



## UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED

(Ujjivan Financial Services Private Limited (the "Issuer" or the "Company"), incorporated as a private limited company in India with limited liability on December 28, 2004 under the Companies Act, 1956)

Registered Office: Grape Garden, 3<sup>rd</sup> 'A' Cross, 18<sup>th</sup> Main, 6<sup>th</sup> Block, Koramangala, Bengaluru - 560095

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Website: www.ujjivan.com CIN: U65999KA2004PTC035329

### INFORMATION MEMORANDUM FOR THE ISSUE BY WAY OF PRIVATE PLACEMENT (THE "ISSUE") BY THE ISSUER OF 13.25% COLLATERALISED, RATED, LISTED, REDEEMABLE, NON-CUMULATIVE, TAXABLE NON-CONVERTIBLE DEBENTURES OF A FACE VALUE OF RS. 10,00,000 AGGREGATING TO RS. 40,00,00,000 DUE 2017 (THE "DEBENTURES")

This Information Memorandum 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 Issuer. 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 Rs. 30,000,000,000/- (Rupees Three Thousand Crores only).

#### GENERAL RISKS

Investment in debt and debt related securities involves a degree of risk and Investors should not invest any funds in the debt instruments, unless they understand the terms and conditions and can afford to take the risks attached to such investments. For taking an investment decision, potential Investors must rely on their own examination of the Issuer, the Issue of any Debentures, this Information Memorandum including the risks involved. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. Investors are advised to take an informed decision and consider with their advisers, of the suitability of the Debentures in the light of their particular financial circumstances and investment objectives and risk profile, and of all information set forth in this Information Memorandum, including the section entitled "Risk Factors", before investing.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

#### 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 no ICRA:BLR/2014-15/RT/634 dated December 15, 2014 assigned a rating of "(ICRA) A- (A minus)" in respect of the Debentures. This rating of the Debentures by the Rating Agency indicates moderate degree of safety regarding timely servicing of financial obligations. 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 I of this Information Memorandum for the letter dated December 15, 2014 from the Rating Agency assigning the credit rating abovementioned and the letter dated December 15, 2014 issued by the Rating Agency disclosing the rating rationale adopted.

#### LISTING



The Debentures offered through this Information Memorandum are initially proposed to be listed on the Wholesale Debt Market ("WDM") Segment of the Bombay Stock Exchange Limited ("BSE"). The Issuer shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis. Application for 'in-principle' listing approval was made to BSE through letter dated December 19, 2014. BSE has given their 'in-principle' listing approval for the Debentures proposed to be offered through this Information Memorandum through the letter no. DCS/COMP/RK/JP-PPDI/257/14-15 dated December 19, 2014.

#### ISSUE SCHEDULE

ISSUE OPENING DATE	ISSUE CLOSING DATE	PAY-IN DATE	DEEMED DATE OF ALLOTMENT
December 24, 2014	December 26, 2014	December 26, 2014	December 26, 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.

Each Issue of Debentures shall be subject to the provisions of the Companies Act, 1956, (the "1956 Act") (to the extent in force on the date of this Information Memorandum), the Companies Act, 2013, (the "2013 Act"), the rules notified pursuant to the 2013 Act, the Memorandum and Articles of Association of the Issuer, the terms and conditions of this Information Memorandum filed with the BSE, the Application Form, and other terms and conditions as may be incorporated in the Debenture Trust Deed and other documents in relation to each such Issue.

DEBENTURE TRUSTEE	REGISTRAR AND TRANSFER AGENT
	
<p>GDA Trusteeship Limited GDA House, Plot No. 85, Bhusari Colony (Right), Paud road, Pune - 411038 Tel No.: +91 022 49220555 Fax No.: +91 022 49220505 Email: umesh.salvi@gdatrustee.com Contact Person: Mr. Umesh Salvi, Business Head</p>	<p>Karvy Computershare Private Limited 8-2-596, St. No 1, Banjara Hills, Hyderabad - 500 034 Tel No +91 40 2331 2454 Fax No.+ 91 40 2331 1968 Email: varghese@karvy.com Contact Person : Varghese P.A, Zonal Head- Corporate Registry</p>



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

## TABLE OF CONTENTS

SECTION 1 : DEFINITIONS AND ABBREVIATIONS	1
SECTION 2 : NOTICE TO INVESTORS AND DISCLAIMERS	7
SECTION 3 : FORWARD LOOKING STATEMENTS	11
SECTION 4 : RISK FACTORS	12
SECTION 5 : FINANCIAL STATEMENTS	25
SECTION 6 : REGULATORY DISCLOSURES	26
SECTION 7 : OTHER INFORMATION AND APPLICATION PROCESS	71
SECTION 8 : DECLARATION	79
ANNEXURE I: RATING LETTER & RATING RATIONALE	80
ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE	84
ANNEXURE III: LAST AUDITED FINANCIAL STATEMENTS	85
ANNEXURE IV: ILLUSTRATION OF BOND CASH FLOWS	88
ANNEXURE V: IN-PRINCIPLE APPROVAL OF BSE	89



### SECTION 1 : DEFINITIONS AND ABBREVIATIONS

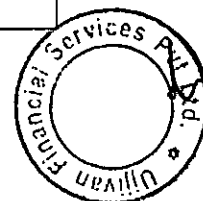
Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

#### Issuer Related Terms

Term	Description
Articles of Association	The articles of association of the Issuer, as amended from time to time
Board of Directors/ Board	The board of directors of the Issuer or a duly constituted committee thereof
Corporate Office	Grape Garden, 3 <sup>rd</sup> 'A' Cross, 18 <sup>th</sup> Main, 6 <sup>th</sup> Block, Koramangala, Bengaluru - 560095
Director(s)	Director(s) on the Board, as appointed from time to time
Memorandum of Association	The memorandum of association of the Issuer, as amended from time to time
Registered Office	Grape Garden, 3 <sup>rd</sup> 'A' Cross, 18 <sup>th</sup> Main, 6 <sup>th</sup> Block, Koramangala, Bengaluru - 560095

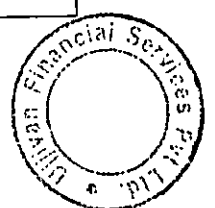
#### Issue Related Terms

Term	Description
Account	Has the meaning set forth in section 6.22 of 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 Information Memorandum and the Private Placement Offer Letter to apply for subscription to the Debentures, which is in the form annexed to the Private Placement Offer Letter
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under Section 2 of the Depositories Act
Borrower	Has the meaning given to the term in the Deed of Hypothecation
Borrower Receivables	Has the meaning given to the term in the Deed of Hypothecation
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
Client Protection Principles	The client protection principles for microfinance and the accompanying smart campaign which are part of a collaborative initiative endorsed and led by a broad coalition of MFIs, networks, funders, and practitioners
Debt Listing Agreement	Simplified debt listing agreement entered into by the Issuer with BSE for the listing of the Debentures on the BSE, as amended from time to time
Debentures / NCDs	400 (Four Hundred) Collateralised Rated Listed Redeemable Non-Cumulative Taxable Non-Convertible Debentures bearing a face value of Rs. 1,000,000 (Rupees Ten Lakhs only) each, aggregating to Rs. 400,000,000 (Rupees Forty Crores only)

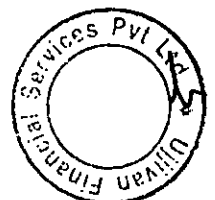


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Term	Description
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time
Deed of Hypothecation	Deed of hypothecation to be executed by the Issuer for creating an exclusive first ranking charge over the Hypothecated Assets in favour of the Debenture Trustee (for the benefit of the Debenture Holders)
Deemed Date of Allotment	December 26, 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
Debenture Trustee Regulations	Securities Exchange Board of India (Debenture Trustee) Regulations, 1993, as amended
Debenture Trust Deed / Trust Deed	The trust deed to be entered into between the Debenture Trustee and the Issuer in relation to the Issue of the Debentures
Default Interest	Has the meaning set forth in section 6.22 of this Information Memorandum
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
Depository(ies)	NSDL and CDSL
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis dated December 19, 2014
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 Redemption Date
Early Redemption Date	Has the meaning set forth in the section 6.22 of this Information Memorandum
EFT	Electronic Fund Transfer
Eligible Investor	Has the meaning set forth in 6.22 of this Information Memorandum
Eligible Loans	Shall mean loans between the Issuer and a Borrower which have arisen in the ordinary course of the Issuer's business. only if, in respect of such loans: <ul style="list-style-type: none"> <li>(1) for the first list of Hypothecated Assets immediately following the date of the Deed of Hypothecation (the "First List of Hypothecated Assets"), disbursement to the Borrower has been made on or before the date of the Deed of Hypothecation (the "Eligibility Period") and all interest, principal and other payments due in the Eligibility Period have been fully paid by the Borrower;</li> <li>(2) for loans that are added by way of MAR provided monthly and such loans are (a) in compliance with all laws and regulations at that time, (b) have no history of default, delinquency, restructuring or refinancing, (c) free of liens, (d) no event of default (however described) has occurred or is continuing in respect of such loan.</li> </ul>

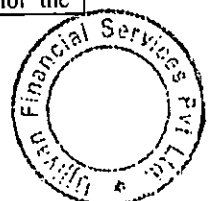


Term	Description
Eligibility Period	Has the meaning set forth in the definition of "Eligible Loans"
EOD MAR	Has the meaning set forth in 6.22 of this Information Memorandum
EOD Notice	Has the meaning set forth in 6.22 of this Information Memorandum
Event of Default	Has the meaning set forth in 6.22 of this Information Memorandum
First List of Hypothecated Assets	Has the meaning set forth in the definition of "Eligible Loans"
Governmental Authority	Any: (a) government (central, state or otherwise) or sovereign state; (b) any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, or any political subdivision thereof; (c) international organization, agency or authority, and (d) including, without limitation, any stock exchange or any self-regulatory organization, established under any applicable law
Hypothecated Assets	Has the meaning set forth in the Deed of Hypothecation
ICRA	ICRA Limited
Issue	Issue by way of private placement of the Debentures by the Issuer
Issue Opening Date	December 24, 2014
Issue Closing Date	December 26, 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
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)
Monthly Assets Report or MAR	Shall mean a written report in the format set out in the Deed of Hypothecation setting out the relevant details of all the unencumbered Eligible Loans as of the last Business Day of the previous calendar month end, which will be exclusively available for charging in favour of the Debenture Holders and which must be delivered to the Debenture Trustee and Debenture Holders on or before the 15th (fifteenth) day of each calendar month (which if not a Business Day, then the next succeeding Business Day). It is clarified that the Monthly Assets Report shall contain a consolidated list of Eligible Loans i.e. the repaid loans will be removed from the list, the outstanding loans due to be repaid shall remain in the list and the Borrower Receivables allocated by the Issuer for the Debentures shall be added to the MAR
Potential Event of Default	An event or circumstance which would, with the expiry of a grace period, the giving of notice or the making of any determination under the Transaction



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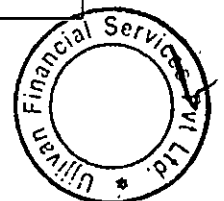
Term	Description
	Documents or any combination of these, result in an Event of Default
Portfolio Quality	Has the meaning set forth in 6.22 of this Information Memorandum
Private Placement Offer Letter	Shall mean the private placement offer letter prepared in compliance with Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Rating Agency	ICRA
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
Register of Debenture Holder(s)	The register maintained by the Issuer at its registered office as per Section 88 of the 2013 Act, containing the names of the Debenture Holders entitled to receive interest in respect of the Debentures on the Record Date, and shall include the register of Beneficial Owners maintained by the Depository under Section 11 of the Depositories Act
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Karvy Computershare Private Limited
Security / Collateral	The security for the Debentures as specified in Section 6.22 of this Information Memorandum
Security Documents	Means: (a) the Deed of Hypothecation; (b) any Supplemental DOH; and (c) any other agreement or document executed, required to be executed or designated as such by the relevant parties thereto
Supplemental DOH	Has the meaning set forth in the Deed of Hypothecation
Transaction Documents	Means: (a) the Information Memorandum; (b) the Private Placement Offer Letter; (c) the memorandum of understanding between the Registrar and the Issuer; (d) the tripartite agreements between the Depository(ies), the Issuer and the Registrar for the dematerialization of the Debentures; (e) the Consolidated Debenture Certificate; (f) the Debenture Trustee Agreement; (g) the Debenture Trust Deed; (h) the Security Documents; (i) all filings with the ROC in respect of the security created for the



Term	Description
	Debtures; and (j) any other document that may be designated as a transaction document by the Debenture Trustee
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents

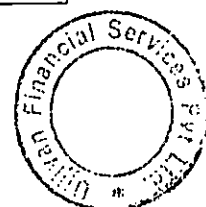
**Conventional and General Terms, Abbreviations and References to Other Business Entities**

Abbreviation	Full form
BSE	Bombay Stock Exchange Limited
Companies Act / Act	The Companies Act, 1956 to the extent in force ("1956 Act"), or where applicable, the notified provisions of the Companies Act, 2013 ("2013 Act"), as amended, replaced or modified
CDSL	Central Depository Services (India) Limited
Depositories Act	The Depositories Act, 1996, as amended from time to time
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP-ID	Depository Participant Identification Number
FII	Foreign Institutional Investor
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
FPI	Foreign Portfolio Investor
GAAP	Generally Accepted Accounting Principles
GAAR	General Anti-Avoidance Rules
IFRS	International Financial Reporting Standards
IT Act	The Income Tax Act, 1961, as amended from time to time
MFI	Micro-finance institution
N.A	Not Applicable
NBFC	Non-banking financial company
NBFC MFI	Non Banking Financial Company-Micro Finance Institutions
NBFC MFI Directions	Master Circular- 'Non Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions dated July 1, 2014
NGO	Non-governmental organization
NSDL	National Securities Depository Limited



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Abbreviation	Full form
p.a.	Per annum
PAN	Permanent Account Number
QFIs	Qualified Foreign Investor
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RNBC	Residuary Non-Banking Financial Company
ROC	The Registrar of Companies, Bangalore
Rs. / INR	Ruppes
RTGS	Real Time Gross Settlement
SHG	Self Help Group
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Debt Listing Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012
TDS	Tax Deduction at Source
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. As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval.

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.

The legal advisors to the Issuer and any other intermediaries and their agents or advisors associated with this Issue have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such intermediary as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer. Accordingly, the legal advisors to the Issuer and other intermediaries associated with this Issue shall have no liability in relation to the information contained in this Information Memorandum or any other information provided by the Issuer in connection with the Issue.

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 been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum are adequate and in conformity with applicable law including the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for 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 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 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.

