DRAFT RED HERRING PROSPECTUS
Dated: December 31, 2015
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

Ujjivan
Build a Better Life

UJJIVAN FINANCIAL SERVICES LIMITED

Our Company was originally incorporated as Ujjivan Financial Services Private Limited on December 28, 2004 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Pursuant to a certificate issued by the Reserve Bank of India ("**RBI**") on October 31, 2005, our Company was permitted to commence operations as a non-banking financial company ("**NBFC**") under section 45 IA of the Reserve Bank of India Act, 1934. Since financial year 2008-09, we have been classified as a systemically important non-deposit accepting NBFC. Our Company was granted NBFC-Microfinance Institution ("**NBFC-MFI**") status by the RBI on September 5, 2013. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting ("**EGM**") held on November 3, 2015 and the name of our Company was changed to Ujjivan Financial Services Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, Bangalore, Karnataka ("**RoC**") on November 26, 2015. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 126.

Registered and Corporate Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095, Karnataka, India
Contact Person: Sanjeev Barnwal, Company Secretary and Compliance Officer; **Tel**: +91 80 4071 2121; **Fax**: +91 80 4146 8700
E-mail: compliance@ujjivan.com; **Website**: www.ujjivan.com
Corporate Identity Number: U65999KA2004PLC035329

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations") or in terms of the Companies Act, 2013

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF UJJIVAN FINANCIAL SERVICES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹6,500 MILLION BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,495,626 EQUITY SHARES BY ELEVAR EQUITY MAURITIUS ("ELEVAR" AND SUCH OFFERED SHARES "ELEVAR OFFERED SHARES"), UP TO 3,060,722 EQUITY SHARES BY INTERNATIONAL FINANCE CORPORATION ("IFC" AND SUCH OFFERED SHARES "IFC OFFERED SHARES"), UP TO 1,754,386 EQUITY SHARES BY INDIA FINANCIAL INCLUSION FUND ("IFIF" AND SUCH OFFERED SHARES, "IFIF OFFERED SHARES"), UP TO 2,523,725 EQUITY SHARES BY MAURITIUS UNITUS CORPORATION ("MUC" AND SUCH OFFERED SHARES "MUC OFFERED SHARES"), UP TO 2,698,163 EQUITY SHARES BY NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. ("FMO" AND SUCH OFFERED SHARES "FMO OFFERED SHARES"), UP TO 2,935,213 EQUITY SHARES BY SARVA CAPITAL LLC ("SARVA CAPITAL" AND SUCH OFFERED SHARES "SARVA CAPITAL OFFERED SHARES"), UP TO 3,093,869 EQUITY SHARES BY WCP HOLDINGS III ("WCP" AND SUCH OFFERED SHARES "WCP OFFERED SHARES") AND UP TO 5,406,628 EQUITY SHARES BY WOMEN'S WORLD BANKING CAPITAL PARTNERS, L.P. ("WWB" AND SUCH OFFERED SHARES "WWB OFFERED SHARES") (ELEVAR, FMO, IFC, IFIF, MUC, SARVA CAPITAL, WCP, AND WWB COLLECTIVELY REFERRED TO AS THE 'SELLING SHAREHOLDERS' AND ELEVAR OFFERED SHARES, FMO OFFERED SHARES, IFC OFFERED SHARES, IFIF OFFERED SHARES, MUC OFFERED SHARES, SARVA CAPITAL OFFERED SHARES, WCP OFFERED SHARES, AND WWB OFFERED SHARES COLLECTIVELY REFERRED TO AS THE 'OFFERED SHARES') AGGREGATING UP TO ₹[●] MILLION BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), IS CONSIDERING A PRIVATE PLACEMENT OF UP TO 22,000,000 EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹4,500 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE NUMBER OF EQUITY SHARES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO A MINIMUM OFFER SIZE OF AT LEAST SUCH PERCENTAGE OF EQUITY SHARES EQUIVALENT TO A VALUE OF ₹4,000 MILLION (CALCULATED AT THE OFFER PRICE) BEING OFFERED TO THE PUBLIC.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], [●] EDITIONS OF [●] AND [●] EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND KANNADA NEWSPAPERS RESPECTIVELY, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self certified Syndicate Banks ("**SCSBs**'') and Registered Brokers.

The Offer is being in made in terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), wherein a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) will be offered to the public. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs ("**QIB Portion**"), provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**''), at the Anchor Investor Allocation Price. Atleast one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Offer through an Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through ASBA Process. For details, see "*Offer Procedure*" on page 214.**THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA.**

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 80) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 14.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects 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 Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only to the extent of the information in the statements specifically confirmed or undertaken by such Selling Shareholders and the respective proportion of the Offered Shares offered by them in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
kotak Investment Banking	AXIS CAPITAL	ICICI Securities	IIFL	KARVY Computershare
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 Fax: +91 22 6713 2447 E-mail: ujjivan.ipo@kotak.com Investor grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Maharashtra, India Tel: + 91 22 4325 2183 Fax : +91 22 4325 3000 E-mail: ujjivan.ipo@axiscap.in Investor grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Lohit Sharma SEBI Registration No.: INM000012029	**ICICI Securities Limited** ICICI Centre H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India Tel : +91 22 2288 2460 Fax : +91 22 2282 6580 E-mail: ujjivan.ipo@icicisecurities.com Investor grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Ayush Jain SEBI Registration No.: INM000011179	**IIFL Holdings Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: ujjivan.ipo@iiflcap.com Investor grievance E-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Vishal Bangard/Gaurav Singhvi SEBI Registration No.: INM000010940	**Karvy Computershare Private Limited** Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Telengana, India Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 Toll Free No.: 1800 3454 001 E-mail: einward.ris@karvy.com Investor grievance E-mail: ujjivan.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME	
BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)]

[(1)] *Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date*

[(2)] *Our Company and the Selling Shareholders may, in consultation with thse BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

General Terms

Term	Description
"our Company", "the Company", or "the Issuer"	Ujjivan Financial Services Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related and Selling Shareholder Related Terms

Term	Description
AAJV	AAJV Investment Trust
ALCO Committtee	Asset Liability Management Committee
Alena	Alena Private Limited
Articles of Association/AoA	Articles of Association of our Company, as amended
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants
Bajaj	Bajaj Holdings & Investment Limited
Board/Board of Directors	Board of Directors of our Company including a duly constituted committee thereof
CDC	CDC Group Plc.
COO	Chief Operating Officer of our Company
CSR Committee	Corporate Social Responsibility Committee
CX Partners	CX Partners Fund 1 Limited
Director(s)	Director(s) of our Company
Elevar	Elevar Equity Mauritius (earlier known as Elevar Unitus Corporation)
Elevar Offered Shares	Up to 3,495,626 Equity Shares offered by Elevar in the Offer for Sale as per authorization letter dated December 28, 2015
Equity Shares	Equity Shares of our Company of face value of ₹10 each
ESOP 2006	Ujjivan Employee Stock Option Plan – 2006
ESOP 2007	Ujjivan Employee Stock Option Plan – 2007
ESOP 2008	Ujjivan Employee Stock Option Plan – 2008
ESOP 2010	Ujjivan Employee Stock Option Plan – 2010
ESOP 2015	Ujiivan Employee Stock Option Plan – 2015
ESOP Schemes	ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010, MD-ESOP 2010 and ESOP 2015
FMO	Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V.
FMO Offered Shares	Up to 2,698,163 Equity Shares offered by FMO in the Offer for Sale as per authorization letter dated November 27, 2015
Group Companies	Parinaam Foundation and Ujjivan Social Services Foundation
IFC	International Finance Corporation
IFC Offered Shares	Up to 3,060,722 Equity Shares offered by IFC in the Offer for Sale as per authorization letter dated November 27, 2015
IFIF	India Financial Inclusion Fund
IFIF Offered Shares	Up to 1,754,386 Equity Shares offered by IFIF in the Offer for Sale as per authorization letter dated December 29, 2015
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Our Management*" on page 133
Lok	Lok Capital LLC
MUC	Mauritius Unitus Corporation
MUC Offered Shares or Mauritius Unitus Offered Shares	Up to 2,523,725 Equity Shares offered by MUC in the Offer for Sale as per authorization letter dated November 27, 2015
MD	Managing Director
MD-ESOP 2010	MD - ESOP 2010
Memorandum of Association/MoA	Memorandum of Association of our Company, as amended
MSDF	Michael Susan Dell Foundation
NCD	Non Convertible Debentures
NewQuest	NewQuest Asia Investments II Limited
NLT	National Leadership Team of our Company
Offered Shares	Collectively, the Elevar Offered Shares, IFC Offered Shares, IFIF Offered Shares, FMO

Term	Description
	Offered Shares, MUC Offered Shares, Sarva Capital Offered Shares, WCP Holding Offered Shares and WWB Offered Shares
Registered Office	Registered and corporate office of our Company located at Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095, Karnataka, India
Registrar Agreement	The agreement dated December 30, 2015, entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar of Companies/RoC	Registrar of Companies, Bangalore situated at Karnataka, India
Restated Financial Statements	The restated audited financial information of our Company which comprises of the restated audited balance sheet, the restated audited profit and loss information and the restated audited cash flow information as at and for the Financial Years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and for the six month period ended September 30, 2015, together with the annexures and notes thereto
RLT	Regional Leadership Team of our Company
Sarva Capital	Sarva Capital LLC (earlier known as Lok Capital II LLC)
Sarva Capital Offered Shares	Up to 2,935,213 Equity Shares offered by Sarva Capital in the Offer for Sale as per authorization letter dated November 27, 2015
Sequoia	Sequoia Capital India Investments III
Selling Shareholders	Elevar, IFC, IFIF, FMO, MUC, Sarva Capital, WCP Holdings and WWB
SFB	Small Finance Bank
SFB In-Principle Approval	In-principle approval letter dated October 7, 2015 issued by the RBI (under reference number DBR.PSBD.NBC(SFB-UFSPL). No. 4922/16.13.216/2015-16) to our Company for setting up the proposed SFB
Shareholders	Equity shareholders of our Company from time to time
WCP Holdings	WCP Holdings III
WCP Holdings Offered Shares	Up to 3,093,869 Equity Shares offered by WCP Holdings in the Offer for Sale as per authorization letter dated November 27, 2015
WWB	Women's World Banking Capital Partners, L.P. (earlier known as WWB Isis Fund L.P.)
WWB Offered Shares	Up to 5,406,628 Equity Shares offered by WWB in the Offer for Sale as per authorization letter dated November 27, 2015

Offer Related Terms

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Pay-in date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the Anchor Investor Allocation Notice but not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Offer

Term	Description
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Prospective investors (other than Anchor Investors) in the Offer who intend to submit their Bid through the ASBA process
Axis	Axis Capital Limited
Banker(s) to the Offer/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 214
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form The term "Bidding" shall be construed accordingly
Bidder	Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor **THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA**.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Kannada newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Kannada newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Kotak Mahindra Capital Company Limited, Axis Capital Limited, ICICI Securities Limited and IIFL Holdings Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to demat account

Term	Description
Cut-off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLMs Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the respective Offered Shares
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated December 31, 2015, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or demand drafts in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement namely [●]
Escrow Agreement	Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹6,500 million by our Company Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of up to 22,000,000 Equity Shares for cash consideration aggregating up to ₹4,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) being offered to the public
General Information Document/GID	The General Information Document for investing in public issues, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in "*Offer Procedure*" on page 214
ICICI	ICICI Securities Limited
IIFL	IIFL Holdings Limited
Kotak	Kotak Mahindra Capital Company Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Monitoring Agency	[●]
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses For further information about use of the Offer Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 77
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders	All Resident Indian Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹10 each for cash at a price

Term	Description
	of ₹[●] each, aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale of up to 2,935,213 Equity Shares by Sarva Capital, up to 2,523,725 Equity Shares by MUC, up to 3,495,626 Equity shares by Elevar, up to 1,754,386 Equity Shares by IFIF, up to 3,093,869 Euity Shares by WCP, up to 2,698,163 Equity Shares by FMO, up to 3,060,722 Equity Shares by IFC and up to 5,406,628 Equity Shares by WWB, collectively aggregating up to ₹[●] million
Offer Agreement	The agreement dated December 31, 2015 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 24,968,332 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders at the Offer Price in terms of the Red Herring Prospectus, consisting of Elevar Offered Shares, FMO Offered Shares, IFC Offered Shares, IFIF Offered Shares, MUC Offered Shares, Sarva Capital Offered Shares, WCP Holdings Offered Shares and WWB Offered Shares. For further details in relation to Selling Shareholders, see "*The Offer*" on page 47
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Offer that is available to our Company and the Selling Shareholders For further information about use of Offer Proceeds, see "*Objects of the Offer*" on page 77
Pre-IPO Placement	The private placement of up to 22,000,000 Equity Shares for cash consideration aggregating up to ₹4,500 million which may be undertaken by our Company, in consultation with the BRLMs, at its discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) being offered to the public
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Kannada newspaper [●], each with wide circulation
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information
Public Offer Account	Account opened with the Bankers to the Offer under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Offer consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors). Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations which are not, (a) registered VCFs, FPIs, FVCIs, bilateral and multilateral institutions or any other Qualified Institutional Buyers that is a Non-Resident; or (c) 'owned' or 'controlled' by Non-Residents/persons resident outside India, as defined under FEMA
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate having terminals at any of the Broker

Term	Description
	Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Offer/Registrar	Karvy Computershare Private Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Resident Indian individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders) in accordance with the SEBI ICDR Regulations
Revision Form	Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to modify their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Share Escrow Agreement	Agreement to be entered into between the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of the respective portion of Offered Shares by each of the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sub-Syndicate centres	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms and Revision Forms
Syndicate Agreement	Agreement to be entered into amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date but prior to filing of Prospectus
Working Day	All days, other than a Sunday or a public holiday on which commercial banks are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India. For the purpose of the time period between the Bid Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding second and fourth Saturdays, Sundays and bank holidays in India, in accordance with SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010 and notification F. No.4/1/7/2015-IR dated August 20, 2015 issued by the Department of Financial Services, Ministry of Finance, Government of India

Technical/Industry Related Terms/Abbreviations

Term	Description
ACH	Automated Clearing House
ALM	Asset Liability Mismatch
AKMI	Association of Karnataka Microfinance Institutions
ANBC	Adjusted Net Bank Credit
ATM	Automated Teller Machine
AUM	Assets Under Management
CAR	Capital Adequacy Ratio
CASA	Current Account Savings Account
CIBIL	Credit Information Bureau (India) Limited
CBS	Core Banking Solutions
CRAR	Capital-to-risk weighted asset ratio
CRISIL	CRISIL Limited
CRR	Cash Reserve Ratio

Term	Description
CRM	Customer Relationship Manager
CRS	Customer Relationship Staff
CSO	Central Statistics Office
Cost to Income ratio	Operating expense (includes administration expenses, personnel expenses including staff welfare, depreciation & amortization and bank charges) divided by NII
D/E	Debt/Equity ratio
DMS	Document Management System
DTL	Demand and Time Liabilities
ECS	Electronic Clearing System
eKYC	A paperless KYC process, wherein the identity and address of the customer are verified electronically
EMI	Equated Monthly Instalment
GNPA	Gross Non-Performing Assets
GL	Group Lending
GLP	Gross Loan Portfolio
Gross AUM	It represents receivables under financing activities as well as assets secutritized/assigned as of the end of the relevant period
IL	Individual Lending
JLG	Joint Liability Group
KRI	Key Risk Indicator
Malegam Committee	An RBI sub-committee formed in 2011 under the chairmanship of Y.H. Malegam to review the condition of the MFI industry in India
MFI	Micro Finance Institution
MFIN	Micro Finance Institution Network
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MSE	Micro & Small Enterprises
MSME	Micro, Small and Medium Enterprises
MUDRA	Micro Units Development and Refinance Agency
NBFC	Non Banking Financial Company
NBFC - MFI	Non Banking Financial Company – Micro Finance Institution
NBFC- ND-SI	Systemically Important Non-Deposit Accepting NBFC
NII	Net Interest Income
NIM	Net Interest Margin
Net AUM	It represents the Gross AUM less assets securitized/assigned as of the end of the relevant period
NPA	Non-Performing Asset
NNPA	Net Non-Performing Asset
NOF	Net Owned Funds
Operating expense ratio	Operating expense (includes administration expenses, personnel expenses including staff welfare, depreciation & amortization and bank charges) divided by NII
OSP	Outstanding Portfolio
PAR	Portfolio at Risk
PMJDY	Pradhan Mantri Jan Dhan Yojana
PSL	Priority Sector Lending
RCSA	Risk and Control Self-Assessment
RoAA	Return on Average Assets
RoAE	Return on Average Equity
RRB	Regional Rural Bank
RWA	Risk Weighted Asset
SFB Guidelines	The guidelines issued by the RBI on November 27, 2014 for licensing of "Small Finance Banks" in the private sector, read with the clarifications issued by RBI on January 1, 2015
SHG	Self Help Group
SLR	Statutory Liqudity Ratio
TAT	Turn Around Time
VSR	Virtualized Server Recovery

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
ADB	Asian Development Bank
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AML	Anti money laundering
AS/Accounting Standards	Accounting standards issued by the Institute of Chartered Accountants of India
Banking Regulation Act	Banking Regulation Act, 1949
Bn/bn	Billion
BSE	BSE Limited

Term	Description
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIC	Core Investment Company
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Civil Code	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
DTC	Direct Taxes Code
ECB	External Commercial Borrowing
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares are to be listed in the form prescribed under the applicable law
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
GST	Goods and Services Tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
India	Republic of India
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules of 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IMF	International Monetary Fund
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum Of Understanding
Mn/mn	Million
N.A./NA	Not Applicable
NABARD	National Bank for Agricultural and Rural Development
NAV	Net Asset Value
NBFC-MFI Directions	NBFC MFI Directions dated December 2, 2011
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India as of the date of this DRHP
NR	Non-Resident
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of

Term	Description
	beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PML	Prevention of Money Laundering
PMLA	Prevention of Money Laundering Act, 2002
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoC	Registrar of Companies, Bangalore, Karnataka, India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SIDBI	Small Indutries Development Bank of India
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S./USA/United States	United States of America
USD/US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Objects of the Offer*", "*Financial Statements*", "*Basis for Offer Price*", "*Proposed SFB Business*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Indebtedness*" "*Outstanding Litigation and Material Development*", "*Offer Procedure*" and "*Main Provisions of Articles of Association*" on pages 82, 77, 162, 80, 114, 121, 126, 182, 184, 214 and 257 respectively, shall have the meaning given to such terms in such sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to "USA", "US" and "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Statements of our Company which comprises of the restated audited balance sheet, the restated audited profit and loss information and the restated audited cash flow information as at and for the Financial Years 2015, 2014, 2013, 2012 and 2011 and for the six month period ended September 30, 2015, together with the annexures and notes thereto, prepared in accordance with sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures, unless otherwise specified, have been rounded off to one decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus on account of rounding adjustments.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

We have not made any attempt to quantify or identify the impact of the differences between Indian GAAP and IND (AS) as applied to our financial statements and it is urged that you consult your own advisors regarding the impact of difference, if any, on financial data included in this Draft Red Herring Prospectus. There can be no assurance that the voluntary adoption of IND (AS) by us will not affect our reported results of operations or financial condition. For details in connection with risks, see "*Risk Factors - Our failure to successfully adopt IND (AS) may have an adverse effect on the price of the Equity Shares*" on page 31.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on pages 14, 99 and 163 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of the Republic of India.
- "US$" or "USD" are to the United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" and "billion" units, as applicable. One million represents 1,000,000, one billion represents 1,000,000,000 and one crore represents 10,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

Currency	As on March 31, 2013[(1)] (₹)	As on March 31, 2014[(1)] (₹)	As on March 31, 2015[(1)] (₹)	As on September 30, 2015
1 USD	54.39	60.10	62.59	65.74

(Source: RBI website)

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors - Third party industry and statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable*" on page 26. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 80 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Only statements and undertakings which are specifically "confirmed" or "undertaken" by the Selling Shareholders, as the case may be, in this Draft Red Herring Prospectus shall, severally and not jointly, deemed to be statements and undertakings made by such Selling Shareholders. All other statements and/or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder(s).

Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, and SEBI Listing Regulations, as applicable, our Company may be required to undertake an annual updation of the disclosures made in this Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

Disclaimer of CRISIL

This Draft Red Herring Prospectus contains data and statistics from certain reports and material perpared by CRISIL Research, which is subject to the following disclaimer:

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report. This Report is not a recommendation to invest/disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers/users/ transmitters/distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division/CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division/CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements.

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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India and globally which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Ability to set up an SFB within the timelines prescribed by the RBI, or at all.
- Ability to operate the SFB set up by us in a profitable manner, or at all, within the regulatory framework governing SFB operations.
- The transfer of our operations to the proposed SFB on the commencement of operations of the proposed SFB.
- Ability of the SFB to operate as a banking company in compliance with stringent regulatory requirements and prudential norms applicable to banks.
- Ability to manage interest rate risk.
- Ability to manage operational and credit risks which may result in NPAs, and ability to reduce level of NPAs on an ongoing basis.
- Disruption in the access to funds due to a change in the nature of our business.
- Ability to operate in a highly competitive and fragmented industry and competing successfully against existing or new customers, particularly in the unorganized segment.
- Adverse changes in the conditions affecting regional markets on which our business is dependant.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14, 99 and 163, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders, severally and not jointly, will ensure that investors are informed of material developments in relation to statements and undertakings made by the Selling Shareholders in the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

Only statements and undertakings which are specifically "confirmed", or "undertaken" by each of the Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be "statements and undertakings made by the Selling Shareholder(s)". All other statements and/or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. The risks described below are not the only ones relevant to us, the Equity Shares, the industry in which we currently operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations and financial condition. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 99 and 163, respectively, as well as the other financial and statistical information included in this Draft Red Herring Prospectus. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, prospects, financial condition and results of operations could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. You are advised to consult your tax, financial and legal advisors about the particular consequences of an investment in this Offer.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Statements included in "Financial Information" on page 162. Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" and "our Company" refers to Ujjivan Financial Services Limited. This section should be read along with "Proposed SFB Business" on page 114.

INTERNAL RISK FACTORS

Risks Relating to Proposed SFB Business

1. ***We may not be able to set up the proposed SFB within the timelines prescribed by the RBI, or at all, which may have an adverse effect on our prospects, reputation, results of operations and financial condition.***

   We are one of the recipients of the in-principle approvals granted by the RBI in terms of the SFB Guidelines to set up new SFBs under Section 22 of the Banking Regulation Act. However, as of the date of this Draft Red Herring Prospectus, no SFB has been set up or has commenced business in India. In terms of the SFB In-Principle Approval, which is valid for a period of 18 months from the date of its grant and would lapse automatically thereafter, the RBI has, *inter alia*, prescribed the following conditions upon us:

   - The shares of the SFB shall mandatorily be listed within a period of three years from the date of commencement of business of the SFB.
   - The promoting entity of the SFB shall be registered as an investment company or a core investment company before the commencement of business of the SFB, and shall be "owned and controlled by residents" as per FEMA at the time of making an application for final banking license and thereafter.
   - Any change of shareholding by way of fresh issue or transfer of shares, from the date of SFB In-Principle Approval to the extent of 5% or more in the promoting entity of the SFB shall be with prior approval of the RBI.
   - The promoter's minimum initial contribution to the paid-up equity capital of the SFB shall be at least 40% which shall be locked in for a period of five years from the date of commencement of business of the SFB.
   - The other financial and non-financial services or activities of the promoters shall be distinctly ring-fenced with the banking and financial services business of the SFB.
   - The minimum paid-up equity capital of the SFB shall be ₹1,000 million and the minimum net worth of the SFB at all times from the date of application for final license shall be ₹1,000 million.
   - The SFB should have at least 25% of its total branches in unbanked rural areas at all times from the date of commencement of business.
   - The RBI may withdraw the SFB In-Principle Approval, or may impose additional conditions that it may deem appropriate.
   - The SFB shall be controlled by residents (as per FEMA) at all times from the date of commencement of the SFB business.

   In order to satisfy the criteria for corporate structure, ownership and control prescribed under the SFB Guidelines, we intend to float a wholly owned subsidiary and transfer our business to the subsidiary, which will in turn be the proposed SFB. Therefore, as of the date of commencement of business by the proposed SFB, we will be the promoting entity of the proposed SFB, holding 100% of the paid-up share capital of the proposed SFB.

We are currently devising strategies in order to meet the requirements under the SFB Guidelines and the conditions listed above. For further details in relation to the proposed SFB business and transition plan, see "*Proposed SFB Business*" on page 114. There can be no assurance that we will be able to implement these strategies successfully, or at all, within the timeline prescribed by the RBI, on account of various factors which are beyond our control, *inter alia* including:

- Our inability to reduce the foreign shareholding in our Company to 49% or less on or prior to April 6, 2017.
- Our inability to meet the minimum promoter contribution, lock-in or reduction of promoter shareholding requirements prescribed under the SFB Guidelines.
- Our inability to get the proposed SFB listed within a three year period from the commencement of business due to operative or other reasons.
- A delay in obtaining any requisite lender or corporate approvals, court sanction, approvals from the relevant registrar of companies, or approval from the Stock Exchanges, RBI or SEBI in relation to any step involved in setting up the proposed SFB.
- A delay or difficulty in obtaining requisite approvals for the commencement of business of the proposed SFB from our lenders, the board of directors, shareholders or the relevant authorities.
- Our inability to effect a reduction of promoter shareholding in the proposed SFB in a phased manner, as required under the SFB Guidelines.
- Our lack of experience in operating a banking business, including in relation to compliance with KYC procedures and policies, asset quality and meeting branch expansion targets.
- Our inability to raise planned deposits from our customers and extent of replacing secured borrowings with the same.
- Our inability to manage key operational issues such as selecting and retaining skilled personnel, developing profitable products and services (including with respect to operations in which we have no prior experience) to cater to the needs of our existing and potential customers, our success in cross-selling such products and services, maintaining and, in a timely manner, upgrading our technology platform, and successfully converting our existing branches into branches of the proposed SFB.

We may, for any of the reasons set forth in this section or otherwise, not receive the final license from the RBI for setting up the proposed SFB. Further, we may be unable to establish and commence the operations of the proposed SFB within the period available to us pursuant to the SFB In-Principle Approval or at all, which may, adversely affect our prospects, reputation, results of operations and financial condition.

2. ***The regulatory framework which will govern the business operations of the proposed SFB is uncertain.***

On November 27, 2014, the RBI issued the SFB Guidelines in order to provide for the framework for licensing of SFBs in the private sector, to focus on the unbanked and underbanked population segments. While the SFB Guidelines lay down the requirements for setting up SFBs, the regulatory framework which will govern the business and operations of SFBs is untested. As of the date of filing this Draft Red Herring Prospectus, no SFBs have been set up or are operational pursuant to the SFB Guidelines, and we cannot fully determine the impact and applicability of the SFB Guidelines and other banking regulations to the proposed SFB once it is operational. Further, the applicability, interpretation or implementation of the SFB Guidelines is unclear, specifically due to the absence of administrative, operational or judicial precedent which could subject us to regulatory non-compliances and penal actions. Therefore, we cannot, at this stage, fully assess the implications of the SFB Guidelines and there can be no assurance that the proposed SFB will be able to provide credit and banking services to the unbanked or underbanked populations in a profitable manner or at all.

3. ***There can be no assurance we will be able to replicate our past business performance, growth and profitability during the SFB transition period.***

The SFB model is new to India, and banking operations may pose new business and financial challenges, including sourcing deposits from customers and public at large at competitive prices to support the loan portfolio build up, diversifying our loan portfolio from GL products to IL products aimed at setting up business enterprises, and purchase and repair of residential buildings, setting up of and operating a treasury and adopting a robust asset liability management system, migration to a new or upgraded technology platform, digitalising banking delivery and other operations to source and deliver cost effective financial services to customers, and designing and developing a comprehensive enterprise wide risk management framework. These challenges may entail substantial senior level management time and financial resources and would put significant demands on our management team and other resources during the transition period. While we intend to leverage our experience in the MFI industry to develop and implement processes and policies for the proposed SFB, there can be no assurance that such policies and processes will be effective. Hence, there can be no assurance that the business performance, growth and profitability which we have experienced historically as an NBFC-MFI, will be replicated during our transition into the proposed SFB business. Further, the proposed transfer of our assets, liabilities and operations to the proposed SFB may result in significant costs in terms of tax and stamp duty implications.

4. ***The proposed SFB, once operational, will be subject to operational risks which may impact its anticipated growth and profitability.***

Once the proposed SFB is operational, it may be subject to operational risks in the ordinary course of business such as (a) experiencing a deterioration in loan asset quality; (b) inability to access and manage deposits, including CASA deposits, from our existing customers and the open market customers; (c) inability to expand into, or maintain operations in, unbanked rural centres; (d) inability to access funding support from banks and other institutional lenders; (e) inability to diversify product offerings to suit demands of the banking customer base; (f) experiencing faults or technical issues in the technology infrastructure; (g) frauds by staff or customers; (h) inability to provide adequate training to the staff in relation to the nuances of banking operations; and (i) inability to source and retain skilled personnel. Any of, or a combination of these risks may adversely impact the profitability and business operations of the proposed SFB once it is operational. Therefore, there can be no assurance that the proposed SFB will be able to provide credit and banking services to the unbanked or underbanked population segments in a profitable manner, or at all, or that the products and services offered by the proposed SFB will achieve market acceptability.

5. ***The sources of funds available to the proposed SFB will be limited, which may impact our results of operations and financial condition.***

In terms of the RBI master circular on 'Priority Sector Lending – Targets and Classification' dated July 1, 2015, domestic commercial banks operating in India are required to maintain a minimum of 40% of their adjusted net bank credit ("**ANBC**"), or a credit equivalent amount of off-balance sheet exposure, whichever is higher, as lending to specific sectors (known as priority sectors) ("**PSL**") such as agriculture, MSMEs, export credit, education, housing, social infrastructure and renewable energy. As an MFI, these PSL funds provided by banks and financial institutions currently form our primary source of funds. However, consequent upon the establishment of the proposed SFB, this funding support from commercial banks may not be available as the loans extended to the proposed SFB will qualify as 'inter bank lending' and therefore not be eligible for classification as 'priority sector' advances.

Pursuant to RBI clarifications dated January 1, 2015 on the SFB Guidelines, the loans against borrowings from other banks will cease to have PSL status for lending banks upon the commencement of business by the proposed SFB. While MFIN, a self regulatory organization for MFIs in India, has made a representation before the RBI in this regard, there can be no assurance that the view taken by RBI would be favourable, or would not adversely impact, MFIs in general and our Company in particular.

Further, SFBs are precluded from creating floating charges on their assets, and any existing floating charge created on the assets of an SFB will have to be grandfathered till their maturity, subject to the creation of additional charge, in accordance with guidelines which would be issued by the RBI. The proposed SFB may get adversely affected and the proposed SFB may be forced to avail unsecured loans, at higher interest rates as compared to secured loans. The proposed SFB may also be unable to attract sufficient deposits from customers, due to various factors beyond its control, such as the market acceptance of the 'Ujjivan SFB' brand and its associated reputation. Also, the restriction on foreign shareholding in the proposed SFB may impact its ability to raise funds from foreign investors. Therefore, the results of operations and profitability of the proposed SFB may be adverseley affected, particularly during the initial phase of the proposed SFB's banking business. In the alternate, in the event that SFBs are identified by RBI to be eligible for PSL advances, the proposed SFB will face competition from Indian and foreign commercial banks in the private sector, as well as public sector banks in India due to statutory requirements in relation to PSL. The proposed SFB will also face competition from NBFCs, other financial services companies, small finance banks and payment banks in India.

6. ***As a banking company, the proposed SFB will be subject to stringent regulatory requirements and prudential norms which could adversely affect our business, financial conditions and results of operations.***

The SFB Guidelines impose certain stringent prudential norms on SFBs with specific focus on the risk management framework. These include, inter alia:

- Requirement to extend 75% of the ANBC of the SFB to sectors eligible for PSL.
- The maximum loan size and investment limit exposure to a single and group obligor to be restricted to 10% and 15% of the capital funds of the SFB, respectively.
- At least 50% of the loan portfolio of the SFB to constitute loans and advances of up to ₹2.5 million.
- No exposure in terms of loans and advances to the directors, companies in which its directors are interested, promoters, major shareholders (holding 10% or more of the paid-up equity share capital of the SFB), relatives of promoters and entities in which the promoters, major shareholders or relatives of promoters or have significant influence or control.
- Maintenance of a minimum capital adequacy ratio ("**CAR**") of 15% of the risk weighted assets ("**RWAs**") on a continuous basis subject to any higher percentage as may be prescribed by the RBI from time to time, with Tier

I capital maintained at 7.5% of the RWAs and Tier II capital maintained at not more than 100% of the Tier I capital.

In addition to the explicit requirements listed above, the SFB Guidelines state that SFBs, as banking companies, will be required to comply with prudential norms specified by the RBI from time to time in respect of market discipline, asset classification, valuation and operations of investment portfolio, income recognition and provisioning of advances, exposures, fraud classification and reporting and periodic disclosures. Further, the Banking Regulation Act limits the flexibility of SFBs in many ways, including by way of specifying certain matters for which a banking company would require RBI approval, including in relation to changes in shareholding above a prescribed level, and conferring the RBI with the power to supersede any decision of the board of directors of a bank.

While our current operations are conducted in terms of the extant RBI regulations governing NBFC-MFIs, the requirements that will be applicable to the proposed SFB in terms of the SFB Guidelines and other banking laws and regulations are significantly more stringent, and may require the proposed SFB to incur significant costs to ensure compliance. For instance, the PSL requirements applicable to SFBs are significantly higher than the PSL limits applicable to scheduled commercial banks, and any shortfall in meeting the PSL targets would statutorily require the proposed SFB to place the shortfall amount in an account which would earn the proposed SFB a lower rate of interest compared to PSL advances. PSL advances required to be made by the proposed SFB could also limit the ability of the proposed SFB to take collateral for loans even at a higher ticket size. Further, the proposed SFB will be required to mobilize a significant portion of its funds to meet the SLR and CRR requirements, which could limit its growth if there is any difficulty in raising further funds in the future. If the proposd SFB fails to comply with the applicable directives and reporting requirements, the RBI may charge penal interest for the period of default, restrict its banking activities or otherwise enforce increased scrutiny and control over its banking operations. The additional costs incurred by the proposed SFB in order to ensure compliance with the SFB Guidelines and the RBI regulations applicable to commercial banks, including in relation to compliance reporting, or a delay or non-compliance thereof, may significantly affect our business, reputation, results of operations, financial condition and prospects.

7. ***On the commencement of operations of the proposed SFB, our operations will be transferred to the proposed SFB and we will become a holding company with no direct operations.***

In order to comply with the requirements prescribed under the SFB Guidelines and the SFB In-Principle Approval, specifically, the minimum net worth requirement, we propose to transfer our assets, liabilities and operations to the proposed SFB upon the commencement of operations by the proposed SFB. For further details in relation to our strategy for setting up the proposed SFB, see "*Proposed SFB Business*" on page 114. Subsequent to the proposed transfer of assets, liabilities and operations, our Company will turn into a holding company with no direct operations, and will be entirely dependent on dividends and other cash distributions (such as trademark licensing fee, advisory fees if any) made by the proposed SFB. However, pursuant to Section 17 of the Banking Regulation Act, all banking companies are required to create a reserve fund and transfer thereto a sum not less than 20% of their profits every year before declaring any dividend and pursuant to Section 15 of the Banking Regulation Act, banking companies cannot pay any dividend on their shares until all their capitalized expenses (including preliminary expenses, organization expenses, share-selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. As a banking company, therefore, the ability of the proposed SFB to declare and pay dividends will be restricted, which may have an adverse impact on our profits and financial condition.

Pursuant to the proposed corporate structuring for setting up the proposed SFB, our Company will be the promoting entity of the proposed SFB. In terms of the SFB Guidelines, promoters of SFBs are required to reduce their shareholding in the proposed SFB in a phased manner, and can eventually hold up to a maximum of 26% in the paid-up equity share capital of the SFB. A reduction in our shareholding in the proposed SFB in terms of the SFB Guidelines may adversely impact the amount of dividends receivable by us from the proposed SFB. Further, in terms of the Banking Regulation Act, the voting rights of shareholders in a banking company are capped to a maximum of 10%, as a result of which we may have limited control in the voting matters of the proposed SFB. Also, as a result of the proposed transfer of operations, active trading in our Equity Shares may be adversely affected. Therefore, there can be no assurance that we will be able to sustain our growth or financial performance post commencement of operations by the proposed SFB, or that we will realize adequate returns on our investments.

8. ***As a banking company, the proposed SFB will be required to maintain cash reserve ratio and statutory liquidity ratio in line with commercial banks, which may have an adverse impact on its business operations.***

The SFB Guidelines mandate that SFBs will be subject to all prudential norms and regulations of the RBI as applicable to existing commercial banks including the requirement of maintenance of CRR and SLR. In terms of the RBI master circular on 'Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)' dated July 1, 2015, all scheduled commercial banks (other than regional rural banks) are required to comply with the statutory reserve requirements prescribed by the RBI for securing monetary stability in the country. Presently, scheduled commercial banks are required to maintain a CRR of 4.00 percent of their total demand and time liabilities ("**DTL**"), and SLR at the rate of 21.5% of their DTL. The proposed SFB, while carrying out its banking operations, especially in the initial stages of its establishment, may be unable to maintain the CRR and SLR as prescribed by the RBI from time to time on account of the limited availability of funds and the time required to establish a strong borrower base. In terms of the extant RBI guidelines, any default in the maintenance of CRR and SLR may impose liability on the proposed SFB for the payment of penal interest. Further, maintaining the CRR and SLR may impose liquidity constraints on the proposed SFB by reducing the amount of cash available for lending.

9. ***The proposed SFB may not be able to effectively manage its assets and liabilities.***

As an entity forming part of the financial services industry, assets and liability mismatch ("**ALM**"), which represents a situation when the financial terms of an institution's assets and liabilities do not match, is a key financial parameter for us. There can be no assurance that the proposed SFB will be able to maintain a positive ALM. The SFB regime may require the proposed SFB to rely on funding options with a short term maturity period for extending long term loans, which may lead to negative ALM. Any negative mismatch in the assets and liabilities of the proposed SFB may lead to liquidity risk, and may have an adverse impact on our profits and financial condition.

Other Risks Relating to Business and Operations

10. ***Our results of operations and income are dependent on our ability to manage interest rate risk, and an inability to manage our interest rate risk may have a material adverse effect on our business prospects and financial performance.***

Our products include a range of loans extended at fixed rates, and our funding arrangements include both fixed and floating rate borrowings. As of the Financial Years 2013, 2014 and 2015 and the six month period ended September 30, 2015, our interest expense on borrowings was ₹816.48 million, ₹1,393.33 million, ₹2,698.91 million and ₹1,950.34 million, respectively. For the same period, our net interest margin was 13.76%, 13.57%, 11.62% and 12.04% (annualized), respectively. In the event that the interest rate increases but the yield on our interest-earning assets does not increase simultaneously and in the same proportion, or if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Increasing interest rates may also result in additional risks, including, *inter alia*:

- higher rates of default resulting from extension of loan maturities and higher monthly instalments due from borrowers;
- the inability of customers to service high interest rate payments, thereby leading to a reduction in the volume of loan disbursements;
- limited access to low cost funds or deposits as compared to some of our competitors; and
- in case of prepayment of loans by our customers, the inability to collect anticipated interest amount.

Further, external forces beyond our control, such as monetary policies of the RBI, deregulation of the financial services sector in India, domestic and international politico-economic conditions, economic dislocations and liquidity disruptions may adversely affect interest rates and, in turn, the availability of credit. Our inability to effectively manage our interest rate may have an adverse effect on our net interest margin, thereby adversely affecting our business and future financial performance.

11. ***We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio.***

We have a diversified customer base comprising of self employed customers, salaried customers and piece-rate workers who do not have access to formal financing channels. While we try to ensure strict adherence to our internally developed credit policy framework, our customers may, at times, not be able to provide us with requisite or complete information required in connection with our loan products, which may impact our customer sourcing and KYC procedures. Further, our customers may face cash flow constraints due to losses incurred by them in their enterprise or in the economic activities pursued by them, which could lead to a diversion of the loan proceeds for purposes, including consumption expenses, other than those for which the loan was sanctioned. Any such cash flow constraints or diversion of loan proceeds may impact the ability of our customers to repay their loans, and in turn, our ability to recover the loans. Currently, almost our entire loan portfolio consists of unsecured Individual Lending and Group Lending products. Our Group Lending products are built on the peer-guarantee loan model, wherein borrowers form a joint liability group and provide guarantees for loans obtained by each member of such group without such members having to provide collateral or security on an individual basis. Though members of a joint liability group are inter-dependent, there can be no assurance that such joint liability arrangements will ensure full or partial repayment by the other members of the joint liability group in the event of default by any one of them. Further, individual loans, which are not based on the joint liability group model, impose a higher risk on us in terms of our ability to recover the loan amount. As a result, lending to our micro finance customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. Our increasing focus on individual loans, and our strategy of gradually converting our Group Lending customers to Individual Lending customers in order to achieve a more balanced product mix, may accentuate this risk going forward.

In the past five Financial Years, the total value of our net NPA has decreased from ₹16.19 million as on March 31, 2011 to ₹5.99 million as on March 31, 2015, which represented 0.26% and 0.02% of our Net AUM as on March 31, 2011 and March 31, 2015, respectively. As of September 30, 2015, the total value of our NNPAs was ₹15.60 million, which represented 0.04% of our AUM as of September 30, 2015. For the Financial Years 2013, 2014 and 2015, our GNPAs were ₹9.49 million, ₹11.84 million and ₹23.46 million, respectively. Our GNPAs represented 0.07% of our total advances as on March 31, 2015. As on September 30, 2015, the total value of our GNPAs was ₹51.27 million, which represented 0.13% of our AUM as on September 30, 2015. Our NNPAs and GNPAs as on September 30, 2015 had an increasing trend. While we have already made provisions with respect to 74.47% of our GNPAs as of March 31, 2015, we may need to make further provisions if recoveries with respect to such NPAs do not materialize in time or at all, or if NPA classification or provision requirements change. Any adverse changes in asset classification and provisioning norms may negatively impact our business. Further, any significant increase in write-offs and/or provisions would materially and adversely impact our financial performance.

There can be no assurance that we will be able to maintain our current levels of NPAs. With a change in the mix of GL and IL products in the future, our current levels of NPAs may increase which could reduce the net interest-earning asset base and increase provisioning requirements, thereby adversely affecting our financial condition and results of operations. In addition, it is difficult to accurately predict credit losses, and there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting such losses or that our loan loss reserves will be sufficient to cover any such actual losses. As a result of the uncertain financial and social circumstances of our microfinance customers and the higher risks associated with lending to such customers, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that could have a material and adverse effect on our business prospects and financial performance.

12. ***Our Group Company, Ujjivan Social Services Foundation, has incurred losses in the last two financial years.***

One of our Group Companies, Ujjivan Social Services Foundation has incurred losses in the past.

(₹ *in million*)

Particulars	Financial Year	
	2015	2014
Profit/(Loss) after Tax	(0.00)*	(0.07)

**Less than 0.01 million*

For further details in relation to our loss making Group Companies, see "*Our Group Companies*" on page 150.

13. ***Due to the nature of our business, we have a continuous requirement of funds and any disruption in the access to funds would adversely impact our results of operations and financial condition.***

We have raised a majority of our funding requirements historically through a combination of term loans from banks and financial institutions, issuance of non-convertible debentures and commercial papers, equity contribution and through securitization/ assignment of certain of our loan portfolios. Considering the growth of our business, we will have a continuous requirement of funds for expanding our outreach, enhance our loan portfolio and to enable forward lending. Our ability to raise such funds on competitive terms in the future will depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

While our borrowing costs have been competitive in the past due to our ability to structure debt products, our credit ratings and the quality of our asset portfolio, we may not be able to access such funds at competitive rates in the future. This may adversely affect our business operations, cash flows and our financial results.

Further, the availability of funds and the forward lending market is subject to various macro factors and subject to volatility in the socio-economic conditions. Any changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Due to the nature of our activity, we are subject to certain restrictions which may affect our ability to raise funds from the international markets at attractive rates. If we are unable to obtain adequate financing or financing on terms satisfactory to us, as and when we require it, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

14. ***We operate in a highly competitive industry and we may be unable to compete successfully against existing or new competitors, particularly in the unorganized segment.***

The MFI industry in India comprises of a large number of organized and unorganized players. As a result, we face competition from other NBFC–MFIs, non-MFI NBFCs, banks and financial institutions. The restrictions imposed by the RBI on the number of microfinance institutions which can extend loans to the same borrower, coupled with the concentration of a large number of MFIs in certain states such as Karnataka, Madhya Pradesh and Tamil Nadu, results in an extremely competitive environment in the semi-urban and rural regions where our target customer segment is concentrated. In addition to organized, regulated lenders, our customers are also prone to borrowing from unregulated local money lenders and non-institutional lenders which may lend at higher rates of interest. As a result of this competition, products in the MFI industry have gradually standardized, and the interest rate, payment terms and processing fee vary from lender to lender. Our ability to compete effectively with the other players in the MFI industry is dependent on our ability to raise low-cost funding, maintain or decrease operating expenses and managing credit costs, and address adverse finance industry trends.

