,894,323	464,876,261
Changes in working capital:		
(Increase) / Decrease in Receivables under Trading Activity	16,478,191,184	(7,561,202,247)
(Increase) / Decrease in Loans and advances	(64,591,497)	(61,548,872)
(Increase) / Decrease in Other Current assets	(946,793,344)	(3,211,725,670)
(Increase) / Decrease in Trading payables	2,668,419	7,070,197
(Increase) / Decrease in Other Current liabilities	42,814,898	(8,895,631)
(Increase) / Decrease in Short term provisions	63,977,373	(5,814,097)
(Increase) / Decrease in Long term provisions	14,181,888	14,165,511
Cash flow from operations	16,076,225,613	(3,849,925,817)
Net profit	(113,825,849)	(246,171,827)
Net cash from operating activities (A)	14,962,400,764	(4,096,097,644)
Cash flows from investing activities		
Investments in shares	(18,000)	
Purchase of investments	(7,874,808,992)	(7,561,571,371)
Sale of investments	7,298,314,895	7,583,807,318
Acquisition of fixed assets	(51,393,420)	(21,519,869)
Acquisition of fixed assets	96,278	87,204
Interest on fixed deposits	14,452,567	32,182,001
Net Cash from investing activities (B)	1,678,862	27,874,883
Cash flows from financing activities		
Proceeds from issue of share capital & securities premium paid		466,701,957
Dividend and dividend tax paid	(28,295,642)	
Borrowings from banks / others	17,076,774,170	7,348,017,270
Repayment of borrowings from banks / others	(1,076,762,021)	(1,357,851,620)
Net Cash from financing activities (C)	6,777,950,507	6,456,867,607
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	22,419,277,818	294,134,846
Balance at end - Opening	1,711,728,817	1,205,624,891
Balance at end - Closing	3,931,006,635	1,732,798,917

Notes:
 1. The above cash flow statement has been prepared under the "indirect Method" as set out in Accounting Standard-3 Cash Flow Statement.
 2. Cash & cash equivalents at year end includes the (₹243,042) (₹1,71,451,016) in balance with banks, which is used only for requirement of credit & deposit of customer.
 3. Net profit is for items including cash & cash equivalents.

For Director in charge & Sole Chartered Accountant

 S. Sundaresan
 Partner

For and on behalf of the board of Director

 Sunil Ghosh
 Managing Director

 Sanku Sarkar
 Company Secretary

 Floor Rajgopal
 Chairperson

 Sunil Ghosh
 Chief Financial Officer

Place: Bangalore
 Date: May 16, 2024

Place: Bangalore
 Date: May 16, 2024



Private & Confidential – Not for Circulation

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Ujjivan Financial Services Private Limited
Face Value (per security)	INR 1,000,000/-
Issue Date	December 11, 2014
Date of Allotment	December 12, 2014
Redemption	December 12, 2016
Coupon Rate	13.65% (Thirteen Decimal Point Six Five Percent) per annum (computed on XIRR basis)
Frequency of the Coupon Payment with specified dates	Annually on 12 th December of every calendar year until Maturity Date
Day Count Convention	Actual / Actual

Bond Cash Flows:				
Cash Flows	Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
Issue amount				
1st Coupon	12-Dec-15	365	68,250,000	
2nd Coupon	12-Dec-16	366	68,449,239	
Principal	12-Dec-16			500,000,000
Total			136,699,239	500,000,000