The Issuer has, simultaneously with the issue of this Information Memorandum, issued a Private Placement Offer Letter (in compliance with Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014), together with the Application Form (provided in Annexure I below) to identified Eligible Investors (defined below) inviting subscription to the Debentures. 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 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 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 decides not to participate in the Issue, that recipient must promptly return this Information Memorandum 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 to reflect subsequent events after the date of Information Memorandum 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, 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 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 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.

Each person receiving this Information Memorandum acknowledges that: (i) such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and (ii) such person has not relied on any intermediary associated with this Issue in connection with its investigation of the accuracy of such information or its investment decision. Each person in possession of this Information Memorandum should carefully read and retain this Information Memorandum. However, each such person in possession of this Information Memorandum is not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and such persons in possession of this Information Memorandum should consult with its own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.



## 2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGE

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.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## 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.

## 2.4 DISCLAIMER IN RESPECT OF JURISDICTION

The Issue is a private placement of Debentures being made to Investors eligible to invest under the laws of India as at the date hereof. 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 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 non-exclusive jurisdiction of the courts and tribunals at Bangalore. This Information Memorandum 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.

## 2.5 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, 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.

Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular Investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Rating Agency is not your advisor, nor is it providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services.



## **2.6 ISSUE OF DEBENTURES IN DEMATERIALIZED 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.

## **2.7 FORCE MAJEURE**

The Issuer reserves the right to withdraw the Issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise. In such an event, the Issuer will refund the application money along with the interest payable on such application money without giving any reason.

## **2.8 CONFIDENTIALITY**

The information and data contained herein is submitted to each recipient of this Information Memorandum on a strictly private and confidential basis. By accepting a copy of this Information Memorandum, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Information Memorandum must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

## **2.9 CAUTIONARY NOTE**

Each invited Eligible Investor acknowledges and agrees that each of them, (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of subscribing to or purchasing the Debentures; (ii) understand that the Issuer has not provided, and will not provide, any material or other information regarding the Debentures, except as included in the Information Memorandum, (iii) have not requested the Issuer to provide it with any such material or other information, (iv) have not relied on any investigation that any person acting on their behalf may have conducted with respect to the Debentures, (v) have made their own investment decision regarding the Debentures based on their own knowledge (and information they have or which is publicly available) with respect to the Debentures or the Issuer (vi) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debentures, (vii) are not relying upon, and have not relied upon, any statement, representation or warranty made by any person, including, without limitation, the Issuer, and (viii) understand that, by purchase or holding of the Debentures, they are assuming and are capable of bearing the risk of loss that may occur with respect to the Debentures, including the possibility that they may lose all or a substantial portion of their investment in the Debentures.

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 a recommendation to purchase any Debentures. Each Investor contemplating purchasing any Debentures should make its own independent investigation of the business, financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer as well as the structure 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. It is the responsibility of each potential Investor to also ensure that they will sell these Debentures in strict accordance with this Information Memorandum, the Transaction Documents and all other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of the Companies Act.



### SECTION 3 : FORWARD LOOKING STATEMENTS

Certain statements contained in this Information Memorandum that are not statements of historical fact constitute 'forward-looking statements'. Potential Debenture Holders can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- growth prospects of the Indian microfinance sector and related policy developments;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition in the Indian markets;
- availability of adequate debt and equity financing at reasonable terms;
- performance of the Indian debt and equity markets;
- changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Information Memorandum, including under the section entitled "*Risk Factors*".

The forward-looking statements contained in this Information Memorandum are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.



#### SECTION 4 : RISK FACTORS

The following are the risks relating to the Issuer, the Debentures and the market in general envisaged by the management of the Issuer. Potential investors should carefully consider all the risk factors in this Information Memorandum for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. The Issuer 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 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 THE DEBENTURES ARE SUBJECT TO STAMP DUTY REQUIREMENTS

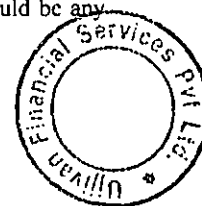
Potential purchasers and sellers of the Debentures should be aware that stamp duty in accordance with the laws and practices of India are required to be paid at the time of issuance of the Debentures and if the tenor of the Debentures is extended. Non-payment of stamp duty results in the document becoming inadmissible as evidence in Indian courts. Payment and/or delivery of any amount due in respect of the Debentures will therefore, be conditional upon the payment of all applicable stamp duty.

##### 4.5 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES

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.

##### 4.6 UNCERTAIN TRADING MARKET FOR THE DEBENTURES

The Issuer intends to list the Debentures on the WDM segment of the BSE. It cannot provide any guarantee that the Debentures will be frequently traded on the BSE and that there would be any market for the Debentures.



**4.7 THE ISSUER WILL NOT CREATE OR MAINTAIN A DEBENTURE REDEMPTION RESERVE FOR THE DEBENTURES**

Section 71 of the Companies Act read with Rule 18 of the Companies (Share Capital and Debenture) Rules, 2014 exempts NBFCs from creation and maintenance of a debenture redemption reserve in the case of privately placed debentures. The Issuer will not be maintaining a debenture redemption reserve in respect of the Debentures issued herein.

**4.8 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.

**4.9 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.

**4.10 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES**

In the event that the Issuer 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.

**4.11 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.

**4.12 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.

**4.13 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.

**4.14 CONVERSION FROM AN NBFC TO A SCHEDULED COMMERCIAL BANK**

RBI has released Guidelines for Licensing of New Banks in the Private Sector on February 22, 2013. If the Issuer decides to undertake the business of banking in future, it may be required to



undertake a demerger, spin-off or reorganization; or sell, transfer or otherwise dispose off all or a substantial part of its assets, whether in a single transaction or in a series of transactions, related or otherwise; or such steps as may be mandated by the RBI in this regard under the aforementioned Guidelines.

**4.15 FULL VALUE OF THE SECURITY MAY NOT BE REALIZED AS A RESULT OF CERTAIN FACTORS**

Enforcement of security takes an inordinately long period of time in India. An application when made may be subject to delays and administrative requirements that may result, or be accompanied by a decrease in value of the Hypothecated Assets. Full value of the Hypothecated Assets may not be realized as a result of among other factors, delays in bankruptcy and foreclosure proceedings, defects in the registration of security and fraudulent transfers.

**4.16 CHANGE OF LAW**

The conditions of the Debentures are based on laws in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to relevant law (both prospectively as well as retrospectively) or administrative practice after the date of this Information Memorandum.

**4.17 THE DEBENTURE HOLDER(S) MAY NOT BE ABLE TO RECOVER, ON A TIMELY BASIS OR AT FALL, THE FULL VALUE OF THE OUTSTANDING AMOUNTS AND/OR THE INTEREST ACCRUED THEREON IN CONNECTION WITH THE DEBENTURES.**

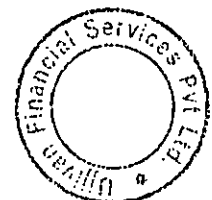
The Issuer's ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. There is no assurance that it will repay the principal amount outstanding from time to time on the Debentures and/or the Interest accrued thereon in a timely manner, or at all.

**4.18 THERE IS NO ASSURANCE THAT THE DEBENTURES ISSUED PURSUANT TO THIS ISSUE WILL BE LISTED ON THE BSE IN A TIMELY MANNER, OR AT ALL**

In accordance with Indian law and practice, permissions for listing and trading of the Debentures issued pursuant to this Issue will not be granted until after the Debentures have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Debentures to be submitted. While the Issuer will use its best efforts to ensure that all steps for completion of the necessary formalities for allotment, listing and commencement of trading at BSE are taken within 15 (fifteen) calendar days of the Deemed Date of Allotment, there can be no assurance that the same will be completed in a timely manner. There could be a failure or delay in listing the Debentures on the BSE. The monies refundable to the applicant, due to (a) withdrawal of Applications, (b) withdrawal of the Issue, or (c) failure to obtain the final approval from BSE for listing of the Debentures, may not be refunded in a timely manner.

**4.19 DEBENTURES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS.**

Potential investors must determine the suitability of their investment in light of their own circumstances. In particular, they should: (a) have sufficient knowledge and experience to make a meaningful evaluation of the Debentures, the merits and risks of investing in the Debentures and the information contained or incorporated by reference in this Information Memorandum; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the Debentures and the impact such investment will have on their overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Debentures; (d) understand thoroughly the terms of the Debentures; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.





**4.20 DECISIONS MAY BE MADE ON BEHALF OF ALL DEBENTURE HOLDERS THAT MAY BE ADVERSE TO THE INTERESTS OF AN INDIVIDUAL DEBENTURE HOLDER.**

The Debenture Trust Deed contains provisions for calling meetings of Debenture holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Debenture Holders, including Debenture Holders who did not attend and vote at the relevant meeting and Debenture Holders who voted in a manner contrary to the majority.

**4.21 THIRD PARTY STATISTICAL AND FINANCIAL DATA IN THIS INFORMATION MEMORANDUM MAY BE INCOMPLETE OR UNRELIABLE.**

This Information Memorandum includes information on the Republic of India, the Indian economy and the industry in which the Issuer operates, taken from third parties, which it believes is reliable. However, the information taken from third parties and included in this Information Memorandum may be inaccurate and outdated, and the Issuer makes no representation or warranty, express or implied, as to the accuracy or completeness of this information. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Information Memorandum. It also cannot provide any assurance that the third parties have used correct or sound methodology to prepare the information included in this Information Memorandum.

**4.22 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. Non-performing or low credit quality loans can negatively impact its result of operations.*

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 30<sup>th</sup>, 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, it's 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 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) ***Microcredit lending poses unique risks generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-offs that negatively impact results of operations***

The borrowers of the Issuer are typically poor and partially literate or illiterate women living in urban and semi urban India, who have limited sources of income, savings and credit histories, and who cannot provide us with any collateral or security for their borrowings. The Issuer also disburses loans to its borrowers in the event of emergencies, such as pregnancy, funerals and natural disasters. In addition, it has extended loan repayment moratoriums of two to three weeks to borrowers who have been victims of natural or man-made calamities. While it does extend such moratoriums on a case by case basis, extensive adverse natural or man-made circumstances could adversely affect the ability of its borrowers to make loan payments on time and in turn negatively impact its results of operations. As a result, its borrowers pose a higher risk of default than borrowers with greater financial resources and more established credit histories and borrowers living in urban areas with better access to education, employment opportunities, and social services. In addition, the Issuer relies on non-traditional guarantee mechanisms in connection with its loan products, which are generally secured by informal individual and group guarantees, rather than tangible assets. As a result, its loan products pose a higher degree of risk than loans secured with physical collateral. Due to the precarious circumstances of its borrowers and its non-traditional lending practices it may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

(d) ***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 smoothened operating expense.

- (e) ***The Issuer has substantial borrowings. In the event it defaults in the repayment of the debt or fails to comply with the terms of its financing documents, its business and results of operations could be adversely affected***

As at September 30, 2014 the Issuer has total secured borrowings of Rs. 2038.82 crores. There can be no assurance that it will be able to pay its debt obligations on time. Further, an event of default under its loans could occur due to factors beyond its control. If the Issuer fails to meet its debt service obligations or if a default otherwise occurs, its lenders could declare a default under the terms of the borrowings and accelerate the maturity of our obligations. Any such default and acceleration could have a material adverse effect on the cash flows, business and results of operations.

- (f) ***If the Issuer is unable to adapt to technological changes, its business could suffer.***

Its future success depends in part on the Issuer's ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that the Issuer will successfully implement new technologies effectively or adapt its processing systems to customer requirements or emerging industry standards. If the Issuer is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological developments, the Issuer's business and financial performance could be adversely affected.

- (g) ***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 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.

- (h) ***The Issuer's success depends in large part upon the senior management, directors and key personnel and its ability to retain them and attract new key personnel when necessary***

The senior management team of the Issuer is integral to the success of its business. However, if it is not able to attract, motivate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation, it will be difficult for it to manage its business and growth. Any loss of its senior management or key personnel or its inability to recruit further senior managers or other key personnel could impede its growth by impairing our day-to-day operations, execution of business strategy and its ability to develop, maintain and expand relationships with its members.

- (i) ***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.

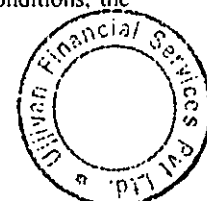
- (j) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

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.

- (k) ***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



MFI Directions caps have been placed on margins, interest rates and processing fees which it can charge the borrowers and will increase interest rate risk for the Issuer.

(p) ***Current Microfinance industry challenges and consequent regulation of MFIs may adversely affect our business and financial operations***

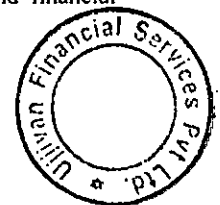
Past experiences have shown that political risks pose a significant risk to our business. Clarity on the regulatory framework and jurisdiction of state governments, vis-à-vis the regulator over non-banking financial institutions and the MFI sector is critical in mitigating political risks.

A microfinance crisis in the southern Indian state of Andhra Pradesh was triggered in October 2010. Many state governments passed restrictive ordinances curtailing the MFIs. The crisis threatened the MFI industry not only in Andhra Pradesh, but nationwide.

As a result of the crisis in the MFI industry, the RBI had issued the NBFC-MFI Directions. NBFC-MFI Directions include the various guidelines for regulation of the MFIs. NBFC-MFI Directions provide for creation of a new type of NBFC i.e. Non-Banking Financial Company-Micro Finance Institution (the "NBFC-MFIs"). Pursuant to the NBFC-MFI Directions, bank loans to micro finance sector will be eligible for categorization as priority sector advance if they meet the prescribed eligibility criteria. NBFC-MFIs are required to have atleast 85% of its net assets in the nature of "qualifying assets" and a minimum net owned funds of Rs. 5 crore. Some of the key requirements of the NBFC-MFI Directions which will affect our business are:

- maintaining tier II capital at all points of time such that it does not exceed 100 percent of tier I capital;
- norms on asset classification and provisioning norms;
- maintaining a cap of 1% (of gross amount of the loan) on processing charges;
- maintaining an aggregate margin cap of not more than 10%;
- with effect from the quarter beginning April 01, 2014, the interest rates charged by an NBFC-MFI to its borrowers will be the lower of the following:
  - a) the cost of funds plus margin mentioned above; or
  - b) the average base rate of the five largest commercial banks by assets multiplied by 2.75. The average of the base rates of the five largest commercial banks shall be advised by the Reserve Bank on the last working day of the previous quarter, which shall determine interest rates for the ensuing quarter.
- maintaining fair practices in lending as stated in the NBFC-MFI Directions by maintaining transparency in interest rates, ensuring that it has a code of conduct and systems are in place for supervision of field staff such that non-coercive methods of recovery are not used and following directions as provided in relation to prevention of multi-lending, over-borrowing and ghost borrowers, to address the MFI industry crisis;
- ensuring corporate governance norms are adopted and there is improvement in efficiency, information technologies;
- submitting statutory auditors certificate with reference to the position of the company as at end of the financial year ended March 31 every year; and
- NBFC-MFIs becoming members of self regulatory organisations recognized by the RBI. Separate guidelines in this regard are proposed to be issued.