With the establishment of the proposed SFB, we will also be subject to increased competition from new and existing commercial banks, NBFCs, forthcoming payment banks, other SFBs and financial intermediaries in terms of the additional products and services that we propose to offer and the target customer segment that we propose to cater to. In this context, multiple licenses granted to payment banks, SFBs and other universal banks may enhance the threat of competition. In terms of the SFB Guidelines, SFBs are required to maintain a minimum of 25% of their branches at all times in unbanked rural centres. As such, multiple SFBs may be targeting the same unbanked rural centres, which could further increase the level of competition faced by us. Our inability to effectively address the existing or future competition that we face or may face, may adversely affect our market share, goodwill, business prospects, results of operations and financial condition.

15. ***We are subject to certain conditions and restrictions in terms of our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.***

As of September 30, 2015, our long term borrowings aggregated to ₹13,474.86 million and our short term borrowings aggregated to ₹20,176.75 million. Incurring indebtedness is a direct consequence of the nature of our business, and having large outstanding borrowings portfolio may have significant implications on our business and results of operations, including, *inter alia*:

- low availability of cash flow for working capital, capital expenditures and other general corporate requirements;
- affecting our ability to obtain additional financing in the future at reasonable terms;
- triggering provisions of cross-default across multiple financing arrangements;
- adverse and onerous implications in the event of inability to comply with financial and other covenants specified in the financing agreements; and
- reduction in the ability to respond to changing business, regulatory and economic conditions.

Some of the financing arrangements entered into by us also include conditions that require us to obtain the respective lender's consent prior to carrying out certain activities. These covenants vary depending on the requirements of the financial institution extending the loan, and may be, *inter alia*, in relation to: (i) any change in capital structure; (ii) creation of further charge on fixed assets; (iii) implementation of any scheme of expansion; (iv) investment by way of share capital in or lending or advances to or placing deposits with any other concern; (v) formulation of any scheme of amalgamation with any other borrower or reconstruction; (vi) alteration in the management or the charter documents; and (vii) change in control or ownership of our Company and maintenance of qualifying assets as classified by the RBI in proportion to our total income. Further, under certain financing arrangements, we are required to maintain specific credit ratings and other financial ratios, which may restrict or delay certain actions or initiatives that we may propose to take in the ordinary course of business.

Our lenders also have the ability to recall or accelerate all or part of the amounts owed by us, subject to the terms of the financing arrangement. Such recalls may be contingent on happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls. A recall notice may also lead to an event of default under an existing financing arrangement. There can be no assurance that we will be able to repay our loans in full, or at all, at the receipt of a recall or acceleration notice, or otherwise. Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse impact on our business operations, future financial performance and credit rating. Further, if we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected, which will have a significant adverse effect on our results of operations, financial condition and our business.

16. ***We require certain statutory and regulatory approvals and licenses for conducting our business and any failure to obtain or renew them in a timely manner may adversely affect our operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. We require a number of regulatory approvals, licenses, registrations and permissions for operating our business, including those at a corporate level as well as at the level of each of our branches. For more information, see "*Government and Other Approvals*" on page 192. In particular, we are required to comply with various conditions stipulated in our registration certificate as NBFC-MFI in order to carry on the business as an NBFC-MFI. Pursuant to the NBFC-MFI directions dated December 2, 2011, we are required to adhere to the Guidelines on Fair Practices for NBFCs dated September 28, 2006, as amended, including compliance with several prescribed requirements in relation to *inter alia* KYC requirements, recovery methods and internal control systems. Further, as a systemically important non-deposit accepting or holding NBFC, we are subject to prudential norms prescribed in terms of the RBI Master circular on 'Systemically Important Non-Banking Financial (Non-deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2015'. In addition, certain of our insurance related activities are regulated by the IRDA and we require its approval for offering and distributing certain insurance products to our customers.

We are subject to periodic reporting requirements, as well as inspections by the RBI. In the past, the RBI has made certain observations in relation to our Company, with respect to, *inter alia,* (i) differences between the reported and assessed NOF and CRAR; (ii) non incorporation of revised threshold level income for micro lending to rural borrowers; (iii) non-compliance with regulatory requirement of membership with four Credit Information Companies; and (iv) non refund of amount collected as security deposit and additional security deposit as directed by RBI. We have submitted our reply to the RBI, and there cannot be any assurance that similar concerns will not be raised by the RBI or other regulatory authorities, or that we will be able to suitably address such concerns in the future. Further, in the Financial Year 2009, we had filed a compounding application with RBI in order to regularise certain delayed filings of FC-GPR forms. The RBI pursuant to its order dated December 30, 2009, had compounded the contravention upon payment of an amount of ₹0.05 million. While we have not been required to file any subsequent compounding applications with the RBI, there can be no assurance that we may not be required to file a compounding application in relation to any future non-compliance.

If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, we may not be able to expand our business on time, or at all, which could affect our business and results of operations, and may also be subject to penalties in the event that we conduct our business operations without holding the relevant approval, license, registration or permit. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which may be onerous and may require us to incur substantial expenditure. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial and other conditions, profitability and results of operations. There can be no assurance that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our operations.

17. ***Our inability to generate sufficient amount of cash from operations may adversely affect our liquidity, our ability to service our indebtedness and fund our operations.***

We have substantial debt service obligations and contractual commitments. As a result, our cash flows, available cash and borrowings may not be adequate to meet our future liquidity needs. There can be no assurance that our business will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. A potential asset liability mismatch may create a liquidity surplus or liquidity crunch situation, and depending upon the interest rate movement, such situations may adversely affect our net interest income. Being an NBFC, we fund a portion of our funding requirements through short-term funding sources such as working capital demand loans, cash credit and commercial papers. Our inability to obtain and/or maintain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers. Such factors may have an adverse effect on our results of operations and financial condition.

18. ***We have experienced negative cash flows in prior years.***

We have experienced negative cash flows from operations in the past, including ₹3,949.90 million, ₹4,069.15 million, ₹14,609.91 million and ₹7,700.60 million respectively for the Financial Years 2013, 2014 and 2015, and the six month period ended September 30, 2015 respectively, primarily due to the fact that we have been funding a significant portion of our financing activities through external borrowings. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages

163 and 162 respectively. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

19. ***The regulatory regime applicable to us may become more stringent and onerous in the future, and the changes introduced may adversely affect our business prospects and financial performance.***

We are primarily regulated by the RBI, and are also subject to corporate, taxation, labour and other laws applicable to companies operating in India. For further details of various laws and regulations which are applicable to our business in India, see "*Regulations and Policies*" on page 121. During Financial Year 2011, an RBI sub-committee was formed under the chairmanship of Y.H. Malegam to review the condition of the MFI industry in India. The Malegam Committee report, highlighted several concerns relating to the MFI industry, including unjustified high rates of interest charged by microfinance organizations, lack of transparency in fixing of interest rates and other charges, multiple lending, upfront collection of security deposits, over-borrowing, ghost borrowers and coercive methods of recovery. The Malegam Committee report made various suggestions, which resulted in the introduction of the NBFC – MFI Directions, 2011 by the RBI. Further, if the interpretation of the regulators and authorities varies from our interpretation of the applicable regulations, we may be subject to penalties and our business and operations could be adversely affected. There can be no assurance that any future change in the regulations applicable to us or the enforcement of existing and future rules by regulatory authorities will not adversely affect our business and future financial performance. Also, there can be no assurance that we will continue to be in compliance with these requirements in a timely manner or at all. Any onerous changes in the regulatory regime applicable to the microfinance sector or companies in general in India, or an adverse interpretation of law by the regulatory authorities, may have a material adverse impact on our business prospects and financial performance.

20. ***Security breaches or inadequacies in our information technology systems and processes, or our inability to renew agreements entered into with third party IT service providers, could adversely impact our business.***

We are heavily dependent on our technology infrastructure for day-to-day operations as well as for the scalability and growth of our business. For further details in relation to our information technology resources, see "*Our Business – Information Technology*" on page 111. Our front end, data processing, and back-end operations are automated, and we utilize cloud based servers to store the large amount of data that is a corollary of our day-to-day business. As a result, any disruption, breach or failure in our technology infrastructure may have significant consequences on our business operations, including, *inter alia*:

- disabling or malfunctioning of financial, accounting or data processing systems;
- inability to service our customers on a timely basis or at all;
- non-availability of regional or zonal information to our management in order to enable them to plan for or respond to contingencies and changes in market conditions in a timely manner or at all; and
- loss of confidential or material data in relation to our financial products.

We are dependent on third parties for our IT setup and may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base, range of products, regulatory compliance and customer expectation on service levels. Further, our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Our inability to ensure regular upgradation of our infrastructure, and our technology infrastructure's inability to handle disruptions or failures, and the consequent measures that we may have to undertake to restore data and functionality, may have a material adverse impact on our business prospects, financial condition and results of operations.

21. ***Our business is dependant on our operations in certain regions of India, and any adverse changes in the conditions affecting these markets can adversely impact our business, financial condition and results of operations.***

While our operations are spread out in all four zones of the country, a large number of our branches are located in the southern and eastern states of India, particularly, Karnataka, Tamil Nadu and West Bengal. For further details in relation to our geographical outreach, see "*Our Business – Our Operations – Geographical Presence*" on page 105. In the event of a regional slowdown in the economic activity in Karnataka, Tamil Nadu or West Bengal, or any other developments including political unrest, disruption or sustained economic downturn in these regions that make our products in these states less beneficial, we may experience an adverse impact on our financial condition and results of operations, which are largely dependant on the performance, geo-political and other prevailing conditions affecting the economies of these states. The market for our products in these states may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our products will grow, or will not decrease, in the future, in these regions. Further, in the recent past, there have been instances of fraud committed by NBFCs in the eastern states of India, specifically, West Bengal and Orissa. As a result of such frauds or scams, the respective state government of these states may impose additionally stringent or onerous scrutiny and regulatory requirements, and there can be no assurance that any such actions taken by the state governments in any part of the country will not impact our financial condition and results of operations.

22. ***Our ability to operate our business profitably, maintain our competitive position and implement our business strategy is dependent to a significant extent on our senior management team and other key management personnel.***

We are a professionally managed company, and our business operations and ability to sustain our growth rates is heavily dependant on the continued efforts of our senior management and other key management personnel, as well as the performance and productivity of our local managers and field personnel. If one or more members of our senior management team are unable or unwilling to continue in their present positions and roles, such persons may be difficult to replace, and our business and results of operations could be adversely affected. Further, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing company, we may consequently lose our proprietary know-how for the benefit of our competitors.

Our success depends to a significant extent upon the quality of the decisions of the business heads, the senior management and the members of the Board, whose performance is largely supported by their experience in the financial services industry. Competition for experienced personnel in the sector that we operate in is intense, and the pool of qualified candidates is limited, and we may not be able to retain our senior executives or key personnel or attract and retain skilled senior executives or key personnel in the future.

23. ***Any deterioration in the value of the assets, which are provided as collateral by the customers, may expose us to the risk of under-realisation of value at the time of liquidation of such assets.***

As of September 30, 2015, a negligible portion of our net advances was secured by collateral. However, the growth of the IL business and housing loan business, will entail an increase in collateral as security for loans provided under housing loan and MSE financing businesses. The value of the collateral assets provided as security against the loans, including, in particular, any property and current assets, may significantly fluctuate or decline due to factors beyond our control, including those affecting the Indian and global economy in general.

In the event of a default in repayment of loans by any of the borrowers, we may not be able to realise full amount of the collateral due to various reasons, including a possible decline in the realizable value of the collateral, defective title, prolonged legal proceedings and fraudulent actions by borrowers. In cases wherein the amount realised from the collateral, upon liquidation, is less than the total amount outstanding from a defaulting borrower, then it would result in a potential loss to us. Further, initiating any proceedings to enforce our legal rights against the defaulting borrowers is a time consuming process and would involve substantial expenses.

Our inability to realize the full value of assets securing our loans on a timely basis or at all, could materially and adversely affect our asset quality, business, cash flows, results of operations and financial condition.

24. ***Our operations involve handling significant amounts of cash, making us susceptible to loss or misappropriation or fraud by our employees.***

Our business operations, including lending and collection, involve handling significant amounts of cash, thereby exposing us to the risks of loss, fraud, misappropriation or unauthorized transactions by our employees responsible for dealing with such cash collections. Though we have introduced and implemented cashless disbursements, collections for our GL products are made in cash. While we strive to monitor, detect and prevent any such unauthorized transactions, frauds or misappropriations by our employees, through various internal control measures and insurance coverage including in relation to fidelity insurance, money policy for cash in safe and transit, we may not be able to adequately prevent or deter such activities in all cases. For instance, we have engaged third party service providers for cash management services including cash pick-up, delivery and disposal. However, these services are currently available only for a small portion of our branches, and a majority of our branch network is serviced by employees with no formal training in cash management services. Further, while we have been able to identify fraud relating to misappropriation of funds in the past (see "*Financial Statements – Annexure 4 - Summary Statement of Adjustments to Audited Financial Information – Non-Adjustment Items*" on *page F-9*), there could be other instances of fraud and misconduct by our employees which may go unnoticed for some time before they are identified and corrective actions are taken. We emphasize on hiring our field staff locally, and a regulatory proceeding initiated by us or against us in connection with any such unauthorized transaction, fraud or misappropriation by our employees may adversely affect our local goodwill and business prospects.

25. ***We are dependent on certain third parties for our operations. Any deficiency or interruption in their services could adversely impact our business and results of operations.***

We have engaged third party service providers for providing cash pick-up, delivery and disposal services for cash management at our branches. We also rely on professional call centres for the management of customer feedback for the improvement of our products and services. Our ability to control the manner in which services are provided by third party service providers is limited, and any deficiency of services on the part of such service providers may adversely impact our business and results of operations. There can be no assurance that we will be successful in continuing to receive uninterrupted and quality services from our third party service providers. Any disruption or inefficiency in the services provided by our third party service providers due to their internal factors, or reasons beyond their control, could affect our business and results of operations.

26. ***Our branches and our employees operating in remote areas are exposed to antisocial elements which may adversely affect our business, operations and ability to recruit and retain employees.***

Our branches and our employees involved in cash collection and transportation are also susceptible to antisocial and criminal elements on account of our operations being spread to remote areas. In the event of any such adverse incident our ability to continue our operations in such areas will be adversely affected, thereby affecting our expansion plans. In addition, if we determine that certain areas pose a significantly higher risk of crime or political strife and instability, our ability to operate in such areas may be adversely affected. This risk could get amplified further by the fact that we have never conducted operations in unbanked rural centres, which could face higher instances of theft, frauds and misappropriation.

27. ***We are subject to the risk associated with all our premises being leased.***

As of September 30, 2015, our Registered Office and all our branches operate from leasehold premises, and some of our lease agreements have expired and are expected to be renewed. Termination of or failure to renew lease agreements with a fixed term of lease for these premises on terms and conditions favourable to us or at all, may require us to shift the concerned branch offices to new premises, and we may incur substantial rent escalation and relocation costs as a result. This might adversely affect our business operations and make us incur additional expenses. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of the terms of the lease agreements.

Further, certain lease agreements are not duly registered or adequately stamped. Failure to adequately stamp and register a document does not affect the validity of the underlying transaction but renders the document in admissible in evidence (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

28. ***Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and loan markets and, as a result, may adversely affect our net interest margin and our results of operations.***

The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. For instance, during Financial Year 2011, credit ratings were reduced across the MFI industry as a result of a crisis in the MFI industry, following which our credit rating was downgraded as well. Any such development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

29. ***We may not be able to maintain payment of dividends as done historically.***

For the Financial Years 2013, 2014 and 2015, we have declared and paid dividends to our Shareholders at the rate of 2.5%, 5% and 5% of our paid-up Equity Share capital, respectively. However, there can be no assurance that we will pay dividends in the future and, if we do, as to the level of such future dividends. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. The declaration, payment and amount of any future dividends is subject to the discretion of the Board, and will depend upon various factors, *inter alia*, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future.

30. ***We have entered into certain transactions with related parties in the past.***

We have entered into certain related party transactions with our Group Companies in the past, and may continue to do so in the future. For further information, see "*Related Party Transactions*" on page 153. We believe that all such transactions are in compliance with applicable laws and it is likely that we will enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflict of interests and may have an adverse effect on our results of operations and financial condition.

31. ***We have certain contingent liabilities that may adversely affect our financial condition.***

As of September 30, 2015, we had the following contingent liabilities which have not been provided for:

Contingent Liability	**(in ₹million)**
Disputed taxes – Service tax	4.23*

**Pursuant to an order dated November 30, 2015, the Principal Commissioner of Service Tax, Service Tax – II Commissionerate, Bengaluru has confirmed the service tax amount of ₹4.23 million along with appropriate interest and imposed a penalty of ₹4.23 million.*

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future. If the aforementioned contingent liabilities materialize, our profitability and cash flows may be adversely affected. For further details of contingent liabilities as per Accounting Standard 29, see "*Financial Statements*" on page 162.

32. ***Our results of operations could be adversely affected as a result of any disputes with our employees.***

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance.

We employ over 7,000 full-time employees as of September 30, 2015, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections, and significant attrition at any of our branches could adversely impact our operations.

33. ***Variation in the utilization of Net Proceeds as disclosed in this DRHP would be subject to certain compliance requirements, including shareholders' approval.***

The Offer comprises of a Fresh Issue of Equity Shares of our Company and an Offer for Sale by the Selling Shareholders. We currently propose to utilize the Net Proceeds to augment our capital base to meet our future capital requirements which are expected to arise out of the growth in business, and for other general corporate purposes. For further details on utilization and other related details, see "*Objects of the Offer*" on page 77. However, our plans for the utilization of the Net Proceeds are subject to a number of variables, including, *inter alia*, any change in our business plans due to factors such as technical difficulties, human resource induction, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Also, any variation in the objects of the Offer shall be subject to the approval of the Shareholders, who may be required to be given an exit from the Offer if they do not agree to such variation in the objects.

The proceeds from the Offer for Sale will not be available for utilisation by our Company. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds which is based on management estimates and has not been independently appraised.

34. ***Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our financial performance.***

We may in the ordinary course of business, assign or securitize a portion of our receivables from our loan portfolio to banks and NBFCs. Such securitization/ assignment transactions are undertaken by us on the basis of our internal estimates of funding requirements, and may vary from time to time. In the Financial Years 2012 and 2015, our securitized assets aggregated to ₹575.32 million and ₹836.40 million, respectively. Any change in RBI or other government regulations in relation to assignments/securitisations by NBFCs could have an adverse impact on our assignment/securitisation program.

In our financial statements, we make a general provision for all loans, including loans that have been securitized/ assigned. However, in the event the bank or NBFC does not realise the receivables due under loans that have been securitized/ assigned, the relevant bank or NBFC can enforce the underlying credit enhancements assured by us. Should a substantial portion of our securitized/ assigned loans be put back to us, it could have an adverse effect on our operating results.

35. ***We have applied for registration of one trademark, and there can be no assurance that we will be able to successfully register the trademark, or that it will not be infringed upon.***

Our name and trademarks are significant to our business and operations. We have applied for registration of one trademark and there can be no assurance that we will be able to obtain registration of the trademark applied for in our name, and such failure may materially and adversely affect our business prospects, reputation and goodwill. For further details, see "*Government and Other Approvals*" on page 192. Pending completion of the registration proceeding, any third-party may claim on our trademark which may lead to erosion of our brand value, and our operations could be adversely affected.

36. ***Certain of our Directors and certain Key Management Personnel are interested in our Company by virtue of the Equity Shares and/ or ESOPs held by them.***

Some of our Directors and certain Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or stock options held by them in our Company.

Our Directors and Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. For details of the shareholding of our Directors and Key Management Personnel, see "*Capital Structure – Notes to Capital Structure*" on page 57 and for details of stock options held by our Directors and Key Management Personnel, see "*Capital Structure – Notes to Capital Structure - Employee Stock Option Schemes*" on page 64.

37. ***We have availed unsecured loans which may be recalled by our lenders at any time.***

As of the date of this Draft Red Herring Prospectus, our Company has unsecured loans aggregating to ₹528.69 million from SIDBI, of which ₹500 million is long term and ₹28.69 million is short term, which may be recalled by them at any time. For further details in relation to our unsecured loans, see "*Financial Indebtedness*" on page 182. Any demand by the lender for accelerated repayment may adversely affect our financial condition.

38. ***We have had instances of non-compliances in relation to regulatory filings made with the RoC under applicable law.***

There have been instances of discrepancies/non-compliance in relation to certain filings made by our Company with the RoC under applicable law, which are as follows:

Sr. No.	Date of allotment	Discrepancies
1.	May 22, 2006	Total paid up capital in the Form 2 has been inadvertently mentioned as ₹70 million, instead of ₹54,982,000
2.	October 31, 2007	Two sets of allotments were made on this date at a premium of ₹25 and ₹50, respectively. However, Form 2 filed in relation to allotments mentions the premium amount as nil
3.	December 15, 2007	Two sets of allotments were made on this date at a premium of ₹25 and ₹50, respectively. However, Form 2 filed in relation to allotments mentions the premium amount as nil

As of the date of this Draft Red Herring Prospectus, we are in the process of filing for rectification of forms with the RoC for the abovementioned allotments. There can be no assurance that the RoC will not take an adverse view and impose penalties on us in this regard.

39. ***Third party industry and statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable.***

Neither we, nor any of the BRLMs have independently verified the data obtained from the official and industry publications and other sources referred in this Draft Red Herring Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. In particular, neither we, nor any of the BRLMs, nor any other person associated with the Offer has verified the information from certain reports and material prepared by CRISIL Limited ("**CRISIL Material**"). The CRISIL Material are subject to certain disclaimers set out in "*Certain Conventions, Presentation of Financial Industry and Market Data and Currency of Presentation – Disclaimer of CRISIL*" on page 12. Therefore, discussions of matters relating to India, its economy and our industry in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. Please see "*Industry Overview*" on page 84.

40. ***We have issued Equity Shares during the last twelve months at a price that may be lower than the Offer Price.***

During the last twelve months, we have issued Equity Shares at a price that may be lower than the Offer Price, as set out in the table below:

Sr. No.	Date of Allotment	Number of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Nature of consideration	Reason of Allotment	Allottees
1.	January 30, 2015	5,124,702	10	146.35	Cash	Preferential Allotment	Bajaj Holdings & Investment Limited
2.	February 5, 2015	1,366,587	10	146.35	Cash	Preferential Allotment	CX Partners Fund 1 Limited
3.	February 16, 2015	819,952	10	146.35	Cash	Preferential Allotment	Elevar Equity Mauritius
4.	February 18, 2015	2,307,669	10	146.35	Cash	Preferential Allotment	International Finance Corporation
5.	March 18, 2015	10,932,696	10	146.35	Cash	Preferential Allotment	CDC Group Plc

Our Company may undertake a Pre-IPO Placement at a price to be determined by our Company in consultation with the BRLMs. For details, see "*Capital Structure*" on page 57. Details of allotment of the Equity Shares and the price at which Equity Shares are allotted in the proposed Pre-IPO Placement will be disclosed in the Red Herring Prospectus to be filed with the RoC. The Offer Price or the price at which Equity Shares will be allotted pursuant to the Pre-IPO Placement is not indicative of the price that will prevail in the open market following listing of our Equity Shares.

41. ***One of our Group Companies, Ujjivan Social Services Foundation and the Ujjivan Welfare Trust have accepted foreign contributions from us without obtaining the requisite registration under the Foreign Contribution Regulation Act, 2010 ("FCRA").***

In accordance with the FCRA, acceptance of contribution from a 'foreign source' by certain persons is subject to restrictions, including the requirement to obtain prior registration under the FCRA by such persons. During Fiscal 2014, one of our Group Companies, Ujjivan Social Services Foundation ("USSF"), accepted certain contributions from our Company in the form of initial share subscription amounts at the time of its incorporation. At the time of subscribing to the equity shares of USSF, our Company was a "foreign source" in terms of the FCRA, given that more than 50% of our Equity Share capital was held by non-residents. However, at the time of accepting the subscription amounts, USSF did not hold a valid registration in terms of the FCRA, or obtain prior permission from the GoI for receiving the contribution. Further, Ujjivan Welfare Trust ("UWT"), a trust set up by our Company for the benefit of our employees and customers, has also accepted contributions from our Company which qualify as contributions from a 'foreign source' in terms of the FCRA. At the time of acceptance of contributions from our Company, UWT did not hold a registration under the FCRA for the acceptance of contribution from a foreign source, or a permission from the GoI for receiving the contribution. The acceptance of contributions by USSF and UWT in the manner stated above may be held to be in violation of the FCRA, which may result in the imposition of fines or penalties on such entities.

42. ***Insurance coverage obtained by us may not adequately protect us against unforeseen losses.***

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain a directors' and officers' liability policy, group health insurance policy, group personal accident insurance policy, burglary policy, fire policy, fidelity insurance policy, money policy and special perils policy. There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

43. ***Some of our Directors and Shareholders may be interested in companies or entities which are in the same line of business as us.***

Some of our Directors and Shareholders may be interested in other companies or entities, as directors or shareholders or otherwise, which are engaged in a similar line of business as compared to ours. For more details regarding other directorships of our Directors, see "*Our Management*" on page 133.

44. ***Our business is subject to seasonal volatility, which may contribute to fluctuations in our results of operations and financial condition.***

The MFI industry is seasonal in nature. The period during which our business may experience higher revenues varies from state to state, and depends principally on the financing requirements of our customers. For instance, depending upon the geography, every harvest season results in a decrease in the number of agriculture loans availed by our customers. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole Financial Year. The seasonality and cyclicity of the MFI industry, and the financial services industry, may cause fluctuations in our results of operations and financial condition.

45. ***There are outstanding legal proceedings against our Company and our Directors and adverse outcomes in such proceedings may negatively affect our business and results of operations***

As on the date of this Draft Red Herring Prospectus, we are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals and appellate authorities. A summary of outstanding litigation in relation to criminal matters, tax proceedings and other material litigation involving our Company and our Directors has been set out below. Any adverse rulings in these proceedings or consequent levy of penalties by statutory authorities on our Company may have a significant adverse effect on our cash flows, business, financial condition and results of operations.

Litigation against the Company

Nature of the cases/ claims	No. of cases outstanding	Amount involved (In ₹ million)
Civil	3	0.06
Indirect Tax	2	4.23*
Labour	2	0.75
Criminal	4	1.10

**Pursuant to an order dated November 30, 2015, the Principal Commissioner of Service Tax, Service Tax – II Commissionerate, Bengaluru has confirmed the service tax amount of ₹4.23 million along with appropriate interest and imposed a penalty of ₹4.23 million.*

Litigation by the Company

Nature of the cases/ claims	No. of cases outstanding	Amount involved (In ₹ million)
Civil	39	1.43
Criminal	124*	11.80

**91 matters are filed under the Negotiable Instruments Act, 1881.*

Litigation against our Directors

Nature of the cases/claims	No. of cases outstanding	Amount involved (In ₹ million)
Direct Tax	1	Not quantifiable
Criminal	5	7.66

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details of legal proceedings involving our Company and our Directors, see "*Outstanding Litigation and Material Developments*" on page 184. We cannot provide assurance that these legal proceedings will be decided in our favour. Even if we are successful in defending such cases, we will be subject to legal and other associated costs, which may be substantial, Further, there can be no assurance that similar proceedings would not be instituted against us in the future. Decisions in such proceedings adverse to our interests and costs associated with defending our claims or proceedings against us may have an adverse effect on our business, reputation and results of operations.

EXTERNAL RISK FACTORS

Risks Relating to the Equity Shares

46. ***The Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 80 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price or at the time they would want to sell their Equity Shares.

47. ***The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

48. ***Economic instability and volatility in securities markets in other countries may also impact the price of the Equity Shares.***

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 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. In the recent past, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. 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 our business, future financial performance and the prices of the Equity Shares.

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 US 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 is any significant financial disruption, the trading volume and price of the Equity Shares may be adversely affected.

49. ***Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to employees or former employees up on exercise of vested options held by them under the ESOP Schemes, may dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. No assurance may be given that our

Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

50. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of equity shares of an Indian company are taxable in India, unless specifically exempted. Any gain realised on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**"), has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Equity Shares.

51. ***Any deterioration in the general economic conditions in India and globally could adversely affect our business and results of operation.***

Our results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

We derive all our revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. As per the advance estimates released by the Central Statistics Office ("**CSO**"), the Indian economy is estimated to have registered a growth rate of 7.4% in Fiscal 2015 (in terms of GDP at factor cost at constant prices). The RBI, in its recent monetary policy reviews, has indicated that inflation continues to be a concern and further tightening measures may be required. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

52. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us.***

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our borrowing rates and future financial performance.

53. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The GoI has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

- Further, the General Anti Avoidance Rules ("**GAAR**") are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the GoI may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to offer our products and services at discounted rates. This may affect our business and results of operations.

54. ***Our failure to successfully adopt IND (AS) may have an adverse effect on the price of the Equity Shares.***

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("**IFRS**"). These "IFRS based/synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India may be required to prepare annual and interim financial statements under IND (AS) in accordance with the roadmap for the convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India ("**MCA**"), through the press note dated January 22, 2010. The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, the Finance Minister, during the Union Budget speech, 2014, proposed the adoption of IND (AS) by Indian companies from fiscal 2016 on a voluntary basis, and from fiscal 2017 on a mandatory basis. As per the MCA notification dated February 16, 2015, NBFC's shall not be required to apply the IND (AS) for preparation of its financial statements either voluntarily or mandatorily.

Further, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IND (AS) as applied to our financial statements. In the event that our Company voluntarily decides to adopt IND(AS), there can be no assurance that the adoption of IND (AS) will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND (AS) may have an adverse effect on the trading price of the Equity Shares.

55. ***Our Company is subject to various Indian taxes and any adverse development in the taxation regime may have a material adverse effect on our results of operations.***

Any increase in taxes and/ or levies, or the imposition of new taxes and/or levies in the future, could increase the cost of production/operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

56. ***Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. These acts may result in a loss of business confidence, make other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of the Equity Shares.

57. ***The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including tsunami, cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Pandemic disease, caused by a virus such as H5N1, the "avian flu" virus, the Ebola virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

58. ***Our ability to raise foreign funds may be constrained by Indian law.***

As an Indian NBFC, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Prominent Notes

1. Our Company was originally incorporated as Ujjivan Financial Services Private Limited on December 28, 2004 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 3, 2015 and the name of our Company was changed to Ujjivan Financial Services Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on November 26, 2015. For details of change in the name of our Company, see "*History and Certain Corporate Matters*" on page 126.

2. Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹6,500 million by the Company and an Offer for Sale of up to 24,968,332 Equity Shares aggregating up to ₹[●] million, comprising of an offer for sale of up to 3,495,626 Equity Shares by Elevar, up to 2,698,163 Equity Shares by FMO, up to 3,060,722 Equity Shares by IFC, up to 1,754,386 Equity Shares by IFIF, up to 2,523,725 Equity Shares by MUC, up to 2,935,213 Equity Shares by Sarva Capital, up to 3,093,869 Equity Shares by WCP, and up to 5,406,628 Equity Shares by WWB, collectively aggregating up to ₹[●] million. The Offer will constitute [●]% of the post-Offer paid up Equity Share capital of our Company.

3. Our Company, in consultaion with the BRLMs, is considering a Pre-IPO Placement of up to 22,000,000 Equity Shares for an amount not exceeding ₹4,500 million. The Pre-IPO Placement will be at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) being offered to the public.

4. The Offer is being made in terms of Rule 19(2)(b)(ii) of the SCRR, as our post-Offer capital will be more than ₹16,000 million but less than ₹40,000 million. Hence, Equity Shares issued in the Offer shall aggregate to at least such percentage of the post-Offer Equity Share Capital of our Company (calculated at the Offer Price) that it will be equivalent to a value of at least ₹4,000 million.

5. Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act, 2013.

6. As of September 30, 2015, our Company's net worth was ₹8,101.81 million as per the Restated Financial Statements.

Note: Net worth has been computed as sum of Equity Share capital, shares pending allotment, share application money pending allotment, reserves and surplus (including capital reserve, securities premium, share options outstanding account and surplus/deficit in statement of profit and loss account).

7. As of September 30, 2015, the net asset value per Equity Share was ₹90.01 as per the Restated Financial Statements.

Note: Net asset value has been computed as net worth, as restated, at the end of the year/period divided by the number of Equity Shares outstanding at the end of the year/period

8. The details of related party transactions entered into by our Company with our Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions for the year ended March 31, 2015, are as follows:

(₹ in million)

Transaction	For the year ended March 31, 2015
Recovery of expenses	₹7.28
Donations	₹0.5

9. There has been no financing arrangements whereby our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI.

10. Except as stated in "*Our Group Companies*" and "*Related Party Transactions*" on pages 150 and 153, respectively, our Group Companies do not have any business or other interest in our Company.

11. Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaints, information or clarifications pertaining to the Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs, or the Syndicate Members, or the Registered Broker, as the case may be, giving full details such as name, address of the Bidder, number of Equity Shares applied for, DP ID, Client ID, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSB or the Specified Locations where the Bid cum Application Form has been submitted by the ASBA Bidder. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, industry websites and publications and other third party reports, including reports and materials prepared by CRISIL ("**CRISIL Material**"). Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. The information in this section should be read in conjunction with the sections "Industry Overview", "Risk Factors" and "Our Business" on pages* 84, 14 and 99, respectively.

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Indian Economy

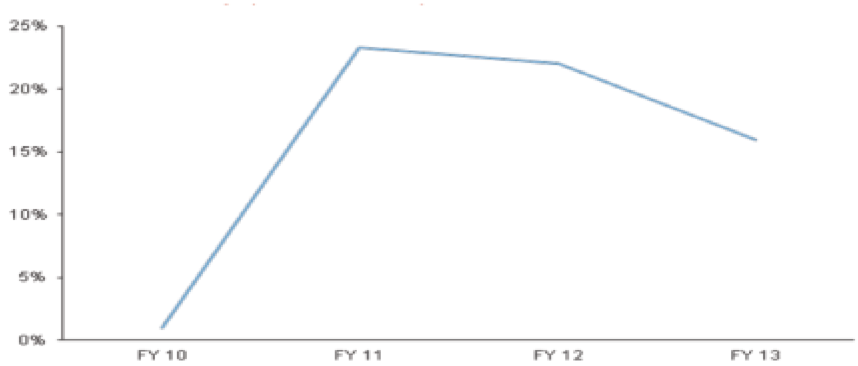
India ranked as the 9th largest economy in the world with the GDP of US$ 2,066,902 million for 2014. (*Source: World Development Indicators database, World Bank, September 18, 2015).*According to IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5 per cent in 2016. (*Source: IBEF – Indian Economy Overview, November 2015: http://www.ibef.org/economy/indian-economy-overview*). According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanization and other structural reforms. (*Source: IBEF – Indian Economy Overview, November 2015: http://www.ibef.org/economy/indian-economy-overview*)

Financial Inclusion

Within the developmental and regulatory role of the RBI as a full service central bank, efficient and comprehensive credit delivery through panoply of channels/institutions for provision of financial products has always been accorded priority with a view to ensuring adequate financing for the productive sectors of the Indian economy. More recently, RBI has endeavoured to spread the economies of scale and scope and experience gained in urban and semi-urban areas to geographical regions and sections of society that asymmetric credit markets tend to exclude in view of their lack of pricing power. In 2014-15, the focus was on improving the availability of credit to micro, small and medium enterprises ("**MSMEs**"), revising priority sector guidelines to foster greater inclusiveness and enhancing the flow of credit to agriculture. Guided by its core objective of fostering greater inclusiveness, the RBI's endeavour during the year was to continue its efforts to ensure extension of banking facilities to all unbanked villages and make financial inclusion a viable proposition for banks to improve credit. (*Source: RBI Annual report 2014-15*)

MFI Industry in India

Prior to 2010, domestic microfinance institutions operated in an unregulated environment and enjoyed ample flexibility to negotiate lending rates and devise collection mechanisms. As a result, the sector witnessed rapid growth during this phase, till the Andhra Pradesh Microfinance Ordinance was promulgated on October 15, 2010 by the government of Andhra Pradesh. In response to the allegedly coercive collection practices adopted by MFIs in Andhra Pradesh - which was then the single-largest MFI market - this ordinance put in place extremely stringent operating guidelines (including compulsory registration for MFIs, proscription on seeking collaterals on MFI loans, capping of the maximum amount of interest recoverable on loans, penalisation of coercive recovery methods and prior approval requirements for grant of subsequent loans to SHGs). Once these guidelines became effective, collections in Andhra Pradesh were hit severely. Following the ordinance, the number of wilful defaults by borrowers increased, pulling down MFIs' collection rates to 10% from 99%. This led to massive write-offs. Andhra Pradesh, which was the single largest market for the MFIs, accounting for about 30% of the overall outstanding loans, witnessed a tremendous increase in non-performing assets (NPAs) which thereby stalled fresh disbursements in Andhra Pradesh. Certain players with large portions of their loan books having exposure to Andhra Pradesh suffered unprecedented credit losses, forcing some of them to invoke corporate debt restructuring. (*Source: CRISIL Research: Microfinance, November 2015*)



Note: The PAR levels are inclusive of MFIs in the corporate debt restructuring cell
Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Small Finance Banks

Over the last two decades, the RBI licensed twelve banks in the private sector. This happened in two phases. Ten banks were licensed on the basis of guidelines issued in January 1993. The guidelines were revised in January 2001 based on the experience gained from the functioning of these banks, and fresh applications were invited. The applications received in response to this invitation were vetted by a High Level Advisory Committee constituted by the RBI, and two more licences were issued. (*Source: RBI Guidelines for licensing of new private sector banks, February 22, 2013*)

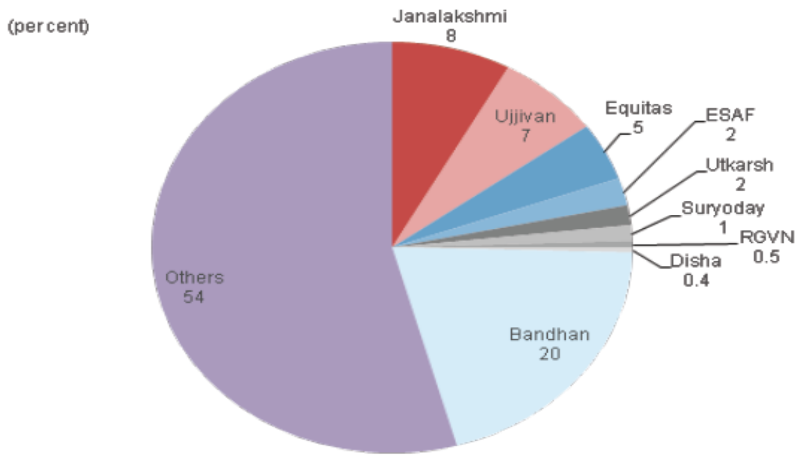
RBI granted in-principle approval to 10 entities to set up small finance banks which included eight MFIs, one local area bank and one NBFC. The fact that eighty percent of the institutions receiving green signal for SFBs are MFIs outlines the significance of microfinance for the Indian banking landscape. The progressive work achieved by the MFI sector has been acknowledged by the regulators and the lenders to the sector. The RBI has approved two self-regulatory organizations (MFIN & Sa-Dhan) for microfinance sector to allow focused supervision and policy-support. Going back to the "last-mile" customer, small finance banks are a step in that direction, with the desire to segment out a strategy of financial inclusion so that individual needs are met. (*Source: The Bharat Microfinance Report 2015*)

Current scenario

The high share of RRBs and cooperative banks and significant proportion of semi-urban and rural lending and deposit base indicate a huge opportunity for SFBs to capture market share in addition to increasing the penetration of these products leading to expansion of the overall market. SFBs could capitalize on the limited ability and slower technological adoption by RRBs and majority of the cooperative banks to gain market share. However, the increased push by RBI on scheduled commercial banks to increase financial inclusion by opening branches in unbanked areas could increase competition. (*Source: CRISIL Research: Microfinance, November 2015*)

Conversion of existing MFI

The eight MFIs cumulatively accounted for about 26% of assets managed by the industry as of 2014-15. As they exit the industry, after metamorphosing into SFBs along with Bandhan (which converted into a universal bank and accounted for 20% of March 2015 AUM), the industry size will halve.



Note: Shares are calculated on the basis of AUMs as of March 2015
ESAF: Evangelical Society Action Forum
Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

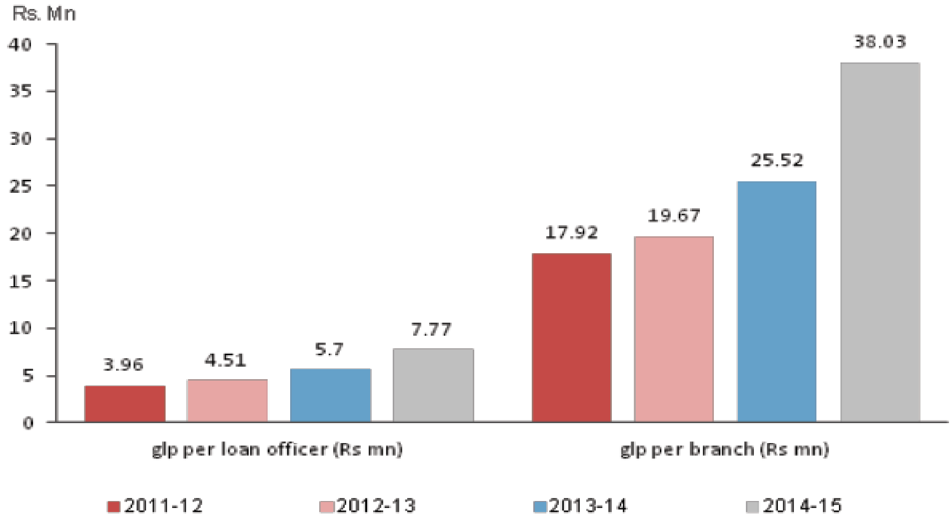
Demand Drivers

Within the large suite of products and services under financial inclusion, microfinance institutions (MFIs) have a major role to play in the provision of credit. The sheer size of the market (in terms of financially-excluded households), a business model that offers sustainable credit to the poor at affordable rates and a repayment cycle spread over a longer duration, have been key growth drivers for MFIs operating in India. (*Source: CRISIL Research: Microfinance, November 2015*)

Future of MFI industry in India

Over 2014-15 to 2017-18, AUMs of non-Andhra Pradesh MFIs is expected to rise at a lower 30-34% CAGR, while total AUMs of all MFIs (including those in Andhra Pradesh) will rise at lower 29-31%. Demand for microcredit continues to increase. Also, most of the micro-finance players too are now entering newer markets to diversify their geographic risk. (*Source: CRISIL Research: Microfinance, November 2015*)

Growth in loan portfolio has improved the economies of scale for MFIs



Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Banking Industry

The Indian banking system consists of 26 public sector banks, 20 private sector banks, 43 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control nearly 80 percent of the market, thereby leaving comparatively much smaller shares for its private peers. (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*)

Standard & Poor's estimates that credit growth in India's banking sector would improve to 12-13 per cent in FY16 from less than 10 per cent in the second half of year 2014. (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*)

Indian banking industry is expected to witness better growth prospects in 2015 as a sense of optimism stems from the Government's measures towards revitalizing the industrial growth in the country. In addition, RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*)

SUMMARY OF OUR BUSINESS

The following information should be read together with the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Our Business", "Industry Overview", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 99, 84,14,163 and 162, respectively.

Overview

We started our operations as an NBFC in 2005 with the mission of providing a full range of financial services to the economically active poor who are not adequately served by financial institutions. Our business is primarily based on the joint liability group lending model for providing collateral free, small ticket-size loans to economically active women. We also offer individual loans to Micro & Small Enterprises ("**MSEs**"). On October 7, 2015, we were one amongst 10 companies in India, out of a total of 72 applicants, to receive in-principle approval from the RBI to set up a small finance bank ("**SFB**"). (*Source: RBI Press Release*)

We have adopted an integrated approach to lending, which combines a high customer touch-point typical of microfinance, with the technology infrastructure and related back-end support functions similar to that of a retail bank. Our integrated approach has enabled us to manage increasing business volumes and optimise overall efficiencies. A technology-enabled business model has been our strategic priority, and the back-end of our operations have a fully integrated IT platform.

We offer a diverse range of loan products to cater to the specific requirements of our customers. Our products can be classified under two broad categories, namely, group loans and individual loans. Depending upon the end use, these products can be further sub-divided into agricultural, education, home improvement, home purchase and livestock loans. All of our assets under management ("**AUM**") fall under the priority sector lending norms prescribed by the RBI. In addition to loan products, we also provide non-credit offerings comprising of life insurance products, in partnership with insurance providers such as Bajaj Allianz Life Insurance Company Limited, Kotak Mahindra Life Insurance Company Limited and HDFC Life Insurance Company Limited.

We have adopted a decentralized management structure for our operations, comprising four regional offices at Bengaluru, New Delhi, Kolkata and Pune. Our two-tiered management hierarchy consists of a national leadership team ("**NLT**") providing overall direction to our business, and four regional leadership teams ("**RLT**") responsible for taking on-ground operational decisions. Our NLT and RLT members have significant experience in the banking and financial services industry, and provides depth to our management team. This further provides us with the advantage of understanding ground realities and local diversity of a particular region, enabling quick decision making and proactive responses to regional market changes.