The NBFC-MFI Directions and other regulatory changes which may be introduced by RBI for regulating the MFI industry may adversely affect or limit the Issuer's business and financial operations.



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

- (l) ***Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results operations***

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to section 45 –IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operation results. We are also required to maintain a minimum capital adequacy ratio of 15% in relation to our aggregate risk-weighted assets and risk adjusted assigned loans. The following table presents the CRAR maintained for the past three years:

S. No.	Position as of	CRAR as per RBI prudential norms	CRAR of the Issuer
1	March31, 2014	15%	22.73%
2	March31, 2013	15%	27.27%
3	March31, 2012	15%	32.40%

- (m) ***Future legal and regulatory changes may adversely affect our business and financial operations***

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to the SEBI or the RBI, may adversely affect the Debentures, and restrict the Issuer's ability to do business in target markets. The timing and content of any new law or regulation is not within its control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, results of operations and financial condition. Any adverse changes in the regulatory environment for microfinance could affect us.

- (n) ***Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian microcredit lending industry***

The Issuer faces significant competition from other MFIs and banks in India. Many of the institutions with which it competes have greater assets and better access to, and lower cost of, funding than it does. In certain areas, they may also have better name recognition and larger borrower bases than the Issuer. The Issuer anticipates that it may encounter greater competition as it continues expanding its operations in India, which may result in an adverse effect on its business, results of operations and financial condition.

It believes traditional commercial banks as well as regional rural and cooperative banks, have generally not directly targeted the rural lower income segments of the population for new customers. However, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs. Banks also indirectly participate in microfinance by making loans and providing other sources of funding to other MFIs. In addition, some commercial banks are beginning to directly compete with for-profit MFIs for lower income segment customers in certain geographies. Such competition may adversely affect our profitability and business.

- (o) ***Movement in market interest rates may adversely affect our margins***

Changes in interest rates at which the Issuer borrows can impact spreads, especially in the short term. Increase in cost of funds can severely squeeze margins, impacting profitability and operational self-sufficiency of MFIs. With increasing competition and pressure to cut interest rates, the Issuer may not be in a position to pass interest rate increases to clients. Pursuant to the NBFC-



#### 4.23 EXTERNAL RISK FACTORS

(a) *Interpretation of some Indian laws is uncertain*

Indian laws comprise but are not limited to legislation at Central and State levels and also various rules, regulations, notifications, guidelines, governmental orders, by-laws and internal policy rulings. The reporting mechanism relating to these is not entirely systematic and such laws may be published in publications not having wide circulation and not necessarily in a timely manner. There are limited and unsatisfactory facilities for verification of such laws. Such laws are not always consistent or comprehensive, and precedent to enable interpretation is limited. It is also possible that such laws may have retrospective effect. The application of such laws can therefore be uncertain.

(b) *Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects*

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there was to be any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse effect on our business. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer. The Issuer is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and other problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create an adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect the Issuer's business, future financial performance and shareholders' funds.

Specific laws and policies affecting financial services companies, foreign investment, currency exchange rates and other matters affecting investments in Indian companies could change. At the state level if state governments come up with state level measures that restrict the lending and collection methodology of MFIs, this will in turn have an adverse impact on collection from clients. This in turn will affect the Issuer's profitability and operating self sufficiency.

(c) *Our business may be adversely impacted by natural calamities or unfavorable climatic changes*

India in the recent years has experienced natural calamities such as earthquakes, floods, droughts and pandemics including the outbreak of avian flu and swine flu. The extent and severity of these natural disasters and pandemics determines their impact on India's economy and in turn affects its financial services sector. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy which could adversely affect the Issuer's business and the price of the Debentures.

(d) *Any downgrade of India's sovereign debt rating by an international rating agency could have a negative impact on our results of operations and financial condition.*

Any downgrade of India's credit rating for domestic and international debt by international rating agencies may adversely impact the Issuer's ability to raise additional financing and the interest rates and commercial terms on which such additional financing is available. This could have an adverse effect on its ability to obtain financing to fund our growth on favourable terms or at all and, as a result, could have a material adverse effect on the results of operations, financial condition and prospects.

(e) *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe, USA and elsewhere in the world in recent years has affected the Indian economy. Although economic



conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Issuer's business and future financial performance.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruption, such conditions could have an adverse effect on the Issuer's business, future financial performance.

(f) ***A slowdown in economic growth in India could cause our business to suffer.***

The Issuer's performance and growth is dependent on the state of the overall Indian economy. The Indian economy has shown varying but sustained growth over recent years. Any slowdown in the Indian economy could adversely affect the Issuer's business and the businesses of its customers. The Indian economy, which recovered from the global economic crisis of 2008 and 2009 with a period of significant growth, has more recently been adversely affected by challenging global market and Indian economic conditions (including but not limited to a weak currency, current account deficit and volatile stock market) that has caused and may continue to cause a downturn in the rate of economic growth in India. The current economic slowdown has had, and could continue to have, and any future slowdown in the Indian economy could have, a material adverse effect on the capital expenditure budgets of the Issuer's customers and, as a result, on its financial condition and results of operations.

(g) ***Depreciation of the Rupee against foreign currencies may have an adverse effect on the Issuer's business, financial condition and results of operations.***

Recently there has been a significant decline in Rupee as against foreign currencies which has resulted in declining stock index, reduction in government spending in order to avoid increase in deficit, decrease in private investment and consumption given the increase in debt service costs, shrinking of profits and constraints on bank lending. This has resulted in a downturn in the rate of economic growth in India which could have an adverse effect on the Issuer's financial condition and results of operations.

(h) ***The Issuer is subject to Indian accounting standards that may make evaluating its financial performance difficult.***

The Issuer's financial statements are in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in the auditor's report, and no attempt has been made to reconcile any of the information given in this Information Memorandum to any other principles or to base it on any other standards.





- (i) ***The effects of the planned adoption of "Indian Accounting standards converged with IFRS" (IND-AS) are uncertain.***

The Finance Minister while presenting the budget for Financial Year 2014-15 stated that there is an urgent need to converge the current Indian accounting standards with the International Financial Reporting Standards (IFRS). It is proposed that Indian companies shall adopt the new IND AS from the financial year 2015-16 voluntarily and from the financial year 2016-17 on a mandatory basis. Because many details of IND-AS are yet to be finalised, there is a significant lack of clarity regarding the convergence and implementation process. In addition, there is no significant body of established practice regarding IND-AS implementation and application and there is a shortage of experienced accounting personnel familiar with IFRS accounting standards. Therefore, the Issuer has not clearly determined the impact that implementation and application of IND-AS will have on its financial reporting. There can be no assurance that its financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under current Indian GAAP. In the transition to IND-AS reporting, the Issuer may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is existing competition for the small number of experienced accounting personnel familiar with IFRS accounting standards as more Indian companies begin to prepare for IND-AS.

- (j) ***The proposed new taxation system could adversely affect the Issuer's business and the trading price of the Debentures***

The Government has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to General Anti Avoidance Rules (GAAR).

As regards the implementation of the goods and service tax and the direct taxes code, the Government has not specified any timeline for their implementation. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state value added tax, surcharge and excise currently being collected by the central and state governments. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation, expand the tax base, facilitate voluntary compliance and provide greater tax clarity and stability to investors who invest in Indian projects and companies, as well as clarify the taxation provisions for international transactions. In addition, the direct taxes code aims to consolidate and amend laws relating to all direct taxes such as income tax, dividend distribution tax and wealth tax in order to facilitate voluntary compliance.

With regard to GAAR, the provisions have been introduced by the Finance Act, 2012, scheduled to come into effect from 1 April 2016. The GAAR provisions are intended to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Finance Act, 2012 as any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act (IT Act); (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is an "impermissible avoidance agreement" is on the tax authorities. If GAAR provisions are invoked, the tax authorities would have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. As the taxation system is intended to undergo a significant overhaul, the effects on us cannot be determined as at the date of this Information Memorandum and there can be no assurance that such effects would not adversely affect the Issuer's business, future financial performance or the trading price of the Debentures.

- (k) ***Acts of violence could adversely affect the financial markets, which may result in loss of customer confidence and may adversely affect the Issuer's business, result of operations, financial condition and cash flows***



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

**Certain events that are beyond control** of the Issuer, including terrorist attacks and other acts of violence or war, may adversely affect worldwide financial markets and could potentially lead to economic recession or loss of investor confidence, which could adversely affect the business, result of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. If India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, business conditions in India and consequently, the Issuer's business and result of operations could be adversely affected.



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**SECTION 5 : FINANCIAL STATEMENTS**

A copy of the latest annual financial statements of the Issuer (as at March 31, 2014) is set out in **Annexure III** hereto.



## 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 of the Issuer;
- (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 Issuer at the Extra-Ordinary General Meeting held on May 07, 2014, authorizing the issue/offer of non-convertible debentures and the creation of charge by way of hypothecation by the Issuer;
- (e) Copy of the resolution passed by the Board of Directors of the Issuer at their meeting held on November 25, 2014 authorizing the issue of the Debentures, creation of charge by way of hypothecation and list of authorized signatories;
- (f) Certified true copy of the resolution passed by the Issuer at the Extra Ordinary General Meeting held on May 07, 2014 authorising the Issuer to borrow, upon such terms as the Board may think fit, upto an aggregate limit of Rs. 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 Debenture 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) 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 of the Issuer;
- (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 Debentures, submit the details mentioned in point (d) above to the Debenture 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 Debenture Trustee and the Debenture 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.

**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  
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

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 Information Memorandum, 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 September 30, 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 10<sup>th</sup> (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% (fifteen percent) 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.

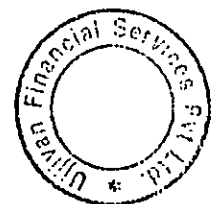
#### **Industry Overview**

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 Rs. 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 Issuer. Some of the recommendations made include:

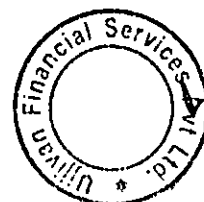
- i. Increase in regulatory restrictions on a NBFC-MFI (minimum net worth, establishing client protection codes, increase in information technology systems and corporate governance, maintenance of solvency and penalty on MFI for non-compliance);
- ii. State level legislations to be enacted for regulation 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 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:

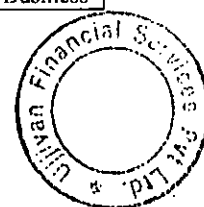
- Provide full range of financial services required by the customers
- Build an institution which is best in class in all aspects: customer service, innovation, efficiency, work place engagement, leadership, governance and reputation
- Operate a viable business to provide satisfactory returns for investors
- 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, International Monetary Fund, International Finance Corporation 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



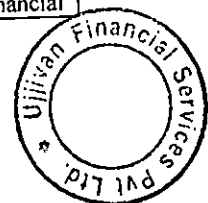


Name	Background
	School.
Bhama Krishnamurthy	<p>Bhama Krishnamurthy has over 30 years experience in development banking both in IDBI and SIDBI covering areas relating to Human Resource Development (HRD), Treasury and Funds Management, Resources raising from domestic and International markets, Direct 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.</p>
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 &amp; 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	<p>Sandeep has a Varied experience with NBFCs, Micro Finance companies and other financial and investment companies and holds Law &amp; Arts Honors Degree from the National Law School of India University in Bangalore, India and one of the well-known names in microfinance 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</p>

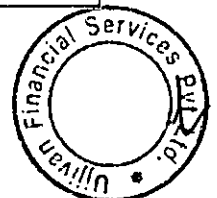


Serial No. 1  
 Addressed to: Oiko Credit Ecumenical Cooperative Society  
 Dated: December 19, 2014  
 For private circulation only

Name	Background
	<p>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&amp;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>
Mohit Bhatnagar	<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 &amp; Telecom from Virginia Tech.</p>
Venkatesh Natarajan	<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 &amp; Instrumentation Engineering from Annamalai University, India.</p>
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 &amp; 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</p>



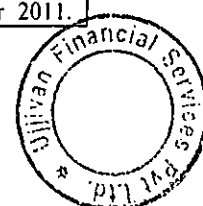
Name	Background
	<p>institutions, corporates and investment funds across Asia, Latin America, Central Europe and Africa. He served on the Boards of Handlowy Heller (Poland) and CIC (Chile). Mr. Kapur also worked in New York City at the HSBC Group, AIG and State Bank of India.</p> <p>He has a BA (Hons.) 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 &amp; 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> <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</p>



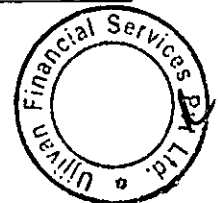
Name	Background
	member of Cohort 4 of IFC's Global Business Leadership Program.

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 Chief Operating Officer – West	He has over 22 (twenty two) years of international banking experience with Citibank. Jolly led and managed consumer banking and credit card businesses in India and overseas. His last assignment was with Citigroup's 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 Head of Strategy & Planning	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.

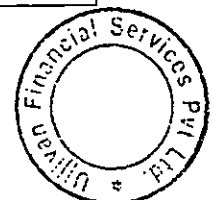


Name & Function	Background
	Recently, in April 2013, Rajat became Chief Operating Officer of North. Rajat has a B.Tech degree in Agricultural and Food Engineering from IIT, Kharagpur.
Abhiroop Chatterjee	Abhiroop joined the Issuer in April 2008 as part of the first batch of management trainees. His first 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	
Alagarswamy 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. Alagarswamy is a Management Graduate from Osmania University, Hyderabad.
Head of Audit	
Sunil Kutty	Sunil Kutty joined Ujjivan as Head HR in August 2014 as it gets geared-up to expand its 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.
Head of HR	



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
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Name & Function	Background
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.



**iv. 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
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.

#### **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 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.

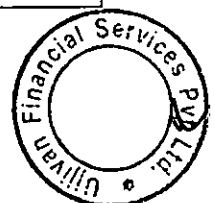
### Outstanding Litigation

There is no outstanding litigation pending against the Issuer which may have any Material Adverse Effect on its business prospects or financial condition involve a claim of more than 2% of the Issuer's total net worth as of 31<sup>st</sup> March 2014.

### 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.	<b>Domestic Individual Investors</b>	2,550,930	50,000	3.89%
<b>Domestic Institutional Investors</b>				
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%
<b>Foreign Individual Investors</b>				
6.	<b>Foreign Individual Investors</b>	1,623,300	Held in physical	2.48%
<b>Foreign Institutional Investors</b>				
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%
	<b>Total Subscribed Capital</b>	<b>65,581,363</b>	<b>20,140,268</b>	<b>100.00%</b>



**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**

PARTICULARS	(Rs. Crores)			
	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
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 Debentures	5.94
After the issue of Debentures	6.06

**Calculations**

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

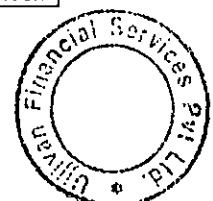
Debt	Rs. 2,351.32 Crore
Equity	Rs. 396.16 Crore
Debt/Equity	5.94x

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

Debt	Rs. 2,401.32 Crore
Equity	Rs. 396 Crore
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
<b>AUTHORISED CAPITAL</b>	100,000,000	10	100.00	-	100.00
<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	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.
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 Issuer 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



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)
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.

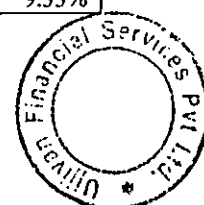
(e) **Details of any Reorganization or Reconstruction in the last 1 (one) year:**

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

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

(a) **Shareholding pattern of the Issuer 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.	<b>Domestic Individual Investors</b>	2,550,930	50,000	3.89%
<b>Domestic Institutional Investors</b>				
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%
<b>Foreign Individual Investors</b>				
6.	<b>Foreign Individual Investors</b>	1,623,300	Held in physical	2.48%
<b>Foreign Institutional Investors</b>				
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%

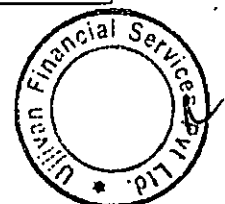


S. No.	Particulars	Total No. of Equity Shares	No of shares in demat form	Total shareholding as % of total no of Equity Shares
16.	International Finance Corporation	7,894,737	Held in physical	12.04%
	<b>Total Subscribed Capital</b>	<b>65,581,363</b>	<b>20,140,268</b>	<b>100.00%</b>

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

(b) **List of top 10 holders of equity shares of the Issuer 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%
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 <sup>th</sup> 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,	1,583,692	1,583,692	2.41%



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

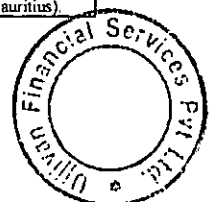
Sr. No.	Name of Shareholder	Address of Shareholder	No. of Equity Shares held	No. of Equity Shares in Demat form	Total shareholding as % of total no of Equity Shares
		Mauritius			
	<b>Grand Total</b>		<b>59,723,793</b>	<b>18,756,928</b>	<b>91.07</b>

**6.6 Following details regarding the directors of the Issuer:**

**(a) Details of current directors of the Issuer:**

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	Designation	DIN	Age	Designation	Address	Director of the Issuer since	Other Directorships
1	Samit Ghosh	Managing Director	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
2	Kuttalam Rajagopalan Ramamoorthy	Banker	00058467	73	Independent Director	No 519, 8th Cross Road, J P Nagar 3rd Phase, Bangalore - 560 078	28 December, 2004	1. Subros Limited 2. GMR Ambala Chandigarh Express Highway Private Limited 3. Anrit Corp. Limited (Formerly Anrit 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	Professional	00050837	64	Independent Director	2989/H, 12th Main Road, HAL 2nd Stage, Bangalore	29 July, 2006	NIL
4	Mona Kachhwaha	Professional	1856801	41	Nominee Director	T-05-A Windsor Court, DLF Phase IV, Gurgaon, 122002, Haryana, India	8 August, 2012	1. Micro Housing Finance Corporation Limited. 2. Aptus Value Housing Finance India Limited. 3. India Financial Inclusion Fund (Mauritius).



Sr. No.	Name of the Directors	Designation	DIN	Age	Designation	Address	Director of the Issuer since	Other Directorships
								4. A Little World Private Limited.
5	Sandeep Marian Farias	Professional	00036043	41	Nominee Director	102, Lewis Manor, 7, Lewis Road, Cooke Town, Bangalore, 560005, Karnataka, India	11 November, 2013	1. Elevar Advisors Private Limited 2. Madura Microfinance 3. Vistaar Financial Services Private Limited 4. Aarusha Homes Private Limited 5. Glocal Health Care Systems Private Limited 6. Shubam Housing Finance Development Company Private Limited
6	Venkatesh Natarnjan	Professional	02453219	45	Nominee Director	Y/4/7B, A R Colony, Vasanth Nagar, Madurai - 625003, Tamil Nadu, India	10 December, 2008	1. Asivud Micro 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	Professional	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 Limited 7. Micromax Informatics Limited 8. Zomato Media Private Limited Director



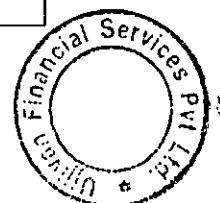
Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

Sr. No.	Name of the Directors	Designation	DIN	Age	Designation	Address	Director of the Issuer since	Other Directorships
8	Bhama Krishnamurthy	Professional	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	Professional	6451902	46	Nominee Director	99,Reade ST # 7W, New York NY-10013	5 December, 2012	Banco WWB, Colombia Ananya Finance
10	Vandana Viswanathan	Professional	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	Professional	1356126	45	Nominee Director	No 1/13, 3rd Floor, Shanti Niketan, New Delhi - 110021	22 February, 2012	I. Wolfensohn Indian Advisors Pvt. Ltd
12	Sarvesh Suri	Professional	06760975	40	Nominee Director	258, Bank Enclave, Laxmi Nagar, Delhi, 110092, Delhi, India	20 December, 2013	NIL

\* 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	-	-





Name	Designation	DIN	Date of appointment	Date of Cessation	Remarks
Sarvesh Suri	Nominee Director from IFC	06760975	December, 20, 2013	-	-
Ritesh Bawri	Nominee Director from FMO	00604464	August 6, 2014	October 20, 2014	

6.7 Following details regarding the auditors of the Issuer:

(a) Details of the auditor of the Issuer:

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

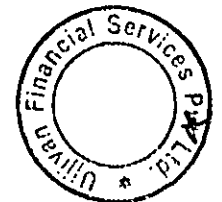
(b) Details of change in auditors since last three years:

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

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

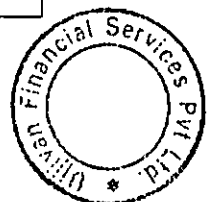
(a) Details of Secured Loan Facilities:

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	75.00	17-Sep-10	2.1	54 Monthly	

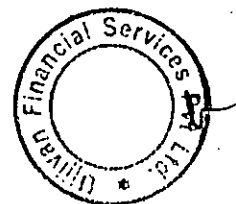


Serial No. 1  
 Addressed to: Oiko Credit Ecumenical Cooperative Society  
 Dated: December 19, 2014  
 For private circulation only

Name and address of bank/institution	Type of Facility	Cumulative Amount Sanctioned (Rs. Crs)	Date of Sanction	Present Outstanding (Cr)	Repayment Terms	Security Offered
	Loan				Installments after 6 months moratorium	
	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	

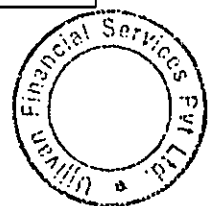


Name and address of bank/institution	Type of Facility	Cumulative Amount Sanctioned (Rs. Crs)	Date of Sanction	Present Outstanding (Crs)	Repayment Terms	Security Offered
					months from date of drawl	
Standard Chartered Bank	Term Loan	37.00	17-Jan-13	9.3	8 Quarterly Installments	Hypothecation of Book 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	49.00	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
	Term Loan	50.00	17-Oct-13	30.7	24 months EMI	



Serial No. 1  
 Addressed to: Oiko Credit Ecumenical Cooperative Society  
 Dated: December 19, 2014  
 For private circulation only

Name and address of bank/institution	Type of Facility	Cumulative Amount Sanctioned (Rs. Crs)	Date of Sanction	Present Outstanding (Crs)	Repayment Terms	Security Offered
	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	
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



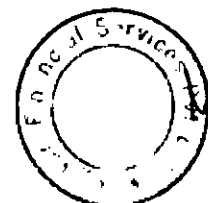
Name and address of bank/institution	Type of Facility	Cumulative Amount Sanctioned (Rs. Crs)	Date of Sanction	Present Outstanding (Crs)	Repayment Terms	Security Offered
	Term Loan	25.00	15-Sep-14	25.0	12 Quarterly Installments with a moratorium period of 3 months	
Central Bank of India	Term Loan	25.00	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	15.00	28-Mar-14	11.3	24 equal monthly installments	Hypothecation of Book Debts
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	20.00	28-May-14	17.8	24 months EMI	Hypothecation of Book Debts & Cash Collateral
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
<b>Total Bank Borrowings</b>		<b>2987.45</b>		<b>1,905.8</b>		

(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:**

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



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

Debenture Series	Tenor	Interest	Amount (Rs in Crores)	Date of Allotment	Redemption date or Schedule	Credit Rating	Secured or Unsecured	Security
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 Holders	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 Issuer has not issued any corporate guarantee for any third party as at September 30, 2014.

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

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

Party Name (in case of Facility / Instrument Name)	Type of Facility / Instrument	Amount Sanctioned / Issued	Principal Amount outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security
Debentures	Non-Convertible Debentures	Rs. 29 crores	NCDs have been redeemed	NCDs have been redeemed	BBB+	Secured	Book Debts

(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 Issuer:

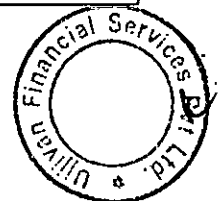
(a) Details of Promoter Holding in the Issuer as on latest quarter end, i.e. September 30, 2014:

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)		
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holder's Funds:</b>			
(a) Share Capital	57.29	65.58	65.58
(b) Reserves and Surplus	185.45	255.76	306.95
	<b>242.73</b>	<b>321.34</b>	<b>372.53</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	255.04	383.48	565.15
(b) Long term provisions	1.92	1.16	2.3
	<b>256.96</b>	<b>384.64</b>	<b>567.45</b>
<b>(3) Current Liabilities</b>			
(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
	<b>397.82</b>	<b>654.27</b>	<b>1,138.73</b>
<b>Total</b>	<b>897.51</b>	<b>1,360.24</b>	<b>2,078.70</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8.73	8.28	9.8
(ii) Intangible assets	2.42	2.86	2.92
	<b>11.15</b>	<b>11.14</b>	<b>12.72</b>
(b) Non-current investments	0.1	0.1	0.1
(c) Deferred tax assets (net)	3.22	4.02	6.83
(d) Long term loans and advances	2.96	3.32	5.11
(e) Other non-current assets	47.92	190.4	238.3
	<b>54.2</b>	<b>197.84</b>	<b>250.35</b>
<b>(2) Current assets</b>			
(a) Receivables under financing activity	653.07	947.4	1,387.62
(b) Cash and Bank Balances	161.45	178.62	394.45



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

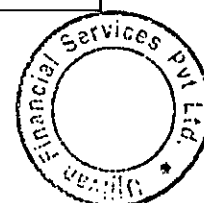
Particulars	Financial Years ended March 31		
	2012	2013	2014
	Audited		
	(Rs. in crores)		
(c) Short-term loans and advances	2.23	6.18	10.62
(d) Other current assets	15.41	19.07	22.94
	832.16	1,151.26	1,815.63
<b>Total</b>	<b>897.51</b>	<b>1,360.24</b>	<b>2,078.70</b>

PARTICULARS	Financial Years ended March 31		
	2012	2013	2014
	Audited		
	(Rs. in Crores)		
<b>INCOME</b>			
Income from Operations	148.24	222.52	347.89
Other Income	8.06	11.41	9.77
<b>Total Income (A)</b>	<b>156.3</b>	<b>233.93</b>	<b>357.66</b>
<b>EXPENDITURE</b>			
Personnel Expenses	60.16	65.77	81.32
Administrative & Other Expenses	27.19	28.96	36.2
Finance charges	58.59	80.63	144.85
Depreciation	2.4	2.52	3.15
Provision for Doubtful Loans	5.76	6.9	8.29
<b>Total Expenditure (B)</b>	<b>154.1</b>	<b>184.78</b>	<b>273.82</b>
<b>Profit/(Loss) Before Tax (A - B)</b>	<b>2.2</b>	<b>49.15</b>	<b>83.84</b>
Excess depreciation of earlier years	-	-	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>2.2</b>	<b>49.15</b>	<b>83.84</b>
Income tax	1.58	16.1	31.7
Deferred Taxes	-1.1	-0.8	-2.81
Provision for earlier years	-	-	-0.08
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>1.72</b>	<b>33.85</b>	<b>55.04</b>
Less: Transferred to Statutory Reserve	0.34	6.77	11
Less: Adjusted Depreciation			
<b>Profit /(Loss) carried forward to Balance Sheet</b>	<b>1.38</b>	<b>27.08</b>	<b>44.04</b>
Profit/(Loss) Carried forward from previous year	9.37	10.74	35.9
<b>Appropriations</b>			
Proposed Dividend	-	1.64	3.28
Corporate Dividend Tax	-	0.28	0.56
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 30,
	2014
<b>I. EQUITY AND LIABILITIES</b>	
<b>(1) Share Holder's Funds:</b>	





Particulars	September 30,
	2014
(a) Share Capital	65.58
(b) Reserves and Surplus	331.63
	<b>397.21</b>
<b>(2) Non-Current Liabilities</b>	
(a) Long-term borrowings	830.47
(b) Long term provisions	3.43
	<b>833.9</b>
<b>(3) Current Liabilities</b>	
(a) Short-term borrowings	-
(b) Trade payables	5.91
(c) Other current liabilities	1,291.69
(d) Short-term provisions	29.85
	<b>1,327.45</b>
<b>Total</b>	<b>2,558.56</b>
<b>II. Assets</b>	
<b>(1) Non-current assets</b>	
(a) Fixed assets	
(i) Tangible assets	11.19
(ii) Intangible assets	2.61
	<b>13.8</b>
(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
	<b>369.43</b>
<b>(2) Current assets</b>	
(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
	<b>2,175.33</b>
<b>Total</b>	<b>2,558.56</b>

PARTICULARS	September 30,
	2014
<b>INCOME</b>	
Income from Operations	243.36
Other Income	7.28
<b>Total Income (A)</b>	<b>250.64</b>
<b>EXPENDITURE</b>	
Personnel Expenses	58.18
Administrative & Other Expenses	28.16
Finance charges	111.83
Depreciation	3.28
Provision for Doubtful Loans	10.48
<b>Total Expenditure ( B )</b>	<b>211.93</b>
<b>Profit/(Loss) Before Tax ( A - B )</b>	<b>38.71</b>
Excess depreciation of earlier years	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>38.71</b>



PARTICULARS	September 30,
	2014
Income tax	17.7
Deferred Taxes	-4.74
Provision for earlier years	0
<b>PROFIT/(LOSS) AFTER TAX</b>	<b>25.75</b>
Less: Transferred to Statutory Reserve	5.15
Less: Adjusted Depreciation	1.08
<b>Profit/(Loss) carried forward to Balance Sheet</b>	<b>19.52</b>
Profit/(Loss) Carried forward from previous year	76.08
<b>Appropriations</b>	
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

- 6.12 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.