As of September 30, 2015, we had operations spread across 24 states and union territories, and 209 districts across India, making us the largest MFI in terms of geographical spread (*Source: Bharat Microfinance Report 2015, and the MFIN Micrometer Report, September 2015*). As of September 30, 2015, we served over 2.60 million active customers through 469 branches and 7,786 employees and our Gross AUM stands at ₹40.88 billion. Further, as of September 30, 2015, we have approximately 11.15% of market share of the NBFC-MFI business in India (*Source: MFIN Micrometer Report, September 2015*), making us one of the leading providers of microfinance in India. Our growth has been rapid and calibrated in equal measure, and we have strategically avoided expanding into regions which later on experienced crises in the MFI industry, as well as regions where overlending is prevalent.

We believe we are a customer centric organization, and this is reflected in our customer retention ratio, which was 89.18% as of September 30, 2015. We have a dedicated service quality department addressing customer grievances and their feedback. Our customer centric approach has been recognized through accolades such as the 'MIX 2013 Socially Transparent and Responsible (S.T.A.R.) MFI' award by MIX in 2013 and the 'Innovator in Responsible Business' award by Inc India magazine in 2013. We have partnered with the *Parinaam* Foundation for the formulation and implementation of financial literacy programs such as '*Diksha*' and '*Sankalp*', and continue to support them in their initiatives, which aides in raising the level of financial awareness of our customers.

For the past five consecutive years, we have been ranked consistently among the top 25 companies to work for in India by the Great Places to Work® Institute in partnership with the Economic Times. For the year 2015, we have been ranked 1st in the microfinance sector by the Great Places to Work® Institute. Our employee productivity ratio (number of clients per loan officer), which was 633 as of September 30, 2015, is higher than the industry average of 579 as of September 30, 2015. (*Source: MFIN Micrometer Report, September 2015*).

We have long term investors, and a majority of our equity investors have stayed invested with us over five years. Our longstanding relationships with investors and shareholders, and repayment track record with lenders has enabled us to consistently access a diverse pool of capital since our inception.

We leverage our community connect to ensure that our products and social welfare initiatives are suited to the specific requirements of our customers and the community. Our social development programs are formulated jointly by a representative from the local community and our local branch team. As of September 30, 2015, we have completed over 1,202 such programs across India.

Our total revenues in Financial Years 2013, 2014 and 2015 and for the six month period ended September 30, 2015 was ₹2,339.29 million, ₹3,576.62 million, ₹6,118.81 million and ₹4,622.72 million, respectively. We achieved positive net profit after tax in Financial Year 2010 and have remained profitable in each Financial Year ever since. Our profit after tax in Financial Years 2013, 2014, 2015 and the six month period ended September 30, 2015 was ₹328.70 million, ₹584.16 million, ₹757.88 million and ₹737.31 million, respectively. Our GNPA in the Financial Years 2013, 2014, 2015 and the six month period ended September 30, 2015 was 0.08%, 0.07%, 0.07% and 0.13%, respectively.

Our Competitive Strengths

Over the last decade, we have worked towards our mission to cater to the unserved and underserved segments of the population, and built a structured business foundation.

- Our customer base, healthy customer retention ratio and customer protection initiatives are validation to our customer-centric approach.
- We are a professionally managed company, and our management team has significant experience in the financial services industry.
- Our decentralized management structure enables us to effectively manage our pan-India presence through quick on-ground decision making.
- Our growth has been aligned with that of the other stakeholders in our business, including employees and investors, who have maintained longstanding relationships with us since our inception.

Leading MFI with a deep pan-India presence

We are the third largest NBFC-MFI in India in terms of loans disbursed as of September 30, 2015, with Gross AUM aggregating over ₹40.88 billion (*Source: MFIN Micrometer Report, September 2015*). As of September 30, 2015, our Gross AUM for the north, south, east and west regions was ₹8,922.30 million, ₹12,612.19 million, ₹11,698.75 million and ₹7,648.71 million. In addition to geographical diversification, our AUM is also well diversified in terms of type of location. In terms of the RBI branch authorization policy criteria, centres serving a population of up to 9,999 are classified as rural centres, centres serving a population of 10,000 to 99,999 customers are classified as semi-urban centres and centres serving a population of 100,000 to 999,999 customers are classified as urban centres. With our initial focus on the urban and semi-urban poor, we have gradually catered to an increasing number of rural customers, and as of September 30, 2015, approximately 28%, 38% and 34% of our total customers comprise of rural, semi-urban and urban customers, respectively.

As of September 30, 2015, we are the largest MFI in India in terms of geographical spread, with a pan-India presence through our 469 branches across 24 states and union territories and 209 districts in India (*Source: Bharat Microfinance Report 2015 and the MFIN Micrometer Report, September 2015*). As of September 30, 2015, we operate 78, 27, 103, 45, 87 and 129 branches in the northern, north-eastern, eastern, central, western and southern regions, respectively as per RBI classification of regions. As of September 30, 2015, we had 186 branches located in 92 under-banked districts, and as of September 30, 2015, approximately 37% of our branches were in the central, east and north east regions of India, where a majority of the underbanked districts are located. The penetration of our distribution network to remote unserved and underserved regions of India has enabled us to develop the expertise to understand and differentiate customers on the basis of their specific requirements.

We expand our operations in new territories strategically, with a focus on regions with limited availability of financial services, thereby enhancing financial inclusion and providing greater scope for business growth. Our expansion plans are determined through market potential and risk assessment studies undertaken by third party research agencies engaged by us. Our decision to expand strategically and in a calibrated manner since our inception enabled us to avoid setting up operations in regions such as Andhra Pradesh and Kolar (Karnataka) which experienced crises in the MFI sector. Our evenly spread out operations offer us advantages of differentiation and customisation, and de-risk our business by mitigating political and state-specific risks.

Customer centric organization

We serve over 2.60 million active customers as of September 30, 2015, and consider our customers to be the most significant stakeholder at the core of our operations. In addition to constantly assessing our customers' requirements and feedback for the introduction of new products, we have also set up a dedicated service quality department to focus on customer retention, customer protection and grievance redressal. Further, during 2011, we implemented a three-point escalation system comprising of customer care representatives stationed at branches to handle grievance issues, a national toll-free customer helpline and regional grievance redressal officers to provide our customers with a reliable and easily accessible channel for raising enquiries and complaints. In 2013, in addition to the Code of Conduct and Client Protection guidelines of the RBI and MFIN's Code of Conduct, we adopted Smart Campaign's global standards of Client Protection Principles. Further, in 2014, we engaged professional call centres to proactively seek feedback from our customers and to work on improving our services and products.

As a result of our customer centric approach and welfare initiatives, our customer retention rates have improved from 73% in Financial Year 2010 to 89% as of September 30, 2015. In 2013, we became one of the few MFIs in India to be certified by Smart Campaign for our standards of care in implementing their client protection principles through our operations, product offerings and treatment of clients. Further, for the Financial Years 2015, 2014 and 2013, we were accredited by M2I, an independent rating agency, with a score of 93%, 91% and 87%, respectively, for displaying "Excellent Adherence" in the Code of Conduct Assessment. In addition to these accreditations, our customer centric approach has been recognized through accolades such as the 'MIX 2013 Socially Transparent and Responsible (S.T.A.R.) MFI' award by MIX in 2013 and the 'Innovator in Responsible Business' award by Inc India magazine in 2013.

We have partnered with the *Parinaam* Foundation for the formulation and implementation of financial literacy programs such as '*Diksha*' and '*Sankalp*', and continue to support them in their initiatives, which aides in raising the level of financial awareness of our customers. For further details in relation to our initiatives, including *Diksha* and *Sankalp*, see "- *Our Operations - Social Welfare Initiatives*".

Professional management, experienced leadership and strong corporate governance

We are a professionally managed company, and our senior management team has a diversified track record in the financial services industry, with average experience of approximately 20 years in the industry. Our Chief Executive Officer and Managing Director, Samit Ghosh, has over 30 years of experience in banking industry. He has been a part of the management teams at Citibank, Standard Chartered Bank, HDFC Bank and Bank Muscat. In the past, he has also served as president of MFIN, which is an umbrella self-regulatory organization for MFIs; chairman of AKMI. He is currently on the board of WWB. Our COOs, Carol Furtado, Abhiroop Chatterjee, Jolly Zachariah and Manish Kumar Raj who are in-charge of regional operations and key enablers of the decentralized management structure, and Aryendra Kumar, Head, Housing Finance, have an average of 17 years experience in the financial services industry. The heads of functional groups, such as finance, strategy and planning, operations & service quality and vigilance enhance the quality of our management with their specific and extensive industry experience. For further details in relation to our senior management, see "*Our Management*" on page 133.

Our Board consists of Directors with a diverse mix of experience in various sectors, in particular, the financial services industry. Our Board level committees, viz. the audit committee, the ALCO committee, the risk management committee, the governance, nomination and remuneration committee, the human resources and compensation committee and the CSR committee, work in tandem and ensure a high threshold of corporate governance. 40% of the Board comprises of experienced independent directors, which ensures adequate levels of transparency and accountability in our operations.

Our internal corporate governance code, which is structured on the basis of the RBI guidelines on Corporate Governance and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, sets out our philosophy on corporate governance and the duties and responsibilities of the Board to ensure good corporate governance. The internal corporate governance code also prescribes minimum information to be placed before the Board, and the terms of reference, composition, meetings and quorum requirements for our Board level committees.

Robust risk management framework

We have an established risk management and audit framework to identify, assess, monitor and manage credit, market, liquidity and operational risks. This framework is driven actively by the Board through its Audit, Risk Management and ALCO committees, and supported by an experienced senior management team. Our Risk Management Committee, consisting of an independent director, the Managing Director, and two nominee directors conducts a meeting every quarter, and is responsible for the review of prudential risks including, but not limited to, credit, market, liquidity and operational risks.

We have a strong credit function, which is independent of our business and a key controller of the overall portfolio quality. We have implemented credit management models such as decentralized loan sanctioning and stringent credit history checks which have enabled us to maintain a stable portfolio quality. Our effective credit risk management is reflected in our portfolio quality indicators such as robust repayment rates, stable portfolio at risk ("**PAR**") and low rates of GNPA and NNPA. Our portfolio quality has remained consistent in spite of the increase in the size of our operations, and us venturing into new products and customer segments. We have actively managed our portfolio over the past three Financial Years, which has ensured that no single state has contributed more than 20% of our Gross AUM. The following table reflects our key portfolio quality indicators:

Metrics	Financial Year 2011	Financial Year 2012	Financial Year 2013	Financial Year 2014	Financial Year 2015	Six months ended September 30, 2015
Cumulative Repayment Rate	98.91%	98.32%	99.73%	99.90%	99.89%	99.83%
GNPA	0.29%	0.91%	0.08%	0.07%	0.07%	0.13%
NNPA	0.26%	0.81%	0.08%	0.01%	0.02%	0.04%

PAR*	1.03%	1.20%	0.20%	0.10%	0.13%	0.22%

* *PAR has been represented for accounts in respect of which principal repayment is overdue for more than 30 days*

We manage operational risks by implementing best practices such as the Risk & Control Self-Assessment ("**RCSA**") program to monitor high risk areas across all departments and Key Risk Indicator ("**KRI**") program for monitoring critical industry-specific risks such as high staff turnover and cash handling. Our focus on managing employee turnover and transition has resulted in containing our attrition rate of 17.32% as of Financial Year 2015. With respect to cash handling, over 50% of our disbursements were undertaken through the cashless route for the Financial Year 2015 and the six month period ended September 30, 2015.

Our internal audit department is responsible for monitoring and evaluating internal controls, and ensuring statutory and regulatory compliances. Internal audits are carried out at branches, regional offices as well as at the head office on a regular basis. While internal audit teams are responsible for branch and field audits, the back-end process audit at regional offices and the head office is conducted through independent audit firms.

Our asset liability management policy provides a comprehensive and dynamic framework for identifying, measuring, monitoring and managing financial risks. The KRIs effectively monitor liquidity risk and interest rate risk, and ensure diversified funding in compliance with key ratios as prescribed by the RBI. As a result of our effective asset liability management policy, we have been able to consistently raise debt and equity to support our operations. As of September 30, 2015, our CAR is maintained at 20.57%, which is above the statutory requirement of 15%.

Focus on employee welfare

As a performance driven organization, we have undertaken a number of measures towards employee welfare, including opportunities for career growth through internal job postings, home location posting and flexi-timing. These measures have enabled us to consistently maintain healthy staff retention ratios, being 82.8% in Financial Year 2014 and 82.7% in Financial Year 2015. We have also set up the '*Ujjivan Welfare Relief Trust*' to provide relief to our customers and employees in the event of natural calamities.

We have an effective rewards and recognition policy in place to acknowledge excellence and develop a high performance culture, highlighting success stories in different disciplines such as operations, branch management, and field staff performance. Our rewards and recognition policies, such as the '*Public Kaa Champion*' program, have played a key role in the development of a motivated and committed employee base. We frequently conduct productivity training sessions for various aspects of business and also provide need-based skill development training and functional and process training for using proprietary software. To train our management trainees, we have formulated a management development program and tied-up with various business schools for the identification and recruitment of management trainees. For further details in relation to our rewards and recognition policies and training initiatives, see "*– Our Operations – Human Resources*" on page 111.

Since 2006, we have established ESOP schemes to provide all employees with an opportunity to hold an ownership interest in the business on the basis of their performance. Our ESOP schemes have helped us attract and retain talent, and improved employee motivation and morale. Our holistic approach towards employee welfare initiatives, in addition to our emphasis on professional development of employees has enabled us to feature in the list of the 'best companies to work for' in India, prepared by the Great Places to Work® Institute in partnership with the Economic Times, consecutively for the past five years.

Robust technology driven operating model

Our digitized front end, consisting of android phones for group loans and tablets for individual loans enables us to analyze the customer information, financial position and credit bureau details of a potential customer in real time. The paperless processing of applications and documents at our branches has enabled efficient and secure document management with low TAT. Further, an automated backend, supported by a robust core banking system and document management system, has improved efficiencies and minimized TAT. Over the years, our use of technology has improved work place engagement and governance, increased the accessibility of our products to the customers and enabled us to rapidly scale up our operations in a secure and efficient manner. For further details in relation to our technology infrastructure and capabilities, see "*Our Business - Our Operations – Information Technology*" on page 111.

As a result of the efficiencies introduced by our technology infrastructure, the average number of our borrowers per field staff (for Group Loan products) has increased from 428 in Financial Year 2012 to 607 as of September 30, 2015 while our TAT reduced significantly from 7.94 days in Financial Year 2013 to 6.20 days as of September 30, 2015 for Group Loan products, and from 17.26 days in Financial Year 2013 to 9.33 days as of September 30, 2015 for Individual Loan products. Our cost to income ratio has also reduced over the years, from 78.15% in Financial Year 2013 to 73.48% in 2015 and further to 65.28% for the six month period ended September 30, 2015, respectively.

Strong track record of financial performance

We have maintained strong growth credentials over the years through high rates of customer retention, geographical expansion, improved staff productivity, enhancement of individual loan portfolio, lower credit cost and growth in customer base led by branch expansion. Our operational efficiencies and low TAT, monthly repayment collections model and CBS connectivity of branches have resulted in the decline of operational expenses and the associated rise in profits after tax.

(₹ in million, where applicable)

Financial Parameters	Financial Year 2013	Financial Year 2014	Financial Year 2015	For six month period ended September 30, 2015
Net AUM	11,259.97	16,172.68	32,186.91	40,797.62
NII	1,249.87	1,861.16	2,809.41	2,197.64
PAT	328.70	584.16	757.88	737.31
Gross NPA	0.08%	0.07%	0.07%	0.13%
Net NPA	0.08%	0.01%	0.02%	0.04%
Debt/ Equity	3.14	4.43	4.24	4.15
CAR	27.27%	22.73%	24.24%	20.57%
RoAE	11.78%	16.92%	13.67%	19.07%*
RoAA	2.92%	3.40%	2.50%	3.56%*
NIM	13.76%	13.57%	11.62%	12.04%
Cost to Income ratio	78.15%	65.12%	73.48%	65.28%

**On an annualized basis*

Our Strategies

On October 7, 2015, we received in-principle approval from the RBI ("**SFB In-Principle Approval**") to set up an SFB within 18 months from the date of receipt of the SFB In-Principle Approval. We believe that we have the resources, operational strength and capabilities to successfully set up an SFB, and that we are well positioned for the transition from our existing microfinance operations to banking operations under the proposed SFB. For further details in relation to the regulatory framework governing SFBs, as well as our proposed business plan for the transition into an SFB, see "*Proposed SFB Business*" on page 114.

We propose to establish the SFB with the mission to provide a full range of financial services to the economically active poor. We believe that operating as an SFB presents a significant opportunity for us to focus on a population segment which has not been adequately serviced by regular financial institutions. Our experience of working with the unserved and underserved population segments will enable us to develop relevant products and channels to serve this market well. Further, our extensive branch network across India, centralized processing units across four regions, modern technology and human resources will be key building blocks in our transformation into an SFB.

Leveraging our capabilities as an MFI to successfully transition into the proposed SFB business

We intend to capitalize on our current strengths including geographical outreach, customer base, product portfolio, technology infrastructure, risk management framework and management team to effect a successful transition into an SFB. Our dedicated teams managing group, individual and housing loan products will enable us to continue our growth in each of these verticals. We believe that educating our employees on the nuances of the transition into the SFB regime and supplementing their experience in the financial services industry through extensive training will be a key step in the transition process. Further, we propose to build on our existing practice of hiring local staff indigenously, especially in rural areas, to ensure that a relationship of trust is built between our 'feet on street' and the target customers.

Our technology infrastructure has been a key operational strength for us. Currently, we have advanced technology solutions helping us manage our front end and back end process efficiently. Going forward, we intend to capitalize on our existing capabilities by enhancing them through a robust core banking solutions ("**CBS**"), and business intelligence tools, collection management tools and treasury management tools customised for SFB operations. With these building blocks to effect a smooth transition already in place, we intend to focus on transforming our existing MFI branch structure to an SFB branch structure, and deepen our geographical reach both in regions where we currently operate, and unbanked rural areas, where we propose to expand in the near future.

Increased focus on the unserved and underserved segment

There is a large unserved and underserved segment of the population, generally referred to as the 'missing middle', which we believe is not adequately served by standard MFIs or commercial banks on account of their informal income profile or low savings profile. This segment essentially consists of MSEs, low income salaried workers, and tenant and marginal farmers. The lack of options also forces this population segment to access financing avenues in the unorganized sector, thereby exposing them to risks inherent to unorganized lending, such as exorbitant rates of interest and lack of flexibility in repayment options. We intend to increase our focus on this segment and capitalize on the lack of viable savings and product options, inadequate customer services offered by informal, unorganized avenues of credit, and the resultant financial exclusion of this population segment. We intend to develop a wide range of simple savings, credit and fee-based products for facilities such as cash management and overdraft specifically targeted towards the missing middle. The following table depicts our state-wise share in the AUM as at September 30, 2015:

State/ Union Territory	Industry AUM (₹ in million)^	Our share in the AUM (%)
Assam	4,864	22
Chattisgarh	5,722	2.2
Delhi	4,602	22.3
Gujarat	13,837	13.7
Haryana	6,872	29.8
Jharkhand	5,396	25.1
Karnataka	52,310	11.9
Kerala	15,083	7.0
Madhya Pradesh	27,945	1.8
Maharashtra	44,397	12.7
Odisha	22,460	4.9
Puducherry	1,362	21.6
Punjab	5,595	19.0
Rajasthan	9,061	16.9
Tamil Nadu	61,968	8.1
Uttarakhand	4,252	9.3
Uttar Pradesh	38,298	5.8
West Bengal	21,341	28.5

^Source: MFIN Micrometer Report, September 2015

Diversification of product offerings

The SFB regime will enable us to develop and offer a comprehensive suite of products which will help us attract new customers and deepen our relationship with our existing customer base. Basic liability products including saving accounts, current accounts, fixed deposits, overdraft facilities and recurring deposits; and basic fee based products are a fundamental requirement of this segment. While regular banks currently do provide these services, the lack of suitable products, channels and service orientation for this population segment has led to poor utilization of such products.

We propose to offer simple and flexible liability products to our customers. To make these products accessible, we intend to focus on delivery channels such as a three-tier branch structure, business correspondents, ATMs, mobile and internet, etc. While initially these delivery channels will be assisted, we propose to gradually convert our delivery channels into self-service channels.

Specifically with respect to our individual loan products, we intend to increase the ticket size of the products, while relying on our established credit assessment procedures and risk management framework to ensure a high quality portfolio. Over the years, we have learnt that as our customers move up the economic ladder and/ or scale up their business, their financial needs may vary and the limitations surrounding the group loan structure may not suit their requirements. Currently, many of our group loan customers, due to their repayment track record, graduate to becoming individual loan customers. We propose to capitalize on this trend by increasing the penetration of our individual loan products, and by innovating and designing need-specific products and processes.

We believe that an increased emphasis on individual loans is aligned with our goal of financial inclusion, as it will enable us to ensure that customers have access to the finances that they need as quickly and efficiently as possible. In addition to the transition from Group Loan products to individual loan products, we also intend to increase the proportion of secured to unsecured products, thereby further enhancing the quality of our credit portfolio.

Increased automation and digitization of products and services

The optimum use of advanced, cost-effective technology has been the backbone of our operations, and going forward, we intend to strategically invest our resources for further integration of technology into our operations to form a hybrid model comprising of advanced technological and physical infrastructure.

To achieve this, we propose to evaluate and include corporate business correspondents into our alternate channels. Going forward, we propose to guide our customers through this evolutionary process from assisted hybrid channels to self-driven technology channels. In this regard, we intend to gradually shift our wallet customers to being mature bank customers, and continue to support banking transactions through mobiles, debit cards, aadhar cards and handheld devices. We further intend to set-up low cost bio-metric enabled ATMs to reduce workload of our branches.

We believe that the further automation and digitization of our operations will reduce errors and lower costs, in addition to the existing advantages of scalability, efficiency, security and centralized data processing that technology offers us.

Building a strong liability franchise

Historically, we have relied on a combination of wholesale funding from banks and DFIs, equity infusions, issue of debt instruments such as commercial paper and securitization of our loan portfolio to fund our business and operations. Subsequent to our transformation into the SFB regime, we propose to raise a part of our funding through retail customers deposits. Currently, a large part of our target population segment is offered savings and other deposit products only by various unorganized players. We believe that with simple, flexible products which are accessible through assisted and self-serviced channels, we can position our SFB as a reliable alternative to these informal players. This shift will enable us to access diversified, short term, low cost capital. Subsequently, we propose to fund a majority of our funding requirements through CASA deposits and recurring and fixed deposits maintained with the SFB by building a sticky deposit base (remittances, cash management services) and attracting new customers whose primary avenues of savings and capital building currently include the unorganized sector and other high risk savings schemes.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

The Restated Financial Statements have been prepared in accordance with sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and presented under "Financial Statements" on page 162. The summary financial information presented below should be read in conjunction with the Restated Financial Statements included under "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 162 and 163, respectively.

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Amount in ₹ Millions)

Particulars	As at	As at	As at	As at	As at	As at
	30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
I. EQUITY AND LIABILITIES						
Shareholders' funds						
(a) Share capital	861.33	861.33	655.81	655.81	572.87	348.42
(b) Reserves and surplus	7,240.48	6,503.17	3,069.46	2,523.77	1,830.49	805.72
Total	**8,101.81**	**7,364.50**	**3,725.27**	**3,179.58**	**2,403.36**	**1,154.14**
Non-current liabilities						
(a) Long-term borrowings	13,474.86	12,830.93	5,651.47	3,834.76	2,550.41	1,671.05
(b) Long-term provisions	79.77	59.49	22.96	11.61	0.95	0.18
Total	**13,554.63**	**12,890.42**	**5,674.43**	**3,846.37**	**2,551.36**	**1,671.23**
Current liabilities						
(a) Short-term borrowings	0.27	45.03	19.27	40.02	-	8.79
(b) Trade payables	116.69	117.84	50.59	47.99	40.91	42.88
(c) Other current liabilities	20,813.00	18,919.54	11,083.27	6,310.28	3,841.34	4,145.46
(d) Short-term provisions	576.76	425.26	234.18	144.4	114.25	86.04
Total	**21,506.72**	**19,507.67**	**11,387.31**	**6,542.69**	**3,996.50**	**4,283.17**
TOTAL (A + B + C)	**43,163.16**	**39,762.59**	**20,787.01**	**13,568.64**	**8,951.22**	**7,108.54**
II. ASSETS						
Non-current assets						
(a) Fixed assets						
- Tangible assets	162.99	142.3	98.08	82.79	87.32	87.93
- Intangible assets	65.73	37.17	29.17	28.59	24.25	9.67
(b) Non-current investments	1.01	1.01	1.01	1	1	1
(c) Deferred tax assets (net)	196.32	152.78	68.32	56.43	43.71	25.09
(d) Long-term loans and advances	122.75	68.46	51.13	33.23	29.62	36.36
(e) Other non-current assets	7,787.77	5,985.06	2,383.00	1,884.76	463.65	172.57
Total	**8,336.57**	**6,386.78**	**2,630.71**	**2,086.80**	**649.55**	**332.62**
Current assets						
(a) Receivable under financing activity	33,036.01	26,298.95	13,876.14	9,473.95	6,530.74	6,180.06
(b) Cash and Bank balances	856.49	6,447.84	3,944.54	1,786.22	1,614.52	511.73
(c) Short-term loans and advances	451.23	206.62	106.22	61.79	22.21	19.98
(d) Other current assets	482.86	422.4	229.4	159.88	134.2	64.15
Total	**34,826.59**	**33,375.81**	**18,156.30**	**11,481.84**	**8,301.67**	**6,775.92**
TOTAL (D+E)	**43,163.16**	**39,762.59**	**20,787.01**	**13,568.64**	**8,951.22**	**7,108.54**

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Amount in ₹ Millions)

Particulars	For the half year ended	For the year ended				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
REVENUE						
Revenue from operations	4,481.24	5,993.17	3,478.89	2,225.19	1,482.43	1,518.93
Other Income	141.48	125.64	97.73	114.1	80.6	45.5
Total Revenue	**4,622.72**	**6,118.81**	**3,576.62**	**2,339.29**	**1,563.03**	**1,564.43**
EXPENSES						
Employee benefits expense	933.57	1,329.58	814.91	659.14	603.39	555.61
Provision/write off for receivable under financing activity	109.08	210.48	82.92	69.03	57.62	45.37
Finance costs	1,962.40	2,713.81	1,398.53	820.78	609.29	481.29
Depreciation and amortisation expense	38.44	67.42	31.47	25.22	24.04	26.15
Administrative and Other expenses	450.46	652.39	360.37	288.12	270.18	283.42
Total Expenses	**3,493.95**	**4,973.68**	**2,688.20**	**1,862.29**	**1,564.52**	**1,391.84**
Profit/(Loss) before tax and exceptional items (A - B)	**1,128.77**	**1,145.13**	**888.42**	**477**	**(1.49)**	**172.59**
EXCEPTIONAL ITEMS						
Effect of increase / (decrease) in profits	-	-	-	-	-	-
Total Exceptional Items	**-**	**-**	**-**		**-**	**-**
Profit/(Loss) before tax (C + D)	**1,128.77**	**1,145.13**	**888.42**	**477**	**(1.49)**	**172.59**
TAX EXPENSE						
(a) Current tax expense	435	470	317	161	15.8	73
(b) Provision for tax of earlier year	-	(1.95)	(0.84)	-	-	-
(c) Deferred tax	(43.54)	(80.8)	(11.9)	(12.7)	(18.62)	(17.33)
Tax expense	**391.46**	**387.25**	**304.26**	**148.3**	**(2.82)**	**55.67**
Net Profit / (Loss) for the year (as restated) (E - F)	**737.31**	**757.88**	**584.16**	**328.7**	**1.33**	**116.92**
Earnings per Equity share:						
(a) Basic	8.56	11.24	8.91	5.33	0.03	3.36
(b) Diluted	8.19	10.62	8.38	4.97	0.03	3.09

RESTATED SUMMARY STATEMENT OF CASH FLOW

(Amount in ₹ Millions)

Particulars	For the half year ended	For the year ended				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net Profit as per Statement of Profit & Loss as restated	1,128.77	1,145.13	888.42	477	(1.49)	172.59
Adjustments for						
Depreciation and amortisation expenses	38.44	67.42	31.47	25.22	24.04	26.15
(Profit)/Loss on Sale of investment	(65.98)	(44.66)	(29.5)	(11.4)	0.1	(0.01)
Dividend on Mutual Funds	-	-	-	(11.94)	(14.94)	(9.91)
Bad debts written off against provision reversed	(7.57)	(10.08)	(8.92)	(66.84)	-	-
Provision for Receivables under Financing Activities	107.96	204.5	81.38	63.29	35.5	37.91
Provision for advances	1.41	1.84	2.45	2.11	1.72	-
Advances written off	3.67	0.93	0.15	3.68	0.09	5.17
Fixed assets written off	0.04	0.85	0.05	1.42	-	-
Interest on fixed deposits	(63.85)	(68.37)	(34.46)	(32.18)	(23.87)	(7.07)
Loss /(Profit) on sale of Fixed Assets	(0.18)	0.43	4.87	0.46	0.31	0.58
Operating Profit before Working capital changes	**1,142.71**	**1,297.99**	**935.91**	**450.82**	**21.46**	**225.41**
Changes in working capital:						
(Increase) / Decrease in Receivables under Financing Activity	(6,737.06)	(12,422.80)	(4,402.17)	(2,562.39)	(660.12)	(2,489.35)
(Increase) / Decrease in Loans and advances	(258.22)	(116.66)	(64.95)	(48.22)	(3.38)	(22.38)
(Increase) / Decrease in Other assets	(1,927.68)	(3,780.61)	(591.47)	(1,797.19)	(132.98)	(153.26)
Increase / (Decrease) in Trade payables	(1.15)	67.25	2.6	7.07	(1.96)	529.73
Increase / (Decrease) in Other current liabilities	58.74	323.4	43.95	(8.88)	(884.68)	-
Increase / (Decrease) in Short-term provisions	102.16	179.42	68.08	(5.32)	38.78	-
Increase / (Decrease) in Long-term provisions	(80.1)	(157.9)	(61.1)	14.21	(34.72)	-
Cash flow from operations	**(7,700.60)**	**(14,609.91)**	**(4,069.15)**	**(3,949.90)**	**(1,657.60)**	**(1,909.85)**
Tax paid	(333.83)	(469.81)	(313.7)	(144.72)	(18.27)	(75.98)
Net Cash from operating activities (A)	**(8,034.43)**	**(15,079.72)**	**(4,382.85)**	**(4,094.62)**	**(1,675.87)**	**(1,985.83)**
Cash flows from Investing activities						
Investments in shares	-	-	(0.01)	-	-	-
Purchase of investments	(17,910.30)	(16,975.05)	(7,874.61)	(7,542.57)	(6,443.00)	-
Proceeds on sale of investments	17,976.27	17,019.71	7,904.11	7,565.91	6,457.84	-
Purchase of fixed assets	(134.06)	(137.51)	(53.19)	(28.52)	(32.97)	(45.56)
Proceeds on sale of fixed assets	0.75	1.98	0.94	0.87	0.71	0.41
Interest on fixed deposits	70.23	66.43	29.13	32.18	23.87	7.07
Income from investments	-	-	-	-	-	0.01
Dividend from mutual funds	-	-	-	-	-	9.91
Net Cash from investing activities (B)	**2.89**	**(24.44)**	**6.37**	**27.87**	**6.45**	**(28.16)**
Cash flows from financing activities						
Proceeds from issue of share capital & securities premium (net)	-	2,940.28	-	466.7	1,247.88	-
Dividend and dividend tax paid	(51.83)	(38.41)	(19.24)	-	(8.1)	(8.13)
Borrowings from banks /others	11,867.50	28,031.94	13,601.77	7,160.02	4,670.00	4,465.29
Repayment of borrowings from banks /others	(9,433.62)	(13,313.85)	(7,076.77)	(3,357.83)	(3,218.87)	(2,113.56)
Net Cash from financing activities (C)	**2,382.05**	**17,619.96**	**6,505.76**	**4,268.89**	**2,690.91**	**2,343.60**
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	**(5,649.49)**	**2,515.80**	**2,129.28**	**202.14**	**1,021.49**	**329.61**
Balance of cash and cash equivalents - Opening	**6,377.84**	**3,862.04**	**1,732.76**	**1,530.62**	**509.13**	**179.52**
Balance of cash and cash equivalents - Closing	**728.35**	**6,377.84**	**3,862.04**	**1,732.76**	**1,530.62**	**509.13**

THE OFFER

The following table summarises the Offer details:

Equity Shares Offered #	
Offer of Equity Shares ^	Up to [●] Equity Shares, aggregating up to ₹[●] million
of which	
Fresh Issue(1)	Up to [●] Equity Shares, aggregating up to ₹6,500 million
Offer for Sale(2)	Up to 24,968,332 Equity Shares, aggregating up to ₹[●] million
A) QIB portion(3)(4)	[●] Equity Shares
of which:	
Anchor Investor Portion	Not more than [●] Equity Shares
Net QIB Portion i.e. balance available for allocation to QIBs other than Anchor Investors (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	86,132,969 Equity Shares
of which:	
(i) Fully paid up Equity Shares	86,132,969 Equity Shares
(ii) Unexercised employee stock options convertible into Equity Shares *(As on November 30, 2015)*	5,340,790
of which	
a) Vested stock options held by employees of our Company	3,142,806
b) Vested stock options held by former employees of our Company/nominees of former employees who are deceased	464,966
c) Unvested stock options held by employees*	1,733,018
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 77 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

 # In terms of the Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015, our Company intends to seek RBI approval for change in shareholding of our Company beyond 26% of our paid-up capital pursuant to the Offer. Additionally, in terms of the SFB In-principle Approval, our Company intends to seek approval from the RBI for change in shareholding of our Company beyond 5% pursuant to the Offer.

^ Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of up to 22,000,000 Equity Shares for cash consideration aggregating up to ₹4,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of at least ₹4,000 million (calculated at the Offer Price) being offered to the public.

**271,548 unvested stock options outstanding under ESOP 2010 shall be vested in Financial Year 2017 and 1,461,470 unvested stock options outstanding under ESOP 2015 shall vest equally over a period of three years commencing from Financial Year 2017.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see "*Offer Procedure - Basis of Allotment*" on page 248.

(1) The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 29, 2015 and a resolution of our Shareholders in their EGM dated November 3, 2015.

(2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Sr.No.	*Selling Shareholder*	*Number of Equity Shares offered in the Offer for Sale of up to*	*Date of consent/authorisation*
1.	*Elevar Equity Mauritius*	*3,495,626*	*December 28, 2015*
2.	*International Finance Corporation*	*3,060,722*	*November 27, 2015*
3.	*India Financial Inclusion Fund*	*1,754,386*	*December 29, 2015*
4.	*Mauritius Unitus Corporation*	*2,523,725*	*November 27, 2015*
5.	*Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V.*	*2,698,163*	*November 27, 2015*
6.	*Sarva Capital LLC*	*2,935,213*	*November 27, 2015*
7.	*WCP Holdings III*	*3,093,869*	*November 27, 2015*
8.	*Women's World Banking Capital Partners, L.P*	*5,406,628*	*November 27, 2015*
	Total	***24,968,332***	

The Selling Shareholders, severally and not jointly, confirm that the Equity Shares being offered by them in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, and are eligible for being offered for sale in the Offer as required by Regulation 26(6) of the SEBI ICDR Regulations.

(3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 214. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations. ***THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA.***

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the Net QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange on a proportionate basis. Under-subscription, if any, in the Net QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

GENERAL INFORMATION

Registered Office

Ujjivan Financial Services Limited

Grape Garden, No. 27, 3rd A Cross
18th Main, 6th Block, Koramangala
Bengaluru 560 095
Karnataka, India
Tel: +91 80 4071 2121
Fax: +91 80 4146 8700
E-mail: compliance@ujjivan.com
Website: www.ujjivan.com
Corporate Identity Number: U65999KA2004PLC035329
Registration Number: NBFC-N-02.00224

For details in relation to changes in the Registered Office, see "*History and Certain Corporate Matters*" on page 126.

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies
"E" Wing, 2nd Floor
Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
K. R. Ramamoorthy	Non-Executive Chairman and Independent Director	00058467	# 519, 8th cross Road, 3rd Phase, J.P.Nagar, Bengaluru 560 078, Karnataka, India
Samit Ghosh	Managing Director and Chief Executive Officer	00185369	Pari Daeza No.550/49, 5th Cross Borewell Road, Whitefield, Bengaluru 560 066, Karnataka, India
Anadi Charan Sahu	Non-Executive, Nominee Director	06696504	Flat No.101, SIDBI Officers Apartment, Alpine Place, 105, I Main Road, Seshadripuram, Bengaluru 560 020, Karnataka, India
Venkatesh Natarajan	Non-Executive, Nominee Director	02453219	R/o 23, New Beach Road, Thiruvanmiyur Landmark – near RTO Office, Chennai 600 041 Tamil Nadu, India
Jayanta Basu	Non-Executive, Nominee Director	01268046	I-1742, Chittaranjan Park, New Delhi 110 019, India
Amit Gupta	Non-Executive, Nominee Director	02282600	West Block, 4/F, Savoy Court, 101 Robinson Road, Mid-Levels, Hong Kong
Abhijit Sen	Non-Executive, Nominee Director	00002593	A 92 , Grand Paradi,572 Dady Seth Hill, August Kranti Marg, Mumbai 400 036, Maharashtra, India
Sunil Patel	Non-Executive, Independent Director	00050837	2989/H, 12th Main Road, HAL 2nd Stage, Indira Nagar, Bengaluru 560 008, Karnataka, India
Vandana Viswanathan	Non-Executive, Independent Director	05192578	No 302, Lovedale Apartment, 19/1, Kensington Road, Ulsoor, Bengaluru 560 025, Karnataka, India
Nandlal Sarda	Non-Executive, Independent Director	00147782	Department of Computer Science and Engineering, I.I.T. – Bombay, Powai, Mumbai 400 076, Maharashtra, India

For further details of our Directors, see "*Our Management*" on page 133.

Company Secretary and Compliance Officer

Sanjeev Barnwal
Grape Garden, No.27, 3rd A Cross
18th Main, 6th Block, Koramangala
Bengaluru 560 095
Karnataka, India

Tel: +91 80 4071 2121
Fax: +91 80 4146 8700
E-mail: compliance@ujjivan.com

Chief Financial Officer

Sudha Suresh
Grape Garden, No. 27, 3rd A Cross
18th Main, 6th Block, Koramangala
Bengaluru 560 095
Karnataka, India
Tel: +91 80 4071 2121
Fax: +91 80 4146 8700
E-mail: cfo@ujjivan.com

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Syndicate Member at the Specified Locations or Registered Broker where the Bid cum Application Form was submitted by the ASBA Bidder.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB or the Syndicate Members at the Specified Locations or the Registered Brokers at the Broker Centres with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted by the ASBA Bidder.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Selling Shareholders

The names of the Selling Shareholders are set forth below:

1. Elevar Equity Mauritius;
2. International Finance Corporation;
3. India Financial Inclusion Fund;
4. Mauritius Unitus Corporation;
5. Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.;
6. Sarva Capital LLC;
7. WCP Holdings III; and
8. Women's World Banking Capital Partners, L.P.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
Fax: +91 22 6713 2447
E-mail: ujjivan.ipo@kotak.com
Investor grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia International Centre
P.B. Marg, Worli, Mumbai 400 025
Tel: + 91 22 4325 2183
Fax : +91 22 4325 3000
E-mail: ujjivan.ipo@axiscap.in
Investor grievance E-mail : complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Lohit Sharma
SEBI Registration No.: INM000012029

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra, India
Tel : +91 22 2288 2460
Fax : +91 22 2282 6580
E-mail: ujjivan.ipo@icicisecurities.com
Investor grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Ayush Jain
SEBI Registration No.: INM000011179

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: ujjivan.ipo@iiflcap.com
Investor grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Vishal Bangard/Gaurav Singhvi
SEBI Registration No.: INM000010940

Syndicate Members

[●]

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas
201, Midford House, Midford Garden
Off M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Legal Counsel to the BRLMs as to Indian law

Luthra & Luthra Law Offices
103 and 9th Floor, Ashoka Estate
Barakhamba Road
New Delhi 110 001, India
Tel.: +91 11 4121 5100
Fax: +91 11 2372 3909

Indian Legal Counsel to the Selling Shareholders

AZB & Partners
AZB House
Plot No. A8, Sector-4
Noida 201 301
Tel: +91 120 417 9999
Fax: +91 120 417 9900

Auditors to our Company

Deloitte Haskins & Sells
Chartered Accountants
Deloitte Centre
Anchorage II
100/2, Richmond Road
Bengaluru 560 025
Karnataka, India
E-mail: ssundaresan@deloitte.com
Tel: +91 80 6627 6100
Fax no: +91 80 6627 6012
Firm Registration No.: 008072S
Peer Review No.: 006002*
(**The peer review certificate held by the Auditors is currently under the process of updation*)

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Telengana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll Free No.: 1800 3454 001
E-mail: einward.ris@karvy.com
Investor grievance E-mail: ujjivan.ipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer/Escrow Collection Banks

[●]

Refund Bank

[●]

Bankers to our Company	
Axis Bank Limited Bomboy Dyeing Mills Compound Pandurang Budhkar Marg,Worli Mumbai 400 025 Tel: +91 22 2425 2417 Fax: +91 79 2640 9321 E-mail: avijit.kishore@oxisbank.com Website: www.axisbank.com Contact Person: Avijit Kishore	**RBL Bank Limited** **(***formerly known as Ratnakar Bank Limited***)** One Indiabulls Centre, Tower 2B, 5th floor 841 Senapati Bapat Marg, Lower Parel Mumbai 400 013 Tel: +91 22 4302 0560 Fax: +91 22 4302 0520 E-mail: kunal.mehta@rblbank.com Website: www.rblbank.com Contact Person: Kunal Mehta
Kotak Mahindra Bank Limited Kotak Infiniti, 4th floor, Building No. 21 Infinity Park, Off Western Express Highway General A.K.Vaidya Marg, Malad (East) Mumbai 400 097 Tel: +91 22 6605 4196 E-mail: bs.sivakumar@kotak.com Fax: +91 44 2858 9279 Website: www.kotak.com Contact Person: B S Sivakumar	**The Hongkong and Shanghai Banking Corporation Limited** No - 7, M.G. Road Bengaluru 560 001 Tel: +91 80 4555 2262 Fax: +91 22 4914 6153 E-mail: debrup.das@hsbc.co.in Website: www.hsbc.co.in Contact Person: Debrup Das
HDFC Bank Limited 5-4-94 to 97, La La Land Mark 3 rd floor, M.G. Road Secunderabad 500 003 Tel: +91 40 6617 0061 E-mail: gavvala.ravinder@hdfcbank.com Fax: NA Website: www.hdfcbank.com Contact Person: Gavvala Ravinder	**Yes Bank Limited** Yes Bank Tower, IFC 2, 8th floor Elphinstone (W), Senapati Bapat Marg Mumbai 400 013 Tel: +91 22 3347 7374/7259 Fax: +91 22 2497 4875 E-mail: dlbtiservices@yesbank.in Website: www.yesbank.com Contact Person: Alok Srivastava/Shankar Vichare

Self Certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such other websites as updated from time to time. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form are provided on the aforementioned website of SEBI.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include its name as an expert as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated December 11, 2015, on the Restated Financial Statements of our Company and the report on statement of special tax benefits dated December 23, 2015, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. As the Equity Shares in the Offer will not be registered under the Securities Act, any references to the term “expert” herein and the Auditor’s consent to be named as an “expert” to the Offer are not in the context of a registered offering of securities under the Securities Act.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of Red Herring Prospectus in accordance with Regulation 16 of SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with relative components and formalities	BRLMs	Kotak
2.	Drafting and approval of all statutory advertisements	BRLMs	Kotak
3.	Due diligence of our Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.	BRLMs	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including corporate advertising, brochures, etc.	BRLMs	IIFL
5.	Appointment of Bankers to the Offer	BRLMs	Kotak
6.	Appointment of Registrar to the Offer and other intermediaries including printers, advertising agency	BRLMs	IIFL
7.	Marketing and road show presentation and FAQs	BRLMs	Axis
8.	Retail marketing of the Offer, which will cover, inter alia: • Finalising media, marketing and public relations strategy; • Finalising centre for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including forms, the Prospectus and deciding on the quantum of Offer material; and • Finalising collection centres	BRLMs	ICICI
9.	Non-institutional marketing of the Offer, which will cover, inter alia: • Finalising media, marketing and public relations strategy; and • Finalising centre for holding conferences for brokers, etc.	BRLMs	IIFL
10.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of investors for one to one meetings, institutional allocation	BRLMs	Axis
11.	Pricing and managing the book	BRLMs	Axis
12.	Co-ordination with the Stock Exchanges for book-building process including software, bidding terminals, etc.	BRLMs	IIFL
13.	Post-Bidding activities including management of escrow accounts, co-ordinating, underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Offer, the Bankers to the Offer, the bank handling refund business and SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with our Company.	BRLMs	ICICI

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids from Resident Indian Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Form and the Revision Form within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [•] edition of [•], [•] edition of [•] and [•] edition of [•], which are widely circulated English, Hindi and Kannada newspapers respectively (Kannada being the regional language of Karnataka where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer; and
- the Escrow Collection Bank(s).