- 6.13 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 II of this Information Memorandum.

- 6.14 Rating and Rating Rationale**

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, a copy of which is annexed as Annexure V.



The Issuer undertakes to get the Debentures listed on BSE within 15 (fifteen) days from the Deemed Date of Allotment. The Issuer also reserves the right to get the Debentures listed on such other recognized stock exchanges as the Issuer may deem fit after giving prior notification of such proposed listing to the Debenture Trustee.

In the event of a delay in listing of the Debentures beyond 15 (fifteen) calendar days of the Deemed Date of Allotment, the Issuer will pay to the Investor penal interest of 2 % p.a. over the Interest Rate commencing on the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures. In case of subscription by FIIs, QFIs or FPIs, in the event of delay in listing beyond 15 (fifteen) calendar days of the Deemed Date of Allotment, the Issuer will refund the proceeds of Issue with penal interest of 2% p.a. over the Interest Rate from the Deemed Date of Allotment until the date of refund, immediately. 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 / buy back 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.

**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 Rule 18 of 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 Issuer is not required to nor does it 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 law including the 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 7 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 Issuer 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 Issuer.

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

Sr. No.	Nature of Contract
1.	This Information Memorandum
2.	Private Placement Offer Document
3.	Debenture Trust Deed
4.	Deed of Hypothecation and Power of Attorney
5.	Debenture Trustee Agreement
6.	Certified true copy of the Memorandum & Articles of Association of the Issuer
7.	Board Resolution dated November 25, 2014 authorizing issue of Debentures offered under terms of this Information Memorandum.
8.	Shareholder Resolution date May 07, 2014 authorizing the issue of non-convertible



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

Sr. No.	Nature of Contract
	debentures by the Issuer.
9.	Shareholder Resolution dated December May 07, 2014 authorizing the borrowing by the Issuer and the creation of charge by way of hypothecation.
10.	Copies of Annual Reports of the Issuer for the last three financial years
11.	Credit rating letter from the Ratings
12.	Letter from GDA Trusteeship Limited giving its consent to act as Debenture Trustee
13.	Letter for Register and Transfer Agent
14.	Certified true copy of the certificate of incorporation of the Issuer
15.	Certified true copy of the tripartite agreement between the Issuer, the Registrar & Transfer Agent and the NSDL/CDSL
16.	Debt Listing Agreement executed with BSE

#### 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. 40,00,00,000/- (Rupees Forty Crores only) by issue of Collateralised Rated Listed Redeemable Non Cumulative Taxable 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. 40,00,00,000/- (Rupees Forty Crores only).

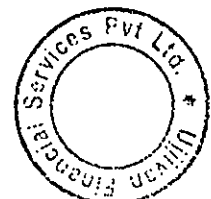
#### 6.21 Utilization of the Issue Proceeds

The proceeds shall be used for loan portfolio growth of the Issuer 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.10/21.04.172/2014-15 dated July 1, 2014:

- 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.
- 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

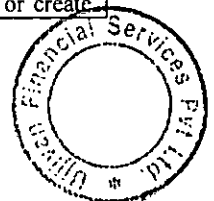


6.22 Issue Details

Security Name	13.25% collateralised, rated, listed, redeemable, non-cumulative, taxable non-convertible debentures of a face value of Rs. 10,00,000 aggregating to Rs. 40,00,00,000 due 2017
Issuer	Ujjivan Financial Services Private Limited
Type of Instrument	Collateralised, rated, listed, redeemable, non-cumulative, taxable non-convertible debentures
Nature of Instrument	Collateralised
Seniority	Debentures shall rank senior to unsecured indebtedness of the Issuer
Mode of Issue	On private placement to all Eligible Investors
Eligible Investors	<p>The following categories of Investors together constitute "Eligible Investors":</p> <ul style="list-style-type: none"> <li>• Commercial banks</li> <li>• Eligible Financial Institutions</li> <li>• Insurance companies</li> <li>• Companies</li> <li>• NBFCs and RNBCs</li> <li>• Mutual funds</li> <li>• FIIs</li> <li>• QFIs</li> <li>• FPIs</li> <li>• Provident funds, gratuity, superannuation and pension funds, subject to their investment guidelines</li> <li>• Any other Investor authorised to invest in these Debentures</li> </ul> <p>Only Eligible Investors, when specifically approached, are eligible to apply for the Debentures.</p>
Listing	<p>WDM segment of BSE. The Issuer shall ensure that the listing of the Debentures on the WDM segment of the BSE takes place within 15 (fifteen) calendar days from the Deemed Date of Allotment.</p> <p>The Issuer undertakes to get the Debentures listed on BSE within 15 (fifteen) days from the Deemed Date of Allotment. The Issuer also reserves the right to get the Debentures listed on such other recognized stock exchanges as the Issuer may deem fit after giving prior notification of such proposed listing to the Debenture Trustee.</p> <p>In the event of a delay in listing of the Debentures beyond 15 (fifteen) calendar days of the Deemed Date of Allotment, the Issuer will pay to the Investor penal interest of 2 % p.a. over the Interest Rate commencing on the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures. In case of</p>



	<p>subscription by FIIs, QFIs or FPIs, in the event of delay in listing beyond 15 (fifteen) calendar days of the Deemed Date of Allotment, the Issuer will refund the proceeds of Issue with penal interest of 2% p.a. over the Interest Rate from the Deemed Date of Allotment until the date of refund, immediately.</p> <p>In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are FIIs or sub-accounts of FIIs, QFIs or FPIs the Issuer shall immediately redeem / buy back any and all Debentures which are held by such FIIs or such sub-account(s) of FIIs or QFIs or FPIs.</p>
Rating of Instrument	"ICRA A- (A minus)" by ICRA
Issue Size	Not exceeding Rs. 40,00,00,000/- (Rupees Forty Crores only)
Option to retain oversubscription	N.A.
Objects of the Issue / details of utilisation of proceeds	<p>The proceeds shall be used for loan portfolio growth of the Issuer subject to such restrictions as the parties may have mutually agreed upon and shall not be utilised for the purposes mentioned below.</p> <p>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.</p> <p>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.10/21.04.172/2014-15 dated July 1, 2014:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.</li> <li>4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.</li> <li>5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market</li> </ol>
Future Borrowings	Subject to compliance with the documents relating to the Debenture issuance, the Issuer shall be entitled to borrow or raise loans or create

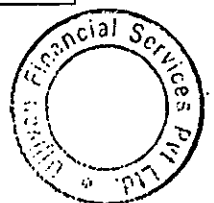


	encumbrances or avail financial assistance in whatever form, and also issue promissory notes or debentures or other securities, without the consent of, or intimation to the Debenture Holders or the Debenture Trustee in this connection. However, no such borrowings will have the benefit of the security granted to the Debenture Trustee and Debenture Holders under the Transaction Documents.
Interest Rate	At the rate of 13.25% per annum, payable on a semi-annual basis in arrears, from the Deemed Date of Allotment
Step Up/ Step Down Interest Rate	N.A.
Interest Period	Each interest period shall be each period from (and including) Interest Payment Date to (but excluding) the next succeeding Interest Payment Date until the Redemption Date. In the case of the first Interest Payment Date falling on June 26, 2015, interest shall accrue from and including the Deemed Date of Allotment to (but excluding) the first Interest Payment Date, being the 26 <sup>th</sup> day of June, and if such day is not a Business Day, the day immediately next day to the 26 <sup>th</sup> Day of June that is a Business Day.
Interest Payment Dates	Payable semi annually from the Deemed Date of Allotment on each date falling on the 26 <sup>th</sup> day of June and 26 <sup>th</sup> day of December of each year with the first interest payment date falling on June 26, 2015, till the Redemption Date.
Interest Type	Fixed
Exercise Date/Interest Reset Date	N.A.
Day Count Basis	Actual/Actual
Interest on Application Money	Interest on application money will be paid to Investors at the rate of 13.25% p.a. from the date of realization of subscription money up to 1(one) calendar day prior to the Deemed Date of Allotment. Such interest will be paid within 7 (seven) Business Days from the Deemed Date of Allotment.
Default Interest	In the event of a default in payment of any Interest on the Interest Payment Date and/or Redemption Amount on the Redemption Date, the Issuer shall pay to the Debenture Holders additional interest at the rate of 2 % p.a. ("Default Interest") on the Debentures in addition to the payment of Interest and/or the Redemption Amount, as the case may be.  Default Interest shall be payable for the period commencing on the first day of such payment default until the time such payment default continues.  The Default Interest shall be payable on the next Interest Payment Date occurring after the date of payment default.
Prepayment Penalty	2% prepayment penalty on the amount prepaid
Interest Reset Process	N.A.
Tenor	3 (three) years from the Deemed Date of Allotment ,



Serial No. 1  
 Addressed to: Oiko Credit Ecumenical Cooperative Society  
 Dated: December 19, 2014  
 For private circulation only

Redemption Dates	December 26, 2016, i.e. after 2 years from the Deemed Date of Allotment and December 26, 2017 i.e. after 3 years from the Deemed Date of Allotment
Redemption Amount	Rs. 15,00,00,000 shall be redeemed on December 26, 2016 i.e. after 2 years from the Deemed Date of Allotment and the balance Rs. 25,00,00,000 shall be redeemed on December 26, 2017 i.e. after 3 years from the Deemed Date of Allotment
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 10,00,000 (Rupees Ten Lakhs) 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. 10,00,000 (Rupees Ten Lakhs) per Debenture
Yield on Redemption	13.25% per annum
Minimum Application size and in multiples of thereafter	Rs. 10,00,000 (Rupees Ten Lakhs)
Opening Date of the Issue	December 24, 2014
Closing Date of the Issue	December 26, 2014
Pay-in Date	December 26, 2014
Deemed Date of Allotment	December 26, 2014
Issuance mode of the Instrument	Dematerialized
Trading mode of the Instrument	Dematerialized
Settlement mode of the Instrument	Dematerialized

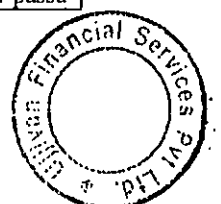




Depositories	NSDL and CDSL
Business Days	A day (other than a public holiday or a Sunday) on which banks are normally open for business in Mumbai and Bangalore.
Business Day Convention	Should any of the dates, including the Deemed Date of Allotment, Early Redemption Date, the Redemption Dates or the Record Date (for the above), fall on day which is not a Business Day, the immediately preceding Business Day shall be considered as the effective date.  Other than the above, should any other day including the Interest Payment Date, Record Date (except with respect to above), fall on day which is not a Business Day, the immediately next Business Day shall be considered as the effective date.
Record Date	Date which is 15 (fifteen) calendar days prior to each Interest Payment Date and Redemption Date, as the case may be, for the purposes of actual payment. Registered Debenture Holders on the Record Date will be the recipients of actual payment of Interest by the Issuer
Security / Collateral	<p>(i) The Debentures shall be secured by a first ranking exclusive hypothecation and charge over the Hypothecated Assets, in favour of the Debenture Trustee (for the benefit of the Debenture Holders in a manner as more particularly set out under the Deed of Hypothecation. The Issuer undertakes to register and perfect the initial charge over the First List of Hypothecated Assets by filing Form CHG 9 with the ROC in relation thereto within 15 (fifteen) Business Days from the execution of the Deed of Hypothecation. The Issuer shall also execute a power of attorney (together with the Deed of Hypothecation) in favour of the Debenture Trustee or its attorney-in-fact to take certain actions following an Event of Default including but not limited to the Debenture Trustee's ability to collect the repayments from the Hypothecated Assets by subrogating itself in place of the Issuer.</p> <p>(ii) In the month of January, 2016 (but no later than January 31, 2016), the Issuer undertakes to create, register and perfect subsequent security by execution of a Supplemental DOH in an amount equivalent to the value of the Debentures then outstanding as at the date of the Supplemental DOH over the Borrower Receivables as set out in the latest MAR delivered to the Debenture Trustee. The Issuer will file executed Form CHG 9 with the ROC in relation thereto within 15 (fifteen) Business Days of the date of execution of the Supplemental DOH. The Issuer shall also execute a power of attorney in favour of the Debenture Trustee or its attorney-in-fact to take certain actions following an Event of Default including but not limited to the Debenture Trustee's ability to collect the repayments from the Hypothecated Assets in the Supplemental DOH by subrogating itself in place of the Issuer.</p> <p>(iii) In the month of January 2017 (but no later than 20 days from the date of the First Redemption Date, i.e December 26, 2016), the Issuer undertakes to create, register and perfect subsequent security by execution of a Supplemental DOH in an amount equivalent to the value of the Debentures then outstanding as at the date of the Supplemental DOH over the Borrower Receivables as set out in the latest MAR delivered to the Debenture Trustee. The Issuer will file executed Form CHG 9</p>



	<p>with the ROC in relation thereto within 15 (fifteen) Business Days of the date of execution of the Supplemental DOH. The Issuer shall also execute a power of attorney in favour of the Debenture Trustee or its attorney-in-fact to take certain actions following an Event of Default including but not limited to the Debenture Trustee's ability to collect the repayments from the Hypothecated Assets in the Supplemental DOH by subrogating itself in place of the Issuer</p> <p>(iv) Following an Event of Default, the Issuer on receiving instructions from the Debenture Trustee, shall execute a Supplemental DOH in relation to the Borrower Receivables in the MAR for the month immediately preceding the month in which the Event of Default has occurred, in the form and manner set out in the Deed of Hypothecation. The Issuer shall use its best efforts to ensure that any third party or liquidator does not void this Security creation which is part of the consideration for the issuance of Debentures.</p> <p>(v) The Issuer represents and warrants that so long as any amount payable in respect of the Debentures remains outstanding: (i) no other lender of the Issuer has a general or floating charge against the general assets of the Issuer (present and future) and existing lenders have only specific security over certain identified loan receivables (which do not include the Borrower Receivables); (ii) the Borrower Receivables forming part of the Hypothecated Assets and each Monthly Asset Report are Eligible Loans; and (iii) the Hypothecated Assets and all Borrower Receivables listed in each Monthly Asset Report which is delivered to the Debenture Trustee are free from any encumbrances.</p> <p>(vi) The Issuer covenants that so long as any amount payable in respect of the Debentures remains outstanding: (i) the Hypothecated Assets and all Borrower Receivables listed in each Monthly Assets Report and delivered to the Debenture Trustee are free from all encumbrances or liens and the Issuer is entitled to the Hypothecated Assets and Borrower Receivables listed in each Monthly Assets Report as the legal owner absolutely; (ii) the Borrower Receivables forming part of the Hypothecated Assets and the Monthly Assets Report will be Eligible Loans; (iii) no lender or creditor of the Issuer has a general or floating charge against the general assets of the Issuer (present and future) and such other creditor has only specific security over certain identified receivables (which do not include the Borrower Receivables); and (iv) the Hypothecated Assets and Borrower Receivables listed in each Monthly Assets Report will not be transferred to any other parties. The Monthly Assets Report setting out the consolidated list of assets with relevant details of unencumbered Eligible Loans which are available for charging shall be delivered by the Issuer to the Debenture Trustee and each Debenture Holder on a monthly basis on or before the 15th day of each calendar month (which if not a Business Day, then the next succeeding Business Day) in the form as set out in the Deed of Hypothecation with respect to the Borrower Receivables as on the last Business Day of the previous calendar month end.</p> <p>(vii) The Issuer will ensure at all times that the nature of charge over Hypothecated Assets provided to the Debenture Trustee and Debenture Holders is at least equivalent and ranking <i>pari passu</i></p>
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with the nature of the security interest on hypothecated assets provided to each of its other lenders.

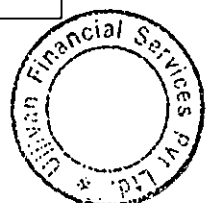
- (viii) The Issuer shall place the issue proceeds in escrow until the creation of security and shall use the proceeds only on creation of Security. In the event of delay in creation of charge over the Hypothecated Assets, the Issuer will refund the application monies at the rate of 13.25% p.a. or pay penal interest at the rate of 2% p.a. over the Interest Rate until the creation of such charge.
- (ix) In the event of any Event of Default the Debenture Holders shall have the right to demand in writing that the Issuer shall, within five (5) Business Days of such notice (the "EOD Notice"):
- (A) the Issuer shall immediately within 2 Business Days notice from the Debenture Holders and/or Debenture Trustee
- a. provide the MAR for the month immediately preceding the month in which the Event of Default has occurred (the "EOD MAR"), in a format immediately registerable with the ROC, to the Debenture Trustee and Debenture Holders;
  - b. stamp and execute the Supplemental DOH to create a charge over the list of Borrower Receivables set out in the EOD MAR;
  - c. file CHG 9 with the ROC in respect of the charge created over the list of Borrower Receivables in the EOD MAR alongwith the executed Supplemental DOH executed in accordance with this Clause above and provide: (1) a duly stamped and executed copy of the Supplemental DOH; (2) Form CHG 9 copy filed with the ROC pursuant to this Clause; and (3) challan evidencing the filing of the Form CHG 9, to the Debenture Trustee and Debenture Holders; and
  - d. provide a certified copy of the EOD MAR attached to the Supplemental DOH to the Debenture Trustee and Debenture Holders for potential submission to the courts at the request of the Debenture Holders and/or Debenture Trustee.

The Issuer undertakes that it will follow all instructions required by the Debenture Trustee and Debenture Holders to enable execution, stamping and registration of the Supplemental DOH, including without limitation affixing their DSC on the Form CHG 9 or other requisite form and to register the charges created under the Supplemental DOH over the list of Borrower Receivables set out in the EOD MAR.

- (B) create a segregated bank account (the "Account") into which all cash representing the Borrower Receivables constituting the Hypothecated Assets shall be immediately paid (if any amounts are received by the Issuer from a borrower in respect of the Hypothecated Assets prior to the creation of the Account, such



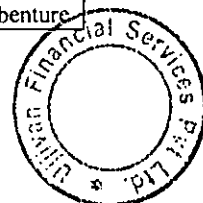
	<p>payments shall be held by the Issuer in trust for the sole benefit of the Debenture Trustee acting on behalf of the Debenture Holders, and such amounts will not constitute assets of the Issuer),</p> <p>(C) create legal, valid, binding and enforceable first ranking sole and exclusive charge over the Account (by entering into duly stamped and signed charging documents) and cash in the Account in favour of the Debenture Trustee and the Debenture Holders by way of a first ranking exclusive charge,</p> <p>(D) notify the Debenture Trustee of the details of such Account, provide originals of the charging documents creating the charge over the Account and provide any information requested by such Persons promptly upon their written or oral request,</p> <p>(E) take all steps required to perfect the security over the Account as may be required by law or as determined by the Debenture Trustee in their sole discretion (including but not limited to filings with the ROC or other authorities),</p> <p>(F) ensure that amounts standing to the credit of the Account are not secured to any other Person (other than the Debenture Trustee and Debenture Holders); and</p> <p>(G) take any other steps in relation to the perfection of security over the Hypothecated Assets and the Account as the Debenture Trustee or the Debenture Holders may require or determined in their sole discretion including but not limited to any registrations or filings (including but not limited to filing with the ROC or other authorities).</p> <p>(x) Issuer's failure to complete any action specified in the EOD Notice within 5 (five) Business Days will be an Event of Default.</p> <p>(xi) After the full and final repayment of the Secured Obligations, the Account (as defined in the Debenture Trust Deed) may be closed by the Issuer and all amounts standing to the credit of the Account on the date of closure may be returned to the Issuer, with the prior written approval of the Debenture Trustee.</p> <p>(xii) If the Event of Default is cured within the time periods provided under the Debenture Trust Deed, all amounts standing to the credit of the Account may be transferred by the Issuer to any of its other bank accounts which are not subject to Security Documents. However, the Issuer will continue to keep the Account, without prior approval of the Trustee, open in order to comply with paragraph (vii) above in the event of any subsequent Events of Default.</p>
<p><b>Security Cover</b></p>	<p>The Issuer shall ensure that the value of the security created pursuant to the Deed of Hypothecation shall at all times be equal to at least 100% of the aggregate amount of the outstanding principal of the Debentures and aggregate amount of the interest payable in respect of the Debentures for one Interest Period ("Security Cover").</p>



	In the event the Security Cover is not created or has been insufficiently created, the proceeds from the Issue are to be placed in an escrow account until creation of security which shall be no later than 1 (one) month from the Deemed Date of Allotment. In the event of failure to create the Security within 1 (one) month, the subscription monies shall be reimbursed to the Investors.
Transaction Documents	All Transaction Documents. The Issuer confirms that all Transaction Documents shall reflect the terms and conditions in this Information Memorandum.
Representations and Warranties	The Issuer will provide certain representations and warranties customary for this type of transaction including but not limited to: (i) that is duly incorporated, validly existing; (ii) has power and approvals to carry on its business; (iii) has corporate power, capacity and authority to enter into the documents relating to the Debenture issuance; (iv) all documents relating to the Debenture issuance when executed constitute binding and enforceable obligations against it; (v) no conflict with other loan documents, applicable laws (other than the Security Cover upon repayment of the First List of Hypothecated Assets until security is created under a Supplemental DOH and registered with the Registrar of Companies) or constitutional documents; (vi) no Event of Default or Potential Event of Default has occurred or is continuing; (vii) the sole legal and beneficial owner of the Hypothecated Assets and Borrower Receivables set out in each MAR which have not been secured to any other party; (viii) no litigation pending or threatened; (ix) not insolvent and no unenforced judgments or court orders outstanding against the Issuer; (x) compliance with all laws (other than Security Cover upon repayment of the First List of Hypothecated Assets until security is created under a Supplemental DOH and registered with the ROC) and no notice from any Governmental Authority with respect to any alleged, actual or potential violation; (xi) statutory books and registers have been properly kept, written up to date and contain a complete and accurate record; (xii) no facts, matters or circumstances has not been disclosed which might reasonably affect the willingness of or terms on which the Debentures Holders would subscribe to the Debentures and all documents (including this Information Memorandum and Private Placement Offer Letter) provided by the Issuer is true and accurate and are not misleading; (xiii) no tax penalties outstanding other than contested in good faith; (xiv) audited accounts prepared in accordance with generally accepted accounting principles, standards and practices in force in India; and (xv) no immunity under laws.
Conditions Precedent to Disbursement	The Issuer will provide documents in form and substance satisfactory to the Debenture Trustee, including but not limited to: (i) all applicable internal and external approvals for the Issue; (ii) all documentation required in relation to the listing of the Debentures; and (iii) all consents, authorizations and approvals (both statutory and regulatory) pertaining to the Issue, including but not limited to those under the Companies Act and the SEBI Debt Regulations, (iv) execution of the Debenture Trustee Agreement, Debenture Trust Deed, Deed of Hypothecation and Power of Attorney and other relevant Transaction Documents.
Conditions Subsequent to Disbursement	The Issuer will take certain actions as may be required by the Debenture Trustee in a form and substance satisfactory to them, including but not limited to: (i) submit listing documents to the BSE and obtain a listing for the Debentures within 15 (fifteen) calendar days from the Issue Closing Date; (ii) enter into the Supplementary DOH in terms of the



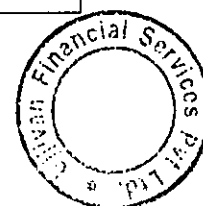
	<p>Deed of Hypothecation, (iii) file a copy of the Form PAS-5 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of Debentures along with a copy of the Offer Letter with the Registrar of Companies with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and SEBI within a period of 30 (thirty) days of circulation of the Offer Letter, (iv) file a return of allotment of securities under Section 42 of the Companies Act, 2013 with the ROC within 30 (thirty) days of allotment in Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 along with a complete list of all Debenture Holders</p>
Financial Covenants	<p>Financial covenants related to the Issuer (to be calculated and reported on a half yearly basis), including but not limited to the following:</p> <p>Portfolio Quality: The Issuer's Portfolio Quality may at no time increase above 3%</p> <p><b>"Portfolio Quality"</b> means the sum of the Issuer's outstanding balance of loans and other credit facilities overdue for more than 30 (thirty) calendar days, plus the outstanding balance of loans and other credit facilities rescheduled or refinanced but not overdue for more than 30 (thirty) calendar days, plus the gross amount of loans written off over any 12 (twelve) month period ending on a day on which the Debentures is outstanding, divided by the Issuer's gross loan portfolio.</p> <p>The formula for calculation of Portfolio Quality is: Loans overdue 30 days + Rescheduled/ Refinanced Loans + Gross write off Loans over 12 months /Gross Loan Portfolio</p> <p><b>Debt Equity ratio</b> : The debt to equity ratio shall not be greater than 6:1</p> <p><b>Operating self sufficiency</b>: The Issuer shall maintain operating self sufficiency ratio greater than 100%</p> <p><b>Credit Rating</b>: The Issuer shall at all times maintain a minimum credit rating of "BBB+" and above.</p> <p>The financial covenants shall be reviewed on a half yearly basis and the results provided to the Debenture Trustee within 30 (thirty) calendar days after the end of each period of 6 (six) months. The financial covenants must be satisfied at all times and any breach thereof will constitute a Potential Event of Default and, should such breach remain unremedied for a period of 30 (thirty) days or longer, an Event of Default.</p>
Social Covenants	<p>The Issuer shall submit: (i) social performance management related reports and impact assessment reports, as and when conducted;</p>
Information Covenants	<p>Any costs incurred by the Issuer in connection with the provisions of any information as set out below will be borne solely by the Issuer. The Issuer shall: (i) provide any additional information with respect to the Hypothecated Assets within 10 (ten) Business Days of request; (ii) provide all information as may be reasonably required in respect of any taxes payable in respect of the Debentures within 10 (ten) Business Days of request; (iii) provide information pertaining to its business and operations as the Debenture Holder or Debenture Trustee may deem necessary in its sole discretion within 15 (fifteen) calendar days of request; (iv) provide copies circulars and notices issued by the Issuer at the time of issue; (v) notify the Debenture Holders and the Debenture</p>



	<p>Trustee of any Material Adverse Effect in relation to the Issuer (and the steps, if any, being taken to remedy it) promptly upon occurrence of the same; (vi) notify all material litigation; (vii) provide an independent auditors certificate on the Debentures certifying the end uses of the Issue amounts and other certifications as set out in the Debenture Trust Deed; (viii) its audited financial statements no later than 90 (ninety) calendar days from the close of the Financial Year and unaudited monthly financial statements no later than 30 (thirty) calendar days from the end of each period of 6 (six) months.; (ix) all information to enable the Debenture Holders to determine the fulfillment of the Financial Covenants, no later than 30 (thirty) calendar days from the end of each period of 6 (six) months; (x) provide information on any notice of any application for winding up or other analogous insolvency proceeding; (xi) notify of lockouts, shut-downs, fires or labour unrest or other event likely to have a substantial effect on the profits or business of the Issuer; (xii) notify of any force majeure event; and (xiii) notify any material changes or potential changes to regulations or laws governing micro finance entities in India or the approvals that it is required to maintain within 7 (seven) Business Days of any such changes being implemented or potential changes being announced by the appropriate Governmental Authority, in each case to the Debenture Trustee.</p>
<p>General Covenants</p>	<p>The Issuer will be required to comply with certain covenants customary for such transactions, including but not limited to: (i) corporate existence, (ii) compliance with laws, (iii) transactions documents being legal, valid, binding and enforceable obligations of the Issuer, (iv) compliance with use of proceeds; (v) ensure its audited accounts are prepared in accordance with generally accepted accounting principles in force in India; (vi) no amalgamation or demerger without prior written consent of Debenture Trustee; (vii) no dividends if breaches of the Transaction Documents are persisting; (viii) no change in business; (ix) no disposals; (x) no security or encumbrance on Hypothecated Assets as set out in the Deed of Hypothecation without Debenture Holders prior written consent, (xi) maintain internal controls for the purpose of preventing the funds lent by the Issuer from being used for money laundering, financing of terrorist activity, fraud or other corrupt or illegal purposes or practices; (xii) maintain its status as a signatory to the Client Protection Principles in microfinance; (xiii) not enter into any transaction which would materially adversely affect the its ability to pay amounts due under the Debentures; (xiv) permit visits and inspection of books of record and account for evaluation of the credit of the Issuer; (xv) make all filings, submit all duly completed documentation to the BSE, SEBI, ROC or any other Governmental Authority, as is required under applicable law; (xvi) remain principally engaged in the business of microfinance; (xvii) maintain Security Cover.</p>
<p>Events of Default</p>	<p>The Debenture Trust Deed will set out certain Events of Default the occurrence of which will lead to the Debentures, accrued interest and all other amounts there under becoming immediately due and payable upon notification of the Debenture Trustee (as directed by the Debenture Holders). The date on which the Debenture Trustee gives notice to the Issuer upon occurrence of an Event of Default shall be called an “<b>Early Redemption Date</b>”.</p> <p>In particular, the following circumstances each constitute an “<b>Events of Default</b>”: (i) the failure to pay any outstanding sum due and payable under the Debentures on the date on which such payment is due; (ii) the breach of any obligation, covenants, representation or warranty of the Issuer, which remain un-remedied for 15 (fifteen) calendar days (iii) the</p>