The Offer is being in made in terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), wherein a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) will be offered to the public. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Offer through the ASBA process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. Under subscription if any, in any category, except in the Net QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. For further details, see "*Offer Procedure*" on page 214. **THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA.**

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "*Offer Procedure*" on page 214.

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. Each of the Selling Shareholders, severally and not jointly, confirm that such Selling Shareholder will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, to the respective portion of their respective Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Offer and procure Bids for the Offer.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (see "*Offer Procedure – Who Can Bid?*" on page 216);

2. Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective Bid cum Application Form;

4. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, are exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see "*Offer Procedure*" on page 214);

5. Ensure correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation given in the Bid cum Application Form, with the details recorded with your Depository Participant;

6. Ensure correctness of your PAN, DP ID and Client ID and beneficiary account number given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc.;

7. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;

8. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the Bidding centres or the Registered Brokers at the Broker Centres; and

9. Bids by ASBA Bidders will have to be submitted to the Designated Branches or to the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Registered Broker to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected and ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time).

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 214.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors or under the ASBA process.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at Bidding centres during the Bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Allotment to Retail Individual Bidders and Minimum Bid Lot

In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, or 35% of the Offer, then the maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RIB Allottees**"). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:

(i) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Investors shall be allocated the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated on a proportionate basis to the Retail Individual Bidders who have received allocation as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(ii) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated minimum Bid Lot shall be determined on draw of lots basis.

For details, see "*Offer Procedure*" on page 214.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs will be severally responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations made by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Offer, except for ASBA Bids procured by the Syndicate Member(s). The underwriting agreement shall list out the role and obligations of each Syndicate Member, and *inter alia* contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the investors at the time of Bidding.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORIZED SHARE CAPITAL**(1)		
	125,000,000 Equity Shares	1,250,000,000	
	Total	**1,250,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER** ^		
	86,132,969 Equity Shares	861,329,690	
	Total	**861,329,690**	
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	[●] Equity Shares aggregating up to ₹[●] million		
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹6,500 million(2)	[●]	6,500,000,000
	Offer for Sale of up to 24,968,332 Equity Shares(3)	249,683,320	[●]
D	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	4,818,750,000	
	After the Offer	[●]	
E	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●]Equity Shares (assuming full subscription in the Offer)	[●]	

^ *Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of up to 22,000,000 Equity Shares for cash consideration aggregating up to ₹4,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) being offered to the public.*

(1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters" on page 126.

(2) The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 29, 2015, and a resolution of our Shareholders in their EGM dated November 3, 2015.

(3) The Selling Shareholders, severally and not jointly, specifically confirm that the proportion of the Offered Shares by each of the Selling Shareholders by way of an Offer for Sale in the Offer, are eligible for the Offer in accordance with the SEBI ICDR Regulations. The Offer for Sale has been authorised by the Selling Shareholders as follows: (i) up to 3,495,626 Equity Shares as per authorization letter dated December 28, 2015 issued by Elevar Equity Mauritius; (ii) up to 3,060,722 Equity Shares as per authorization letter dated November 27, 2015 issued by International Finance Corporation; (iii) up to 1,754,386 Equity Shares as per authorization letter dated December 29, 2015 issued by India Financial Inclusion Fund; (iv) up to 2,523,725 Equity Shares as per authorization letter dated November 27, 2015 issued by Mauritius Unitius Corporation; (v) up to 2,698,163 Equity Shares as per authorization letter dated November 27, 2015 issued by Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.; (vi) up to 2,935,213 Equity Shares as per authorization letter dated November 27, 2015 issued by Sarva Capital LLC; (vii) up to 3,093,869 Equity Shares as per authorization letter dated November 27, 2015 issued by WCP Holdings III; and (viii) up to 5,406,628 Equity Shares as per authorization letter dated November 27, 2015 issued by Women's World Banking Capital Partners, L.P.

Notes to the Capital Structure

1. **Equity Share Capital History of our Company**

(a) The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	No. of Equity shares allotted	Face value (₹)	Offer price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
January 25, 2005	1,100	100	100	Cash	Initial subscription to the Memorandum of Association (1)	1,100	110,000
August 30, 2005	242,000	100	100	Cash	Preferential allotment (2)	243,100	24,310,000
January 17, 2006	37,000	100	100	Cash	Preferential allotment (3)	280,100	28,010,000
May 22, 2006	269,720	100	100	Cash	Preferential allotment (4)	549,820	54,982,000
April 7,	24	100	100	Cash	Allotment pursuant to	549,844	54,984,400

Date of allotment	No. of Equity shares allotted	Face value (₹)	Offer price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
2007					exercise of stock options held under ESOP 2006[5]		
October 31, 2007	220,929	100	150	Cash	Preferential allotment [6]	770,773	77,077,300
October 31, 2007	370,134	100	125	Cash	Preferential allotment [7]	1,140,907	114,090,700
December 15, 2007	18,011	100	150	Cash	Preferential allotment [8]	1,158,918	115,891,800
December 15, 2007	74,100	100	125	Cash	Preferential allotment [9]	1,233,018	123,301,800
July 23, 2008	189	100	100	Cash	Allotment pursuant to exercise of stock options held under ESOP 2006 [10]	1,233,207	123,320,700
December 10, 2008	727,939	100	400	Cash	Preferential allotment [11]	1,961,146	196,114,600
December 10, 2008	638,561	100	375	Cash	Preferential allotment [12]	2,599,707	259,970,700
March 13, 2009	499,952	100	400	Cash	Preferential allotment [13]	3,099,659	309,965,900
March 13, 2009	42,804	100	389	Cash	Preferential allotment [14]	3,142,463	314,246,300
March 13, 2009	158,499	100	388	Cash	Preferential allotment [15]	3,300,962	330,096,200
March 13, 2009	106,240	100	387	Cash	Preferential allotment [16]	3,407,202	340,720,200
March 13, 2009	77,044	100	375	Cash	Preferential allotment [17]	3,484,246	348,424,600
	3,484,246	**100**					
October 12, 2010	34,842,460	10	-	-	Subdivision of the face value of Equity Shares from ₹100 each to ₹10 each	34,842,460	348,424,600
January 31, 2012	16,724,166	10	57	Cash	Preferential allotment [18]	51,566,626	515,666,260
February 1, 2012	5,720,000	10	57	Cash	Preferential allotment [19]	57,286,626	572,866,260
September 18, 2012	8,294,737	10	57	Cash	Preferential allotment [20]	65,581,363	655,813,630
January 30, 2015	5,124,702	10	146.35	Cash	Preferential allotment [21]	70,706,065	707,060,650
February 5, 2015	1,366,587	10	146.35	Cash	Preferential allotment [22]	72,072,652	720,726,520
February 16, 2015	819,952	10	146.35	Cash	Preferential allotment [23]	72,892,604	728,926,040
February 18, 2015	2,307,669	10	146.35	Cash	Preferential allotment [24]	75,200,273	752,002,730
March 18, 2015	10,932,696	10	146.35	Cash	Preferential allotment [25]	86,132,969	861,329,690
Total	**86,132,969**						

(1) 1,000 Equity Shares were allotted to Samit Ghosh and 100 Equity Shares were allotted to K.R.Ramamoorthy pursuant to subscription to MoA.

(2) 70,000 Equity Shares were allotted to Caspian Advisors Private Limited as trustees to the Bellwether Microfinance Trust;34,000 Equity Shares were allotted to Samit Ghosh & Elaine Marie Ghosh; 25,000 Equity Shares were allotted to Nucleus Software Exports Limited; 10,000 Equity Shares were allotted to each of Jaithirth Rao, Jayamani Ramchander, Nalini Sood and Dipika Som; 8,000 Equity Shares were allotted to Ravindra Bahl & Jayasree Bahl; 5,000 Equity Shares were allotted to each of MG Industries Private Limited, GVL Investments Private Limited, Chand Vir & Raj Kumar Vir, Harshdeep Singh Munjal & Ranjani Munjal, Abhay Omkar Aima, Joaquim Mascarenhas & Lorraine Mascarenhas, Ajit Kumar Surana, Grace Arati Davis, Y Krishan & Mira Krishan, Kailash Nath Sharma, Anant Koppar & Kalpana Anant Koppar and S.Venkatachalam & Tara Rao; 3,000 Equity Shares were allotted to Dharani Srinivasan; and 1,000 Equity Shares were allotted to each of Ashok Kapur & Madhu Kapur and Vikram Limaye.

(3) 12,500 Equity Shares were allotted to Fazal M K Ali & Salma Manekia;12,000 Equity Shares were allotted to Ravindra & Jayasree Bahl; 7,500 Equity Shares were allotted to Nazim Sultanali & Almas Nazim Manekia; and 5,000 Equity Shares were allotted to Brinda J & Jai Shanker Menon.

(4) 132,000 Equity Shares were allotted to Mauritius Unitus Corporation; 74,100 Equity Shares were allotted to Michael Susan Dell Foundation; 11,160 Equity Shares were allotted to Ashok Valiram Vaswani; 10,990 Equity Shares were allotted to Venkatachalam Krishnakumar & Aditi Krishnakumar; 10,000 Equity Shares were allotted to Rajeev W. Sawhney; 6,900 Equity Shares were allotted to Smita Menon & Bhaskar Menon; 5,010 Equity Shares were allotted to Amirapu Somasekher; 5,000 Equity Shares were allotted to each of

Cidambi Ramesh & Alpana Ramesh Cidambi, Rajeev Budhiraja and Dipankar Datta; and 4,560 Equity Shares were allotted to Steven Angelo Pinto & Asha Marie Pinto.

(5) 24 Equity Shares were allotted to Srikrishna K.R.

(6) 106,604 Equity Shares were allotted to Caspian Advisors Private Limited Trustee, Bellwether Microfinance Trust; 66,667 Equity Shares were allotted to AW Holding Private Limited; 32,048 Equity Shares were allotted to Mauritius Unitus Corporation; 10,610 Equity Shares were allotted to Rajeev W. Sawhney; and 5,000 Equity Shares were allotted to Madhavi Soman.

(7) 132,000 Equity Shares were allotted to Mauritius Unitus Corporation; 70,000 Equity Shares were allotted to Caspian Advisors Private Limited Trustee, Bellwether Microfinance Trust; 35,000 Equity Shares were allotted to Samit Ghosh & Elaine Marie Ghosh; 20,000 Equity Shares were allotted to Ravindra Bahl & Jayasree Bahl;12,500 Equity Shares were allotted to Fazal M.K Ali Manekia and Salma Manekia; 11,160 Equity Shares were allotted to Ashok Valiram Vaswani; 10,990 Equity Shares were allotted to Venkatachalam Krishnakumar & Aditi Krishnakumar; 10,000 Equity Shares were allotted to each of Rajeev W. Sawhney, Jaithirth Rao, and Dipika Som; 5,000 Equity Shares were allotted to each of Cidambi Ramesh and Alpana Ramesh Cidambi, Rajeev Budhiraja, Abhay Onkar Aima, Y.Krishnan, Harshdeep & Ranjani Munjal, Gautam Vir and Anant R. Koppar & Kalpana Anant Koppar; 4,560 Equity Shares were allotted to Steven Angelo Pinto & Asha Marie Pinto; 2,800 Equity Shares were allotted to Nazim Sultanali Manekia & Almas Nazim Manekia; 2,500 Equity Shares were allotted to Grace Arati Davis; 1,500 Equity Shares were allotted to Dharini Srinivasan; 1,000 Equity Shares were allotted to each of Vikram Limaye and Ashok Kapur & Madhu Kapur; 100 Equity Shares were allotted to K.R. Ramamoorthy; and 24 Equity Shares were allotted to Srikrishna K.R.

(8) 18,011 Equity Shares were allotted to Michael Susan Dell Foundation.

(9) 74,100 Equity Shares were allotted to Michael & Susan Dell Foundation.

(10) 189 Equity Shares were allotted to T.M.Viswanathan.

(11) 401,880 Equity Shares were allotted to Sequoia Capital India Investments III; 145,638 Equity Shares were allotted to Lok Capital LLC; 101,272 Equity Shares were allotted to Elevar Equity Mauritius; and 79,149 Equity Shares were allotted to India Financial Inclusion Fund.

(12) 147,040 Equity Shares were allotted to Mauritius Unitus Corporation; 146,666 Equity Shares were allotted to Michael Susan Dell Foundation; 139,900 Equity Shares were allotted to Bellwether Microfinance Fund Private Limited; 74,504 Equity Shares were allotted to Elevar Equity Mauritius; 53,352 Equity Shares were allotted to India Financial Inclusion Fund; 33,334 Equity Shares were allotted to AW Holding Private Limited; 15,305 Equity Shares were allotted to Rajeev W. Sawhney; 8,000 Equity Shares were allotted to Samit Ghosh & Elaine Marie Ghosh; 5,000 Equity Shares were allotted to each of Cidambi Ramesh & Alpana Ramesh Cidambi and Rajeev Budhiraja; 3,000 Equity Shares were allotted to Dipika Som; 2,700 Equity Shares were allotted to Dipankar Datta; 1,875 Equity Shares were allotted to Grace Arati Davis; 1,350 Equity Shares were allotted to Y. Krishan & Mira Krishan; 1,000 Equity Shares were allotted to Vikram Limaye; 500 Equity Shares were allotted to Joaquim Mascarenhas & Lorraine Mascarenhas; and 35 Equity Shares were allotted to Srikrishna K.R.

(13) 375,619 Equity Shares were allotted to Sequoia Capital India Investments III and 124,333 Equity Shares were allotted to Lok Capital LLC.

(14) 42,804 Equity Shares were allotted to Michael Susan Dell Foundation.

(15) 158,499 Equity Shares were allotted to Elevar Equity Mauritius.

(16) 106,240 Equity Shares were allotted to India Financial Inclusion Fund.

(17) 33,333 Equity Shares were allotted to AW Holding Private Limited; 15,305 Equity Shares were allotted to Rajeev W. Sawhney; 5,334 Equity Shares were allotted to each of Samit Ghosh & Elaine Marie Ghosh and Jaithirth Rao; 5,000 Equity Shares were allotted to each of Cidambi Ramesh & Alpana Ramesh Cidambi and Rajeev Budhiraja; 3,000 Equity Shares were allotted to Dipika Som; 1,875 Equity Shares were allotted to Grace Arati Davis; 1,350 Equity Shares were allotted to Y. Krishan & Mira Krishan; 1,000 Equity Shares were allotted to Vikram Limaye; 500 Equity Shares were allotted to Joaquim Mascarenhas & Lorraine Mascarenhas; and 13 Equity Shares were allotted to Srikrishna K.R.

(18) 7,017,544 Equity Shares were allotted to WCP Holdings III; 3,508,772 Equity Shares were allotted to India Financial Inclusion Fund; 2,192,982 Equity Shares were allotted to Elevar Equity Mauritius;1,754,386 Equity Shares were allotted to each of Sequoia Capital India Investments III and Sarva Capital LLC; 438,596 Equity Shares were allotted to Mauritius Unitus Corporation; 35,000 Equity Shares were allotted to Samit Ghosh & Elaine Marie Ghosh; and 22,500 Equity Shares were allotted to Grace Arati Davis.

(19) 5,720,000 Equity Shares were allotted to Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V.

(20) 7,894,737 Equity Shares were allotted to International Finance Corporation and 400,000 Equity Shares were allotted to Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V.

(21) 5,124,702 Equity Shares were allotted to Bajaj Holdings & Investment Limited.

(22) 1,366,587 Equity Shares were allotted to CX Partners Fund 1 Limited.

(23) 819,952 Equity Shares were allotted to Elevar Equity Mauritius.

(24) 2,307,669 Equity Shares were allotted to International Finance Corporation.

(25) 10,932,696 Equity Shares were allotted to CDC Group Plc.

We had instances of discrepancies/non-compliances in relation to returns of allotment filed with RoC for certain allotments made in the past. For further details, see "*Risk Factors - We have had instances of non-compliances in relation to regulatory filings made with the RoC under applicable law*" on page 26.

(b) As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

(c) The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Offer price (₹)	Nature of Consideration	Reason for Allotment	Allottees
1.	January 30, 2015	5,124,702	10	146.35	Cash	Preferential Allotment	Bajaj Holdings & Investment Limited
2.	February 5, 2015	1,366,587	10	146.35	Cash	Preferential Allotment	CX Partners Fund 1 Limited
3.	February 16, 2015	819,952	10	146.35	Cash	Preferential Allotment	Elevar Equity Mauritius
4.	February 18, 2015	2,307,669	10	146.35	Cash	Preferential Allotment	International Finance Corporation

Sr. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Offer price (₹)	Nature of Consideration	Reason for Allotment	Allottees
5.	March 18, 2015	10,932,696	10	146.35	Cash	Preferential Allotment	CDC Group Plc.

2. **Issue of Equity Shares for consideration other than cash**

(a) Our Company has not issued any Equity Shares out of revaluation of reserves.

(b) Our Company has not issued Equity Shares for consideration other than cash.

3. **Issue of Equity Shares in the last two preceding years**

For details of issue of Equity Shares by our Company in the last two preceding years, see "– *Equity Share Capital History of our Company*" on page 57. Our Company has not issued any preference shares in the past.

4. **Details of Lock-in**

(a) *Details of share capital locked in for three years*

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the SEBI ICDR Regulations or the Companies Act, 2013. Accordingly, in terms of Regulation 34(a) of the SEBI ICDR Regulations, there is no requirement of promoter's contribution in this Offer and none of the Equity Shares will be locked in for a period of three years pursuant to the Offer.

(b) *Details of share capital locked in for a year from the date of Allotment*

In terms of Regulation 37 of the SEBI ICDR Regulations, except for:

(i) the Equity Shares held by persons, if any, who are employees of our Company as on the date of Allotment pursuant to allotment under the ESOP Schemes; and

(ii) the Equity Shares sold or transferred by each of the Selling Shareholders pursuant to the Offer for Sale;

the entire pre-Offer Equity Share capital of our Company shall be locked in for a period of one year from the date of Allotment. Any respective unsubscribed portion of the Equity Shares being offered by each of Selling Shareholders, in the Offer for Sale would also be locked-in.

(c) *Lock in of Equity Shares to be Allotted, if any, to Anchor Investors*

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(d) *Other requirements in respect of lock-in*

In terms of Regulation 40 of SEBI ICDR Regulations, the Equity Shares held by the Shareholders prior to the Offer, and which are locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferee for the remaining period and compliance with the Takeover Regulations.

5. **Details of the equity share capital held by the respective Selling Shareholders in our Company**

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 39,659,673 Equity Shares, constituting 46.04% of the issued, subscribed and paid-up Equity Share capital of our Company in the following manner:

Sr.No.	Name of the Selling Shareholder	No. of Equity Shares	Percentage of the pre-Offer capital (%)
1.	Elevar Equity Mauritius	6,355,684	7.38
2.	International Finance Corporation	10,202,406	11.84
3.	India Financial Inclusion Fund	3,508,772	4.07
4.	Mauritius Unitus Corporation	2,523,725	2.93
5.	Nederlandse Financierings-Maatschappij voor	2,698,163	3.13

Sr.No.	Name of the Selling Shareholder	No. of Equity Shares	Percentage of the pre-Offer capital (%)
	Ontwikkelingslanden N.V.		
6.	Sarva Capital LLC	5,870,426	6.82
7.	WCP Holdings III	3,093,869	3.59
8.	Women's World Banking Capital Partners, L.P.	5,406,628	6.28
	Total	**39,659,673**	**46.04**

6. **Shareholding Pattern of our Company**

The table below presents the pre-Offer shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B +C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights										
								Class	Class	Total	Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Equity	N.A.									
(A)	**Promoter and Promoter Group**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B)	**Public**	48	86,132,969	-	-	86,132,969	100.00%	86,132,969	-	86,132,969	100.00 %	5,340,790	91,473,759					71,194,775
(C)	**Non Promoter-Non Public**																	
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	**48**	**86,132,969**	**-**	**-**	**86,132,969**	**100.00%**	**86,132,969**	**-**	**86,132,969**	**100.00 %**	**5,340,790**	**91,473,759**					**71,194,775**

7. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus, 10 days before the date of filing and two years prior to the date of filing of this Draft Red Herring Prospectus are set forth below:**

(a) The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	CDC Group Plc.	10,932,696	12.69
2.	Alena Private Limited	10,790,943	12.53
3.	International Finance Corporation	10,202,406	11.84
4.	NewQuest Asia Investments II Limited	8,199,522	9.52
5.	Elevar Equity Mauritius	6,355,684	7.38
6.	Sarva Capital LLC	5,870,426	6.82
7.	Women's World Banking Capital Partners, L.P.	5,406,628	6.28
8.	Bajaj Holdings & Investment Limited	5,124,702	5.95
9.	Sequoia Capital India Investments III	4,201,276	4.88
10.	India Financial Inclusion Fund	3,508,772	4.07
	Total	**70,593,055**	**81.96**

(b) The top 10 Shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	CDC Group Plc.	10,932,696	12.69
2.	Alena Private Limited	10,790,943	12.53
3.	International Finance Corporation	10,202,406	11.84
4.	NewQuest Asia Investments II Limited	8,199,522	9.52
5.	Elevar Equity Mauritius	6,355,684	7.38
6.	Sarva Capital LLC	5,870,426	6.82
7.	Women's World Banking Capital Partners, L.P.	5,406,628	6.28
8.	Bajaj Holdings & Investment Limited	5,124,702	5.95
9.	Sequoia Capital India Investments III	4,201,276	4.88
10.	India Financial Inclusion Fund	3,508,772	4.07
	Total	**70,593,055**	**81.96**

(c) The top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Sequoia Capital India Investments III	9,529,376	14.53
2.	International Finance Corporation	7,894,737	12.04
3.	WCP Holdings III	7,017,544	10.70
4.	Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	6,120,000	9.33
5.	India Financial Inclusion Fund	5,896,182	8.99
6.	Sarva Capital LLC	5,870,426	8.95
7.	Elevar Equity Mauritius	5,535,732	8.44
8.	Mauritius Unitus Corporation	4,869,476	7.43
9.	Women's World Banking Capital Partners, L.P.	4,290,610	6.54
10.	Lok Capital LLC	2,699,710	4.12
	Total	**59,723,793**	**91.07**

8. **Details of Equity Shares held by our Directors and Key Management Personnel in our Company**

Other than as set out below, none of our Directors or Key Management Personnel hold Equity Shares as of the date of this Draft Red Herring Prospectus.

(i) Set out below are details of the Equity Shares held by our Directors in our Company:

Sr. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Samit Ghosh	868,340	1.01	[•]
2.	K.R.Ramamoorthy(1)	1,000	Negligible	[•]

(1) Jointly held with Vasantha Ramamoorthy

(ii) Set out below are details of the Equity Shares held by Key Management Personnel in our Company:

Sr. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Samit Ghosh	868,340	1.01	[•]
2.	Ittira Davis*	50,000	0.06	[●]

** Jointly held with Anna Ittira Davis*

9. The BRLMs and their respective associates do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

10. All Equity Shares were fully paid up as on the date of allotment.

11. Our Company has not made any bonus issue of any kind or class of securities since incorporation.

12. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

13. Our Company has not made any public issue of any kind or class of securities since its incorporation.

14. Our Company has not made any rights issue of any kind or class of securities since its incorporation.

15. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made by us to the persons who receive Allotment.

16. **Employee Stock Option Schemes**

Our Company has constituted various employee stock option schemes in the past. The options granted under the ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010 and MD-ESOP 2010 were issued prior to the sub-division of equity shares of the Company from face value from ₹100 each to ₹10 each and the aforesaid options granted under these schemes result in 5,283,592 options after adjustment of the equity shares of our Company for split of face value from ₹100 each to ₹10 each.

Our Company, pursuant to resolutions passed by the Board and Shareholders on March 29, 2006 and May 12, 2006, respectively, adopted the ESOP 2006. The ESOP 2006 was for a total of 64,000 Equity Shares for all the eligible employees of our Company. In accordance with the ESOP 2006, each option on exercise would be eligible for one Equity Share on payment of exercise price.

Thereafter, pursuant to resolutions passed by the Board and Shareholders on June 9, 2007 and July 21, 2007, respectively, our Company instituted the ESOP 2007. The ESOP 2007 was for a total of 189,440 Equity Shares for all the eligible employees of our Company. In accordance with the ESOP 2007, each option on exercise would be eligible for one Equity Share on payment of exercise price.

Thereafter, pursuant to resolutions passed by the Board and Shareholders on July 23, 2008 and August 18, 2008, respectively our Company approved the ESOP 2008. The ESOP 2008 was for a total of 396,680 Equity Shares for all the eligible employees of our Company. In accordance with the ESOP 2008, each option on exercise would be eligible for one Equity Share on payment of exercise price.

Thereafter, pursuant to resolution passed by the Board and Shareholder resolutions dated May 17, 2010 and July 12, 2010, respectively, our Company approved the ESOP 2010 and MD-ESOP 2010. The ESOP 2010 and MD-ESOP 2010 were initially for a total of 3,484,250 and 871,060 Equity Shares for all the eligible employees and the managing director of the Company, respectively.

Further, pursuant to the Shareholders resolution dated July 12, 2010 the exercise period under the ESOP 2006, ESOP 2007 and ESOP 2008 was aligned with the exercise period time frame mentioned in ESOP 2010.

Pursuant to sub-division of the face value of the equity shares from face value from ₹100 each to ₹10 each on October 12, 2010 and in accordance with ESOP 2010, maximum number of shares available for being granted under ESOP 2010 stood modified and the cumulative face value prior to sub-division remained unchanged.

Pursuant to resolution passed by the Board on August 12, 2011, additional grants were approved under the MD-ESOP 2010 amounting to 378,112. In accordance with the ESOP 2010 and MD-ESOP 2010, each option on exercise would be eligible for one Equity Share on payment of exercise price.

Thereafter, pursuant to resolution passed by the Board and Shareholders on August 8, 2012 and September 12, 2012, respectively, our Company approved creation of a pool of 1,243,233 options under the ESOP 2010 for the Financial Year 2011-12.

As on the date of this Draft Red Herring Prospectus, our Company has granted 5,283,592 options under ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010 and MD-ESOP 2010.

Pursuant to Shareholders resolution dated November 3, 2015, an aggregate of 779,059 cancelled/forfeited options, as on March 31, 2015, under ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010 were transferred to option pool of ESOP 2015.

During the course of time, certain employees who held granted and vested options under the ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010 have resigned or deceased. As on November 30, 2015, 692 former employees, including 685 who have resigned and 7 who have deceased, held vested unexercised options under the ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010. The total number of vested options exercisable by such former employees was 464,966, including 459,128 options exercisable by former employees who have resigned and 5,838 options exercisable by former employees who are deceased.

Post amendment to the exercise period prescribed under the ESOP 2006, ESOP 2007 and ESOP 2008 pursuant to the Shareholders resolution dated July 12, 2010, the vested options held by such former employees could be exercised by such former employees or nominees of deceased former employees option holders, as applicable, until one month (in case of resignation/termination other than due to misconduct or breach of Company’s policies or terms of employment) or six months (in case of death of former employee) from the date of listing of the Equity Shares of the Company. However, pursuant to the resolutions dated December 11, 2015 and December 15, 2015, passed by the Board and Shareholders respectively, the exercise period under the ESOP 2010 was amended in order to ensure compliance with the SEBI ICDR Regulations and for acting in the best interests of the former employees who held vested unexercised options as on the date of this Draft Red Herring Prospectus. Pursuant to the aforementioned resolutions, the exercise period under the ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010 was accelerated to enable such former employees or nominees of deceased former employees option holders, as applicable to exercise their outstanding vested within a given time frame, being not later than the date of filing of the Red Herring Prospectus with SEBI.

In terms of the aforementioned Board and Shareholders resolutions, the Company decided to give an option to such former employees or nominees of deceased former employees option holders to exercise their vested options by January 24, 2016, failing which the unexercised vested options shall be treated as lapsed/abandoned by the Company.

In furtherance of the objective of reaching out to all such former employees, the Company has dispatched letters dated December 15, 2015, mentioning the requisite details, to all such former employees or nominees of deceased former employees option holders holding vested unexercised options under the aforementioned schemes on their last known address. Our Company further intends to issue subsequent reminders to such former employees or nominees of deceased former employees option holders, at reasonable intervals till the January 24, 2016, in order to ensure that all the vested options held by former employees are exercised at the earliest.

For details with respect to the dilutive effect of the outstanding options and the risk involved in relation to the outstanding employee stock options, see “*The Offer*” and “*Risk Factors - Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares*” on pages 47 and 29, respectively.

Our Company, being an unlisted company, is not required to be compliant with SEBI ESOP Regulations. Further, ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010 and MD-ESOP 2010 were adopted prior to the commencement of the Companies Act, 2013. As per the certificate dated December 28, 2015 provided by V. Sridhar, Chartered Accountant, ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010 and MD-ESOP 2010 are in compliance with the SEBI ESOP Regulations and the Companies Act, 2013, except to the extent that these schemes do not specifically exclude independent directors and directors either through themselves or through their relatives, or any body corporate holding more than 10% of the Equity Shares from the definition of employee to whom options may be granted these schemes, as provided under Regulation 2(1)(f) of the SEBI ESOP Regulations and the explanation to Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014, and are implemented in accordance with guidance notes issued by ICAI and the relevant accounting standards.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>5,283,592 options as on November 30, 2015.
<table>
<tr><th>Period</th><th>ESOP 2006</th><th>ESOP 2007</th><th>ESOP 2008</th><th>ESOP 2010</th><th>MD-ESOP 2010</th><th>Total options granted</th></tr>
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<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>
<table>
<tr><td>Financial Year 2013</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Financial Year 2014</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Financial Year 2015</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Period between April 1, 2015 to December 10, 2015</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Options granted (All the options were granted prior to Financial Year 2013)</td><td>64,000</td><td>189,440</td><td>396,680</td><td>3,384,300</td><td>1,249,172</td><td>5,283,592</td></tr>
</table>
</td></tr>
<tr><td>Pricing formula</td><td>The options were granted at such exercise price not less than face value per option per Equity Share</td></tr>
<tr><td>Exercise price of options (in ₹)</td><td>There has been no exercise of options under the ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010 and MD-ESOP 2010 during the last three financial years and the period between April 1, 2015 to November 30, 2015</td></tr>
<tr><td>Vesting period</td><td>
Grant A –ESOP 2006
<table>
<tr><th>Vesting Proportion</th><th>Vesting period from date of grant</th><th>Basis of Vesting</th></tr>
<tr><td>Sign On Shares
- 20% every year</td><td>Vests over five years</td><td>• Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period</td></tr>
<tr><td>Incentive Shares & Growth Shares-
Year 1-33%
Year 2-33%
Year 3-34%</td><td>Vests over three years</td><td>• Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period</td></tr>
</table>
Grant B -ESOP 2007
<table>
<tr><th>Vesting Proportion</th><th>Vesting period from date of grant</th><th>Basis of Vesting</th></tr>
<tr><td>Incentive Shares & Growth Shares-
Year 1-33%
Year 2-33%
Year 3-34%</td><td>vests over 3 years</td><td>• Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period</td></tr>
</table>
Grant C -ESOP 2008
<table>
<tr><th>Vesting Proportion</th><th>Vesting period from date of grant</th><th>Basis of Vesting</th></tr>
<tr><td>Year 1-100%</td><td>Vests over one year</td><td>• Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>Grant D-ESOP 2010 and MD-ESOP 2010
<table>
<tr><th>Vesting Proportion</th><th>Vesting period from date of grant</th><th>Basis of Vesting</th></tr>
<tr><td>Year 1-25%
Year 2-25%
Year 3-25%
Year 4-25%</td><td>Vests over four years</td><td>• Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period
• Also based on certain performance parameters subject to which the options would vest as specified by the Board/ Compensation committee</td></tr>
</table></td></tr>
<tr><td>Options vested</td><td>3,607,772 options as on November 30, 2015
<table>
<tr><th>Scheme</th><th>ESOP 2006</th><th>ESOP 2007</th><th>ESOP 2008</th><th>ESOP 2010</th><th>MD-ESOP 2010</th><th>Total options vested</th></tr>
<tr><td>Options Vested</td><td>27,099</td><td>161,420</td><td>322,450</td><td>1,847,631</td><td>1,249,172</td><td>3,607,772</td></tr>
</table></td></tr>
<tr><td>Options exercised</td><td>2,130 options
<table>
<tr><th>Scheme</th><th>ESOP 2006</th><th>ESOP 2007</th><th>ESOP 2008</th><th>ESOP 2010</th><th>MD-ESOP 2010</th><th>Total options exercised</th></tr>
<tr><td>Options exercised</td><td>2,130</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>2,130</td></tr>
</table></td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>2,130 Equity Shares</td></tr>
<tr><td>Options lapsed/forfeited/cancelled</td><td>
<table>
<tr><th>Scheme</th><th>ESOP 2006</th><th>ESOP 2007</th><th>ESOP 2008</th><th>ESOP 2010</th><th>MD-ESOP 2010</th><th>Total options lapsed/ forfeited/ cancelled</th></tr>
<tr><td>Options lapsed/ forfeited/ cancelled</td><td>34,771</td><td>28,020</td><td>74,230</td><td>1,265,121</td><td>Nil</td><td>1,402,142</td></tr>
</table></td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>₹21,300
<table>
<tr><th>Scheme</th><th>ESOP 2006</th><th>ESOP 2007</th><th>ESOP 2008</th><th>ESOP 2010</th><th>MD-ESOP 2010</th><th>Total money realised</th></tr>
<tr><td>Money realised</td><td>21,300</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>21,300</td></tr>
</table></td></tr>
<tr><td>Total number of options in force as on November 30, 2015</td><td>3,879,320 options
<table>
<tr><th>Scheme</th><th>ESOP 2006</th><th>ESOP 2007</th><th>ESOP 2008</th><th>ESOP 2010</th><th>MD-ESOP 2010</th><th>Total options in force</th></tr>
<tr><td>Vested</td><td>27,099</td><td>161,420</td><td>322,450</td><td>1,847,631</td><td>1,249,172</td><td>3,607,772</td></tr>
<tr><td>Unvested</td><td>Nil</td><td>Nil</td><td>Nil</td><td>271,548</td><td>Nil</td><td>271,548</td></tr>
<tr><td>Total</td><td>27,099</td><td>161,420</td><td>322,450</td><td>2,119,179</td><td>1,249,172</td><td>3,879,320</td></tr>
</table></td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>(i) Senior managerial</td><td>Details as included in Note 1</td></tr>
</table>

Particulars	Details
personnel i.e., Directors and Key Managerial Personnel	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015:Nil For Financial Year 2014: Nil For Financial Year 2013: Nil
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil For Financial Year 2013: Nil
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the relevant accounting standard	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil For Financial Year 2013: Nil
Lock-in	Nil
Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed	For Financial Year 2015: The total accounting charge taken on account of ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010, MD-ESOP 2010 is Nil For Financial Year 2014: The total accounting charge taken on account of ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010, MD-ESOP 2010 is Nil For Financial Year 2013: The total accounting charge taken on account of ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010, MD-ESOP 2010 is Nil
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and EPS of the issuer	Our Company follows the Fair Market Value of the stock options as on the date of exercise for calculating employee compensation cost.
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Not applicable For Financial Year 2014: Not applicable For Financial Year 2013: Not applicable

Particulars	Details
less than the market price of the stock	
Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Not applicable For Financial Year 2014: Not applicable For Financial Year 2013: Not applicable
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	None
Intention to sell Equity Shares arising out of the ESOP Schemes within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP Schemes amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	None

Note 1

Details regarding options granted to the senior managerial personnel, i.e. Directors and Key Managerial Personnel under the ESOP 2006, ESOP 2007, ESOP 2008, ESOP 2010 and MD-ESOP 2010 are set forth below:

Sr. no	Name of Director/ Key Managerial Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of outstanding options
1	Samit Ghosh	Managing Director	8,700	8,700	-	-	8,700
2	Carol Furtado	COO	8,700	8,700	-	-	8,700
3	Premkumar G	Head -Vigilance and Administration	-	-	-	-	-
4	Jolly Zachariah	COO	-	-	-	-	-
5	Sudha Suresh	Chief Financial Officer	-	-	-	-	-
6	Alagarsamy	Head – Audit	-	-	-	-	-
7	Deepak Ayare	Chief Technology Officer	-	-	-	-	-
8	Rajat Kumar Singh	Head of Strategies and	-	-	-	-	-

		Planning					
9	Martin P S	Head - Service Quality & Operations	-	-	-	-	-
10	Abhiroop Chatterjee	COO	-	-	-	-	-
11	Sneh Thakur	Head - Credit	-	-	-	-	-
12	S. Aryendra Kumar	Head of Housing Finance	-	-	-	-	-
13	Manish Kumar Raj	COO	-	-	-	-	-
14	Sanjeev Barnwal	Company Secretary & Compliance Officer	-	-	-	-	-

ESOP 2007

Sr. no	Name of Director/ Key Managerial Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of outstanding options
1	Samit Ghosh	Managing Director	23,000	23,000	-	-	23,000
2	Carol Furtado	COO	26,000	26,000	-	-	26,000
3	Premkumar G	Head -Vigilance and Administration	10,400	10,400	-	-	10,400
4	Jolly Zachariah	COO	-	-	-	-	-
5	Sudha Suresh	Chief Financial Officer	-	-	-	-	-
6	Alagarsamy	Head – Audit	-	-	-	-	-
7	Deepak Ayare	Chief Technology Officer	-	-	-	-	-
8	Rajat Kumar Singh	Head of Strategies and planning	-	-	-	-	-
9	Martin P S	Head - Service Quality & Operations	-	-	-	-	-
10	Abhiroop Chatterjee	COO	-	-	-	-	-
11	Sneh Thakur	Head - Credit	-	-	-	-	-
12	S. Aryendra Kumar	Head of Housing Finance	-	-	-	-	-
13	Manish Kumar Raj	COO	-	-	-	-	-
14	Sanjeev Barnwal	Company Secretary & Compliance Officer	-	-	-	-	-

ESOP 2008

Sr. no	Name of Director/ Key Managerial Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of outstanding options
1	Samit Ghosh	Managing Director	18,060	18,060	-	-	18,060
2	Carol Furtado	COO	18,060	18,060	-	-	18,060
3	Premkumar G	Head -Vigilance	6,860	6,860	-	-	6,860

		and Administration					
4	Jolly Zachariah	COO	-	-	-	-	-
5	Sudha Suresh	Chief Financial Officer	-	-	-	-	-
6	Alagarsamy	Head – Audit	-	-	-	-	-
7	Deepak Ayare	Chief Technology Officer	-	-	-	-	-
8	Rajat Kumar Singh	Head of Strategies and planning	5,960	5,960	-	-	5,960
9	Martin P S	Head - Service Quality & Operations	-	-	-	-	-
10	Abhiroop Chatterjee	COO	-	-	-	-	-
11	Sneh Thakur	Head - Credit	-	-	-	-	-
12	S. Aryendra Kumar	Head of Housing Finance	-	-	-	-	-
13	Manish Kumar Raj	COO	-	-	-	-	-
14	Sanjeev Barnwal	Company Secretary & Compliance Officer	-	-	-	-	-

ESOP 2010

Sr no	Name of Director/ Key Managerial Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of outstanding options
1	Samit Ghosh	Managing Director	21,580	16,185	5,395	-	21,580
2	Carol Furtado	COO	62,350	58,572	3,778	-	62,350
3	Premkumar G	Head -Vigilance and Administration	49,060	45,343	1,580	2,137	46,923
4	Jolly Zachariah	COO	50,580	45,671	2,645	2,264	48,316
5	Sudha Suresh	Chief Financial Officer	39,900	35,675	4,225	-	39,900
6	Alagarsamy	Head – Audit	32,280	27,903	3,070	1,307	30,973
7	Deepak Ayare	Chief Technology Officer	28,910	24,736	2,228	1,946	26,964
8	Rajat Kumar Singh	Head of Strategies and Planning	14,420	12,849	1,345	226	14,194
9	Martin P S	Head - Service Quality & Operations	17,510	15,632	1,878	-	17,510
10	Abhiroop Chatterjee	COO	14,290	12,861	1,072	357	13,933
11	Sneh Thakur	Head - Credit	8,930	7,898	1,032	-	8,930
12	S. Aryendra Kumar	Head of Housing Finance	-	-	-	-	-
13	Manish Kumar Raj	COO	2,130	1,598	532	-	2,130
14	Sanjeev Barnwal	Company Secretary & Compliance Officer	-	-	-	-	-

MD-ESOP 2010

Sr no	Name of Director/ Key Managerial Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of outstanding options
1	Samit Ghosh	Managing Director	1,249,172	1,249,172	-	-	1,249,172

17. Our Company, pursuant to resolutions passed by our Board and our Shareholders, dated September 29, 2015 and November 3, 2015, respectively has adopted ESOP 2015. Pursuant to ESOP 2015, options to acquire Equity Shares may be granted to eligible employees including permanent employees of our Company except an independent director or nominee director and founder of our Company viz. Samit Ghosh, or a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares. The aggregate number of Equity Shares, which may be issued under ESOP 2015, shall not exceed 4,782,129 Equity Shares. In accordance with the ESOP 2015, each option on exercise would be eligible for one Equity Share on payment of the exercise price. As on the date of this Draft Red Herring Prospectus, our Company has granted 1,469,800 options under the ESOP 2015. Pursuant to resolution passed by our Shareholders on November 3, 2015, an aggregate of 779,059 cancelled/forfeited options, as on March 31, 2015, under ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010 were transferred to option pool of ESOP 2015, thereby making the total employee stock option pool available being 5,561,188 options. As per certificate dated December 28, 2015 provided by V. Sridhar, Chartered Accountant, the ESOP 2015 is in compliance with the SEBI ESOP Regulations, the Companies Act, 2013, and is implemented in accordance with guidance notes issued by ICAI and the relevant accounting standards.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>No options were granted in last three Financial Years, and on November 03, 2015, 1,469,800 options were granted.</td></tr>
<tr><td>Pricing formula</td><td>The options were granted at such exercise price not less than face value per option per Equity Share</td></tr>
<tr><td>Exercise price of options (in `)</td><td>No options granted under ESOP 2015 have been exercised till November 30, 2015</td></tr>
<tr><td>Vesting period</td><td>Grant A
<table>
<tr><th>Vesting Proportion</th><th>Vesting period from date of grant</th><th>Basis of vesting</th></tr>
<tr><td>34%</td><td>1 year - Vesting date is 3rd November 2016</td><td>Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period</td></tr>
<tr><td>33%</td><td>2 years - Vesting date is 3rd November 2017</td><td>Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period</td></tr>
<tr><td>33%</td><td>3 years – Vesting date is 3rd November 2018</td><td>Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period</td></tr>
</table>
Nil options have been vested as of November 30, 2015 pursuant to Shareholders’ resolution dated November 03, 2015</td></tr>
<tr><td>Options vested</td><td>Nil Options</td></tr>
<tr><td>Options exercised</td><td>Nil Options</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>No options exercised as on date.</td></tr>
<tr><td>Options lapsed/forfeited/cancelled</td><td>8,330 options</td></tr>
<tr><td>Variation of terms of options</td><td>None</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td>1,461,470 outstanding unvested options</td></tr>
<tr><td>Employee-wise detail</td><td></td></tr>
</table>

Particulars	Details
of options granted to:	
(i) Senior managerial personnel i.e., Directors and Key managerial personnel	Details as included in Note 2
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil For Financial Year 2013: Nil
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil For Financial Year 2013: Nil
Fully diluted EPS pursuant to issue of Equity Shares on a pre-offer basis on exercise of options in accordance with the relevant accounting standard	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: No impact since the options granted in FY 2015-16 For Financial Year 2014: No impact since the options granted in FY 2015-16 For Financial Year 2013: No impact since the options granted in FY 2015-16
Lock-in	Nil
Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed	For Financial Year 2015: Not applicable For Financial Year 2014: Not applicable For Financial Year 2013: Not applicable
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this	Our Company follows the Fair Market Value of the stock options at the time of exercise for calculating employee compensation cost.

Particulars	Details
difference on profits and EPS of the issuer	
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Not applicable For Financial Year 2014: Not applicable For Financial Year 2013: Not applicable
Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option	Period between April 1, 2015 to November 30, 2015: Nil For Financial Year 2015: Not applicable For Financial Year 2014: Not applicable For Financial Year 2013: Not applicable
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Not applicable
Intention to sell Equity Shares arising out of the ESOP 2015 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2015 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not applicable since the first vesting will happen on November 03, 2016

Note 2

Details regarding options granted to the senior managerial personnel, i.e. Directors and Key Managerial Personnel under the ESOP 2015 are set forth below:

Sr. no	Name of Director/ Key Managerial Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of outstanding options
1	Samit Ghosh	Managing Director	-	-	-	-	-
2	Carol Furtado	COO	14,100	-	14,100	-	14,100
3	Premkumar G	Head -Vigilance	8,090	-	8,090	-	8,090

		and Administration					
4	Jolly Zachariah	COO	12,040	-	12,040	-	12,040
5	Sudha Suresh	Chief Financial Officer	15,730	-	15,730	-	15,730
6	Alagarsamy	Head – Audit	11,220	-	11,220	-	11,220
7	Deepak Ayare	Chief Technology Officer	4,960	-	4,960	-	4,960
8	Rajat Kumar Singh	Head of Strategies and planning	9,770	-	9,770	-	9,770
9	Martin P S	Head - Service Quality & Operations	8,520	-	8,520	-	8,520
10	Abhiroop Chatterjee	COO	7,810	-	7,810	-	7,810
11	Sneh Thakur	Head - Credit	7,810	-	7,810	-	7,810
12	S. Aryendra Kumar	Head of Housing Finance	7,530	-	7,530	-	7,530
13	Manish Kumar Raj	COO	4,490	-	4,490	-	4,490
14	Sanjeev Barnwal	Company Secretary & Compliance Officer	3,460	-	3,460	-	3,460

18. None of our Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

19. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 48.