	<p>dissolution or judicial attachment of the Issuer's assets; (iv) the insolvency of the Issuer or the Issuer's application for, or consent to, the appointment of a trustee or receiver for any of its property or any bankruptcy, reorganization, debt arrangement or other such proceedings instituted against the Issuer; (v) a default or event of default shall have occurred under the terms of any agreement involving borrowed money or the extension of credit or any other indebtedness under which the Issuer may be obligated as a Issuer, borrower or guarantor where the amount of such indebtedness exceeds 10% of the Issuer's net assets, and such default or event of default permits or causes (or with the giving of notice or the passage of time or both would permit or cause) the acceleration of any indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend; (vi) changes to the Debentures ranking at least <i>pari passu</i> with all other outstanding secured and subordinated obligations of the Issuer; (vii) the sale, transfer or other disposition of all or substantially all of the assets of the Issuer or the merger or consolidation of the Issuer without express written consent of the Debenture Holder; (viii) the material failure to comply with any reasonable monitoring and/or servicing requests from the Debenture Holder; (ix) the Issuer does not comply with Financial Covenants applicable in the Transaction Documents; (x) material information in the Information Memorandum or Private Placement Offer Letter or any information provided to the Debenture Trustee is misleading or incorrect in any material respect; (xi) breach of obligation to maintain Security Cover, (xii) revocation, termination or suspension of a material license or approval of the Issuer, (xiii) the Issuer ceases to carry on business or gives notice of its intention to do without the consent of the Debenture Trustee / Debenture Holder (xiv) an order has been made by the tribunal or a special resolution has been passed by the members of the Issuer for winding up (xv) the Issuer creates or attempts to create any charge or encumbrance on the Security without the prior written approval of the Debenture Trustee / Debenture Holders.</p> <p>The Issuer shall immediately inform the Debenture Trustee as soon as it becomes aware that any Event of Default has occurred or is threatening to occur.</p>
<p>Provisions related to Cross Default Clause</p>	<p>As set out in "Events of Default" above.</p>
<p>Role and Responsibilities of Debenture Trustee</p>	<p>The Issuer has appointed GDA Trusteeship Limited as the Debenture Trustee for the Issue. All the rights and remedies of the Debenture Holders shall vest in and shall be exercised by the Debenture Trustee. Any payment by the Issuer to the Debenture Trustee on behalf of the Debenture Holders shall discharge the Issuer <i>pro tanto</i> to the Debenture Holders. The Debenture Trustee shall carry out its duties and shall perform its functions in accordance with all applicable laws and the Debenture Trust Deed, with due care, diligence and loyalty.</p>
<p>Illustration of Debenture Cashflows</p>	<p>Please refer to 'Annexure IV'</p>
<p>Governing Law and Jurisdiction</p>	<p>The Debentures are governed by and will be construed in accordance with Indian law and the courts and tribunals at Bangalore shall have non-exclusive jurisdiction with respect to matters relating to the Debentures.</p>





## SECTION 7 : OTHER INFORMATION AND APPLICATION PROCESS

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

### 7.1 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 Companies 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. Investors may note that subject to applicable law, the Debentures of the Issuer would be issued and traded in dematerialised form only. The Issuer undertakes that there will be a common form of transfer available for the Debentures held under a Consolidated Debenture Certificate.

### 7.2 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.

However, for the Debentures that are rematerialized and held in physical form, the Issuer will issue one certificate to the relevant Debenture Holder for the aggregate amount of the Debentures that are rematerialized and held by such Debenture Holder (each such certificate a "**Consolidated Debenture Certificate**"). In respect of the Consolidated Debenture Certificate(s), the Issuer will, upon receipt of a request from the Debenture Holder within 30 days of such request, split such Consolidated Debenture Certificates into smaller denominations in accordance with the Articles of Association, subject to a minimum denomination of one Debenture. No fees will be charged for splitting any Consolidated Debenture Certificates but, stamp duty, if payable, will be paid by the Debenture Holder. The request to split a Consolidated Debenture Certificate shall be accompanied by the original Consolidated Debenture Certificate which will, upon issuance of the split Consolidated Debenture Certificate, be cancelled by the Issuer.

### 7.3 Title

In case of:

1. Debentures held in the dematerialized form, the person for the time being appearing in the register of Beneficial Owners maintained by the Depository; and



2. Debentures held in physical form, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder,

shall be treated for all purposes by the Issuer, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Debenture Certificate issued in respect of the Debentures and no person will be liable for so treating the Debenture Holder.

**7.4 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 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.

**7.5 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.

**7.6 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 Companies 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.

**7.7 Right of the Issuer to Purchase and Re-sell Debentures**

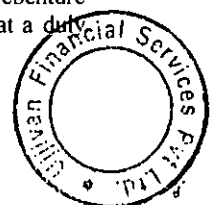
The Issuer may, subject to applicable laws, at any time and from time to time, purchase Debentures issued under this Information Memorandum at discount, at par or premium in the open market. Such Debentures, at the option of the Issuer, be cancelled, held or resold at such a price and on such terms and conditions as the Issuer may deem fit and as permitted by applicable laws.

**7.8 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.

**7.9 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.

**7.10 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 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.

**7.11 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.

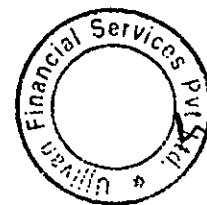
The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

**7.12 Application Procedure**

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Private Placement Offer Letter 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.

**7.13 Fictitious Applications**

All fictitious applications will be rejected.



**7.14 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.

**7.15 Payment Instructions**

The Application Form should be submitted directly to the Issuer. 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  
Bank Name : HDFC Bank Limited  
Branch Address : Jakkasandra Branch, Bangalore-560034

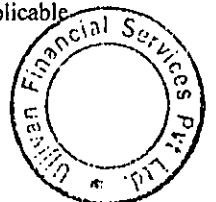
**7.16 Eligible Investors**

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) Foreign Portfolio Investors (FPIs)
- (i) Insurance Companies
- (j) Investment holding companies of high net worth individuals
- (k) 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 200 (two hundred) Eligible Investors.

**7.17 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 R&T 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 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.

**7.18 Depository Arrangements**

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

**7.19 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.

**7.20 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.

**7.21 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
- (f) Copy of PAN card
- (g) Relevant forms claiming exemption from TDS
- (h) Application Form (including RTGS details)

**7.22 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.

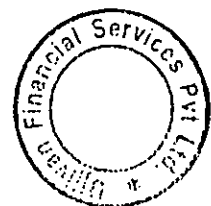
**7.23 Succession**

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.

**7.24 Mode of Payment**

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



**7.25 Effect of Holidays**

Should any of the dates, including the Deemed Date of Allotment, the Redemption Dates or the Record Date (for the above), fall on day which is not a Business Day, the immediately preceding Business Day shall be considered as the effective date.

Other than the above, should any other day including the Interest Payment Date, Record Date (except with respect to above), fall on day which is not a Business Day, the immediately next Business Day shall be considered as the effective date.

**7.26 Tax Deduction at Source**

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 R&T 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.

**7.27 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 26, 2014 by which date the Investors would be intimated of allotment.

**7.28 Record Date**

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

**7.29 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.

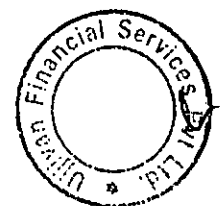
In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to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

**7.30 Interest on Application Money**

Interest shall be payable on all application monies received at the Interest Rate of 13.25% (Thirteen Decimal Point Two Five Percent) per annum calculated on XIRR basis, from the date of realization of the application monies by the Issuer until 1(one) day prior to 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.

**7.31 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.



### 7.32 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.

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.

In respect to the Debentures held physically under a Consolidate Debenture Certificate, payments will be made by way of cheque or pay orders or electronically. However, if the Issuer so requires, payments on maturity may be made on surrender of the Consolidated Debenture Certificate(s). Dispatch of cheques or pay orders in respect of payments with respect to redemptions will be made within a period of 30 days from the date of receipt of the duly discharged Consolidated Debenture Certificate.

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 Information 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.





**SECTION 8 : 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.

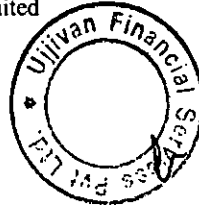
For Ujjivan Financial Services Private Limited

Authorised Signatory

Name: Mr Sudha Suresh

Title: CFO

Date: December 19, 2014



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

ANNEXURE I: RATING LETTER & RATING RATIONALE

RATING LETTER



ICRA Limited

CONFIDENTIAL

Ref No: ICRA: BLR/2014-15/ RT/634

Date: December 15, 2014

Ms. Sudha Suresh  
Chief Financial Officer  
Ujjivan Financial Services Private Limited  
Grape Garden, No. 27, 3<sup>rd</sup> A Cross,  
18<sup>th</sup> Main, 6<sup>th</sup> Block, Koramangala  
Bangalore- 560 095

Dear Madam,

**Re: ICRA rating for the proposed Rs. 40.00 crore Non Convertible Debenture (NCD) Programme of Ujjivan Financial Services Private Limited (Ujjivan)**

Please refer to your Rating Requisition dated December 13, 2014 and the 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)<sup>1</sup> 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 publicity 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.

*J. Chatterjee*

*Renuka*

<sup>1</sup> For complete rating definition please refer to ICRA Website [www.icra.in](http://www.icra.in) or any of the ICRA Rating Publications

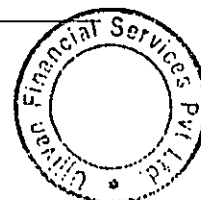
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10th Floor, 1&2 Murphy Road, Ulsoor  
Bangalore - 560008

Tel : +(91-80) 4332 6400  
Fax: +(91-80) 4332 6409  
CIN: L74999DL1991PLC042749

Website : [www.icra.in](http://www.icra.in)  
Email : [info@icraindia.com](mailto:info@icraindia.com)

Registered Office : 1105, Kalkash Building, 11<sup>th</sup> Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001, Tel : +(91-11) 23357940-50 Fax : +(91-11) 23357014  
Corporate Office : Building No. 8, Tower-A, 2<sup>nd</sup> Floor, DLF Cyber City, Phase II, Gurgaon - 122002, Tel. : +(91-124) 4545300 Fax : +(91-124) 4050424

RATING • RESEARCH • INFORMATION





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

A handwritten signature in black ink, appearing to read 'J. Chatterjee'.

(Jayanta Chatterjee)  
Executive Vice President

A handwritten signature in black ink, appearing to read 'Remika'.

(Remika Agarwal)  
Assistant Vice President



**RATING RATIONALE**



**Ujjivan Financial Services Private Limited**

	Amount in Rs. Crore	Rating Action
Non Convertible Debentures	40.00	[ICRA]A- (Positive); assigned
Non Convertible Debentures	25.00	[ICRA]A- (Positive); Rating Withdrawn

ICRA has assigned a rating of [ICRA]A- (pronounced ICRA A minus) to the Rs. 40 crore long term Non Convertible Debenture (NCD) programme of Ujjivan Financial Services Private Limited (Ujjivan). The outlook on the rating is positive. ICRA has also withdrawn the [ICRA]A-(Positive) rating on the Rs. 25 crore NCDs of Ujjivan, at the request of the company, as there were no amount outstanding against the rated instrument. Additionally, ICRA also has a [ICRA]A- rating with a positive outlook outstanding on Rs. 50 crore NCD program of the company.

The rating factors in Ujjivan's sound management and diverse board composition, strong IT systems, prudent lending practices and, adequate internal control and monitoring processes. The rating also factors in the company's ability to maintain good asset quality (0+ dpd rate of 0.16% as on Sep-14) while growing across geographies. The company has geographically diversified presence across 24 states in India; in the current fiscal, the company has opened branches in two new states and has been continuously reducing its concentration in the existing states. ICRA expects the liquidity of the company to remain comfortable in light of funding lines from about 35 lenders. ICRA takes note of the rapid expansion plans (a compounded annual growth rate of 45%-50% over the next couple of years) of the company, for which it would need consistent external equity infusion (Rs. 400-450 crore over three years, if it maintains leveraging of about 5 times- ICRA notes that the company is in the process of raising Rs. 350 crore equity capital in the short term), further increase in the funding lines as well as large scale recruitment and training of employees. The company's ability to manage such a high pace of growth will remain a key rating sensitivity, although ICRA takes comfort from the company's ability to mobilise external equity in the past as well as its relationship with large number of investors and lenders; the company is also in advanced stages of discussion for raising further equity in this fiscal. Overall, the rating remains constrained on account of monoline nature of its business, marginal borrower profile, high operational risk inherent in the business, lack of diversification in earnings and challenges associated with significant growth.

Though Ujjivan has funding lines from about 35 lenders, its reliance on term loans is high i.e. 83% as on Sep-14. The cost of funds for the company continues to be amongst the lowest in its peer group. Given that the spreads have been fixed by the RBI at 10%, the company has been able to offer relatively lower rates (23.6% on group loans, relatively low compared to peers) owing to its low cost of funds. The liquidity position remains comfortable given that the residual tenure of liabilities is around 2-3 years, while that of the assets is around 1-2 year, resulting in a favourable ALM position.