20. Neither our Company nor our Directors have entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

21. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.

22. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment lot.

23. There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

24. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; (b) the issuance of Equity Shares to former employees pursuant to the ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010; (c) the Pre-IPO Placement before filing of the Red Herring Prospectus with RoC; and (d) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.

25. The Offer is being in made in terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), wherein a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) will be offered to the public. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders

(other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Offer through the ASBA process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through ASBA process. For further details, see "*Offer Procedure*" on page 214. **THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA.**

26. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the Net QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

28. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

29. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors and our Group Companies shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

30. Except options granted pursuant to ESOP Schemes, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale of their respective portions of the Offered Shares, respectively net of their proportion of Offer related expenses. The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. We will not receive any proceeds from the Offer for Sale.

Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards augmenting its capital base to meet future capital requirements.

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name and creation of a public market for our Equity Shares in India. In addition, our Company intends to reduce its foreign shareholding in accordance with the requirements of the SFB In-principle Approval to set up an SFB.

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

Offer Proceeds and Net Proceeds

The details of the proceeds of the Offer are summarised in the table below:

Particulars	Amount (in ₹million)
Gross Proceeds of the Fresh Issue	6,500[(1)]
(Less) Fresh Issue related expenses[(2) (3)]	[●]
Net Proceeds	**[●]**

(1) *Includes, the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.*

(2) *To be finalised upon determination of the Offer Price.*

(3) *The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law.*

Utilization of Net Proceeds of the Offer

The Net Proceeds of the Fresh Issue are proposed to be utilised for augmenting our capital base.

The fund requirements for the objects are based on internal management estimates and have not been appraised by any bank or financial institution.

Schedule of Deployment

The Net Proceeds of the Fresh Issue are proposed to be deployed in the Financial Year 2016.

The fund deployment indicated above is based on current circumstances of our business and we may have to revise its estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details, see "*Risk Factors - Variation in the utilization of Net Proceeds as disclosed in this DRHP would be subject to certain compliance requirements, including shareholders' approval*" on page 25.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the objects of the Offer, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

Details of the Objects of the Offer

The Net Proceeds will be utilized to augment the capital base of our Company to meet future capital requirements which are expected to arise out of growth in our Company's assets, primarily our Company's loans and advances and other investments.

Means of finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from Fresh Issue.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds in one or more scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, legal counsels, Registrar to the Offer, processing fee to the SCSBs for processing Bid cum Application Forms submitted by ASBA Bidders procured by the members of the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, printing and stationary expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses. Further, all expenses incurred by the Company on behalf of the respective Selling Shareholder, in relation to appointment of any intermediary, shall be pre-authorized by the respective Selling Shareholder and shall be reimbursed by such respective Selling Shareholder, upon successful completion of the Offer, in the proportion mutually agreed between the Company, the respective Selling Shareholders. The break-up for the estimated Offer expenses are as follows:

Activity	Amount (1) (₹in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Payment to BRLMs (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission and processing fees for SCSBs(2)	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers(3)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Others: i. Listing fees, SEBI filing fees, book-building software fees; ii. Printing and stationary expenses; iii. Fees payable to Monitoring Agency; iv. Advertising and marketing for the Offer; and v. Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Will be completed after finalisation of the Offer Price.*

(2) *SCSBs will be entitled to a processing fee of ₹[●] (plus service tax)per Bid cum Application Form for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to them.*

(3) *Registered Brokers will be entitled to a processing fee of ₹ [●] (plus service tax) per Bid cum Application Form on valid bids, which are eligible for Allotment, procured from Retail Individual Bidders and Non-Institutional Bidders for directly procuring the Bid cum Application Forms or submitted to the SCSBs for processing. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*

Monitoring Utilization of Funds

Our Company has appointed [●] as the monitoring agency in relation to the Offer. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds of the Offer and submit its report to us in terms of Regulation 16(2) of SEBI ICDR Regulations.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. Comments or reports from the Monitoring Agency will also be submitted to the Stock Exchanges on utilization of the Net Proceeds We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, the regional language of the jurisdiction where our Registered Office is situated.

Other Confirmations

No part of the Net Proceeds will be paid by our Company to our Directors, or key management personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 99, 14 and 162, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Leading MFI with a deep pan-India presence.
- Customer centric organization.
- Professional management, experienced leadership and strong corporate governance.
- Robust risk management framework.
- Focus of employee welfare.
- Robust technology driven operating model.
- Strong track record of financial performance.

For further details, see "*Our Business - Our Strengths*" and "*Risk Factors*" on pages 100 and 14, respectively.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 162.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS")

Financial Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2013	5.33	1	4.97	1
March 31, 2014	8.91	2	8.38	2
March 31, 2015	11.24	3	10.62	3
Weighted Average	**9.48**		**8.93**	

For the six month period ended September 30, 2015, the basic EPS was 8.56 and the diluted EPS was 8.19.

Note:

1. *The EPS calculations have been done in accordance with Accounting Standard 20 – "Earnings per Share" issued by ICAI*
2. *The ratios have been computed as below:*
   a. *Basic EPS (in ₹) = Net profit, after tax, as restated for the year/period, attributable to equity shareholders/Weighted average number of equity shares outstanding during the year/period*
   b. *Diluted EPS (in ₹) = Net profit, after tax, as restated for the year/period, attributable to equity shareholders/Weighted average number of dilutive equity shares outstanding during the year/period*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share

(a) P/E based on basic and diluted EPS for the year ended March 31, 2015 at the lower end of the Price Band are [●] and [●], respectively.

(b) P/E based on basic and diluted EPS for the year ended March 31, 2015 at the higher end of the Price Band are [●] and [●], respectively.

3. Return on Net Worth ("RoNW")

Financial Year ended	RoNW (%)	Weight
March 31, 2013	10.34%	1
March 31, 2014	15.67%	2
March 31, 2015	10.29%	3
Weighted Average	**12.10%**	

For the six month period ended September 30, 2015, the RoNW was 9.10% (not annualized).

Note:
RoNW = Net profit after tax, as restated for the year/period, attributable to equity shareholders/Net worth (excluding revaluation reserve), as restated, at the end of the year/period

4. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2015

(a) Based on Basic EPS:

At the Floor Price – [●] based on the Restated Financial Statements.

At the Cap Price – [●] based on the Restated Financial Statements.

(b) Based on Diluted EPS:

At the Floor Price – [●] based on the Restated Financial Statements.

At the Cap Price – [●] based on the Restated Financial Statements.

5. Net Asset Value ("NAV") per Equity Share

Financial year ended/Period ended	NAV (₹)	Weight
March 31, 2013	45.41	1
March 31, 2014	53.43	2
March 31, 2015	81.76	3
Weighted Average	**66.26**	
Offer Price	[•]	
After the Offer	[•]	

Note:
NAV = Net Asset Value, as restated, at the end of the period/year/Number of equity shares outstanding at the end of the year/period

6. Comparison with Listed Industry Peers

Name of the company	Revenue from operations (₹in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Shriram City Union Finance Limited	34,822.40	10	20.21x	86.18	13.61	622.27
Sundaram Finance Limited	22,546.58	10	36.19x	40.88	15.25	268.04
SKS Microfinance Limited	7,239.57	10	29.87x	15.22	17.93	82.86

Source: BSE
Note:
1. *All financials are on a standalone basis for the financial year ending March 31, 2015*
2. *Revenue indicates revenue from operations*
3. *Net Income indicates the net profit after taxes and exceptional items*
4. *P/E ratio is calculated as closing share price (November 27, 2015, BSE)*
5. *EPS is as reported in the audit report filed with the stock exchanges*
6. *Net worth includes Equity Share capital and reserves & surplus*
7. *RoNW is calculated as Net Income (as defined above)/Closing Net Worth (as defined above)*
8. *NAV per share is calculated as Net Worth/Equity Shares outstanding (both as on March 31, 2015)*

7. The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*" and "*Financial Statements*" on pages 14 and 162, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Ujjivan Financial Services Limited (Formerly Ujjivan Financial Services Private Limited)
No.27, Grape Garden, 3rd A Cross,
18th Main, 6th Block, Koramangala,
Bengaluru – 560095

Dear Sirs,

Public offer to sell/issue of Equity shares

We refer to the proposed issue of the equity shares of Ujjivan Financial Services Limited **(Formerly Ujjivan Financial Services Private Limited)** ("the Company"). We enclose herewith the statement showing the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income-Tax Act, 1961, as amended for inclusion in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus ("Offer Documents") for the proposed issue of shares/offer to sell. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met with;
- The revenue authorities / courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed public offer to sell/issue sale of shares which the Company intends to submit to the Securities and Exchange Board of India.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Ujjivan Financial Services Limited and shall not, without our prior written consent, be disclosed to any other person.

The Direct Tax Code Bill, 2010 has lapsed. Having considered the report of the Standing Committee on Finance and the views expressed by the stakeholders, a revised Direct Tax Code has been placed in the public domain in March, 2014. Thus, it may undergo changes by the time it is actually introduced and hence, at the moment, it is unclear when will it come into effect and what effect the proposed Direct Tax Code would have on the Company and the investors.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended (the Offerings).

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

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bangalore
Date: December 23, 2015

Annexure: I

NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO UJJIVAN FINANCIAL SERVICES LIMITED (FORMERLY UJJIVAN FINANCIAL SERVICES PRIVATE LIMITED) AND ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 ("the IT Act")

Ujjivan Financial Services Limited **(Formerly Ujjivan Financial Services Private Limited)** ("the Company") is an Indian Company, subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purpose of the business, including depreciation.

Considering the activities and the business of the Company, the following benefits may be available to them.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special benefits available to the Company under the provisions of the IT Act.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special benefits available to the Shareholders under the provisions of the IT Act.

Notes:

a. The above statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.

b. This statement is only intended to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

c. We have not commented on the taxation aspect under any law for the time being in force, as applicable of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports and materials prepared by CRISIL ("**CRISIL Material**"). The information has not been independently verified by us, the Book Running Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

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Indian Economy

India ranked as the 9th largest economy in the world with the GDP of US$ 2,066,902 million for 2014. (*Source: World Development Indicators database, World Bank, September 18, 2015)*

According to IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5 per cent in 2016. (*Source: IBEF – Indian Economy Overview, November 2015: http://www.ibef.org/economy/indian-economy-overview*)

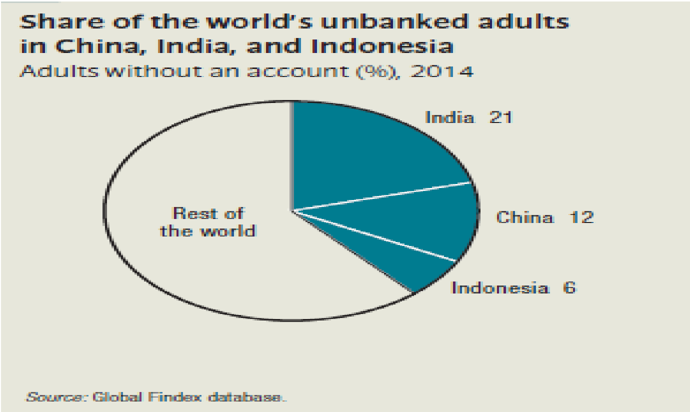
Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged under 7% per year from 1997 to 2011 (*Source: CIA Factbook India – 2015*). As per the advance estimates released by the Central Statistics Office, growth rate of the Indian economy (measured by growth in GDP at constant (2011-2012) market prices) is estimated to reach 7.4 per cent in 2014-15, as compared to a growth of 5.1 per cent and 6.9 per cent respectively in 2012-13 and 2013-14. (*Source: Macro Economic Framework Statement available on http://indiabudget.nic.in/ub2015-16/frbm/frbm1.pdf)*

For the Indian economy, the outlook for growth is improving gradually. Business confidence remains robust, and as the initiatives announced in the Union Budget to boost investment in infrastructure roll out, they should crowd in private investment and revive consumer sentiment, especially as inflation ebbs. In the first four months of 2015-16, indicators of real activity have broadly tracked the RBI's baseline projection of output growth (at basic prices) at 7.6 per cent for the year as a whole, up from 7.2 per cent in 2014-15. As regards fiscal policy, the Government's resolve on fiscal consolidation should propel efforts to reach the target for the gross fiscal deficit for 2015-16 at 3.9 per cent of GDP. (*Source: RBI Annual Report 2014-15)*

According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanization and other structural reforms. (*Source: IBEF – Indian Economy Overview, November 2015: http://www.ibef.org/economy/indian-economy-overview*)

Financial Inclusion

Three developing economies, namely China, India and Indonesia, together account for 38 percent of the world's unbanked, wherein India is home to 21 percent of the world's unbanked adults and about two-thirds of South Asia's.



(Source: Demirguc-Kunt, Asli, Leora Klapper, Dorothe Singer, and Peter Van Oudheusden. 2015. "The Global Findex Database 2014: Measuring Financial Inclusion around the World." Policy Research Working Paper 7255, World Bank, Washington, DC)

Within the developmental and regulatory role of the RBI as a full service central bank, efficient and comprehensive credit delivery through panoply of channels/institutions for provision of financial products has always been accorded priority with a view to ensuring adequate financing for the productive sectors of the Indian economy. More recently, RBI has endeavoured to spread the economies of scale and scope and experience gained in urban and semi-urban areas to geographical regions and sections of society that asymmetric credit markets tend to exclude in view of their lack of pricing power. In 2014-15, the focus was on improving the availability of credit to micro, small and medium enterprises ("**MSMEs**"), revising priority sector guidelines to foster greater inclusiveness and enhancing the flow of credit to agriculture. Guided by its core objective of fostering greater inclusiveness, the RBI's endeavour during the year was to continue its efforts to ensure extension of banking facilities to all unbanked villages and make financial inclusion a viable proposition for banks to improve credit. (*Source: RBI Annual report 2014-15*)

In pursuance of its developmental role, the Reserve Bank accorded priority to efficient and comprehensive credit delivery, particularly to priority sectors comprising primarily of the agricultural and MSME sectors, and the weaker sections of society. The guidelines on priority sector lending were revised during the past financial year with a view to widening the scope of the sector and improving the flow of credit. Financial inclusion efforts received a big fillip with the launch of the PMJDY coupled with synchronised efforts by the RBI. (*Source: RBI Annual report 2014-15*)

The below table sets out the performance in achievement of priority sector lending targets:

(Amount in ₹ billion)

Outstanding as on March 31	Public Sector Banks	Private Sector Banks	Foreign Banks
1	2	3	4
2014	16,190 (39.4)	4,645 (43.9)	907 (35.8)
2015	17,512 (37.3)	5,303 (42.8)	970 (35.9)

Notes: 1. Figures in parenthesis are percentages to ANBC or CEOBE, whichever is higher in the respective groups.
2. The data for 2015 are provisional.

(*Source: RBI Annual report 2014-15*)

MFI Industry in India

Following the nationalisation of banks in 1969, lending towards the lower income strata of society, in particular the rural poor, assumed greater priority for the Indian banking sector. The definition of 'priority sector' was formalised in 1972 based on the report submitted by the Informal Study Group on Statistics, relating to advances to the priority sectors, constituted by the Reserve Bank in May 1971. (*Source: RBI*). Targets and sub-targets for banks were further classified under the priority sector, and they have also undergone revisions at intervals. As per the RBI, these subdivisions include:

- **Agriculture (direct and indirect finance)**: Direct finance to agriculture include short, medium and long-term loans, given for agriculture and allied activities. These loans are advanced either directly to individual farmers, self-help groups (SHGs) or joint liability groups (JLGs) of individual farmers or indirectly to industry players, for taking up agriculture/allied activities.

- **Small-scale industries (direct and indirect finance)**: Direct finance to small-scale industries (SSI) includes all loans given to SSI units, engaged in manufacturing, processing and preservation of goods and whose investment in plant and machinery (original cost), excluding land and building, does not exceed amounts specified by the RBI. Indirect finance shall include finance lent to any person, providing inputs to or marketing the output of artisans, village and cottage industries, handlooms and to co-operatives of producers in this sector.

- **Small business/service enterprises**: These include small businesses, retail trade, professional and self-employed persons, small road and water transport operators and other service enterprises, as per the definition given in Section I and other enterprises, engaged in providing or rendering services and whose investment in equipment does not exceed the amount specified by RBI.

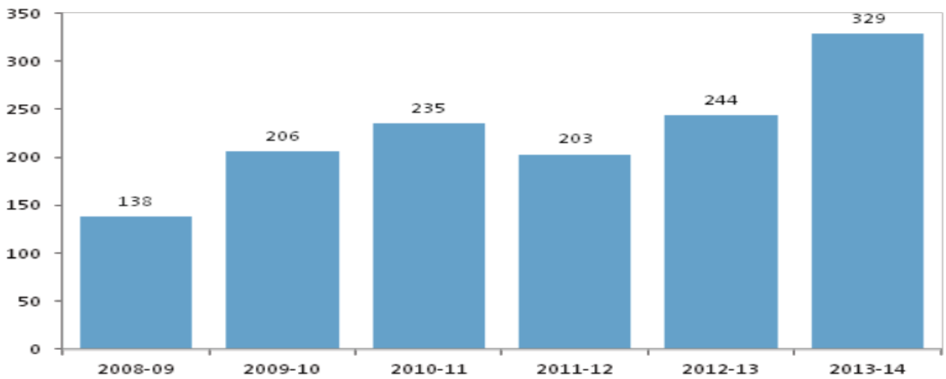
- **Micro credit**: This constitutes credit and other financial services and products of very small amounts, upto ₹50,000 per borrower, extended to the poor populance living in rural, semi-urban and urban areas, either directly or through a group mechanism, intended to enhance their living standards. This is the sub-segment under which NBFC-MFIs currently receive priority sector lending.

- **Education loans**: Education loans include loans and advances granted to individuals, only for educational purposes, up to ₹1 million for studies in India and ₹2 million for studies abroad. This would not include institutional grants.

  (*Source: CRISIL Research: Microfinance, November 2015*)

During the initial phase of micro-finance, non-governmental organisations (NGOs) providing credit to SHGs were the primary channel for microfinance in India. The spread of SHGs across the country and the formation of SHG federations further propelled growth in this industry. In 2000, when the RBI allowed banks to lend to MFIs and treat such lending as part of the priority sector obligations, credit flow to the sector increased substantially. It received further impetus when banks entered into partnerships with microfinance institutions who acted as agents for disbursements and collections of microfinance loans to individuals. Securitization offered these institutions an alternate funding route, apart from the traditional channel of bank finance. The outstanding loans for MFI in India are as below:

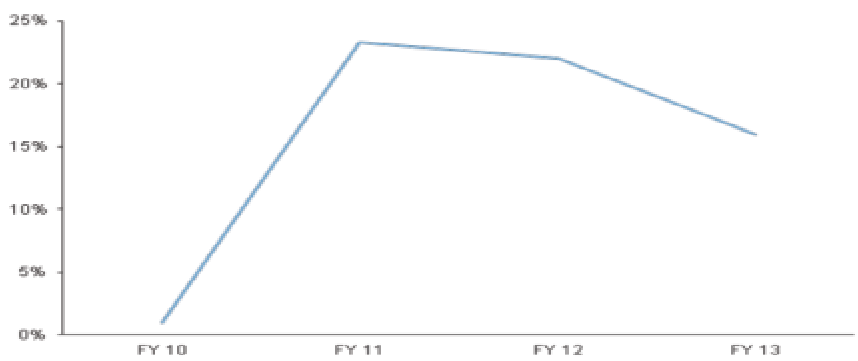
(*₹ In billion*)



(*Source: CRISIL Research, Microfinance Institutions Network*)

Due to the growth in the funding to the sector, the MFI industry saw the emergence of several large players between 2005 and 2010. (*Source: CRISIL Research: Microfinance, November 2015*)

Prior to 2010, domestic microfinance institutions operated in an unregulated environment and enjoyed ample flexibility to negotiate lending rates and devise collection mechanisms. As a result, the sector witnessed rapid growth during this phase, till the Andhra Pradesh Microfinance Ordinance was promulgated on October 15, 2010 by the government of Andhra Pradesh. In response to the allegedly coercive collection practices adopted by MFIs in Andhra Pradesh - which was then the single-largest MFI market - this ordinance put in place extremely stringent operating guidelines (including compulsory registration for MFIs, proscription on seeking collaterals on MFI loans, capping of the maximum amount of interest recoverable on loans, penalisation of coercive recovery methods and prior approval requirements for grant of subsequent loans to SHGs). Once these guidelines became effective, collections in Andhra Pradesh were hit severely. Following the ordinance, the number of wilful defaults by borrowers increased, pulling down MFIs' collection rates to 10% from 99%. This led to massive write-offs. Andhra Pradesh, which was the single largest market for the MFIs, accounting for about 30% of the overall outstanding loans, witnessed a tremendous increase in non-performing assets (NPAs) which thereby stalled fresh disbursements in Andhra Pradesh. Certain players with large portions of their loan books having exposure to Andhra Pradesh suffered unprecedented credit losses, forcing some of them to invoke corporate debt restructuring. (*Source: CRISIL Research: Microfinance, November 2015*)



Note: The PAR levels are inclusive of MFIs in the corporate debt restructuring cell
Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

In November 2010, the RBI set up a sub-committee under the chairmanship of Mr. Y H Malegam to address issues concerning the domestic microfinance industry. This was in light of the heightened perceived risk towards the sector, after the Andhra Pradesh ordinance was enacted. Based on the committee's recommendations, the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 were issued by RBI and came into effect in December 2011. The recommendations were aimed at alleviating concerns over the lack of regulatory clarity and helped curb the decline in the flow of funds to MFIs from the banking sector. The guidelines specified norms on entry point, capital requirements, provisioning, recovery and margin caps on credit. Further, after the RBI released guidelines for MFIs in 2011, for-profit MFIs were to function as microfinance non-banking finance companies (NBFCs), whereas not-for-profit institutions could operate through trusts or Section 25 companies. For profit MFIs constitute a dominant share in the Indian microfinance industry of about 90% (based on break-up of loans outstanding for MFIs, classified based on their legal structure – 2012). (*Source: Bharat Microfinance Report, CRISIL Research: Microfinance, November 2015*)

The guidelines defined an NBFC MFI as "a non deposit-taking NBFC with minimum net owned funds of Rs. 5 crore (Rs. 2 crore in case of the north-eastern region) and not less than 85 per cent of its net assets are in the nature of qualifying assets". As per the guidelines, a 'qualifying asset' refers to a loan satisfying the following criteria:

- Loan must be disbursed by an NBFC-MFI to a borrower in rural India with household annual income not exceeding Rs. 60,000, or a borrower living in an urban or a semi-urban region, with household income not more than Rs. 120,000;
- Loan amount does not exceed Rs. 35,000 in the first cycle and Rs. 50,000 in subsequent cycles;
- Total indebtedness of the borrower does not exceed Rs. 50,000;
- Tenure of the loan to be at least 24 months for a loan amount exceeding Rs. 15,000, where prepayment does not attract any penalty;
- The loan must have been extended without any collateral;
- The aggregate amount of loans, given for income generation purposes, is not less than 75 per cent of the total loans disbursed by the entity; and
- The loan can be repaid through weekly, fortnightly or monthly instalments, at the borrower's discretion.

The guidelines specified by the RBI to bring the microfinance institutions under its regulatory purview were modified, and the prominent changes introduced are as under:

- Qualifying assets: Only assets originated after January 1, 2012, have to meet with the criteria of complying with the definition of qualifying assets.
- Advances for purpose of income generation has been reduced from the earlier 75 per cent to 70 per cent. Thus, 30 per cent of advances can be disbursed for other activities like house repairs, medicines, education, etc.
- With effect from April 1, 2014 the interest rate charged by an NBFC-MFI to borrowers will be lower of the following - the cost of funds plus margins (specified in the next point) or the average base rate of five largest commercial banks by assets multiplied by 2.75.
- Margin cap of 12 per cent for all NBFC-MFIs had been allowed till March 31, 2014, after which, the Malegam Committee's recommendation of a cap of 12 per cent on MFI with AUM<100 crore and 10 per cent on MFIs with AUM>100 crore was brought into effect. (RBI directive dated May 31, 2013).
- For the purpose of CRAR (capital-to-risk weighted asset ratio) calculation, the provisions made towards the Andhra Pradesh portfolio shall be notionally added back to the net owned funds. This add-back shall be progressively reduced by 20 per cent over the next five years.

The RBI guidelines, following the Andhra Pradesh ordinance brought better clarity on the operations of MFIs. This helped the sector regain lender and investor confidence to an extent and clock a healthy 45% CAGR in revenue over 2011-12 to 2014-15. (*Source: CRISIL Research: Microfinance, November 2015*)

Small Finance Banks

Over the last two decades, the RBI licensed twelve banks in the private sector. This happened in two phases. Ten banks were licensed on the basis of guidelines issued in January 1993. The guidelines were revised in January 2001 based on the experience gained from the functioning of these banks, and fresh applications were invited. The applications received in response to this invitation were vetted by a High Level Advisory Committee constituted by the RBI, and two more licences were issued. (*Source: RBI Guidelines for licensing of new private sector banks, February 22, 2013*)

While preparing the guidelines, the RBI recognized the need for an explicit policy on banking structure in India keeping in view the recommendations of the Committee on Banking Sector Reforms (Chairman: Shri M. Narasimham) (1998), Committee on Financial Sector Reforms (Chairman: Dr. Raghuram G. Rajan) (2009) and other viewpoints. Accordingly, the Reserve Bank placed on its website on August 27, 2013 a policy discussion paper on Banking Structure in India – The Way Forward. One of the observations in the discussion paper was that in India, where extending banking services to the underserved and unserved sections of the population is a challenge, there is merit in considering access to bank credit and services through expansion of small banks in unbanked and under-banked regions. (*Source: RBI guidelines for licensing of "Small Finance Banks" in the private sector, November 27, 2014*)

RBI granted in-principle approval to 10 entities to set up small finance banks which included eight MFIs, one local area bank and one NBFC. The fact that eighty percent of the institutions receiving green signal for SFBs are MFIs outlines the significance of microfinance for the Indian banking landscape. The progressive work achieved by the MFI sector has been acknowledged by the regulators and the lenders to the sector. The RBI has approved two self-regulatory organizations (MFIN & Sa-Dhan) for microfinance sector to allow focused supervision and policy-support. Going back to the "last-mile" customer, small finance banks are a step in that direction, with the desire to segment out a strategy of financial inclusion so that individual needs are met. (*Source: The Bharat Microfinance Report 2015*)

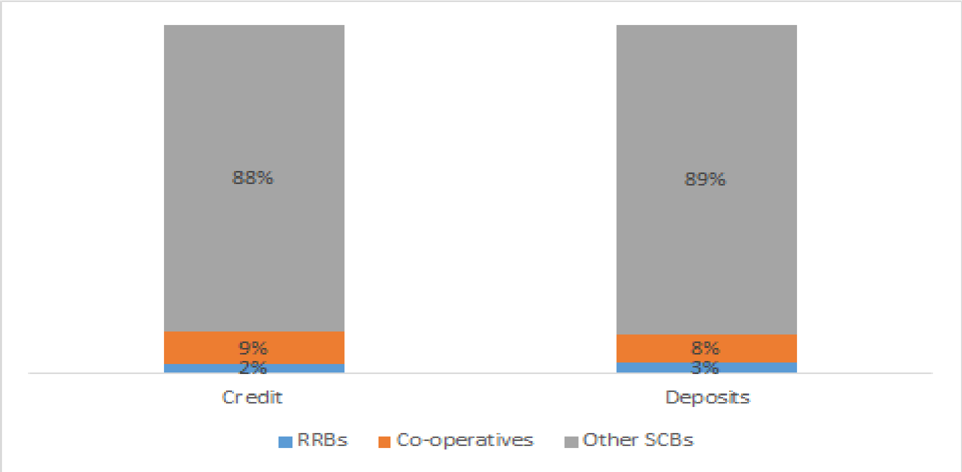
The key features of the small finance banks guidelines issued by the RBI are as below:

- The major objective of small finance banks is to improve the level of financial inclusion through 1) provision of savings vehicles, 2) supply of credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities through the use of high technology to lower the cost of operations.
- The SFBs will not be restricted in terms of their area of operations
- They will be required to maintain a minimum paid-up capital of ₹1 billion
- The promoters of the SFBs would be required to maintain a minimum contribution to paid-up capital of 40% initially. This would be required to be brought down to 26% within 12 years from the commencement of business
- Maximum foreign shareholding in the SFB would be as per the Foreign Direct Investment (FDI) policy for private sector banks
- The SFBs would be subject to all prudential norms and regulations of RBI which are applicable to commercial banks. This includes the maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).
- The SFBs would be required to extend 75% of their Adjusted Net Bank Credit (ANBC) to the sectors classified under priority sector lending (PSL) by the RBI.
- At least 50% of the SFBs' loan portfolio would be required to constitute loans of ticket size up to ₹ 25 lakh.
- If an NBFC – MFI converts itself into an SFB it has to transfer all its financial business into the SFB and cannot run an MFI as well as a SFB.

(*Source: CRISIL Research: Microfinance, November 2015*)

Current scenario

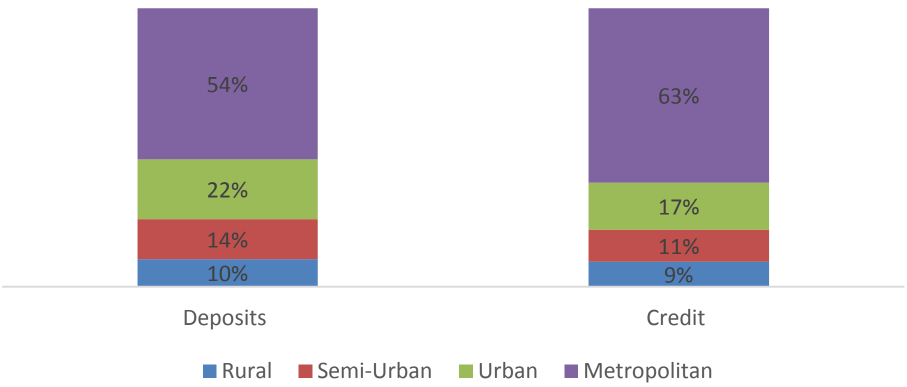
Even though the Indian banking system is primarily dominated by the public and private scheduled commercial banks (SCBs), regional rural banks (RRBs) as well as cooperative banks have more than 10 per cent share in credit as well as deposits. (*Source: CRISIL Research: Microfinance, November 2015*)



Note: Data as of March 2014

(*Source: CRISIL Research: Microfinance, November 2015*)

Also, for the banking system around 20 to 25 per cent of their loans as well as deposits are generated from semi-urban and rural areas and they have been growing at a faster pace over the past 5 years compared to the overall growth. The break-up of deposits and credit from rural, semi-urban and metropolitan areas is presented in the table below:



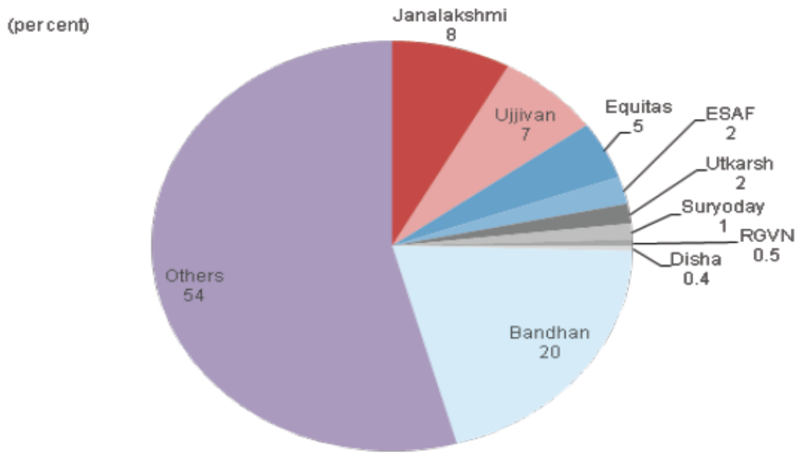
Note: Data as of March 2014.
Numbers are based on total for Scheduled Commercial Banks (including RRBs) and excludes co-operative banks

(*Source: CRISIL Research: Microfinance, November 2015*)

The high share of RRBs and cooperative banks and significant proportion of semi-urban and rural lending and deposit base indicate a huge opportunity for SFBs to capture market share in addition to increasing the penetration of these products leading to expansion of the overall market. SFBs could capitalize on the limited ability and slower technological adoption by RRBs and majority of the cooperative banks to gain market share. However, the increased push by RBI on scheduled commercial banks to increase financial inclusion by opening branches in unbanked areas could increase competition. (*Source: CRISIL Research: Microfinance, November 2015*)

Conversion of existing MFI

The eight MFIs cumulatively accounted for about 26% of assets managed by the industry as of 2014-15. As they exit the industry, after metamorphosing into SFBs along with Bandhan (which converted into a universal bank and accounted for 20% of March 2015 AUM), the industry size will halve.

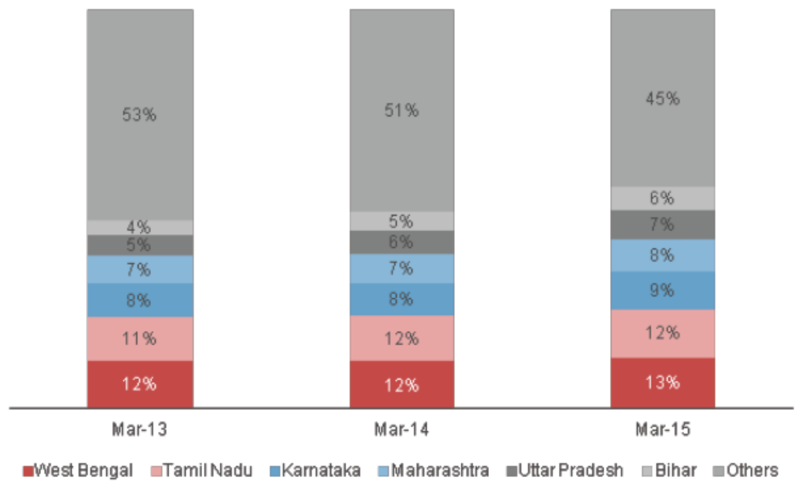


Note: Shares are calculated on the basis of AUMs as of March 2015
ESAF: Evangelical Society Action Forum
Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Going forward the loan portfolio is expected to grow in non-Andhra Pradesh states, where the micro-credit penetration is low. The below table indicates the growth in AUM as of March 2015 over that of the previous year.

State-wise share in AUMs

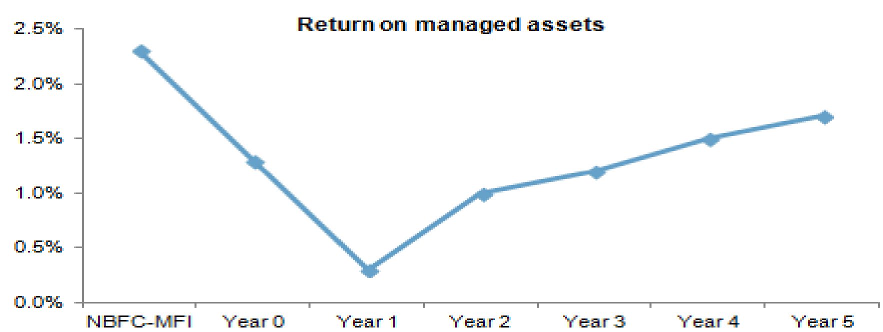


Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Future outlook of SFB

The following image shows the trend in the expected returns of the SFBs post commencement of business:



(*Source: CRISIL Research: Microfinance, November 2015*)

MFIs to benefit from better regulatory oversight and broader product mix post conversion

While the microfinance industry is currently not regulated by a formal body, the MFIs will benefit post conversion as they come under regulatory oversight of the RBI. This will eliminate the possibility of adverse interventions by state governments as with the Andhra Pradesh ordinance.

The SFBs will also benefit from a competitive advantage over other MFIs as the SFBs will be able to offer a wider range of products on assets as well as liability side thus increasing the stickiness of the customer. This will also help the SFBs scale up their business faster and reduce the concentration risk.

(*Source: CRISIL Research: Microfinance, November 2015*)

Ability to raise low cost deposits to determine cost of fund benefit

The higher the proportion of low cost deposits the bank can raise the lower will be its overall cost of funds. Factors like efficient use of technology, better accessibility, marginally higher interest rates, strong brand etc. could help attract customers. Also, SFBs initially might primarily target term deposits, which are at higher rates compared to demand deposits (current and savings deposits). However, the competition in this segment is expected to increase with payment banks too entering the fray. Thus the benefit if at all, is expected to accrue only over the long term. (*Source: CRISIL Research: Microfinance, November 2015*)

Brand building to help SFBs compete with incumbent banks

Although the MFIs converting to SFBs are likely to continue focusing on microfinance loans post conversion as well, expanding their deposit and non-microfinance loan book will be a challenge. Most people in these markets have relatively lower income levels and trust plays a bigger role in making savings decisions. The established presence of the RRBs and the cooperative banks gives them a comparative advantage. This would make it necessary for the SFBs to invest in building their brand in order to compete with the existing players and expand their operations. (*Source: CRISIL Research: Microfinance, November 2015*)

Use of technology and process automation necessary to improve operating efficiency

The target group of the SFBs have a comparatively weaker savings habit, making it necessary for the SFBs to build awareness about their saving products and their benefits. Competition from other players will also make it necessary for the players to build their brand, investing in marketing campaigns. These are likely to increase operating expenses.

Further, loans in the rural areas have a lower ticket size compared to those in other areas. This would make it necessary for the SFBs to invest extensively in technology and automate processes. This would also help the SFBs lower the need for an extensive branch network.

Demand Drivers

Better regulations and sizeable market to drive industry growth

Given the sheer size of the Indian population and considering that a large section of the society still lacks access to formal banking services, financial inclusion has always been a key priority for the Indian government. The banking system and 'priority sector' lending have been the most explored channels used to bring majority of the population under the ambit of formal credit institutions.

In 2008, the Report of the Committee on Financial Inclusion constituted by NABARD, cited several data points to highlight the extent of financial exclusion in the country. According to the report, as per National Sample Survey Organisation (2003) data, out of a total of 89.3 million households, 45.9 million farmer households in the country (51.4 per cent) did not access credit either from formal (institutional) or informal (non-institutional) sources. Furthermore, only 27 per cent of total farm households were indebted (of which one-third had also borrowed from informal sources). In other words, at the time that the assessment was made, 73 per cent of farm households could have been excluded by formal channels of credit, a clear indication that despite the obvious increase in the reach of credit-providing mechanisms, a vast majority of the target population (for financial inclusion) remained out of the formal credit system.

Within the large suite of products and services under financial inclusion, microfinance institutions (MFIs) have a major role to play in the provision of credit. The sheer size of the market (in terms of financially-excluded households), a business model that offers sustainable credit to the poor at affordable rates and a repayment cycle spread over a longer duration, have been key growth drivers for MFIs operating in India. (*Source: CRISIL Research: Microfinance, November 2015*)

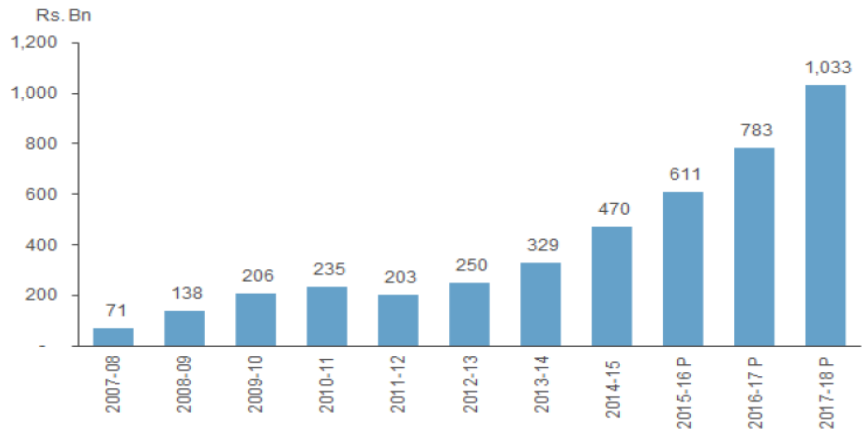
Future of MFI industry in India

Growth in CAGR

The RBI guidelines, following the Andhra Pradesh ordinance brought better clarity on operations of MFIs. This helped the sector regain lender and investor confidence to an extent and clock a healthy 45% CAGR in revenue over 2011-12 to 2014-15.

The setting up of the Micro Units Development and Refinance Agency (MUDRA) has been a big positive step for MFIs, as it is likely to bring in uniform regulations and also provide funding support to the MFI industry. While the government has allocated a corpus of ₹ 200 billion to MUDRA, the proportion of funding that MFIs will receive is still unclear. It is believed that, MUDRA will be able to provide funds at 100-300 basis points cheaper than bank funding. This will pull down MFIs' cost of funds depending on the extent of MUDRA funding. MFI borrowers will also benefit as a result.

Over 2014-15 to 2017-18, AUMs of non-Andhra Pradesh MFIs is expected to rise at a lower 30-34% CAGR, while total AUMs of all MFIs (including those in Andhra Pradesh) will rise at lower 29-31%. Demand for microcredit continues to increase. Also, most of the micro-finance players too are now entering newer markets to diversify their geographic risk. (*Source: CRISIL Research: Microfinance, November 2015*)

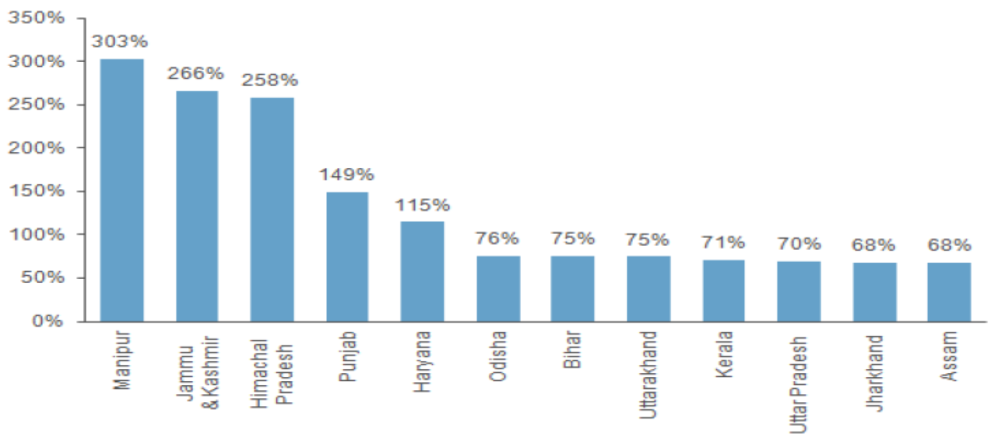


Note: P – Projected
Projections given for the MFI portfolio which includes that of MFIs converting to small finance bank
Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Diversification in new markets key to growth

Following the Andhra Pradesh ordinance, MFIs turned cautious and have expanded, diversifying their portfolio across states and thereby reducing the impact of potential interventions by local governments. Going forward, it is expected that the growth in loan portfolio will be driven by non- Andhra Pradesh states, where micro-credit penetration is low.



Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Lower interest rates to boost demand

In 2015, the RBI has lowered the repo rate by a cumulative 125 basis points till date. As banks followed suit, MFIs' borrowing costs too declined. With interest rates likely to continue heading downward, MFIs' funding costs are also likely to dive. Moreover, the RBI's has imposed a margin cap for MFIs, making it mandatory for them to pass on any benefit on cost of funds. Hence, interest rates for microfinance borrowers are likely to decline over the next two years. We expect this to have a positive impact on demand for micro loans.

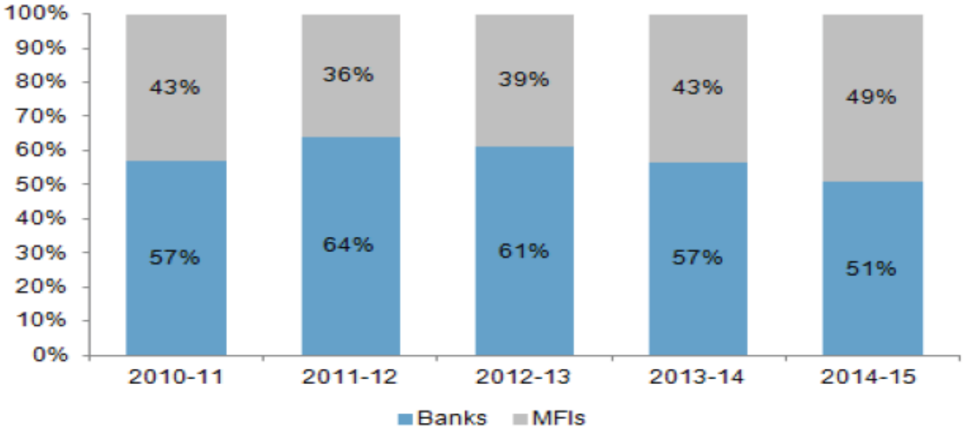
The RBI also increased the maximum borrowing limit from MFIs to ₹60,000 in the first disbursement cycle and ₹100,000 in consecutive cycles (compared with ₹ 35,000 and ₹50,000 earlier). The RBI also increased the cap on the borrowers' maximum household income to ₹120,000 in rural areas and ₹160,000 in urban areas (vis-a-vis ₹60,000 and ₹120,000, respectively, earlier). This increase in borrowing limit will result in expanding MFI customer base. (*Source: CRISIL*

Research: Microfinance, November 2015)

MFI gradually gaining market share

While MFIs rely largely on the Joint Liability Group (JLG) model for lending, banks operate through the self-help group-bank linkage program (SHG-BLP) model. While there has been a rapid growth in outstanding loans under this model with total credit outstanding under SHG-BLP as of March 2014 at ₹429 billion, asset quality under this model is an area of concern. It is estimated that the NPAs of SHG loans by banks have reached an alarming 7% as of March 2014.