Ujjivan's profitability indicators have been moderate (Return on Network of 13.3% in Sep-14 and 15.9% as in Mar-14), which was supported by relatively low operating expenses (8.8-8.9% of average managed advances). The company has increased its provisioning for the relatively riskier Individual Loan portfolio, which along with the moderation in the lending yields and increase in the gearing level (5.3 times Sep 2014 vis a vis 4.5 times in March 2014) resulted in some moderation in the net profitability to 2.2% as proportion of managed assets for H1FY2014 as compared to 3.2% in FY2014. The profitability could remain moderate in the medium term owing to further branch expansion plans of the company as well as setting up a separate infrastructure for individual loan portfolio, which can lead to a slight increase in the operating expenses. Nevertheless, these costs are expected to rationalise and yield benefits (in terms of better monitoring leading to reduced credit costs) over the long term. Further, it would be critical for the company to maintain strong asset quality in its individual loan segment (presently this segment has low delinquency for Ujjivan i.e. 0+ dpd of 0.56% as on Sep-14), which have historically witnessed higher delinquencies for other players, to keep credit costs under

<sup>1</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.





check Nevertheless, ICRA notes that the individual loan portfolio of Ujjivan has been built with customers who have graduated from group loan segment and have a good credit track record with Ujjivan, hence the risk in this portfolio is expected to be relatively lower than that for first time borrowers While the overall asset quality of the company is good, the ability of the company to maintain good asset quality indicators while growing at a significant rate remains to be seen Moreover, the operational and credit risks associated with the unsecured lending business—particularly given the marginal credit profile of borrowers—remain high

Owing to its strong systems and processes, the company has been able to demonstrate high collection efficiencies, access to credit bureaus and regulatory ceiling on borrower indebtedness has reduced concerns on overleveraging and multiple lending for MFIs and has helped in curbing delinquencies Overall, in light of high expected business growth rate, interest spread cap of 10%, rise in opex owing to branch expansion, and a prudent leveraging, ICRA expects the company to maintain ROE of 15-18% over the medium term, provided it maintains a strict control on asset quality

**About the Company**

Ujjivan Financial Services Pvt Ltd (Ujjivan) is a Microfinance Institution (MFI) that was set up in October 2005 as an NBFC and became operational from January 2006 It was founded by Mr Samit Ghosh, who is the CEO and Managing Director of the company at present Ujjivan has its headquarters in Bangalore, with regional offices in New Delhi, Kolkata & Pune Ujjivan's focus is to provide financial services to the economically backward women in urban and semi-urban areas

As of September 2014 Ujjivan operates in 24 states with a network of 405 branches, with the top 3 states i.e Karnataka, West Bengal and Maharashtra accounting for 45.8% of the portfolio It has a portfolio of Rs 2,419 crore as on September 30, 2014 with a client base of 16.1 lakh members The company has been able to receive equity from multiple investors in different rounds of equity infusion As on September 30, 2014, Ujjivan had a network of Rs. 397 crore with a gearing of 5.3 times

December 2014

For further details please contact

Analyst Contacts

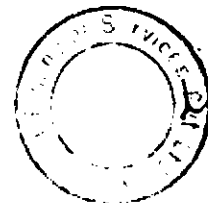
Ms. Vibha Batra (Tel No +91 124 4545302)  
vibha@icraindia.com

Relationship Contacts

Mr. Jayanta Chatterjee (Tel No +91 80 43326401)  
jayanta@icraindia.com

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Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
For private circulation only

ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE



GDA/DEB/CL-MUM/2014-15/165

12th December, 2014

Ujjivan Financial Services Pvt. Ltd.  
Grape Garden, No. 27, 3rd A Cross,  
18th Main, Koramangala, 6th Block,  
Bengaluru: 560 095

K.A: Ms. Sudha Suresh

Dear Madam,

Consent to act as Trustee for Secured, Rated Non-Convertible Debentures aggregating to Rs. 40 crores to be issued by your Company.

This is with reference to the mail dated 12th 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.40 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 Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cr-5/2009 dated the 26th 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

For Ujjivan Financial Services Pvt. Ltd.

Authorized Signatory

GDA Trusteeship Ltd.

Office No. 1, 3 and 4, 4th Floor, Radhikadevi House, 7, Hongli Street, Fort, Mumbai 400 001. Tel: +91-22-48220533 Fax: +91-22-43225503 Email: info@gdatrustee.com  
Regional Office: Old House, Flat No. 85, Shantani Colony (Right), Parel Road, Parel - 411 038. Call No. 0799197911977/01112282  
Tel: +91-220-25280061 Fax: +91-220-25280278 Email: info@gdatrustee.com Website: www.gdatrustee.com  
Bengaluru Office: D II - 207, Sakaravalli House, Metaji Shubhramchandra Bosa Road, 1st Cross, 6th Main, R. T. Nagar, 1st Block, Bengaluru - 560 022. Tel: +91-080-2364-8430 Email: info@gdac.com  
Delhi Office: B-22, Anand Chambers - 1, 1 Bhajaj Karna Plaza, New Delhi - 110085. Tel: +91-11-29183870 Email: info@gdatrustee.com



**ANNEXURE III: LAST AUDITED FINANCIAL STATEMENTS**

LUVIAN FINANCIAL SERVICES PRIVATE LIMITED				
BALANCE SHEET AS AT MARCH 31, 2014				
(Amount in Rupees)				
Particulars	Part No.	As at March 31, 2014		As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>				
(A) Share Holder's Funds:				
(a) Share Capital	3	655,813,610		655,813,630
(b) Reserves and Surplus	4	3,029,458,262	3,775,771,892	3,557,955,695
				3,213,309,525
(B) Non-Current Liabilities:				
(a) Long-term borrowings	5	5,651,471,277		3,634,757,300
(b) Long-term provisions	6	22,963,816	5,674,434,913	11,607,790
				3,646,365,090
(C) Current Liabilities:				
(a) Short-term borrowings	7	19,274,198		40,917,277
(b) Trade payables	8	50,545,501		47,525,072
(c) Other current liabilities	9	11,081,272,760		6,810,281,658
(d) Short-term provisions	10	234,176,292	11,337,308,771	344,790,824
				6,547,602,829
<b>Total</b>			<b>20,787,015,628</b>	<b>13,602,417,048</b>
<b>Assets</b>				
(I) Non-current assets:				
(a) Fixed assets:				
(i) Tangible assets	11A	58,082,025		82,787,035
(ii) Intangible assets	11B	29,868,151	127,251,408	25,592,170
				111,378,255
(b) Non-current investments	12	1,010,000		1,000,000
(c) Deferred tax assets (net)	26.6	68,320,423		40,189,798
(d) Long-term loans and advances	13	51,130,606		53,715,238
(e) Other non-current assets	14	3,313,005,335	2,903,406,444	1,903,997,415
				1,978,412,451
(II) Current assets:				
(a) Receivables under financing activity	15	12,876,127,861		9,473,954,775
(b) Cash and Bank Balances	16	3,844,544,841		1,786,234,211
(c) Short-term loans and advances	17	306,217,035		61,786,206
(d) Other current assets	18	239,536,637	14,150,297,674	190,440,346
				11,511,671,538
<b>Total</b>			<b>20,787,015,628</b>	<b>13,602,417,048</b>
See accompanying notes forming part of the financial statements	1-30			

In terms of our report attached

For Oskotte Harika & Sells  
 Chartered Accountants

*S. Sundaram*

S Sundaram  
 Partner

Place: Bangalore  
 Date: May 16, 2014



For and on behalf of the Board of Directors

*Sumit Ghosh*

Sumit Ghosh  
 Managing Director

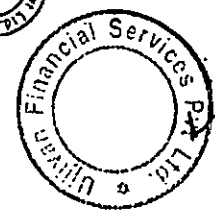
*Sudhir Ashok*  
 Company Secretary

Place: Bangalore  
 Date: May 16, 2014

*Sunil Patel*

Sunil Patel  
 Director

*Sudha Suresh*  
 Chief Financial Officer



Serial No. 1  
 Addressed to: Oiko Credit Ecumenical Cooperative Society  
 Dated: December 19, 2014  
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OIKO CREDIT ECUMENICAL CO-OPERATIVE SOCIETY 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
<b>A. INCOME</b>			
(a) Income from Operations	19	3,478,252,385	2,225,128,809
(b) Other Income	20	97,734,887	114,096,905
<b>Total Income (A)</b>		<b>3,576,087,272</b>	<b>2,339,225,714</b>
<b>B. EXPENDITURE</b>			
(a) Employee benefits expense	21	813,237,770	657,633,642
(b) Administrative and Other Expenses	22	362,044,676	289,625,706
(c) Finance cost	23	1,448,546,685	806,744,957
(d) Depreciation and amortization expenses	11	31,467,170	25,218,983
(e) Provision / write off for receivables under financing activity	24	42,912,621	69,076,693
<b>Total Expenditure (B)</b>		<b>2,758,219,322</b>	<b>1,847,748,159</b>
<b>Profit Before Tax (A - B)</b>		<b>828,498,150</b>	<b>491,537,555</b>
<b>Tax expenses</b>			
(a) Current tax expenses		317,000,000	161,000,000
(b) Provision for tax of earlier year		(8,96,296)	
(c) Deferred Tax	25 & 26	(29,130,625)	(7,926,760)
<b>Profit for the Year</b>		<b>540,979,013</b>	<b>338,524,313</b>
<b>Earnings per Equity Share:</b>			
(a) Basic	26 &	8.35	5.49
(b) Diluted		7.85	5.12
See accompanying notes forming part of the financial statements			
	1-30		

In terms of our report attached

For Deloitte Haskins & Sells  
 Chartered Accountants

*S. Sunderam*

S. Sunderam  
 Partner

Place: Bangalore  
 Date: May 16, 2014

For and on behalf of the Board of Directors

*Smit Ghosh*

Smit Ghosh  
 Managing Director

*Sunit Patel*

Sunit Patel  
 Director

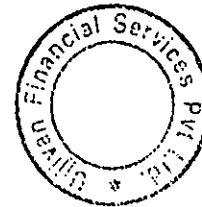
*Suhani Ashok*

Suhani Ashok  
 Company Secretary

*Sudha Suresh*

Sudha Suresh  
 Chief Financial Officer

Place: Bangalore  
 Date: May 16, 2014





UJIVAN FINANCIAL SERVICES PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014		
Particulars	(Amount in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Net Profit as per Statement of Profit & Loss	578,406,159	496,827,873
Adjustments for:		
Depreciation and amortisation expenses	51,497,139	25,716,943
Profit on Sale of Investments	(40,804,841)	(21,898,177)
Dividend on mutual funds	(8,171,717)	24,898,178
One-time write-off	81,318,119	13,293,659
Provision for 6 months under financing activities	2,486,112	2,118,449
Provision for salaries	25,138	-
Advance written off	52,751	1,811,821
Fixed assets written off	(4,458,347)	(21,182,917)
Interest on fixed deposits	4,379,646	899,313
Loss (Profit) on sale of fixed assets	88,874,875	66,187,883
Operating Profit before Working Capital changes		
Change in working capital:		
(Increase) / Decrease in Receivables under financing activity	(4,402,851,344)	(2,862,307,847)
(Increase) / Decrease in Loans and advances	(84,847,441)	(4,086,812)
(Increase) / Decrease in Other Current assets	(146,789,144)	(1,821,725,402)
(Increase) / Decrease in Trade payables	2,998,119	7,870,137
Increase / (Decrease) in Other current liabilities	43,544,898	(1,880,627)
Increase / (Decrease) in Long-term provisions	(8,877,217)	(2,114,087)
(Increase) / Decrease in Long-term liabilities	61,187,825	16,274,994
Cash flow from operations	16,876,756,253	(2,894,305,471)
The net	(11,189,847)	(2,917,184)
Net Cash from operating activities (A)	(4,886,281,371)	(4,086,424,941)
Cash flows from financing activities		
Proceeds from issues	(19,000)	-
Purchase of investments	(1,834,800,852)	(1,661,679,171)
Sale of investments	2,796,114,875	7,293,207,729
Purchase of fixed assets	(5,135,405)	(2,514,888)
Sale of fixed assets	94,279	511,824
Interest on fixed deposits	14,494,587	22,582,802
Net Cash from financing activities (B)	1,179,820,200	47,773,495
Cash flows from investing activities		
Proceeds from sale of share capital & securities premium (net)	10,239,645	466,701,857
Dividend and Dividend Tax Paid	31,803,774,170	7,566,017,778
Dividends from banks / others	(17,876,202,081)	(1,237,273,162)
Receipts from borrowings from banks / others	6,575,746,613	4,863,882,300
Net Cash from investing activities (C)	4,177,777,498	252,832,604
Net Increase / (Decrease) in cash and cash equivalents (A) + (B) + (C)	1,773,799,827	1,336,624,851
Balance of cash - Opening	1,882,827,821	1,792,798,877
Balance of cash - Closing		

Notes:  
 1. The above cash flow statement is based prepared under the "indirect method" as set out in Accounting Standard-9 Cash Flow Statement.  
 2. Cash & cash equivalents at year end includes Rs. 29,241,041/- of 10% (51.87%) in balances with banks, which is used only for repayment of accounts deposit of customer.  
 3. Note No. 26 for items included in cash & cash equivalents.

For Director/Member & Cash  
 Chartered Accountants  
 S. Anderson  
 2, Surbhi  
 Accountant  
 Place Bangalore  
 Date: May 16, 2014

For and on behalf of the Board of Directors  
 S. S. S. S.  
 S. S. S. S.  
 S. S. S. S.  
 S. S. S. S.  
 Place Bangalore  
 Date: May 16, 2014



Serial No. 1  
Addressed to: Oiko Credit Ecumenical Cooperative Society  
Dated: December 19, 2014  
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#### ANNEXURE IV: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Ujjivan Financial Services Private Limited
Face Value (per security)	Rs. 10,00,000 per Debenture
Issue Date	December 24, 2014
Date of Allotment	December 26, 2014
Redemption	December 26, 2017, being 3 (three) years from the Deemed Date of Allotment
Coupon Rate	13.25% per annum payable semi annual in arrears from the Deemed Date of Allotment
Frequency of the Coupon Payment with specified dates	Interest shall be payable semi annual in arrears from the Deemed Date of Allotment. Each interest period shall be each period from (and including) Interest Payment Date to (but excluding) the next succeeding Interest Payment Date until the Redemption Date. In the case of the first Interest Payment Date falling on June 26, 2015, interest shall accrue from and including the Deemed Date of Allotment to (but excluding) the first Interest Payment Date, being the 26 <sup>th</sup> day of June, and if such day is not a Business Day, the day immediately next to the 26 <sup>th</sup> day of June that is a Business Day.
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)
<b>Issue amount</b>				
1 <sup>st</sup> Coupon	June 26, 2015	182	26,355,191.26	
2 <sup>nd</sup> Coupon	December 26, 2015	183	26,500,000.00	-
3 <sup>rd</sup> Coupon	June 26, 2016	183	26,500,000.00	-
4 <sup>th</sup> Coupon	December 26, 2016	183	26,500,000.00	
1st Principal Instalment				150,000,000
5 <sup>th</sup> Coupon	June 26, 2017	182	16,517,123.29	-
6 <sup>th</sup> Coupon	December 26, 2017	183	16,607,876.71	
2 <sup>nd</sup> and Final Principal	December 26, 2017	182	26,355,191.26	250,000,000
<b>Total</b>			<b>138,980,191</b>	<b>400,000,000</b>



**ANNEXURE V: IN-PRINCIPLE APPROVAL OF BSE**

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
T: +91 22 2272 1234/33 F: +91 22 2272 1003 www.bseindia.com  
Corporate Identity Number : U67120MH2005PLC155188



DCS/COMP/RK/IP-PPDI/257/14-15

December 19, 2014

The Company Secretary  
Ujjivan Financial Services Pvt Ltd  
Grape Garden, 3rd 'A' Cross,  
18th Main, 6th Block,  
Koramangala, Bengaluru 560095

Dear Sir,

**Re: Private Placement of Collateralized Rated, Listed, Redeemable Non-Cumulative, Taxable Non-Convertible Debentures of the face value of Rs.10,00,000/- each, aggregating to Rs.40 crores due 2017.**

We acknowledge receipt of your application online portal on December 19, 2014 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant In-principle approval for listing subject to fulfilling the following conditions:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended 2012, and submission of Disclosures and Documents as per Regulations 21, in the format specified in Schedule I of the said Regulations and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations directions of the Exchange or any statutory authorities, documentary requirements from time to time.

This In Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,

  
Radhika Khatau  
Associate Manager

  
Gunjan Jain  
Asst. Manager