As a result, banks are finding it more comfortable to lend indirectly to their borrowers through MFIs who are specialised institutions and possess better credit appraisal system and collection mechanisms. Following greater regulatory clarity and demand for loans from states besides Andhra Pradesh, MFIs have increased their market share from 36% in 2011-12 to 49% 2014-15. As per CRISIL Research, going forward also growth rate of MFIs will be higher and as a result, they will gain market share further.



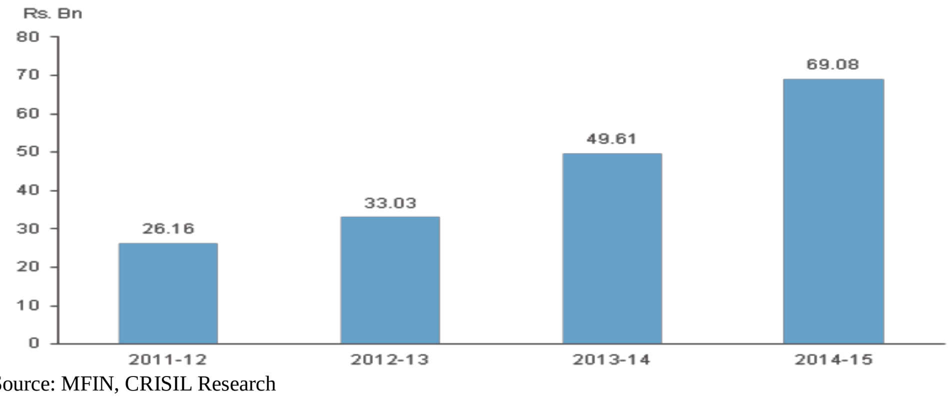
Source: NABARD, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Securitisation likely to pick up as funding route for MFIs

Going forward, it is expected that securitisation will become a popular funding route, as MFIs increasingly access low-cost funds and as investor confidence improves, following the RBI's regulatory intervention.

For banks, the route is an added incentive, as investments in MFI securities are also regarded as priority sector lending, in addition to the traditional loans. Further, securitised assets originated by MFIs are exempted from priority-sector loan rules, as there are separate margin and interest rate caps imposed on MFIs. RBI regulations typically cap the interest rate of the securitised asset at 8%, above the base rate of the investing bank. In 2014-15, securitisation by MFIs totalled Rs 69.08 bn, 39% higher than that of the previous year.

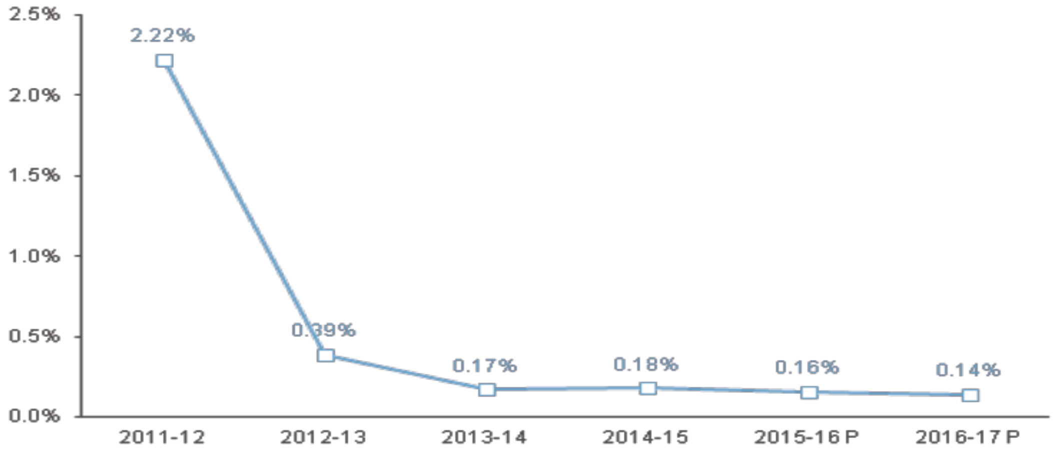


Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Improvement in asset quality

Following the Andhra Pradesh ordinance, the Reserve Bank of India (RBI) came out with a slew of guidelines, which helped stabilize players' financials. These regulations, along with the expected write-off of the non-performing Andhra Pradesh portfolio, are expected to help MFIs maintain asset quality. Asset quality in the non- Andhra Pradesh portfolio continued to improve in 2014-15. The Portfolio-at-risk (PAR 90) - that proportion of outstanding loans, where repayment is due for over 90 days - declined to 0.18% as credit quality improved. Going forward, we expect PAR 90 levels of these players to stabilise at current levels.



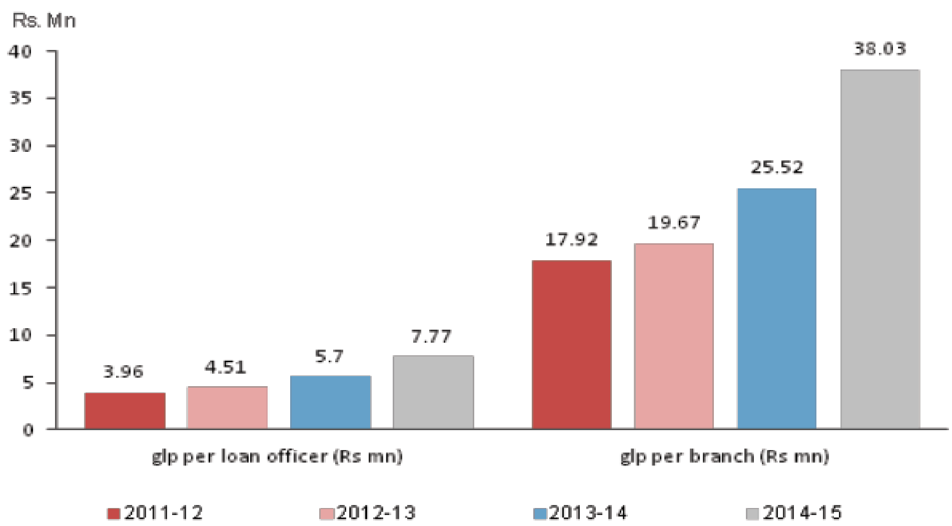
Note: Excludes data from MFIs in CDR and the non-performing portfolio in Andhra Pradesh
Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Operating efficiency to determine profitability of players

With the imposition of the margin cap, most MFIs will have to focus on rationalising operational expenses to boost their bottom line. Players have made efforts in this regard by increasing the number of borrowers per loan officer, consolidating branches in the same vicinity and by automating certain loan documentation processes. Growth in the loan volumes will also reduce MFIs' fixed costs.

Growth in loan portfolio has improved the economies of scale for MFIs



Source: MFIN, CRISIL Research

(*Source: CRISIL Research: Microfinance, November 2015*)

Key risks & success factors

MFIs are exposed to a unique set of risks and challenges, owing to their business model and nature of the customer base.

Exposure to low-income households raises MFIs vulnerability to political actions

MFIs typically lend to low-income households, living in rural and semi-urban areas, which are extremely sensitive to political intervention. Exposure to this section of the society makes MFIs vulnerable to inherent political actions, in case their activities are viewed to be detrimental to social interests. The impact of the Andhra Pradesh ordinance, which aimed to address the alleged coercive collection practices used by MFIs operating in the state, reflects this risk. The RBI guidelines have provided a uniform operating framework for NBFC MFIs, across the country. However, in addition to complying to these guidelines, MFIs also have to ensure that their practices align with 'accepted' norms as per the respective state and local governments. (*Source: CRISIL Research: Microfinance, November 2015*)

Natural calamities could impair borrowers' repayment ability

Occurrence of natural calamities, such as droughts and floods, pose a major threat to MFIs. As agriculture forms a source of livelihood for majority of the rural population, either directly or indirectly, natural calamities could adversely impair the repayment capabilities of these borrowers. (*Source: CRISIL Research: Microfinance, November 2015*)

Cash-in-transit losses seen as key concern for certain MFIs

Cash is the most widely used channel for majority of transactions between MFIs and borrowers. This leads to the risk of borrowers losing cash in transit (either due to fraud or theft by third parties) at the time of repayment, and thus becomes a key concern for MFIs. While some players have opted to transfer this risk to borrowers, others have sought cash-in-transit insurance. (*Source: CRISIL Research: Microfinance, November 2015*)

Inadequate monitoring mechanisms pose risk for MFIs

Given the nature of business, MFIs require robust monitoring mechanisms, both prior to lending and later, to ensure timely collections. Simultaneously, they also need to control operational expenses, given the small ticket size of loans. To tackle such issues, some players have invested in technology (for automating data collection and calculating dues) to ensure that internal systems remain robust and costs are kept under control. On the other hand, there are several players that continue to have inadequate or inefficient monitoring systems. The emergence of credit bureaus has made it easier, especially for such players, to keep track of borrowers and their credit histories. (*Source: CRISIL Research: Microfinance, November 2015*)

MFIs with concentrated portfolios face local political and event-related risks

The risk of adverse local government policy is magnified for players with concentrated portfolios in certain geographies. Lack of geographical diversification further exposes these players to event risk, in the form of droughts, floods and other natural calamities, which could severely impair repayment capacity of borrowers and groups in the affected regions. Nevertheless, it is worthwhile mentioning here that several smaller MFIs that have an established local presence in certain districts or states, have enjoyed strong collection over a considerable duration. (*Source: CRISIL Research: Microfinance, November 2015*)

Difficulties in securing funding to persist for small-sized players

The Andhra Pradesh ordinance sharply accentuated the perceived risk towards the sector, due to which bank lending to MFIs declined sharply. Post the ordinance coming into effect, most players who had a sizeable exposure to the Andhra Pradesh market were forced to write-off significant portions of their portfolios. In 2011, the release of RBI guidelines brought the microfinance industry under a stronger regulatory purview. This helped arrest the declining trend of bank finance to the sector to a certain extent. While larger players have the option of tapping the securitisation route, this remains an expensive option for their smaller counterparts. These players are likely to find it difficult to raise funds, which will subsequently limit their growth prospects, given their inability to scale up operations. (*Source: CRISIL Research: Microfinance, November 2015*)

Managing operating expenses - critical for MFIs

The RBI guidelines released in 2011 have regulated the maximum lending rates and have imposed a margin cap of 12 per cent for NBFC MFIs having GLPs of less than ₹100 crores and 10% for NBFC-MFIs having GLPs of ₹100 crores and above. Further, MFIs also need to ensure strong flow of disbursements and timely collections. However, amongst all the key areas of concern, management of operating expenses holds the key to maintain profitability levels. (*Source: CRISIL Research: Microfinance, November 2015*)

Diversified portfolio helps MFIs mitigate risks, makes securitisation viable

Given that fixed operating costs are relatively higher, considering the value of the loan amount, scale of operations is a crucial factor for MFIs. Firstly, a large, well diversified portfolio enables players to mitigate risks associated with a concentrated portfolio. Apart from this, having a wider scale of operations helps players cut down on operating expenses, as a percentage of outstanding loans. Additionally, securitisation becomes a viable option, providing an alternate funding route to MFIs, apart from bank credit. (*Source: CRISIL Research: Microfinance, November 2015*)

Technology to be major enabler for MFIs to monitor portfolios and maintain asset quality

Apart from the cost benefits arising from automated documentation processes, having a robust back-end technological set up enables players to effectively monitor their loan portfolio. Technology is also likely to play a major role in preventing internal accounting lapses and facilitate a better monitoring mechanism for collections. Further, credit bureaus such as Equifax and Highmark are engaged in collecting data from several MFIs and building a comprehensive database that captures the credit history of borrowers. Receiving regular updates on borrowers' credit profiles from such bureaus will help

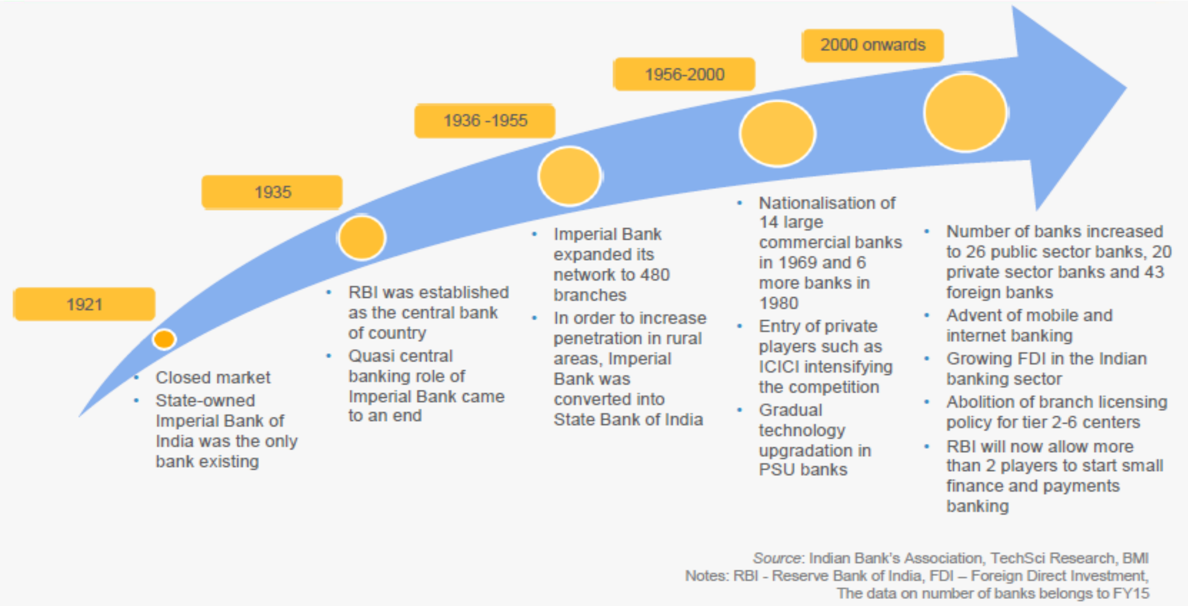
MFIs maintain stronger asset quality. (*Source: CRISIL Research: Microfinance, November 2015*)

Managing local stakeholders - key determinant of MFIs success

Considering the sensitive nature of operations, MFIs must ensure that their activities do not antagonise local leaders and government authorities. Apart from adherence to legal and regulatory guidelines, maintaining amicable relations with key stakeholders in the respective geographies will be a key determinant of MFIs' success. (*Source: CRISIL Research: Microfinance, November 2015*)

Banking Industry

The following graph illustrates the evolution of Indian banking industry



(*Source: IBEF sectoral Report, Banking Industry, August 2015: http://www.ibef.org/industry/banking-presentation*)

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well. (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*)

The Indian banking system consists of 26 public sector banks, 20 private sector banks, 43 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control nearly 80 percent of the market, thereby leaving comparatively much smaller shares for its private peers. (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*)

Deposits have grown at a CAGR of 13.6 percent during FY05–14 and reached1.5 trillion in FY2015. Deposit growth has been mainly driven by strong growth in savings amid rising disposable income levels. Total banking sector assets have increased at a CAGR of 9.4 percent to USD1.8 trillion during FY10–14. (*Source: IBEF sectoral Report, Banking Industry, August 2015: http://www.ibef.org/industry/banking-presentation*)

As of August 5, 2015, 175 million accounts had been opened under PMJDY and 154 million RuPay debit cards were issued. These new accounts have mustered deposits worth Rs 22,033 crore (US$ 3.31 billion) (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*).

Standard & Poor's estimates that credit growth in India's banking sector would improve to 12-13 per cent in FY16 from less than 10 per cent in the second half of year 2014. (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*)

Indian banking industry is expected to witness better growth prospects in 2015 as a sense of optimism stems from the Government's measures towards revitalizing the industrial growth in the country. In addition, RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. (*Source: IBEF Banking Industry – Snapshot: http://www.ibef.org/industry/banking-india.aspx*)

Key Growth Drivers

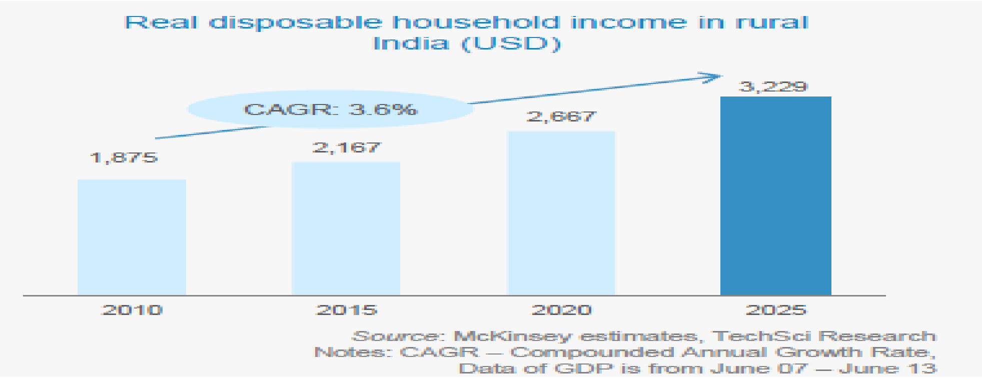
Increase in disposable income

Growth in disposable income has been encouraging households to raise their standard of living and boost demand for personal credit. Credit under the personal finance segment (excluding housing) rose at a CAGR of 9.3 percent during FY09–15, and stood at USD93.4 billion by the end of FY15. Unlike some other emerging markets, credit-induced consumption is still less in India.

(*Source: IBEF sectoral Report, Banking Industry, August 2015: http://www.ibef.org/industry/banking-presentation*)

Rising Rural Income

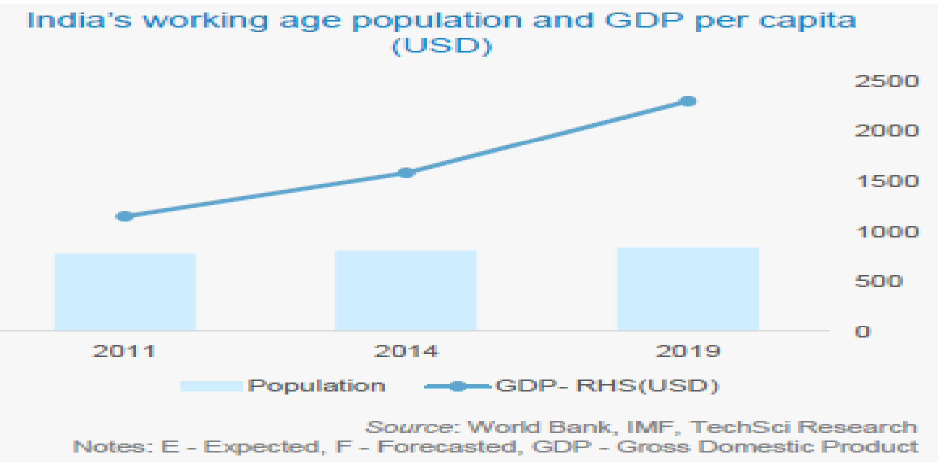
The real annual disposable household income in rural India is forecasted to grow at CAGR of 3.6 percent over the next 15 years. Rising incomes are expected to enhance the need for banking services in rural areas and therefore drive the growth of the sector, programms like MNREGA have helped in increasing rural income aided by the recent Jan DhanYojana.



(*Source: IBEF sectoral Report, Banking Industry, August 2015: http://www.ibef.org/industry/banking-presentation*)

Strong economic growth

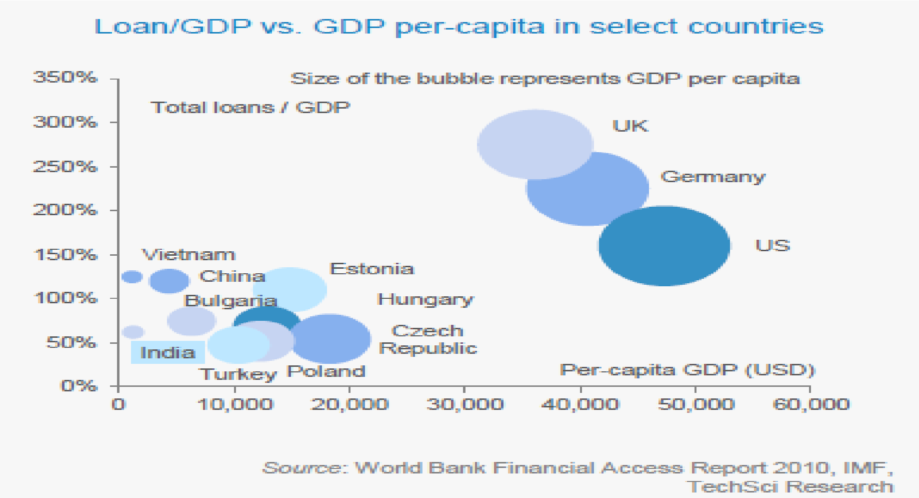
India's GDP is forecasted to expand at a healthy CAGR of 6.8 percent during 2012-17 and such strong GDP growth is expected to facilitate expansion in the banking sector. India's total banking sector credit is expected to increase at a CAGR of 18.1 percent to USD 2.4 trillion by 2017. Further, the rising per capita income will lead to increase in the fraction of the Indian population that uses banking services. Population in 15-64 age group is expected to grow strongly going ahead, giving further push to the number of customers in banking sector.



(*Source: IBEF sectoral Report, Banking Industry, August 2015: http://www.ibef.org/industry/banking-presentation*)

Low banking penetration

Branch per 100,000 adults in India stands at 747 compared to 1,065 for Brazil and 2,063 for Malaysia. Despite healthy growth over the past few years, the Indian banking sector is relatively underpenetrated. Loans-to-GDP ratio is low (62 percent) relative to many of its emerging markets peers as well as developed economies such as the US and UK.



(*Source: IBEF sectoral Report, Banking Industry, August 2015: http://www.ibef.org/industry/banking-presentation*)

Of the 600,000 village habitations in India only 5 percent have a commercial bank branch and only 40 percent of the adult population has bank accounts. Local money-lending practices involve interest rates well above 30 percent, therefore making bank credit a compelling alternative.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 13 for a discussion on the risks and uncertainties related to those statements and also "Risk Factors" on page 14 for a discussion on certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Red Herring Prospectus on page 162 .

Overview

We started our operations as an NBFC in 2005 with the mission of providing a full range of financial services to the economically active poor who are not adequately served by financial institutions. Our business is primarily based on the joint liability group lending model for providing collateral free, small ticket-size loans to economically active women. We also offer individual loans to Micro & Small Enterprises ("**MSEs**"). On October 7, 2015, we were one amongst 10 companies in India, out of a total of 72 applicants, to receive in-principle approval from the RBI to set up a small finance bank ("**SFB**"). (*Source: RBI Press Release*)

We have adopted an integrated approach to lending, which combines a high customer touch-point typical of microfinance, with the technology infrastructure and related back-end support functions similar to that of a retail bank. Our integrated approach has enabled us to manage increasing business volumes and optimise overall efficiencies. A technology-enabled business model has been our strategic priority, and the back-end of our operations have a fully integrated IT platform.

We offer a diverse range of loan products to cater to the specific requirements of our customers. Our products can be classified under two broad categories, namely, group loans and individual loans. Depending upon the end use, these products can be further sub-divided into agricultural, education, home improvement, home purchase and livestock loans. All of our assets under management ("**AUM**") fall under the priority sector lending norms prescribed by the RBI. In addition to loan products, we also provide non-credit offerings comprising of life insurance products, in partnership with insurance providers such as Bajaj Allianz Life Insurance Company Limited, Kotak Mahindra Life Insurance Company Limited and HDFC Life Insurance Company Limited.

We have adopted a decentralized management structure for our operations, comprising four regional offices at Bengaluru, New Delhi, Kolkata and Pune. Our two-tiered management hierarchy consists of a national leadership team ("**NLT**") providing overall direction to our business, and four regional leadership teams ("**RLT**") responsible for taking on-ground operational decisions. Our NLT and RLT members have significant experience in the banking and financial services industry, and provides depth to our management team. This further provides us with the advantage of understanding ground realities and local diversity of a particular region, enabling quick decision making and proactive responses to regional market changes.

As of September 30, 2015, we had operations spread across 24 states and union territories, and 209 districts across India, making us the largest MFI in terms of geographical spread (*Source: Bharat Microfinance Report 2015, and the MFIN Micrometer Report, September 2015*). As of September 30, 2015, we served over 2.60 million active customers through 469 branches and 7,786 employees and our Gross AUM stands at ₹40.88 billion. Further, as of September 30, 2015, we have approximately 11.15% of market share of the NBFC-MFI business in India (*Source: MFIN Micrometer Report, September 2015*), making us one of the leading providers of microfinance in India. Our growth has been rapid and calibrated in equal measure, and we have strategically avoided expanding into regions which later on experienced crises in the MFI industry, as well as regions where overlending is prevalent.

We believe we are a customer centric organization, and this is reflected in our customer retention ratio, which was 89.18% as of September 30, 2015. We have a dedicated service quality department addressing customer grievances and their feedback. Our customer centric approach has been recognized through accolades such as the 'MIX 2013 Socially Transparent and Responsible (S.T.A.R.) MFI' award by MIX in 2013 and the 'Innovator in Responsible Business' award by Inc India magazine in 2013. We have partnered with the *Parinaam* Foundation for the formulation and implementation of financial literacy programs such as '*Diksha*' and '*Sankalp*', and continue to support them in their initiatives, which aides in raising the level of financial awareness of our customers.

For the past five consecutive years, we have been ranked consistently among the top 25 companies to work for in India by the Great Places to Work® Institute in partnership with the Economic Times. For the year 2015, we have been ranked 1st in the microfinance sector by the Great Places to Work® Institute. Our employee productivity ratio (number of clients per loan officer), which was 633 as of September 30, 2015, is higher than the industry average of 579 as of September 30, 2015. (*Source: MFIN Micrometer Report, September 2015*).

We have long term investors, and a majority of our equity investors have stayed invested with us over five years. Our longstanding relationships with investors and shareholders, and repayment track record with lenders has enabled us to consistently access a diverse pool of capital since our inception.

We leverage our community connect to ensure that our products and social welfare initiatives are suited to the specific requirements of our customers and the community. Our social development programs are formulated jointly by a representative from the local community and our local branch team. As of September 30, 2015, we have completed over 1,202 such programs across India.

Our total revenues in Financial Years 2013, 2014 and 2015 and for the six month period ended September 30, 2015 was ₹2,339.29 million, ₹3,576.62 million, ₹6,118.81 million and ₹4,622.72 million, respectively. We achieved positive net profit after tax in Financial Year 2010 and have remained profitable in each Financial Year ever since. Our profit after tax in Financial Years 2013, 2014, 2015 and the six month period ended September 30, 2015 was ₹328.70 million, ₹584.16 million, ₹757.88 million and ₹737.31 million, respectively. Our GNPA in the Financial Years 2013, 2014, 2015 and the six month period ended September 30, 2015 was 0.08%, 0.07%, 0.07% and 0.13%, respectively.

Our Competitive Strengths

Over the last decade, we have worked towards our mission to cater to the unserved and underserved segments of the population, and built a structured business foundation.

- Our customer base, healthy customer retention ratio and customer protection initiatives are validation to our customer-centric approach.
- We are a professionally managed company, and our management team has significant experience in the financial services industry.
- Our decentralized management structure enables us to effectively manage our pan-India presence through quick on-ground decision making.
- Our growth has been aligned with that of the other stakeholders in our business, including employees and investors, who have maintained longstanding relationships with us since our inception.

Leading MFI with a deep pan-India presence

We are the third largest NBFC-MFI in India in terms of loans disbursed as of September 30, 2015, with Gross AUM aggregating over ₹40.88 billion (*Source: MFIN Micrometer Report, September 2015*). As of September 30, 2015, our Gross AUM for the north, south, east and west regions was ₹8,922.30 million, ₹12,612.19 million, ₹11,698.75 million and ₹7,648.71 million. In addition to geographical diversification, our AUM is also well diversified in terms of type of location. In terms of the RBI branch authorization policy criteria, centres serving a population of up to 9,999 are classified as rural centres, centres serving a population of 10,000 to 99,999 customers are classified as semi-urban centres and centres serving a population of 100,000 to 999,999 customers are classified as urban centres. With our initial focus on the urban and semi-urban poor, we have gradually catered to an increasing number of rural customers, and as of September 30, 2015, approximately 28%, 38% and 34% of our total customers comprise of rural, semi-urban and urban customers, respectively.

As of September 30, 2015, we are the largest MFI in India in terms of geographical spread, with a pan-India presence through our 469 branches across 24 states and union territories and 209 districts in India (*Source: Bharat Microfinance Report 2015 and the MFIN Micrometer Report, September 2015*). As of September 30, 2015, we operate 78, 27, 103, 45, 87 and 129 branches in the northern, north-eastern, eastern, central, western and southern regions, respectively as per the RBI classification of regions. As of September 30, 2015, we had 186 branches located in 92 under-banked districts, and approximately 37% of our branches were in the central, east and north east regions of India, where a majority of the underbanked districts are located. The penetration of our distribution network to remote unserved and underserved regions of India has enabled us to develop the expertise to understand and differentiate customers on the basis of their specific requirements.

We expand our operations in new territories strategically, with a focus on regions with limited availability of financial services, thereby enhancing financial inclusion and providing greater scope for business growth. Our expansion plans are determined through market potential and risk assessment studies undertaken by third party research agencies engaged by us. Our decision to expand strategically and in a calibrated manner since our inception enabled us to avoid setting up operations in regions such as Andhra Pradesh and Kolar (Karnataka) which experienced crises in the MFI sector. Our evenly spread out operations offer us advantages of differentiation and customisation, and de-risk our business by mitigating political and state-specific risks.

Customer centric organization

We serve over 2.60 million active customers as of September 30, 2015, and consider our customers to be the most significant stakeholder at the core of our operations. In addition to constantly assessing our customers' requirements and feedback for the introduction of new products, we have also set up a dedicated service quality department to focus on customer retention, customer protection and grievance redressal. Further, during 2011, we implemented a three-point escalation system comprising of customer care representatives stationed at branches to handle grievance issues, a national toll-free customer helpline and regional grievance redressal officers to provide our customers with a reliable and easily accessible channel for raising enquiries and complaints. In 2013, in addition to the Code of Conduct and Client Protection guidelines of the RBI and MFIN's Code of Conduct, we adopted Smart Campaign's global standards of Client Protection Principles. Further, in 2014, we engaged professional call centres to proactively seek feedback from our customers and to work on improving our services and products.

As a result of our customer centric approach and welfare initiatives, our customer retention rates have improved from 73% in Financial Year 2010 to 89% as of September 30, 2015. In 2013, we became one of the few MFIs in India to be certified by Smart Campaign for our standards of care in implementing their client protection principles through our operations, product offerings and treatment of clients. Further, for the Financial Years 2015, 2014 and 2013, we were accredited by M2I, an independent rating agency, with a score of 93%, 91% and 87%, respectively, for displaying "Excellent Adherence" in the Code of Conduct Assessment. In addition to these accreditations, our customer centric approach has been recognized through accolades such as the 'MIX 2013 Socially Transparent and Responsible (S.T.A.R.) MFI' award by MIX in 2013 and the 'Innovator in Responsible Business' award by Inc India magazine in 2013.

We have partnered with the *Parinaam* Foundation for the formulation and implementation of financial literacy programs such as '*Diksha*' and '*Sankalp*', and continue to support them in their initiatives, which aides in raising the level of financial awareness of our customers. For further details in relation to our initiatives, including *Diksha* and *Sankalp*, see "- *Our Operations - Social Welfare Initiatives*".

Professional management, experienced leadership and strong corporate governance

We are a professionally managed company, and our senior management team has a diversified track record in the financial services industry, with average experience of approximately 20 years in the industry. Our Chief Executive Officer and Managing Director, Samit Ghosh, has over 30 years of experience in banking industry. He has been a part of the management teams at Citibank, Standard Chartered Bank, HDFC Bank and Bank Muscat. In the past, he has also served as president of MFIN, which is an umbrella self-regulatory organization for MFIs, as well as the chairman of AKMI. He is currently on the board of WWB. Our COOs, Carol Furtado, Abhiroop Chatterjee, Jolly Zachariah and Manish Kumar Raj who are in-charge of regional operations and key enablers of the decentralized management structure, and Aryendra Kumar, Head, Housing Finance, have an average of 17 years experience in the financial services industry. The heads of functional groups, such as finance, strategy and planning, operations & service quality and vigilance, enhance the quality of our management with their specific and extensive industry experience. For further details in relation to our senior management, see "*Our Management*" on page 133.

Our Board consists of Directors with a diverse mix of experience in various sectors, in particular, the financial services industry. Our Board level committees, viz. the audit committee, the ALCO committee, the risk management committee, the governance, nomination and remuneration committee, the human resources and compensation committee and the CSR committee, work in tandem and ensure a high threshold of corporate governance. 40% of the Board comprises of experienced independent directors, which ensures adequate levels of transparency and accountability in our operations.

Our internal corporate governance code, which is structured on the basis of the RBI guidelines on Corporate Governance and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, sets out our philosophy on corporate governance and the duties and responsibilities of the Board to ensure good corporate governance. The internal corporate governance code also prescribes minimum information to be placed before the Board, and the terms of reference, composition, meetings and quorum requirements for our Board level committees.

Robust risk management framework

We have an established risk management and audit framework to identify, assess, monitor and manage credit, market, liquidity and operational risks. This framework is driven actively by the Board through its Audit, Risk Management and ALCO committees, and supported by an experienced senior management team. Our Risk Management Committee, consisting of an independent director, the Managing Director, and two nominee directors conducts a meeting every quarter, and is responsible for the review of prudential risks including, but not limited to, credit, market, liquidity and operational risks.

We have a strong credit function, which is independent of our business and a key controller of the overall portfolio quality. We have implemented credit management models such as decentralized loan sanctioning and stringent credit history checks which have enabled us to maintain a stable portfolio quality. Our effective credit risk management is reflected in our portfolio quality indicators such as robust repayment rates, stable portfolio at risk ("**PAR**") and low rates of GNPA and NNPA. Our portfolio quality has remained consistent in spite of the increase in the size of our operations, and us venturing into new products and customer segments. We have actively managed our portfolio over the past three Financial Years, which has ensured that no single state has contributed more than 20% of our Gross AUM. The following table reflects our key portfolio quality indicators:

Metrics	Financial Year 2011	Financial Year 2012	Financial Year 2013	Financial Year 2014	Financial Year 2015	Six months ended September 30, 2015
Cumulative Repayment Rate	98.91%	98.32%	99.73%	99.90%	99.89%	99.83%
GNPA	0.29%	0.91%	0.08%	0.07%	0.07%	0.13%
NNPA	0.26%	0.81%	0.08%	0.01%	0.02%	0.04%
PAR*	1.03%	1.20%	0.20%	0.10%	0.13%	0.22%

* *PAR has been represented for accounts in respect of which principal repayment is overdue for more than 30 days*

We manage operational risks by implementing best practices such as the Risk & Control Self-Assessment ("**RCSA**") program to monitor high risk areas across all departments and Key Risk Indicator ("**KRI**") program for monitoring critical industry-specific risks such as high staff turnover and cash handling. Our focus on managing employee turnover and transition has resulted in containing our attrition rate of 17.32% as of Financial Year 2015. With respect to cash handling, over 50% of our disbursements were undertaken through the cashless route for the Financial Year 2015 and the six month period ended September 30, 2015.

Our internal audit department is responsible for monitoring and evaluating internal controls, and ensuring statutory and regulatory compliances. Internal audits are carried out at branches, regional offices as well as at the head office on a regular basis. While internal audit teams are responsible for branch and field audits, the back-end process audit at regional offices and the head office is conducted through independent audit firms.

Our asset liability management policy provides a comprehensive and dynamic framework for identifying, measuring, monitoring and managing financial risks. The KRIs effectively monitor liquidity risk and interest rate risk, and ensure diversified funding in compliance with key ratios as prescribed by the RBI. As a result of our effective asset liability management policy, we have been able to consistently raise debt and equity to support our operations. As of September 30, 2015, our CAR is maintained at 20.57%, which is above the statutory requirement of 15%.

Focus on employee welfare

As a performance driven organization, we have undertaken a number of measures towards employee welfare, including opportunities for career growth through internal job postings, home location posting and flexi-timing. These measures have enabled us to consistently maintain healthy staff retention ratios, being 82.8% in Financial Year 2014 and 82.7% in Financial Year 2015. We have also set up the '*Ujjivan Welfare Relief Trust*' to provide relief to our customers and employees in the event of natural calamities.

We have an effective rewards and recognition policy in place to acknowledge excellence and develop a high performance culture, highlighting success stories in different disciplines such as operations, branch management, and field staff performance. Our rewards and recognition policies, such as the '*Public Kaa Champion*' program, have played a key role in the development of a motivated and committed employee base. We frequently conduct productivity training sessions for various aspects of business and also provide need-based skill development training and functional and process training for using proprietary software. To train our management trainees, we have formulated a management development program and tied-up with various business schools for the identification and recruitment of management trainees. For further details in relation to our rewards and recognition policies and training initiatives, see "*– Our Operations – Human Resources*" on page 111.

Since 2006, we have established ESOP schemes to provide all employees with an opportunity to hold an ownership interest in the business on the basis of their performance. Our ESOP schemes have helped us attract and retain talent, and improved employee motivation and morale. Our holistic approach towards employee welfare initiatives, in addition to our emphasis on professional development of employees has enabled us to feature in the list of the 'best companies to work for' in India, prepared by the Great Places to Work® Institute in partnership with the Economic Times, consecutively for the past five years.

Robust technology driven operating model

Our digitized front end, consisting of android phones for group loans and tablets for individual loans enables us to analyze the customer information, financial position and credit bureau details of a potential customer in real time. The paperless processing of applications and documents at our branches has enabled efficient and secure document management with low TAT. Further, an automated backend, supported by a robust core banking system and document management system, has improved efficiencies and minimized TAT. Over the years, our use of technology has improved work place engagement and governance, increased the accessibility of our products to the customers and enabled us to rapidly scale up our operations in a secure and efficient manner. For further details in relation to our technology infrastructure and capabilities, see "*-Our Operations – Information Technology*" on page 111.

As a result of the efficiencies introduced by our technology infrastructure, the average number of our borrowers per field staff (for Group Loan products) has increased from 428 in Financial Year 2012 to 607 as of September 30, 2015 while our

TAT reduced significantly from 7.94 days in Financial Year 2013 to 6.20 days as of September 30, 2015 for Group Loan products, and from 17.26 days in Financial Year 2013 to 9.33 days as of September 30, 2015 for Individual Loan products. Our cost to income ratio has also reduced over the years, from 78.15% in Financial Year 2013 to 73.48% in 2015 and further to 65.28% for the six month period ended September 30, 2015, respectively.

Strong track record of financial performance

We have maintained strong growth credentials over the years through high rates of customer retention, geographical expansion, improved staff productivity, enhancement of individual loan portfolio, lower credit cost and growth in customer base led by branch expansion. Our operational efficiencies and low TAT, monthly repayment collections model and CBS connectivity of branches have resulted in the decline of operational expenses and the associated rise in profits after tax.

(₹ in million, where applicable)

Financial Parameters	Financial Year 2013	Financial Year 2014	Financial Year 2015	For six month period ended September 30, 2015
Net AUM	11,259.97	16,172.68	32,186.91	40,797.62
NII	1,249.87	1,861.16	2,809.41	2,197.64
PAT	328.70	584.16	757.88	737.31
GNPA	0.08%	0.07%	0.07%	0.13%
NNPA	0.08%	0.01%	0.02%	0.04%
Debt/ Equity	3.14	4.43	4.24	4.15
CAR	27.27%	22.73%	24.24%	20.57%
RoAE	11.78%	16.92%	13.67%	19.07%*
RoAA	2.92%	3.40%	2.50%	3.56%*
NIM	13.76%	13.57%	11.62%	12.04%
Cost to Income ratio	78.15%	65.12%	73.48%	65.28%

**On an annualized basis*

Our Strategies

On October 7, 2015, we received in-principle approval from the RBI ("**SFB In-Principle Approval**") to set up an SFB within 18 months from the date of receipt of the SFB In-Principle Approval. We believe that we have the resources, operational strength and capabilities to successfully set up an SFB, and that we are well positioned for the transition from our existing microfinance operations to banking operations under the proposed SFB. For further details in relation to the regulatory framework governing SFBs, as well as our proposed business plan for the transition into an SFB, see "*Proposed SFB Business*" on page 114.

We propose to establish the SFB with the mission to provide a full range of financial services to the economically active poor. We believe that operating as an SFB presents a significant opportunity for us to focus on a population segment which has not been adequately serviced by regular financial institutions. Our experience of working with the unserved and underserved population segments will enable us to develop relevant products and channels to serve this market well. Further, our extensive branch network across India, centralized processing units across four regions, modern technology and human resources will be key building blocks in our transformation into an SFB.

Leveraging our capabilities as an MFI to successfully transition into the proposed SFB business

We intend to capitalize on our current strengths including geographical outreach, customer base, product portfolio, technology infrastructure, risk management framework and management team to effect a successful transition into an SFB. Our dedicated teams managing group, individual and housing loan products will enable us to continue our growth in each of these verticals. We believe that educating our employees on the nuances of the transition into the SFB regime and supplementing their experience in the financial services industry through extensive training will be a key step in the transition process. Further, we propose to build on our existing practice of hiring local staff indigenously, especially in rural areas, to ensure that a relationship of trust is built between our 'feet on street' and the target customers.

Our technology infrastructure has been a key operational strength for us. Currently, we have advanced technology solutions helping us manage our front end and back end process efficiently. Going forward, we intend to capitalize on our existing capabilities by enhancing them through a robust core banking solutions ("**CBS**"), and business intelligence tools, collection management tools and treasury management tools customised for SFB operations. With these building blocks to effect a smooth transition already in place, we intend to focus on transforming our existing MFI branch structure to an SFB branch structure, and deepen our geographical reach both in regions where we currently operate, and unbanked rural areas, where we propose to expand in the near future.

Increased focus on the unserved and underserved segment

There is a large unserved and underserved segment of the population, generally referred to as the 'missing middle', which we believe is not adequately served by standard MFIs or commercial banks on account of their informal income profile or low savings profile. This segment essentially consists of MSEs, low income salaried workers, and tenant and marginal farmers. The lack of options also forces this population segment to access financing avenues in the unorganized sector, thereby exposing them to risks inherent to unorganized lending, such as exorbitant rates of interest and lack of flexibility in repayment options. We intend to increase our focus on this segment and capitalize on the lack of viable savings and product options, inadequate customer services offered by informal, unorganized avenues of credit, and the resultant financial exclusion of this population segment. We intend to develop a wide range of simple savings, credit and fee-based products for facilities such as cash management and overdraft specifically targeted towards the missing middle. The following table depicts our state-wise share in the AUM as at September 30, 2015

State/ Union Territory	Industry AUM (₹ in million)^	Our share in the AUM (%)
Assam	4,864	22
Chattisgarh	5,722	2.2
Delhi	4,602	22.3
Gujarat	13,837	13.7
Haryana	6,872	29.8
Jharkhand	5,396	25.1
Karnataka	52,310	11.9
Kerala	15,083	7.0
Madhya Pradesh	27,945	1.8
Maharashtra	44,397	12.7
Odisha	22,460	4.9
Puducherry	1,362	21.6
Punjab	5,595	19.0
Rajasthan	9,061	16.9
Tamil Nadu	61,968	8.1
Uttarakhand	4,252	9.3
Uttar Pradesh	38,298	5.8
West Bengal	21,341	28.5

^Source: MFIN Micrometer Report, September 2015

Diversification of product offerings

The SFB regime will enable us to develop and offer a comprehensive suite of products which will help us attract new customers and deepen our relationship with our existing customer base. Basic liability products including saving accounts, current accounts, fixed deposits, overdraft facilities and recurring deposits; and basic fee based products are a fundamental requirement of this segment. While regular banks currently do provide these services, the lack of suitable products, channels and service orientation for this population segment has led to poor utilization of such products.

We propose to offer simple and flexible liability products to our customers. To make these products accessible, we intend to focus on delivery channels such as a three-tier branch structure, business correspondents, ATMs, mobile and internet, etc. While initially these delivery channels will be assisted, we propose to gradually convert our delivery channels into self-service channels.

Specifically with respect to our individual loan products, we intend to increase the ticket size of the products, while relying on our established credit assessment procedures and risk management framework to ensure a high quality portfolio. Over the years, we have learnt that as our customers move up the economic ladder and/ or scale up their business, their financial needs may vary and the limitations surrounding the group loan structure may not suit their requirements. Currently, many of our group loan customers, due to their repayment track record, graduate to becoming individual loan customers. We propose to capitalize on this trend by increasing the penetration of our individual loan products, and by innovating and designing need-specific products and processes.

We believe that an increased emphasis on individual loans is aligned with our goal of financial inclusion, as it will enable us to ensure that customers have access to the finances that they need as quickly and efficiently as possible. In addition to the transition from Group Loan products to individual loan products, we also intend to increase the proportion of secured to unsecured products, thereby further enhancing the quality of our credit portfolio.

Increased automation and digitization of products and services

The optimum use of advanced, cost-effective technology has been the backbone of our operations, and going forward, we intend to strategically invest our resources for further integration of technology into our operations to form a hybrid model comprising of advanced technological and physical infrastructure.

To achieve this, we propose to evaluate and include corporate business correspondents into our alternate channels. Going forward, we propose to guide our customers through this evolutionary process from assisted hybrid channels to self-driven technology channels. In this regard, we intend to gradually shift our wallet customers to being mature bank customers, and continue to support banking transactions through mobiles, debit cards, aadhar cards and handheld devices. We further intend to set-up low cost bio-metric enabled ATMs to reduce workload of our branches.

We believe that the further automation and digitization of our operations will reduce errors and lower costs, in addition to the existing advantages of scalability, efficiency, security and centralized data processing that technology offers us.

Building a strong liability franchise

Historically, we have relied on a combination of wholesale funding from banks and DFIs, equity infusions, issue of debt instruments such as commercial paper and securitization of our loan portfolio to fund our business and operations. Subsequent to our transformation into the SFB regime, we propose to raise a part of our funding through retail customers deposits. Currently, a large part of our target population segment is offered savings and other deposit products only by various unorganized players. We believe that with simple, flexible products which are accessible through assisted and self-serviced channels, we can position our SFB as a reliable alternative to these informal players. This shift will enable us to access diversified, short term, low cost capital. Subsequently, we propose to fund a majority of our funding requirements through CASA deposits and recurring and fixed deposits maintained with the SFB by building a sticky deposit base (remittances, cash management services) and attracting new customers whose primary avenues of savings and capital building currently include the unorganized sector and other high risk savings schemes.

Our Operations

Geographical presence

As of September 30, 2015, our operations were spread across 24 states and union territories, 209 districts and 469 branches, with no operations in Andhra Pradesh, Telangana, Jammu and Kashmir, Sikkim, Arunachal Pradesh, Nagaland, Manipur and Mizoram. Please refer to the highlighted locations in the figure below for our state-wise and zone-wise geographical presence:

Legend:

- North
- East
- West
- South
- Not Present

(*Map not to scale*)

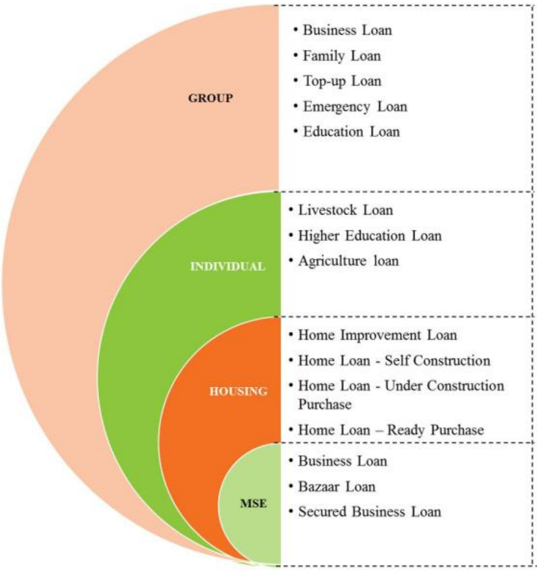
The table below provides the details of our wide-spread branch network (in alphabetical order) as at the end of the periods indicated:

State/ Union Territory	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at September 30, 2015
Assam	7	7	11	17
Bihar	15	21	24	24
Chandigarh	1	1	1	1
Chhattisgarh	-	-	2	6
Goa	1	1	1	1
Gujarat	13	14	25	32
Haryana	12	17	25	28
Himachal Pradesh	-	1	1	1
Jharkhand	15	15	15	15
Karnataka	47	54	59	60
Kerala	10	11	12	12
Madhya Pradesh	-	7	13	13

Maharashtra	31	41	48	54
Meghalaya	2	2	2	2
New Delhi	10	10	11	11
Odisha	11	11	12	12
Pondicherry	1	1	1	1
Punjab	9	9	13	17
Rajasthan	14	16	18	20
Tamil Nadu	34	39	45	56
Tripura	-	-	6	8
Uttar Pradesh	13	15	21	21
Uttarakhand	3	5	5	5
West Bengal	51	52	52	52
Total	**301**	**350**	**423**	**469**

Our Products

Our product line consists of loan products which can be broadly classified into group lending and individual lending products.



The following table provides the details of the product wise Gross AUM as at the end of the periods indicated:

(₹ in million)

Product	Financial Year 2013	Financial Year 2014	Financial Year 2015	September 30, 2015
GL	10,799.82	15,040.33	29,312.95	36,025.69
IL	460.15	1,132.35	3,428.43	4,856.26
Total*	11,259.97	16,172.68	32,741.37#	40,881.95

**Including securitization*
#Rounded off

Group Lending

Group Lending products are offered for business and family needs of ₹6,000 to ₹50,000, with a tenure of up to 2 years, at a uniform interest rate of 23% per annum across customers. Our Group Lending products are built on the peer-guarantee loan model (joint liability group), which enables individuals to take loans without having to provide collateral or security on an individual basis. The following table provides details of our group lending business:

(₹ in million, where applicable)

Financial Parameters	Financial Year 2013	Financial Year 2014	Financial Year 2015	September 30, 2015
Branches	301	350	423	469
Gross AUM/ Outstanding Portfolio ("**OSP**")	10,799.82	15,040.33	29,312.95	36,025.69
OSP growth (year on year)	60.87%	39.26%	94.90%	22.90%
Share in total	95.91%	93.0%	89.53%	

portfolio				88.12%
Share in total revenue	95.79%	94.59%	90.86%	88.05%

The following table provides the details of the product offering wise Gross AUM as at the end of the periods indicated:

(₹ in million, where applicable)

Product offering	Financial Year 2013	Financial Year 2014	Financial Year 2015	September 30, 2015
Business loan	8,235.46	11,022.87	20,552.75	25,290.98
Family loan	2,489.54	3,955.48	8,671.74	10,511.20
Others	74.83	61.98	88.46	223.52
Total	**10,799.82**	**15,040.33**	**29,312.95**	**36,025.69**

Group loan product offerings

For our group loan product offerings, we target groups with at least 5-8 members, who must live in the same area and within the operating radius of the same branch, and whose annual household income should not be more than ₹160,000 in urban area and not more than Rs 100,000 in rural area. While new customers become eligible for loans after they pass the group recognition test, existing customers are granted repeat loans on the basis of their prior track record and center meeting attendance. Addition of new members, merging of groups and reinstatement of group composition is permitted on the basis of track record and compliance with conditions in relation to age and residence.

The group loan products currently offered by us are as follows:

(i) *Business Loan*: A core, business loan offering which provides customers access to financing for supporting their business requirements. These loans range between ₹6,000 to ₹50,000, with a repayment tenure of 12 months for loans up to ₹30,000 and 24 months for loans above ₹30,000.

(ii) *Family Loan*: A core, consumption loan offering which can be utilized for a variety of purposes including children's school related expenses, home improvement, repayment of high-cost debts availed for family needs, social and religious obligations, purchase of consumer durables etc. These loans range between ₹6,000 to ₹35,000, with the same repayment tenure as business loans.

(iii) *Agriculture Loan*: A core, business loan offering which can be utilized to meet the cost of cultivation and other working capital activities for farming and allied activities. These loans range between ₹6,000 to ₹50,000, with the same repayment tenure as business loans.

(iv) *Emergency Loan*: An additional loan offering designed to meet unforeseen medical emergency requirements of customers, which is disbursed within 24 hours of request by the customers. These loans range between ₹2,000 to ₹5,000, with a repayment tenure of six months.

(v) *Education Loan*: An additional, consumption loan offering to promote education amongst our customers, designed to help finance education expenses of children studying between kindergarten and above. These loans range between ₹5,000 to ₹15,000, with a repayment tenure of 12 months.

(vi) *Top-up Loan*: An additional, business loan offering available during the year to address business requirements over and above the initial business loans availed by a customer, extended on the basis of a satisfactory credit history of the customer. These loans range between ₹3,000 to ₹6,000, with a repayment tenure of nine months.

(vii) *Vishwas Loan*: An additional, special loan offering designed to meet the additional needs of loyal customers who have completed 20 EMIs in their core loan, and is given during festive season (June-November) every year. These loans range between ₹5,000 to ₹15,000, with a repayment tenure of 12 months.

Sourcing of Customers

We source customers for group lending products on the basis of a five-step process which includes street survey, projection meeting, group formation, house visit and group recognition test. As a starting point, we conduct street surveys and introduce the local population to our Company, our products and pricing, the group formation rules, liability and responsibilities, and the credit bureau and external borrowing rules. We lay emphasis on summarizing the introductory session to the prospective customers, and encourage them to clarify their doubts. Subsequently, customers are encouraged to ensure that groups are self-selected and that all members of the group, especially the group leader, are well versed with the group formation rules, liability and responsibility. We follow this up with a customer profile form filing and collection of KYC. The next step, which is a house visit, is crucial in the sourcing of customers as it enables us to form a very personal connection with the group. We follow up the house visit with compulsory group training on the last day. In the compulsory group training, the customers are taught the customer pledge, and the staff pledge is explained to them. The group liability structure, and our products and pricing are reiterated, and customers are educated on the importance of receipt/loan card and center meeting process. For the benefit of our customers, where we take our customers through all important aspects of group loans once again, teach them and help them practice their signatures and educate them on important aspects such as multiple lending and over lending. The last step of sourcing is the group recognition test, which allows us to finally ascertain the eligibility of a group for availing group loan products.

Credit Approval

The credit approval process for group loans is decentralized across four regional offices, and clients are evaluated both by the field staff and at the backend to assess their creditworthiness. It consists of an initial approval process wherein mandatory KYC documents are screened by field staff, following which all approved cases are sent to the regional office for approval. For the backend credit underwriting, a document management system ("**DMS**") is utilized wherein the client details are entered and sent to the credit approvers through scanned images. The DMS is integrated with the credit bureau, and the credit analysts review each loan application based on internal credit policies and regulatory norms in relation to loan compliance. Further, there are unique branch wise credit policies for each branch where the cycle-wise loan limits are defined as per the customers occupation, income profile and repayment track record.

Disbursement

We make both cash-based and cashless disbursements for our group loans. For cash-based disbursements, the disbursement amount is prepared by the cashier at the branch office on the basis of the disbursement report, and extended to the customer on the basis of authentication of the customer through his photograph on the loan card and the disbursement report. Prior to making the disbursement, the cashier/CRS/CRM conducts a pre-loan disbursement talk with the customer on the loan purpose, amount and utilization of loan stated, and reiterates the terms and conditions of the loan product. The ceiling amount for cash disbursement at any branch on any particular day during normal business operations is ₹1,000,000, and any disbursements to be made in excess of this limit require the prior approval of the MD.

During the past few years, for ease of operations and increased security, we have introduced the benefit of cashless disbursements for group loans for our customers. In addition to being more efficient, cashless disbursements minimize the risk of cash handling, offer the benefit of the interest earned on the amount being available in the bank account and the advantage of an additional loan amount of ₹2,000 for customers opting for cashless disbursements.

Collection and repayment

We provide a choice of four repayment windows to our Group Lending customers, and the place for meeting in the repayment week is determined by the customers. These centre meetings, which are usually conducted at the residences of the customers, typically comprise of four to five groups assembling at the centre to make repayment. The customer representative staff collects the repayments from the group members, and updates the loan card, which is signed by the customer representative staff and the customers. Cash collected at centres is thereafter deposited at the local branch, and the customer relationship manager and the customer representative staff verify the cash collections and post the transaction online. Handheld devices, which have been made available at the field level, ensure that centre meeting details are readily available and the transaction details are posted real time for efficient and faster updating of information. The customer representative staff regularly follow up with customers who are absent at centre meetings.

Risk management

For our Group Lending products, the joint liability group model ensure that members are jointly and severally liable for timely payments at centre meetings. This leads to greater discipline among customers and minimal credit risks. The bureau checks help in ascertaining the creditworthiness of the customer at the time of disbursement.

Individual Lending

To address the limitations of group lending products, which rely on the joint liability structure, and to offer tailor-made products to our customers to address their specific financial requirements, we developed individual lending products which would further our mission of financial inclusion, while offering matured group lending customers to upgrade their loan portfolio. Unsecured individual loans are offered for business needs, higher education, livestock procurement, home improvement, and agriculture, and range between ₹41,000 and ₹300,000, with a tenure of up to five years, and interest rates ranging between 20% to 26% per annum. Secured business loans are offered for business needs and range between ₹200,000 and ₹1,000,000, with a tenure of up to seven years. The following table provides details of our individual lending business:

(₹ in million, where applicable)

Financial Parameters	Financial Year 2013	Financial Year 2014	Financial Year 2015	September 30, 2015
Branches	221	258	305	339
OSP	460.15	1,132.35	3,428.43	4,856.26
OSP growth, year on year	43.48%	146.09%	202.77%	41.65%
Share in total portfolio	4.09%	7.0%	10.47%	11.88%
Share in total revenue	4.21%	5.41%	9.14%	

				11.95%

The following table provides the details of the product offering wise Gross AUM as at the end of the periods indicated:

(₹ in million, where applicable)

Product offering	Financial Year 2013	Financial Year 2014	Financial Year 2015	September 30, 2015
Business loan	375.52	881.11	2,267.20	3,116.07
Others	84.63	250.99	1,161.23	1,740.19
Total	**460.15**	**1,132.35**	**3,428.43**	**4,856.26**

Individual loan product offerings

Our individual loan product offerings are highly specialized, and we target customers on a case to case basis depending on their financial requirements. However, a majority of our individual loan product offerings are targeted towards existing customers who have availed group loans from us.

The individual loan products currently offered by us are as follows:

(i) *Agriculture Loan*: Loan designed for marginal and tenant farmers who find it difficult to access adequate institutional credit for raising crops due to lack of clear property documents in their names, and who have been involved in farming activities in the same area for the last two years. These loans range between ₹21,000 – ₹ 80,000, with a repayment tenure of 4-12 months at an interest rate of 26% per annum.

(ii) *Higher Education Loan*: Loans designed to cater to the needs of families who find it difficult to arrange for higher education of their children due to lack of access to organized credit, and offered to our existing borrowers. These loans range between ₹41,000 to ₹300,000 (disbursed in tranches), with a repayment tenure of six to 60 months at an interest rate of 26% per annum.

(iii) *Home Improvement Loan (unsecured)*: Loans designed to cater to the home improvement needs of our existing group lending borrowers, based in urban and semi-urban areas. These loans range between ₹51,000 to ₹150,000, with a repayment tenure of 12 to 36 months at an interest rate of 24% per annum.

(iv) *Home Improvement Loan (secured)*: Loans designed to cater to housing related needs for higher ticket size products, for both our existing customers as well as open market customers. These loans range between ₹200,000 to ₹500,000, with a repayment tenure of 24 to 84 months at an interest rate of 19.75% per annum reducing balance.

(v) *Secured Home Loan*: High ticket-size, secured loans designed to cater to the requirement of our existing customers and open market customers for the purchase of residential properties. These loans range between ₹200,000 to ₹1,000,000, with a repayment tenure of 24 to 120 months at an interest rate of 15.75% per annum reducing balance.

(vi) *Individual Business Loan*: Loans designed to cater to the needs of our existing group lending borrowers who are also individual micro-entrepreneurs, and who require funds for working capital or fixed assets in relation to a running business. These loans range between ₹41,000 to ₹150,000, with a repayment tenure of six to 24 months at an interest rate of 26% per annum.

(vii) *Individual Bazaar Loan*: Loans designed to cater to the needs of individual micro-entrepreneurs who are not our existing group lending borrowers, and who require funds for working capital or fixed assets in relation to a running business. These loans range between ₹21,000 to ₹150,000, with a repayment tenure of six to 24 months at an interest rate of 26% (declining) per annum.

(viii) *Livestock Loan*: Loans designed to cater to the needs of our existing group lending borrowers who require funds for rearing livestock. These loans range between ₹41,000 to ₹100,000, with a repayment tenure of nine to 24 months at an interest rate of 26% per annum reducing balance.

(ix) *Open Market Livestock Loan*: Loans designed to cater to the needs of borrowers who are not our existing group lending borrowers, and who require funds for rearing livestock. These loans range between ₹41,000 to ₹65,000, with a repayment tenure of six to 24 months at an interest rate of 26% (declining) per annum.

(x) *Pragati Loans*: Loans offered on an individual basis on compliance with the RBI 'qualifying assets' guidelines. These loans range between ₹51,000 to ₹150,000, with a repayment tenure of 24 to 36 months at an interest rate of 23.60% per annum.

(xi) *Secured Business Loan*: Loans designed to cater to the investment needs of MSEs, to expand and boost their business, and secured by land & building. These loans range between ₹200,000 to ₹1,000,000, with a repayment tenure of 24 to 84 months at an interest rate of 20% (declining) per annum.

Sourcing of Customers

We employ both hub and non-hub based models for the sourcing of customers for individual lending products. In both models our loan officers use tablets to access customer information, bureau reports and financial analysis. In the non-hub model, an eligibility list of potential customers is sent to the branch and customers are filtered on the basis of basic eligibility criteria. Subsequently, based on the customers' daily revenue and repayment capacity, customers are contacted and the loan processing, file preparation and business verification is initiated. This is followed by a personal discussion and sanctioning, pursuant to which the file is forwarded for credit checks and for entry in the database management system. The hub-based sourcing model, in addition to the process described above, also includes a sanctioning meeting at the hub on the basis of which the file is sent for processing and disbursement. Our Group Lending customers are eligible to apply for Individual Lending products at any time after completing 10 core group loan instalments with a timely repayment track record. However, these customers are required to drop out of their existing groups to avail any Individual Lending products.

Credit Approval

In relation to individual loans, credit underwriting is a completely field based process and branches are arranged in such a manner that each branch functions as a hub branch which has a credit officer-IL assigned to it, who is an independent person reporting directly to credit verticle. The credit approval process includes quality check of application, business or house visit, sanction committee meeting for final loan decision and the final approval or rejection of the loan application. In exceptional cases, where the hub model is not available, the credit check and approval process takes place at the back end. However, in both, hub and non-hub based approval process, the loan origination, sanctioning and final approval is done only by staff duly certified by the credit underwriting team. The key credit checks undertaken for individual loans include bureau check (CIBIL and MFI Bureau), review of KYC documents, review of financial statements, independent reference check and post-disbursement loan monitoring. Further, the status of loan utilization is monitored regularly, and disbursements of subsequent loans are on the basis of customers' level of loan utilization.

Disbursement, collection and repayment

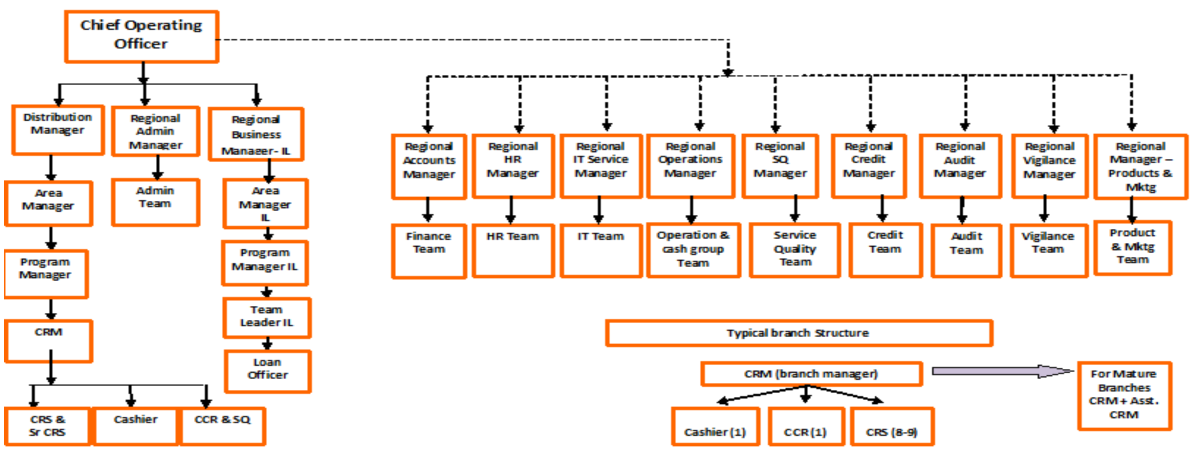
Cash disbursements are not made in relation to individual loans, and all loans are disbursed either through direct credit to the borrowers' bank accounts or by account payee cheques. The borrower must be the sole account holder or a joint account holder of the payee account.

The repayment of all loans start after a minimum of 30 days from the date of disbursement, and the date of repayment can be any day between the 1st and 15th of the month. Wherever available, cashless repayments through ACH/ECS should be the preferred mode of repayment and any EMI deposits to be made by the borrowers in cash have to be undertaken only at one of our branch offices.

Risk management

Our individual loan products are offered without the joint group guarantee. However, a majority of our Individual Lending business is sourced from conversion of our existing Group Lending customers who have a good track record of repayment. For open market customers, we analyze the repayment capacity and business profile of the prospective customers, and only those individuals are accepted as customers who have similar credit profiles to our existing customers. Additionally, a co-borrower is mandatory in case of unsecured individual business loans, and for all co-borrowers, insurance is mandatory. For all Individual Lending products above ₹100,000, a guarantee from an eligible guarantor is compulsory. This process is also supplemented through bureau checks and credit verification. Further, provisioning for Individual Lending products is higher than that of Group Lending products (2%, as opposed to 1% for Group Lending products) which provides a safeguard against any potential spillovers.

Our distribution model



The distribution structure for our Group Lending products is headed by regional Group Lending business managers, who report directly to their respective COOs. Under each Group Lending business manager, a set hierarchy comprising of distribution managers, area managers and program managers handle the management of the Group Lending business. For each branch offering Group Lending products, we have a customer relationship manager who manages the overall functioning of the branch, and to whom all branch staff report. Each branch also comprises a cashier who manages cash transactions and reconciles cash balances, and customer representative staff or 'feet on street' staff responsible for last mile connectivity with customers. The customer representative staff, numbering six to eight per branch, are also responsible for sourcing customers, and disbursing and collecting repayments. Under each program manager, there are several customer care representatives, who form the first point of contact for customer complaints and grievances.

For Individual Lending products, the distribution model is headed by a national Individual Lending program manager, who coordinates with the COOs and regional Individual Lending products teams. In addition to the national manager, one regional business manager directly oversees the Individual Lending business and reports directly to the COO. Further, the Individual Lending products distribution model comprises of area managers and program managers who are responsible for managerial roles at their respective levels of specialization. The final link in the Individual Lending distribution model are loan officers, who generate leads, source customers and ensure disbursements and repayments through cashless routes.

Our non-credit offerings

Insurance Products

In addition to the loan products offered by us, we also offer life insurance to our customers and their spouses through our partnership with insurance providers such as Bajaj Allianz Life Insurance Company Limited, Kotak Mahindra Life Insurance Company Limited and HDFC Life Insurance Company Limited. The insurance products offered in partnership with Bajaj Allianz Life Insurance Company are partnered for group loans and individual loans, and are compulsory for all customers and their spouses. On the other hand, the insurance products offered in partnership with Kotak Mahindra Life Insurance Company Limited and HDFC Life Insurance Company Limited are for secured home loans and business loans, respectively. For all insurance products, the payment of insurance premium is required to be made during disbursement. The insurance products ensure that in the unfortunate event of natural or accidental death of the customer or their spouse, the insurance amount helps the beneficiary cover the existing loan and receive the benefits of a life cover. As of September 30, 2015, we insured over 2.56 million customers and their spouses.

Information Technology

Our investment into, and focus on, integrating advanced, cost-effective and innovative technology into our operations has been one of the key drivers of our growth. We utilize IBM's private cloud resilience services to ensure smooth and secure functioning of our business operations. IBM's private cloud offers dedicated infrastructure with a high speed SAN data storage, IBM blade center servers, IBM P6 and P7 servers with AIS OS and databases including DB2, Oracle and SQL server. The Virtualized Server Recovery ("**VSR**") services offered through the IBM cloud provide round-the-clock solutions designed to support application continuity and reduce business expenses and data loss. In the event of a downtime, the VSR, which can replicate entire systems in real-time including system files, databases, applications and user data, enables us to restore 100% functionality within a few minutes.

We have introduced tablets and mobiles both in offices and the field, and these handheld devices, coupled with the 'Artoo' system, enable real time customer acquisition, loan underwriting and loan processing. The Truecell system, using which field transaction data is captured, supports transactions related to repayment collection, field collection, attendance and loan utilization checks in both offline and online modes. Our usage of the IBM Filenet database management system has eliminated the movement of physical documents for loan processing, and automated credit rule checking and the extraction of credit bureau reports.

We use BR.Net as our core banking solution ("**CBS**"), which is structured and customized around our customers, and integrated with our front-end operations to provide a secure platform. We balance the usage of advanced IT processes and equipment with cost efficiency by utilizing open source software and Linux operating system at our branches. Currently, our email solutions, help desk system and complaint management systems are all based on open source software.

Human Resources

As of September 30, 2015, we had 7,786 employees. Our talent search process evaluates suitable candidates on the basis of traits such as their adaptability and willingness to learn and our willingness to explore and take risk. A large proportion of our open positions are closed through internal job postings and employee referrals as well as customer references. We constantly incentivize our employees and apart from a bi-annual appraisal process, we have instituted various performance-based rewards and recognition schemes to identify and encourage employee contribution. For exceptional customer service, our employees are recognized and rewarded in terms of the "*Public Kaa Champion*" program.

As we have expanded in terms of our outreach and in terms of our product portfolio, we have undertaken training initiatives at an increasing frequency. Our training initiatives include: (i) onboarding programs, to ensure consistency and baselining of abilities across job roles; (ii) productivity training, designed to enhance existing skills in the areas of sales, management and effective customer communication; (iii) need-based skill development, for the development of specific skill sets; (iv) leadership development programs, to develop our regional and national level leadership teams; and (v) process training, to impart technical training in collections, supervising and financial analysis, etc.

We also have a management development program for our management trainees, to give them a head-start in their career. For this, we have tied up with various business schools for identification and recruitment of management trainees. The management development program comprises of interactions with senior management and industry leaders, classroom training, case study discussions and field visits.

Competition

Our major competitors in the group lending segment include Equitas Microfinance Private Limited, Janalakshmi Financial Services Private Limited, Bandhan Bank and SKS Microfinance Limited; and in the individual lending segment include Equitas Finance Limited, Future Financial Services Limited and Vistaar Financial Services Private Limited. Additionally, in the housing finance segment, we face competition from specialized housing finance companies such as Aadhar Housing Finance Limited, Aspire Home Finance Corporation Limited, Equitas Housing Finance Limited and Muthoot Homefin (India) Limited.

In addition to other microfinance companies, NBFCs and banks, we face significant competition from the unorganized and under-regulated market participants who are prevalent in the semi-urban and rural landscapes that are our key areas of focus, and whose target customer segment is the same as ours, being the unbanked and underbanked section of the population.

Intellectual Property

We have one registered trademark for our corporate logo, and have made an application for the registration of trademark for the corporate logo under a separate class, which is currently pending. For further information, see "*Government and Other Approvals*" on page 192. We believe our intellectual property has significant value and is materially important to our business.

Insurance

We maintain insurance policies that we believe are customary for companies operating in the microfinance industry. These include, amongst others group health insurance policy, group personal accident insurance policy, burglary policy, fire policy, directors' and officers' liability policy, money policy and special perils policy.

Marketing

Our marketing activities include internal communications, product promotion, organisational branding and increasing our footprint on the social media platforms. We utilize internal communications to ensure that all employees are aligned with our growth objectives and aware of internal developments. Our product promotion activities include providing our customers with informative brochures, and inviting them to our branches to speak about their experiences and the way we have helped them grow over the years. We believe that this is a highly effective customer engagement tool, and that our customers are the most effective brand ambassadors in the community. We also actively showcase our customers' stories and accounts on online social media platforms, and regularly update our posts to keep our existing and prospective customers informed.

Social Welfare Initiatives

We undertake CSR initiatives both individually and in partnership with the *Parinaam* Foundation. Over the years, we have been at the forefront of financial inclusion and social welfare. Key social welfare initiatives recently undertaken by us are as follows:

(i) *Community development programs by our Company*: We initiated our community development programs with a focus on small but high impact projects, such as repairing water pumps and tanks in schools, upgrading local government hospitals, paving hill tracks, rain-water harvesting, building bus stands and building and repairing school toilets. Our community development programs are undertaken in consultation with our customers to address critical local community needs, and has resulted in the elevation of the quality of life for customers and their families. During the initial years, we also focused on upgrading government established 'anganwadis' (creches). However, last year, in response to the 'Swacch Bharat' mission of the GoI, we switched our attention to building and renovating toilets, especially for the girl child, in government schools. As a result, during Financial Year 2015, we built or renovated 266 toilets in schools across the country, investing over ₹12.3 million in the process.

(ii) *Diksha Financial Literacy Program ("**Diksha**")*: Diksha is a five week, five module, in depth classroom training program to educate low-income families across India on reduction of financial risk and making informed and intelligent financial decisions. The program is run across 18 states in 13 languages, and teaches its participants on cash flow, income and expenditure budgeting, savings and savings options and debt management. The target segment for Diksha is urban and semi-urban customers between the ages of 18 and 55 years, who are either illiterate or have minimal education. We have an inbuilt impact evaluation mechanism to assess the performance of the program on an ongoing basis, and also get the program assessed externally.

On July 1, 2015, in furtherance of our complementary objectives of social welfare, our Company and *Parinaam* Foundation entered into a memorandum of understanding ("**MoU**") to provide financial services, healthcare, education, vocational training and community development services to the economically underprivileged sections of the community. The MoU is valid for a period of one year.

Property

Our Registered Office and corporate headquarters are located in Bengaluru, which is leased. As of September 30, 2015, our operations were spread across 24 states and union territories, and through 469 branches, which are all leased.

PROPOSED SFB BUSINESS

This chapter contains certain forward-looking statements and reflects our management's current views with respect to future events and our proposed SFB business. 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. Further, the implementation of our strategies in relation to setting up the proposed SFB business and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" on page 14, and elsewhere in this Draft Red Herring Prospectus.

During the process of preparation of the guidelines on licensing of new banks in the private sector in 2013, the RBI recognized the need for an explicit policy on banking structure in India keeping in view, *inter alia,* the recommendations of the Narasimham Committee on Banking Sector Reforms (1998) and the Raghuram Rajan Committee on Financial Sector Reforms (2009). Accordingly, a policy discussion paper titled 'Banking Structure in India – The Way Forward' was placed on the RBI website, wherein one of the observations was that in India, where extending banking services to the underserved and unserved sections of the population is a challenge, there is merit in considering access to bank credit and services through expansion of small banks in unbanked and underbanked regions. Taking into account its previous experience with 'local area banks', and the significant role that SFBs can play in the supply of credit to MSEs, agriculture and banking services in unbanked and under-banked regions in the country, the RBI decided to licence new SFBs in the private sector.

The SFBs are RBI's initiative to further financial inclusion by creating a new banking model. In order to provide a specific framework for the functioning of SFBs, and in order to suitably address issues relating to their size, capital requirements, area of operations, exposure norms, regulatory prescriptions and corporate governance requirements for SFBs, the RBI released the SFB Guidelines on November 27, 2014 ("**SFB Guidelines**"). In terms of the SFB Guidelines, the primary objective of setting up of SFBs is furtherance of financial inclusion by way of (i) provision of savings vehicles primarily to unserved and underserved sections of the population, (ii) supply of credit to small business units, small and marginal farmers, micro and small industries, and other unorganized sector entities, through high technology-low cost operations.

On February 2, 2015, we made an application before the RBI for setting up an SFB in terms of the SFB Guidelines. Our decision to foray into the SFB regime was in line with our mission of offering a full range of financial services to the economically active poor. Further, our decision was motivated by the fact that the SFB regime could offer deeper, wider and more comprehensive financial inclusion, especially to the unserved and underserved population segments referred to as the 'missing middle'. With this background, we made an application before the RBI to set up an SFB with a mission to "*provide full range of financial services to the economically active poor to build better lives*".

Subsequently, on October 7, 2015, we were one amongst 10 companies in India to receive an in-principle approval from the RBI to set up an SFB ("**SFB In-Principle Approval**"). The SFB In-Principle Approval prescribes specific terms and conditions applicable to an SFB in relation to capital adequacy, ownership and control, prudential norms, corporate structure and corporate governance. We have been provided with an 18 month window from the date of the SFB In-Principle Approval to comply with the requirements prescribed under the SFB In-Principle Approval and the SFB Guidelines, post which the approval would lapse automatically.

Building blocks for the proposed SFB business

We believe that the following building blocks and strategies will facilitate our foray into the proposed SFB business:

1. ***Scale***: As of September 30, 2015, our operations are spread across 24 states and union territories, and 209 districts in India through our 469 branches. We have operations spread across the northern, north-eastern, eastern, central, western and southern regions of India, including regions which have been categorized by the RBI as areas with limited access to financial services, and districts which have been categorized by the RBI as being 'under-banked'. As on September 30, 2015, through these 469 branches spread across India, we currently serve over 2.60 million customers primarily belonging to the unserved and underserved population segments. Over 66% of our customers as of September 30, 2015 comprised of rural and semi-urban customers. Further, as of September 30, 2015, we have 7,786 employees. We believe that our scale in terms of geographical outreach, customer base and employee strength will be a key enabler for us while setting up the proposed SFB business.

2. ***Management team with significant experience in the banking industry***: Our senior management has a diversified track record in the financial services industry, with approximately 20 years of experience in the industry on an average. Our CEO and MD, Samit Ghosh, has over 30 years of experience in the banking industry, and was part of the management team involved in setting up retail operations of Citibank, Standard Chartered Bank, HDFC Bank and the Bank Muscat in India. Our national leadership team, comprising of four COOs and functional heads, similarly has considerable experience in the consumer banking industry. Our management team's experience in the banking and consumer banking space will benefit the proposed SFB in its operations.

3. ***Risk management practices***: While putting in place the SFB regime, the RBI has, under the SFB Guidelines,

prescribed stringent prudential norms which will be applicable to SFBs, including the requirement to put in place a robust risk management framework. Our existing risk management and audit framework enables us to assess, monitor and manage credit, market, liquidity and operational risks. Our risk management framework, coupled with established internal controls and practices, will be a major building block for the proposed SFB business.

4. ***Technology driven operating model***: A technology-enabled business model has always been our top priority, and we have ensured that the high customer touch-point typical of microfinance activities is complemented by technology infrastructure and back-end support facilities similar to that of a retail bank. Over the years, we have gradually digitized our front-end, back-end and processing operations. The SFB Guidelines require all SFBs to have technology driven operations from the date of commencement of their business, and we believe that our robust technology driven operating model will enable the proposed SFB to comply with generally accepted standards and norms.

Proposed transition to the SFB regime

We propose to manage the transition from our current operations as an NBFC-MFI to an SFB through a three-phase strategy comprising of the preparation, transformation and growth stages. In terms of this strategy, our organizational and operational components, i.e., internal support functions and external operations, will initially undergo transition initiatives subsequent to the SFB In-Principle Approval to become 'banking ready'. The transformation phase is proposed to be followed in the first two years of banking operations, followed by the phase of growth.

1. ***Prepare***: The first stage in our transition would comprise of rolling out readiness initiatives to set up an SFB. While maintaining our existing infrastructure of delivery channels, we propose to implement the regulatory structure, redesign products, implement advanced technology, and transition and train our human resources in this stage. During this stage, we also propose to concurrently expand our existing microfinance business.

2. ***Transform***: We anticipate that we will not be adding new branches to our existing network during this stage. Instead, we propose to consolidate current operations to operationalize primary and secondary channels for banking operations. Further, we propose to add on to our existing product delivery channels and introduce additional product lines including savings, deposits and fee-based services.

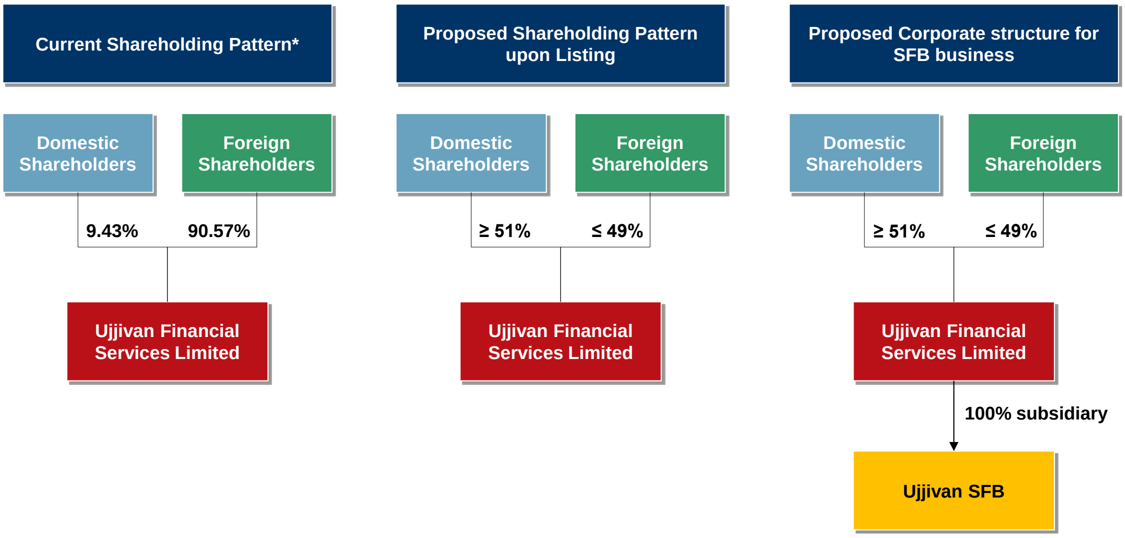
3. ***Grow***: In the growth phase, which is anticipated to start three years from the start of operations of the proposed SFB, we propose to ramp up geographic expansion through the addition of new branches, and pursuing new customer segments and products. In addition to this, we will also focus on growth in open market customers.

We have initiated the preparation stage by putting in place a SFB transition committee comprising of Board members and key managerial personnel, and engaged third party consultants to formulate a detailed implementation plan for the preparation and transformation stages.

Our Proposed SFB Corporate Structure

In terms of the SFB Guidelines and the SFB In-Principle Approval, our Company is required to meet certain criteria before the final license is granted by the RBI for commencing the SFB business. For further details, see "– *Compliance with requirements under the SFB Guidelines and the SFB In-Principle Approval"* below.

The SFB Guidelines require, *inter alia*¸ the promoter of the SFB to be a resident entity holding a minimum of 40% in the SFB at the time of commencement of the SFB's business. In order to satisfy the criteria for corporate structure, ownership and control prescribed under the SFB Guidelines, we propose to float a wholly owned subsidiary and transfer our business to the subsidiary, which will, in turn, be the proposed SFB. The resultant changes in shareholding have been represented as below:



** Without considering the dilutive impact of outstanding employee stock options*

Notes:

i. $\geq$ *means greater than or equal to*

ii. $\leq$ *means less than or equal to*

Therefore, our proposed corporate structure on the date of commencement of business as an SFB will comprise of our Company, which will be the holding company, and a subsidiary company, to which our existing business operations will be transferred in a manner which will ensure compliance with the SFB Guidelines and the SFB In-Principle Approval, and the subsidiary company will eventually be the proposed SFB which will conduct the SFB operations. We are also in discussions with the RBI in relation to our proposed SFB corporate structure, and the proposed corporate structure described above may be subject to changes pursuant to such discussions.

Compliance with requirements under the SFB Guidelines and the SFB In-Principle Approval

The following table highlights some of the key requirements under the SFB Guidelines and the SFB In-Principle Approval before the final license is granted by the RBI for commencing business as a SFB and briefly discusses our plans to comply with such requirements:

Sl. No	Requirement under the SFB In-Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
1.	**Eligible Promoters**: Resident individuals/professionals with 10 years of experience in banking and finance; and companies and societies owned and controlled by residents are eligible as promoters to set up SFBs. Further, promoter/ promoter groups of an SFB as defined under the SEBI ICDR Regulations should be 'fit and proper' in order to be eligible to promote an SFB. The 'fit and proper' status of applicants is determined by the RBI on the basis of past record of sound credentials and integrity, financial soundness and successful track record of professional experience or of running business for at least a period of five years.	Our Company will be the promoter of the proposed SFB
2.	**Scope of activities**: SFBs are permitted to undertake the following activities: a) basic banking activities including acceptance of deposits and lending to unserved and underserved sections, including small business units, small and marginal farmers, micro and small industries and unorganised sector entities; b) non-risk sharing simple financial services activities, not requiring any commitment of own fund, such as distribution of, *inter-alia*, mutual fund units, insurance products, pension products. Such activities can be undertaken by obtaining prior approval of the RBI and after complying with the requirements of the relevant sector regulators for such financial services activities; and c) acting as Category II authorised dealers in foreign exchange business for its clients' requirements.	We believe that the proposed SFB will comply with these conditions

Sl. No	Requirement under the SFB In-Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
	Further, in terms of the SFB Guidelines: a) SFBs cannot set up subsidiaries to undertake non-banking financial services activities; b) the other financial and non-financial services activities of the promoters, if any, should be kept distinctly ring-fenced and not comingled with the banking business; and c) the SFB will be required to use the words "Small Finance Bank" in its name in order to differentiate it from other banks.	
3.	**Capital requirement:** In terms of the SFB Guidelines: a) minimum paid-up equity capital of Rs.1,000 million is required; b) a minimum CAR of 15% of its RWA on a continuous basis, subject to any higher percentage as may be prescribed by RBI from time to time is required to be maintained; c) Tier I capital should be at least 7.5% of RWAs and Tier II capital should be limited to a maximum of 100% of total Tier I capital; and d) CAR will be computed in accordance with the Basel Committee's standardized approaches.	We believe that the proposed SFB will comply with these capital requirements
4.	**Promoter's contribution:** a) the promoter's minimum initial contribution to the paid-up equity share capital of the SFB shall be at least 40%, which shall be locked-in for a period of five years from the dtaye of commencement of business of the SFB; b) any shareholding in excess of 40% of the paid-up share equity capital is required to be reduced to 40% within a period of five years; c) the promoter's shareholding in the SFB is required to be brought down to 30% of the paid up equity share capital of the SFB within a period of 10 years and to 26% within a period of 12 years from the date of commencement of business of the SFB; and d) the SFB is required to be listed within a period of three years once it reaches a net worth of ₹ 5,000 million.	The proposed SFB will be set up as our wholly owned subsidiary. Thus, our Company will be the promoter of the proposed SFB and will ensure that at least 40% is held by our Company in the SFB Company for the prescribed period and will also comply with the applicable lock in requirements We believe that appropriate fund raising and divestment will be undertaken in the proposed SFB to ensure that our Company's shareholding in the proposed SFB is reduced within the prescribed timeframe to meet the RBI requirements relating to shareholding levels We believe that we will be able to list the proposed SFB within the prescribed timelines
5.	**Foreign shareholding:** a) foreign shareholding in SFBs is required to be as per the extant FDI Policy for private sector banks, as amended from time to time; b) the current FDI Policy permits foreign investment under the automatic route to the extent of 49% of the paid up capital of the SFB and the same may be raised to 74% of the paid up capital of the SFB under the approval route; c) in terms of Press Note No. 12 dated November 24, 2015 issued by the DIPP, government approval is required for foreign investment in sectors/ activities under the approval route only in specific circumstances which include, inter alia, ownership or control vesting with non-resident entity or a transfer of control from resident to non-resident; and d) in terms of the SFB Guidelines, at all times, at least 26% of the paid-up capital of the SFB has to be held by residents.	Post our proposed Offer, we believe we will be a domestic company holding 100% in the proposed SFB
6.	**Voting rights and transfer/ acquisition of shares:** a) in terms the Banking Regulation Act, 1949 and the SFB Guidelines, any shareholder's voting rights in a private sector	The proposed SFB will ensure that the voting rights of the shareholders are capped to the permissible limits under law.

Sl. No	Requirement under the SFB In-Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
	bank is capped at 10%, and this limit may be raised to 26% by the RBI in a phased manner; and b) any acquisition of 5% or more of the paid up share capital in a bank would require the prior approval of the RBI.	The relevant prior approval of the RBI would be obtained, as may be applicable.
7.	**Prudential norms:** a) SFB must ensure that they put in place a robust risk management framework; b) RBI prudential norms, including with respect to maintenance of CRR and SLR, which are applicable to existing commercial banks, shall also be applicable to SFBs; c) The SFB will be required to extend 75% of its Adjusted Net Bank Credit ("**ANBC**") to the sectors eligible for classification as priority sector lending ("**PSL**") by the RBI. d) 40% of the ANBC should be allocated to different sub-sectors under PSL as per the extant PSL prescriptions. However, the SFB can allocate the balance 35% to any one or more sub-sectors under the PSL where it has competitive advantage. e) Maximum loan size and investment limit exposure of the SFB to a single and group obligor would be restricted to 10% and 15% of its capital funds, respectively. f) At least 50% of the SFB's loan portfolio should constitute loans and advances up to ₹ 2,500,000. g) In addition to the restrictions placed under the Banking Regulation Act, the SFB is precluded from having any exposure to its promoters, major shareholders (holding 10% or more), relatives of promoters and entities in which promoters have significant influence or control.	Risk management is a key discipline in our business operations. Our Company has implemented a strong risk management framework for credit, operational, business and market risk mitigation and effective management of adverse contingencies Given our prudent financial track record, we believe that the SFB will be able to meet the CRR and SLR limits. The proposed SFB will be required to keep a CRR of 4% and SLR of 22% The proposed SFB will be committed to meeting PSL targets (75% of ANBC) and will be supported by our future strategy of growth in business from bottom of the pyramid We believe that the proposed SFB will be committed to comply with the prudential norms
8.	**Additional conditions for NBFCs/ MFIs/ LABs converting into a bank**: Existing NBFCs, MFIs and LABs are permitted to convert into SFBs subject to: a) A minimum net worth of ₹ 1,000,000,000. b) The NBFC/MFI ceasing to exist and all its business which a bank can undertake folding into the SFB. All activities which a bank cannot statutorily undertake must be divested or disposed of. c) The branches of the NBFC/ MFI either getting converted into bank branches or getting merged/ closed as per the business plan. SFBs are precluded from creating floating charges on their assets. If there are any floating charges on the assets for secured borrowings on the day of conversion into SFB, RBI will permit grandfathering of such borrowings till their maturity, subject to imposition of additional capital charge in order to protect the interest of the depositors.	These conditions are not applicable to us.
9.	**Business plan**: In case of deviation from the business plan submitted at the time of application with the RBI, at any time after issue of license, RBI may consider restricting the SFB's expansion, effecting change in management and imposing other penal measures as may be necessary.	Our Company has submitted a business plan with the RBI and is in discussions with the RBI in relation to the proposed business plan
10.	**Corporate governance**: The board of directors of the SFB is required to have a majority of independent directors. Further, the directors should be compliant with the 'fit and proper' criteria for directors as prescribed by the RBI from time to time.	We believe that the proposed SFB will be committed to comply with the applicable corporate governance requirements
11.	**Other conditions**: a) If the promoter setting up the SFB desires to set up a payments	Our Company does not intend to set up a payment bank

Sl. No	Requirement under the SFB In-Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
	bank, both types of banks will be required to be set up under a non-operative financial holding company structure. b) Individuals (including relatives) and entities other than promoters will not be permitted to have shareholding in excess of 10% of the paid-up capital of the SFB. c) The SFB cannot be a business correspondent for another bank. d) The operations of the SFB should be technology driven from the beginning, conforming to generally accepted standards and norms. e) The SFB should have a high powered customer grievances cell to handle customer complaints. The SFB will come within the purview of RBI's Banking Ombudsman Scheme, 2006.	We believe that our Company and the proposed SFB will be in compliance with all the conditions mentioned in the SFB In-Principle Approval
12.	**Terms and conditions under the SFB In-Principle Approval**: In terms of the SFB In-Principle Approval, we are required to comply with the following general terms and conditions: a) The shares of the SFB shall mandatorily be listed within a period of three years from the date of commencement of business of the SFB. b) The SFB shall be registered as a public limited company under the Companies Act, 2013 and licensed under Section 22 of the Banking Regulation Act, 1949. Incorporation shall be subject to RBI approval of the memorandum and articles of association. The place and location of the proposed SFB shall be intimated to the RBI before grant of license under the Banking Regulation Act. c) The promoting entity of the SFB shall be 'owned and controlled by residents' at the time of making application for banking license and at all times thereafter. d) The promoting entity of the SFB shall be registered as an investment company/ core investment company before the date of commencement of business by the SFB. e) The other financial and non-financial services activities of the promoters, if any shall be kept distinctly ring-fenced and not comingled with the banking and financial services business of the SFB. f) The source of funds for Promoters' and Promoter Groups' equity in the SFB shall be transparent and verifiable. g) The minimum paid-up equity capital of the SFB shall be ₹ 1,000 million. Further, the SFB shall have a minimum net worth of ₹ 1,000 million at all times from the date of application to RBI for grant of final license. h) The initial and subsequent subscriptions to capital by promoters and others shall be through genuine and bona fide sources. i) The promoter/ promoter group shall immediately report to the RBI any developments that may take place after the date of SFB In-Principle Approval and would have an impact on the 'fit and proper' status of the promoter/ promoter group. j) At least 25% of the total branches of the SFB should be in unbanked rural areas at all times. k) The RBI may withdraw the SFB In-Principle Approval if any adverse features are noticed or in view of any other development which may prejudice efficient functioning of the SFB.	We intend to incorporate the proposed SFB as a public limited company under the Companies Act, 2013 and will get its memorandum and articles of association approved by the RBI We believe that our Company and the SFB will comply with other terms and conditions mentioned in the SFB In-Principle Approval

Sl. No	Requirement under the SFB In-Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
	l) The RBI may impose additional conditions that it deems appropriate.	

The compliance status stated above is as of the date of filing this Draft Red Herring Prospectus, and may be subject to further changes or modifications. Further, the compliance status stated above may be subject to modification due to a change in the interpretation of the SFB Guidelines, or any further clarifications or directions notified by the RBI in this regard. The conditions prescribed under the SFB Guidelines and the SFB In-Principle Approval, or our inability to ensure compliance thereto, may have an adverse impact on our business condition and financial performance. For further details, see "*Risk Factors*" on page 14.

REGULATIONS AND POLICIES

Given below is a summary of certain sector-specific relevant laws and regulations as prescribed by the Government of India or state governments which are applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Pursuant to a certificate of registration issued by RBI on October 31, 2005, our Company started operations as an NBFC, and was granted the NBFC-MFI status by the RBI on September 5, 2013. Since financial year 2008-09, we have been classified as a systemically important non-deposit accepting NBFC. We offer a wide spectrum of products to suit the specific financial requirements of our customers, and our products include (i) credit offerings comprising group loans and individual loans; and (ii) non-credit offerings. For further details, see "*Our Business*" on page 99.

For details of approvals obtained in accordance with applicable regulations, see "*Government and Other Approvals*" on page 192.

I. Regulations applicable to NBFCs (including a NBFC-MFI)

The RBI Act

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may, with the previous approval of the Central Government, and by notification in the Official Gazette, specify.

A company would be categorized as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and if its income from such financial assets is more than 50% of the gross income. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a non banking financial institution.

Pursuant to Section 45-IC of the RBI Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Revised Regulatory Framework for NBFCs dated November 10, 2014, issued by the RBI

The RBI had issued the Revised Regulatory Framework for NBFCs through circular dated November 10, 2014.This circular introduced certain changes, including revision of threshold for defining systemic significance of non deposit accepting NBFCs in light of the overall increase in the growth of the NBFC sector. Non Deposit accepting NBFCs which have an asset size of ₹5,000 million and above as per the last audited balance sheet have been now categorised as NBFC-ND-SI.

Non deposit accepting NBFCs with an asset size of less than ₹5,000 million have now been categorised as NBFC-ND. This circular is applicable to NBFCs-MFIs except wherever in conflict with the provisions of Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011, in which case the of Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 will be followed.

Consolidated FDI Policy Circular of 2015, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated May 12, 2015 ("FDI Policy")

Foreign investment into an Indian company, engaged only in the activity of investing in the capital of other Indian companies, will require prior Government/FIPB approval, regardless of the amount or extent of foreign investment. Foreign investment into NBFCs, carrying on activities approved for FDI, will be subject to the conditions specified in paragraph 6.2.18.8 of the FDI Policy.

Master Circular- 'Non Banking Financing Company- Micro Finance Institutions' Directions dated July 1, 2015, issued by the RBI (the "NBFC-MFI Master Circular")

The RBI had issued the NBFC-MFI Master Circular consolidating all instructions issued in relation to NBFC-MFIs. This NBFC-MFI Master Circular will apply to all NBFC-MFIs (other than a Company licensed under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013), which satisfy the following conditions:

(i) an NBFC (other than those registered in the North Eastern regions of India that extends loans to the micro finance sector shall have a minimum net owned fund of ₹50 million;
(ii) shall ensure that not less than 85% of its net assets are in the nature of "qualifying assets";

(iii) the income an NBFC-MFI derives from the remaining 15% of assets shall be in accordance with the regulations specified in that behalf;
(iv) an NBFC which does not qualify as an NBFC-MFI shall not extend loans to micro finance sector, which in aggregate exceed 10% of its total assets.

"Net assets" are defined as total assets other than cash and bank balances and money market instruments. Certain criteria have also been prescribed for a loan to be classified as a "qualifying asset", which include inter alia the loan being disbursed for a tenure of at least 24 months, without collateral, by the NBFC-MFI to a borrower with a rural household annual income not exceeding ₹100,000 or urban and semi-urban household income not exceeding ₹160,000, the loan amount not exceeding ₹60,000 in the first cycle and ₹100,000 in subsequent cycles and the aggregate amount of loans, given for income generation, not being less than 50% of the total loans given by the MFIs.

Multiple lending, Over Borrowing and Ghost Borrowers

NBFC-MFIs can lend to individual borrowers who are not members of a JLG, SHG or to borrowers that are members of a JLG or SHG, subject to the following restrictions:

(a) borrower cannot be a member of more than one SHG or JLG;
(b) not more than two NBFC-MFIs can lend to the same borrower;
(c) there must be a minimum moratorium period between the grant of the loan and the due date for the repayment of the first instalment. The moratorium period shall not be less than the frequency of repayment;
(d) recovery of loan given in violation of the regulations should be deferred till all prior existing loans are fully repaid; and
(e) all sanctioning and disbursement of loans should be done only at a central location and more than one individual should be involved in this function. In addition, there should be close supervision of the disbursement function.

Capital Adequacy Requirements

The NBFC-MFIs are required to maintain a CAR consisting of Tier I and Tier II capital which should not be less than 15% of its aggregate risk weighted assets. The total of Tier II Capital at any point of time, should not exceed 100% of Tier I capital.

The NBFC-MFIs are also required to comply with the following asset classification and provisioning norms:

Asset Classification Norms:

(i) A "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;

(ii) A "non-performing asset" means an asset for which interest or principal payment has remained overdue for a period of 90 days or more.

Provisioning Norms:

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time is required to be not less than the higher of:

(i) 1% of their outstanding loan portfolio; or

(ii) 50% of their aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

Further, all provisions of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, except provisions relating to asset classification, provisioning and prudential norms are applicable to MFIs which are NBFC-ND-SI.

Transparency in Interest Rates and pricing of credit

To ensure fair practice in lending, NBFC-MFIs are permitted to have only three components in the pricing of loans viz., the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof). They are not permitted to charge penalty on delayed payments or to collect any security deposit/margin from their borrowers. In addition, NBFC-MFIs are subject to pricing stipulations in relation to the ceiling on margins, interest rates, processing fee, administrative charges, penalties and insurance premium. NBFC-MFIs are required to have a standard loan agreement, and provide borrowers with a loan card reflecting details of the loan in vernacular language. Further, the effective rate of interest charged by the NBFC-MFIs are required to be prominently displayed in all offices and websites of, and all literature issued by the NBFC-MFIs.

Every NBFC-MFI has to be a member of all credit information companies ("CIC") – presently four in number established under the CIC Regulation Act 2005, provide timely and accurate data to the CICs and use the data available with them to ensure compliance with the conditions regarding membership of SHG/JLG, level of indebtedness and sources of borrowing. All NBFC-MFIs are encouraged to become member of at least one self-regulatory organization ("SRO") which is recognized by the RBI and will also have to comply with the Code of Conduct prescribed by the SRO. The responsibility for compliance to all regulations prescribed for MFIs lies primarily with the NBFC-MFIs themselves. The industry associations/SROs also play a key role in ensuring compliance with the regulatory framework. In addition, banks lending to NBFC-MFIs also ensure that systems practices and lending policies in NBFC-MFIs are aligned to the regulatory framework.

II. Regulations Applicable to all NBFCs –ND-SI

Master Circular - Non Banking Financial Company – Corporate Governance (Reserve Bank) Directions, 2015 dated July 1, 2015, issued by the RBI ("Corporate Governance Master Circular")

All NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. However, all the NBFC-MFIs are required to comply with the master circular or corporate governance. The NBFCs will also have to ensure to put in place a '*fit and proper criteria*' of the directors at the time of appointment. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders. The NBFCs will also have to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory auditors audit firm.

Master Circular - Fair Practices Code dated July 1, 2015, issued by the RBI ("FPC Master Circular")

NBFC-MFIs are required to make necessary organizational arrangements to assign responsibility to designated individuals within the company and establish systems of internal control including audit and periodic inspection, to ensure compliance with the fair practices code. Further, as a measure of customer protection and in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, it has been advised that NBFCs shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

For recovery of loans, NBFCs should not resort to undue harassment. NBFCs shall also ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

Master Circular - "Systemically Important Non-Banking Financial (Non-deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 dated July 1, 2015 ("ND-SI Prudential Norms Master Circular")

The ND-SI Prudential Norms Master Circular is applicable to every NBFC not accepting/holding public deposits and having an asset size of ₹ 5000 million and above as per the last audited balance sheet. In terms of the ND-SI Prudential Norms Master Circular, every NBFC qualifying the test prescribed therein is required to comply with inter alia principles for specific income recognition, accounting, asset classification, provisioning and capital adequacy norms. All NBFC-ND-SI are required to have policies framed by its board of directors in relation to matters viz. granting demand/call loans, investment by the NBFCs. The ND-SI Prudential Norms Master Circular prescribes provisioning norms for NBFC-ND-SI which is to be complied in a progressive manner, and all NBFCs falling within the ND-SI framework are required to make provisions for standard assets at 0.25 per cent by the end of March 2015; 0.30 per cent by the end of March 2016; 0.35 per cent by the end of March 2017 and 0.40 per cent by the end of March 2018 and thereafter, of the outstanding, which shall not be reckoned for arriving at net NPAs. Such provisions made towards standard assets will be included under the head 'contingent provisions against standard assets' in the balance sheet of the NBFC.

Further, the ND-SI Prudential Norms Master Circular prescribe capital adequacy norms for NBFC-ND-SIs, whereby every NBFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The total of Tier I capital, at any point of time, shall not be less than 8.5% by March 31, 2016 and 10% by March 31, 2017. The total Tier II capital of NBFC-MFIs at any point of time, shall not exceed one hundred percent of Tier I capital.

Revised Guidelines on raising money through private placement of non convertible debentures by NBFCs, dated February 20, 2015, issued by the RBI ("NCD guidelines")

The NCD guidelines are applicable to issuance of non convertible debentures with a maturity period of more than one year, and prescribe among other things the issuance of private placement of NCDs in two separate categories, those with a maximum subscription of less than ₹10 million and those with a minimum subscription of ₹10 million and above per investor. There shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹10 million and above, and the option to create security in favour of subscribers will be with the issuers. Such unsecured debentures shall not be treated as public deposits as defined in NBFCs Acceptance of Public Deposits (Reserve Bank) Directions, 1998. An NBFC (excluding CICs) shall issue debentures only for deployment of funds on its own balance sheet and not to facilitate resource requests of group entities/parent company/associates. An NBFC shall not extend loans against the security of its own debentures (issued either by way of private placement or public issue).

Master Circular – 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) - 'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder' dated July 1, 2015, issued by the RBI ("KYC and AML Master Circular")

The RBI had issued the KYC and AML Master Circular consolidating all the instructions in relation to KYC and AML. The KYC Master Circular advised all NBFCs to adopt such guidelines with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework on KYC and AML is put in place. The KYC policies are required to have certain key elements such as customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines by the persons authorised by the NBFCs' including brokers/agents, due diligence of persons authorised by the NBFCs and customer service in terms of identifiable contact with persons authorised by NBFCs.

Further, pursuant to the provisions of PMLA, PML Rules and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting/reporting to financial intelligence unit - India of suspicious transactions and cash transactions and to maintain a system of proper record of specified transactions.

Additionally, NBFCs are required to ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least five years after the business relationship is ended.

Revised Guidelines on Securitization of Standard Assets dated May 7, 2012 and August 21, 2012, issued by the RBI ("Revised GSSA")

The RBI had issued the Revised GSSA to banks and made it applicable to NBFCs by circular dated August 21, 2012. The Revised GSSA regulates assignment transactions, which were not covered under the earlier guidelines issued by the RBI. The Revised GSSA imposes a restriction on the offering of credit enhancement in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows. Further, the Revised GSSA provides that loans can only be assigned or securitized if the NBFC has held them in their books for a specified minimum period. They also provide a mandatory retention requirement for securitization and assignment transactions.

Revised Guidelines on Priority Sector Lending - Targets and Classification, dated April 23, 2015, issued by the RBI ("Priority Sector Lending guidelines")

The Priority Sector Lending guidelines observed that the bank credit extended to MFIs for on-lending purposes to individuals and members of SHGs or JLGs would be eligible to be categorised as priority sector advance under respective categories being agriculture, micro, small, medium enterprises and others, as indirect finances, provided not less than 85% of total assets (other than cash balances with banks and financial institutions, government securities and money market instruments) of MFIs are in the nature of "qualifying assets" and the aggregate amount of loan, extended for income generating activity, is not less than 50%, of the total loans given by such MFIs.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-SI.

Master Circular dated July 1, 2015 – Frauds –Future approach towards monitoring of frauds in NBFCs

In order to prevent the the incidence of frauds in NBFCs, the RBI established a reporting requirement to be followed by NBFCs, both NBFCs-Deposit taking and NBFCs-ND-SI. In terms of the circular, all NBFCs-ND-SI shall disclose the amount related to fraud, reported in the company for the year in their balance sheets. NBFCs failing to report fraud cases to the RBI would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act, 1934. Additionally, the circular provides for categorisation of frauds and the reporting formats in order to ensure uniformity in reporting.

The Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002

This regulation prescribes *inter alia* registration, qualification, practical training, examination remuneration and code of conduct for persons including entities which are engaged in the activity of sales and marketing of insurance products, approved by the Insurance Regulatory and Development Authority of India.

III. Other Regulations

In addition to the above, the Company is required to comply with the provisions of the Companies Act, FEMA, labour laws, various tax related legislations and other applicable statutes for its day-to-day operations.

Our Company had made an application to the RBI on February 2, 2015 for obtaining a license to set up an SFB. RBI has issued us an in-principle approval for setting up an SFB through its letter dated October 7, 2015 under reference DBR.PSBD.NBC(SFB-UFSPL). No 4922/16.13.216/2015-16. For further details, see "*Proposed SFB Business*" on page 114.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Ujjivan Financial Services Private Limited on December 28, 2004 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Pursuant to a certificate issued by the RBI on October 31, 2005, our Company obtained the certificate of registration as an NBFC under section 45 IA of the RBI Act. Since financial year 2008-09, we have been classified as a systemically important non-deposit accepting NBFC. Our Company was granted NBFC-MFI status by the RBI on September 5, 2013. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 3, 2015 and consequently the name of our Company was changed to Ujjivan Financial Services Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on November 26, 2015.

For details regarding the description of our activities, services, market, growth, technology, managerial competence and standing with reference to prominent competitors, see "*Our Management*", "*Our Business*" and "*Industry Overview*" on pages 133, 99 and 84, respectively.

Changes in Registered Office

The details of changes in the Registered Office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office
July 29, 2006	From Pairi Daeza No. 550/49, Borewell Road, Whitefield Road, Bengaluru 560 066, Karnataka, India to 93, Jakkasandra Extension, Sarjapur Main Cross Road, 1st Block, Koramangala, Bengaluru 560 034, Karnataka, India
May 1, 2014	From 93, Jakkasandra Extension, Sarjapur Main Cross Road, 1st Block, Koramangala, Bengaluru 560 034, Karnataka, India to our Registered Office

The change in the Registered Office was for administrative reasons.

Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

1. *"To carry on the business of providing a full range of financial services as may develop from time to time to the economically active poor, self help groups, individuals, societies, merchants, traders, industries, commercial establishments, financial institutions, co-operative societies, non-government organizations, private, charitable, educational and research institutions and related entities. These services include all types of loans, hire purchase, leasing, discounting, mortgages, deposits, savings, investments, mutual funds, insurance, venture capital, remittances, credit facilities, futures & derivatives and any others services, which may arise in the future both in India & elsewhere, subject to the approval of the Reserve Bank of India.*

2. *To carry on the business of finance company (not being a Banking company within the meaning of Banking Regulation Act, 1949) and to provide or assist in obtaining financial assistance to all sections of society in India or elsewhere.*

3. *To carry on the business of an investment company in India or elsewhere and for that purpose invest in, acquire, underwrite, subscribe for, exchange, sub-underwrite or participation in any syndicate, hold shares, bonds, stocks, securities, debentures, debenture stocks issued or guaranteed by any company constituted and carrying on business in India or elsewhere.*

4. *To advance, deposit or lend money on personal security or on the security of leasehold and freehold land, buildings, shares, securities, debentures, merchandise and other property and assets or on guarantee of third parties or otherwise to such persons, firms or companies upon such terms and subject to such conditions as may seem expedient.*

5. *(i) To act as management consultants, investment advisers, issue house, promoters, financiers, underwriters, brokers, merchant bankers, consultants, managers, share transfer agents or in any capacity participate in the creation, issue, conversion or transfer of or on shares, debentures, bonds, mutual funds, deposits, other securities or obligations, and other financial instruments and to provide other related ancillary services.*

   (ii) To finance or assist either directly or as an intermediary of any other Company(ies)/entity(ies) in promoting, marketing distributing and financing the sale of articles, commodities and/or services of all and every kind or description by way of hire purchase or deferred payment basis or any other arrangements there under and provide any other allied services in connection therewith."

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see "*Objects of the Offer*" on page 77.

Amendments to the MoA

Set out below are the amendments to our MoA since the incorporation of our Company:

Date of Shareholders' Resolution	Particulars
June 9, 2005	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹20,000,000 divided into 2,00,000 Equity Shares of ₹100 each to ₹25,000,000 divided into 2,50,000 Equity Shares of ₹100 each
December 10, 2005	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹25,000,000 divided into 2,50,000 Equity Shares of ₹100 each to ₹30,000,000 divided into 3,00,000 Equity Shares of ₹100 each
May 12, 2006	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹30,000,000 divided into 3,00,000 Equity Shares of ₹100 each to ₹70,000,000 divided into 7,00,000 Equity Shares of ₹100 each
July 21, 2007	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹70,000,000 divided into 7,00,000 Equity Shares of ₹100 each to ₹125,000,000 divided into 1,250,000 Equity Shares of ₹100 each
August 18, 2008	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹125,000,000 divided into 1,250,000 Equity Shares of ₹100 each to ₹400,000,000 divided into 4,000,000 Equity Shares of ₹100 each
October 12, 2010	Clause III of the MoA was amended to reflect the change in the main objects by inclusion of the following point in item no. 5: *"(ii) To finance or assist either directly or as an intermediary of any other Company(ies)/entity(ies) in promoting, marketing distributing and financing the sale of articles, commodities and/or services of all and every kind or description by way of hire purchase or deferred payment basis or any other arrangements there under and provide any other allied services in connection therewith."*
October 12, 2010	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹400,000,000 divided into 4,000,000 Equity Shares of ₹100 each to ₹600,000,000 divided into 6,000,000 Equity Shares of ₹100 each
October 12, 2010	Clause V of the MoA was amended to reflect the subdivision of the Equity Shares of face value ₹100 each to Equity Shares of face value ₹10 each
November 11, 2011	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹600,000,000 divided into 60,000,000 Equity Shares of ₹10 each to ₹750,000,000 divided into 75,000,000 Equity Shares of ₹10 each
September 22, 2014	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹750,000,000 divided into 75,000,000 Equity Shares of ₹10 each to ₹1,000,000,000 divided into 100,000,000 Equity Shares of ₹10 each
November 3, 2015	Conversion of our Company to a public limited company and consequent change of name of our Company to Ujjivan Financial Services Limited by deletion of the word "Private" from the name of our Company
November 3, 2015	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹1,000,000,000 divided into 100,000,000 Equity Shares of ₹10 each to ₹1,250,000,000 divided into 125,000,000 Equity Shares of ₹10 each

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Year	Particulars
2004	Our Company commenced operations as a private limited company
2005	Obtained registration from RBI to commence operations as an NBFC and commenced operations in southern region of India
2006	Investment by MSDF
2007	Introduced employee stock option scheme
2008	• Investment by MSDF, Elevar, IFIF, MUC, and Sarva Capital; and • Commenced operations in northern and eastern regions of India.
2009	Commenced operations in western region of India
2011	• Commenced operations in north-eastern region of India; and • Our Company was awarded for outstanding contribution in enrolling 1 mn members under the financial inclusion product "Group Term Life" by Bajaj Allianz.
2012	• Investment by IFC and FMO
2013	• Granted NBFC-MFI status by RBI
2015	• Investment by Bajaj, CX Partners, NewQuest, Alena and CDC • Listing of secured and redeemable non – convertible debentures on BSE; and • Upgradation of CARE rating for long term bank facilities to "CARE A (Single A)".

Awards and Accreditations

We have received the following awards and accreditations:

Year	Awards and Accreditations
2007	Our Company was awarded the "Unitus Accelerator Award" at the Unitus Leadership Summit.
2008	Our Company was awarded the "Microfinance Process Excellence Award - 08" for South Region by Royal Bank of Scotland Group in partnership with PlaNet Finance.
2009	• Our Company was ranked #1 amongst the best companies to work for in the MFI industry under the assessment study conducted by Great Places to Work Institute; and • Our Company was awarded a certificate for reporting on social indicators to MIX under the gold category by Michael & Susan Dell Foundation in collaboration with Ford Foundation and CGAP.
2010	• Our Company was ranked amongst the top 100 companies as India's best companies to work for by The Economic Times in collaboration with the Great Place to Work Institute; and • Our Company was awarded the "Srijan MFI Transparency Award 2010" in the established MFI category by Intellecap.
2011	• Our Company was ranked #14 amongst the best companies to work by The Economic Times in collaboration with the Great Place to Work Institute; • Our Company was ranked #1 amongst the best companies to work for in the MFI industry by The Economic Times in collaboration with the Great Place to Work Institute; and • Our Company was awarded as the "Organisation of the year" under the large microfinance institution category at Microfinance India summit.
2012	• Our Company was ranked #16 amongst amongst the top 50 companies having above 1,000 employees in India's best companies to work for 2012 by The Economic Times in collaboration with the Great Place to Work Institute; • Our Company was ranked #21 amongst amongst India's 25 best companies to work for by The Economic Times in collaboration with the Great Place to Work Institute; and • Our Company was ranked #2 amongst the best companies to work for in the MFI industry under the assessment study conducted by Great Places to Work Institute.
2013	• Our Company was ranked #2 amongst the best companies by Endenred – India in collaboration with the Great Place to Work Institute; and • Our Company was awarded amongst India's 100 innovative companies by Inc. India Magazine.
2014	• Our Company was awarded as "Best Inspiring Place to Work" under the NBFC category by Banking Frontiers in collaboration with Deloitte; • Our Company was ranked #9 amongst the best companies to work for 2014 by The Economic Times in collaboration with the Great Place to Work Institute; and • Our Company was awarded 'MIX S.T.A.R. MFI 2013' award by MIX.
2015	• Our Company was awarded the certificate of excellence in recognition of smart innovation at the as Innovative 100 summit by Inc. India Magazine; • Our Company was ranked #1 amongst the best companies to work for 2015 under the microfinance industry by The Economic Times in collaboration with the Great Place to Work Institute; and • Our Company was awarded the "Skoch Order-of-Merit" for qualifying amongst the India's best in 2015 for capacity building and financial literacy by Skoch Group.

Pre-IPO Placement

Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of up to 22,000,000 Equity Shares for cash consideration aggregating up to ₹4,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) being offered to the public.

Other Details Regarding our Company

For details regarding the description of our activities, the growth of our Company, technology, the standing of our Company with reference to prominent competitors and with reference to products, management, major vendors and suppliers, marketing and competition, see "*Our Business*", "*Our Management*" and "*Industry Overview*" on pages 99, 133 and 84, respectively.

As per the Restated Financial Statements, our Company does not have any revenues from foreign operations.

Lock-outs and Strikes, injunctions or restraining orders

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets.

Capital raising activities through equity and debt

Except as mentioned in "*Capital Structure*" on page 57, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see "*Financial Indebtedness*" on page 182.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

Our Company has not implemented any projects and has, therefore, not experienced any time or cost overruns in relation thereto.

Changes in the activities of our Company during the last five years

Our Company commenced operations as an NBFC since the year 2005. Since financial year 2008-09, we have been classified as a systemically important non-deposit accepting NBFC. Subsequently, our Company was granted NBFC-MFI status by the RBI on September 5, 2013.

Except as stated above, there have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses of subsidiaries not accounted for by us

Our Company does not have any subsidiaries as of the date of this Draft Red Herring Prospectus.

Our Shareholders

Our Company has 48 Shareholders as of the date of this Draft Red Herring Prospectus. For further details, regarding our Shareholders, see "*Capital Structure*" on page 57.

Strategic or Financial Partners

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

Summary of Key Agreements and Shareholders' Agreements

Shareholders Agreements with our Company

1. ***Share subscription agreement dated November 14, 2008 entered into amongst AW Holding Private Limited, Bellwether Microfinance Fund Private Limited, the Domestic Investor Group (comprising of Samit Ghosh, Y. Krishan, Grace Arati Davis, Vikram Limaye, Dipika Som, Srikrishna and Joaquim Mascarenhas & Lorraine Mascarenhas), Elevar, IFIF, the Individual Foreign Investor Group (comprising of Rajeev W. Sawhne, Cidambi Ramesh & Alpana Ramesh Cidambi, Rajeev Budhiraja and Dipankar Datta), Lok, MUC, MSDF and Sequoia***

   Our Company has entered into a share subscription agreement dated November 14, 2008 with AW Holding Private Limited, Bellwether Microfinance Fund Private Limited, Domestic Investor Group, Elevar, IFIF, the Individual Foreign Investor Group, Lok, MUC, MSDF and Sequoia, and pursuant to which, AW Holding Private Limited agreed to subscribe to 66,668 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹25 million**,** Bellwether Microfinance Fund Private Limited agreed to subscribe to 139,900 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹52.46 million, the Domestic Investor Group agreed to subscribe to 23,498 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹8.81 million, Elevar agreed to subscribe to 351,552 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹136.89 million, IFIF agreed to subscribe to 265,002 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹103.33 million, the Individual Foreign Investor Group agreed to subscribe to 53,310 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹19.99 million, Lok agreed to subscribe to 291,276 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹116.51 million, MUC agreed to subscribe to 147,040 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹55.14 million, MSDF agreed to subscribe to 215,732 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹82.14 million and Sequoia agreed to subscribe to 803,760 equity shares of the face value of ₹100 each of our Company for an aggregate consideration of approximately ₹321.50 million.

2. ***Share purchase agreement dated February 17, 2012 entered into between Bellwether Microfinance Fund Private Limited, Sarva Capital and our Company***

Our Company has entered into a share purchase agreement dated February 17, 2012 Bellwether Microfinance Fund Private Limited and Sarva Capital pursuant to which Sarva Capital purchased 4,116,040 Equity Shares from Bellwether Microfinance Fund Private Limited for an aggregate consideration of approximately ₹234.61 million.

3. ***Share subscription agreement dated June 26, 2012 entered into amongst IFC, Samit Ghosh and our Company***

Our Company has entered into a share subscription agreement dated June 27, 2012 with Samit Ghosh and IFC pursuant to which IFC has subscribed to 7,894,737 Equity Shares of the our Company for an aggregate consideration of approximately ₹450 million.

4. ***Share purchase agreement dated July 6, 2012 entered into amongst MSDF, WWB and our Company***

Our Company has entered into a share purchase agreement dated July 6, 2012 with MSDF and WWB pursuant to which WWB has purchased 3,556,810 Equity Shares from MSDF for an aggregate consideration of approximately ₹202.74 million.

5. ***Share subscription agreement dated August 29, 2012 entered into amongst FMO, Samit Ghosh and our Company***

Our Company has entered into a share subscription agreement dated August 29, 2012 with Samit Ghosh and FMO pursuant to which FMO has subscribed to 400,000 Equity Shares of the our Company for an aggregate consideration of approximately ₹22.80 million.

6. ***Share Purchase Agreement dated August 11, 2014 entered into amongst Lok, WWB and our Company***

Our Company has entered into a share purchase agreement dated August 11, 2014 with Lok and WWB pursuant to which WWB has purchased 1,116,018 Equity Shares from Lok for an aggregate consideration of approximately ₹125.08 million.

7. ***Share Purchase Agreement dated January 28, 2015 entered into amongst Anant Koppar, Vikram Limaye, Grace Arati Davis, our Company and Aprajita Jethy as the trustee of AAJV***

Our Company has entered into a share purchase agreement dated January 28, 2015 with Anant Koppar, Vikram Limaye, Grace Arati Davis and Aprajita Jethy as the trustee of AAJV pursuant to which Aprajita Jethy as the trustee of AAJV has purchased 100,000 Equity Shares from Anant Koppar for an aggregate consideration of approximately ₹14.64 million, 40,000 Equity Shares from Vikram Limaye for an aggregate consideration of approximately ₹5.85 million and 35,000 Equity Shares from Grace Arati Davis for an aggregate consideration of approximately ₹5.12 million.

8. ***Share Purchase Agreement dated January 28, 2015 entered into amongst AW Holding Private Limited, CX Partners, Aprajita Jethy as the trustee of AAJV and our Company***

Our Company has entered into a share purchase agreement dated January 28, 2015 with AW Holding Private Limited, CX Partners and Aprajita Jethy as the trustee of AAJV pursuant to which CX Partners has purchased 1,237,755 Equity Shares from AW Holding Private Limited for an aggregate consideration of approximately ₹181.15 million and Aprajita Jethy as the trustee of AAJV has purchased 95,585 Equity Shares from AW Holding Private Limited for an aggregate consideration of approximately ₹ 13.99 million.

9. ***Share subscription agreement dated January 28, 2015 entered into amongst Samit Ghosh, IFC and our Company***

Our Company has entered into a share subscription agreement dated January 28, 2015 with Samit Ghosh and IFC pursuant to which IFC has subscribed to 2,307,669 Equity Shares of the our Company for an aggregate consideration of approximately ₹337. 73 million.

10. ***Share subscription agreement dated January 28, 2015 entered into amongst Samit Ghosh, Bajaj and our Company***

Our Company has entered into a share subscription agreement dated January 28, 2015 with Samit Ghosh and Bajaj pursuant to which Bajaj has subscribed to 5,124,702 Equity Shares of the our Company for an aggregate consideration of approximately ₹750 million.

11. ***Share subscription agreement dated January 28, 2015 entered into amongst Samit Ghosh, Elevar, CX Partners and our Company***

Our Company has entered into a share subscription agreement dated January 28, 2015 with Samit Ghosh, Elevar and CX Partners pursuant to CX Partners and Elevar subscribed to 1,366,587 and 819,952 Equity Shares of our Company for an aggregate consideration of approximately ₹200 million and ₹119 million, respectively.

12. ***Share Purchase Agreement dated February 3, 2015 entered into amongst FMO, Alena, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with FMO, Alena and Samit Ghosh pursuant to which Alena has purchased 1,759,767 Equity Shares from FMO for an aggregate consideration of approximately ₹257.54 million.

13. ***Share Purchase Agreement dated February 3, 2015 entered into amongst Sequoia, Alena, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with Sequoia, Alena and Samit Ghosh pursuant to which Alena has purchased 2,740,112 Equity Shares from Sequoia for an aggregate consideration of approximately ₹401.02 million.

14. ***Share Purchase Agreement dated February 3, 2015 entered into amongst MUC, Alena, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with MUC, Alena and Samit Ghosh pursuant to which Alena has purchased 1,332,926 Equity Shares from MUC for an aggregate consideration of approximately ₹195.07 million.

15. ***Share Purchase Agreement dated February 3, 2015 entered into amongst WCP Holdings, Alena, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with WCP Holdings, Alena and Samit Ghosh pursuant to which Alena has purchased 2,017,850 Equity Shares from WCP Holdings for an aggregate consideration of approximately ₹295.31 million.

16. ***Share Purchase Agreement dated February 3, 2015 entered into amongst FMO, NewQuest, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with FMO, NewQuest and Samit Ghosh pursuant to which NewQuest has purchased 1,662,070 Equity Shares from FMO for an aggregate consideration of approximately ₹243.24 million.

17. ***Share Purchase Agreement dated February 3, 2015 entered into amongst Sequoia, NewQuest, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with Sequoia, NewQuest and Samit Ghosh pursuant to which NewQuest has purchased 2,587,988 Equity Shares from Sequoia for an aggregate consideration of approximately ₹378.75 million.

18. ***Share Purchase Agreement dated February 3, 2015 entered into amongst MUC, NewQuest, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with MUC, NewQuest and Samit Ghosh pursuant to which NewQuest has purchased 1,012,825 Equity Shares from MUC for an aggregate consideration of approximately ₹148.23 million.

19. ***Share Purchase Agreement dated February 3, 2015 entered into amongst WCP Holdings, NewQuest, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 3, 2015 with WCP Holdings, NewQuest and Samit Ghosh pursuant to which NewQuest has purchased 1,905,825 Equity Shares from WCP Holdings for an aggregate consideration of approximately ₹278.92 million.

20. ***Share Purchase Agreement dated February 5, 2015 entered into amongst Lok, Alena, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 5, 2015 with Lok, Alena and Samit Ghosh pursuant to which Alena has purchased 1,583,692 Equity Shares from Lok for an aggregate consideration of approximately ₹231.77 million.

21. ***Share Purchase Agreement dated February 9, 2015 entered into amongst IFIF, Alena, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 9, 2015 with IFIF, Alena and Samit Ghosh pursuant to which Alena has purchased 1,356,596 Equity Shares from IFIF for an aggregate consideration of approximately ₹198.54 million.

22. ***Share Purchase Agreement dated February 9, 2015 entered into amongst IFIF, NewQuest, Samit Ghosh and our Company***

Our Company has entered into a share purchase agreement dated February 9, 2015 with IFIF, NewQuest and Samit Ghosh pursuant to which NewQuest has purchased 1,030,814 Equity Shares from IFIF for an aggregate consideration of approximately ₹150.86 million.

23. ***Share subscription agreement dated March 13, 2015 entered into amongst CDC, Samit Ghosh and our Company***

Our Company has entered into a share subscription agreement dated March 13, 2015 with Samit Ghosh and CDC pursuant to which CDC has subscribed to 10,932,696 Equity Shares for an aggregate consideration of approximately ₹1,600 million.

24. ***Shareholders agreement dated March 13, 2015 and amendment agreement dated July 28, 2015 entered into by and amongst our Company, Lok, Sarva Capital, Sequoia, MUC, Elevar, WCP Holdings, IFIF, FMO, Domestic Investor Group (comprising of K R Ramamoorthy, Jaithirth Rao, Joaquim Mascarenhas Lorriane Mascarenhas, Ravindra Bahl Jayasree Bahl, Grace Arati Davis, Jayamani Ramachander, Nalini Sood, S Venkatachalam, Dipika Som, Ashok Valiram Vaswani, Srikrishna K R, Sunaina Sharma, T M Viswanathan, Almas Nazim Manekia Dharani Srinivasan, Ashok Kapur (since deceased) Madhu Kapur, Brinda J Menon Jai Shankar Menon, Madhavi Soman, Abhay Aima, Harshdeep Singh Munjal, Shrikant Krishnan Yasmin Javeri Krishnan, Samit Ghosh, Nucleus Software Exports Limited, Mg Industries Private Limited and Dhruvi Securities Private Limited), Foreign Investor Group (comprising of Steven Angelo Pinto Asha Marie Pinto, Cidambi Ramesh Alpana Ramesh Cidambi, Amirapu Somasekhar, Rajeev Budhiraja, Venkatachalam Krishnakumar Aditi Krishnakumar, Fazal M K Ali Manekia Salma Manekia And Rajeev W Sawhney) IFC, WWB, CX Partners, NewQuest, Bajaj, AAJV, Alena and CDC***

Our Company and Lok, Sarva Capital, Sequoia, MUC, Elevar, WCP Holdings, IFIF, FMO, Domestic Investor Group, Foreign Investor Group, IFC, WWB, CX Partners, NewQuest, Bajaj, AAJV, Alena and CDC (together, the "**Shareholders**") have entered into a shareholders agreement dated March 13, 2015 ("**Shareholders Agreement**") in order to regulate their relationship and respective rights and obligations as shareholders of our Company. In order to reflect the sale of shares between Lok and Alena subsequent to the Shareholders Agreement, and in order to document the status of our Company as a professionally managed company, the Shareholders Agreement has been amended pursuant to an amendment agreement dated July 28, 2015 executed amongst our Company and Sarva Capital, Sequoia, MUC, Elevar, WCP Holdings, IFIF, FMO, Domestic Investor Group, Foreign Investor Group, IFC, WWB, CX Partners, NewQuest, Bajaj, AAJV, Alena and CDC ("**Amendment Agreement**").

The Shareholders Agreement, read with the Amendment Agreement, provides certain rights to the Shareholders including, inter alia, representation on the Board through nominee directors, requirement of prior written consent in respect of certain reserved matters, pre-emptive rights, anti dilution rights, tag along right and right of first offer.

Our Company and the Shareholders have entered into a termination agreement dated December 31, 2015 ("**Termination Agreement**"), pursuant to which the Shareholders Agreement shall automatically terminate on the date of receipt of final listing and trading approval by our Company from the Stock Exchanges subsequent to completion of the Offer. Further, pursuant to the Termination Agreement, the Shareholders have agreed to waive certain rights and amend certain terms of the Shareholders Agreement in order to enable the Company to undertake all necessary corporate actions furtherance of the pre-IPO and IPO process.

As mentioned in Part II of the Articles of Association, the rights under the Shareholders Agreement, read together with the Amendment Agreement, shall automatically terminate and cease to have any force and effect and be deemed to fall away on and from the date of receipt of final listing and trading approval of the Equity Shares on the Stock Exchanges subsequent to completion of the Offer. For further details on the various rights under the Articles of Association, see "*Main Provisions of Articles of Association*" on page 257.

Memorandum of Understanding

Memorandum of Understanding entered into amongst Parinaam Foundation and our Company

Our Company has entered into a memorandum of understanding dated July 1, 2015 with Parinaam Foundation to provide assistance to existing and prospective customers of our Company and their family members and communities to enable access to basic and necessary facilities, including healthcare, education, vocational training and other ancillary benefits. The agreement is valid up to June 30, 2016.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is currently required to have not more than 12 Directors and not less than three Directors.

In terms of Part II of our Articles of Association, our Company is required to have a maximum number of 12 Directors. From the date of final listing and trading approvals for the Equity Shares on Stock Exchanges, Part II of our Articles of Association shall automatically terminate and cease to have any force and effect and Part I shall prevail, pursuant to which our Company would be required to have not more than 15 Directors.

As on the date of this Draft Red Herring Prospectus, our Board comprises of 10 Directors.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
1.	**K.R. Ramamoorthy** ***Father's name***: K.R.Rajagopalan ***Designation:*** Non-Executive Chairman and Independent Director ***Address:*** # 519, 8th cross Road, 3rd Phase, J.P.Nagar Bengaluru 560 078 Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Five year term from September 22, 2014 to September 21, 2019 ***DIN:*** 00058467	75	**Other Directorships** • Amrit Corp. Limited • GMR Ambala-Chandigarh Expressways Private Limited • National Securities Clearing Corporation Limited • Nilkamal Limited • Subros Limited **Trusteeships** • Canara Robeco Mutual Fund
2.	**Samit Ghosh** ***Father's name***: Shailendra Kumar Ghosh ***Designation:*** Managing Director and Chief Executive Officer ***Address:*** Pairi Daeza No.550/49, 5th Cross Borewell Road, Whitefield Bengaluru 560 066 Karnataka, India ***Occupation:*** Employment ***Nationality:*** Indian ***Term:*** Five year term from April 1, 2014 – March 31, 2019 ***DIN:*** 00185369	65	**Other Directorships** • Alpha Micro Finance Consultants Private Limited • Ujjivan Social Services Foundation • Women's World Banking Capital Partners L.P.
3.	**Anadi Charan Sahu** ***Father's name***: Daitari Charan Sahu ***Designation:*** Non-Executive, Nominee Director ***Address:*** Flat No.101, SIDBI Officers Apartment	56	**Other Directorships** • Karnataka Asset Management Company Private Limited • Karnataka State Financial Corporation • Karnataka Trustee Company Private Limited

Sr. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
	Alpine Place, 105, I Main Road Seshadripuram, Bengaluru 560 020 Karnataka, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** Liable to retire by rotation ***DIN:*** 06696504		
4.	**Venkatesh Natarajan** ***Father's name***: Srinivasan Natarajan ***Designation:*** Non-Executive, Nominee Director ***Address:*** 23, New Beach Road, Thiruvanmiyur Landmark – near RTO Office, Chennai 600 041, Tamil Nadu, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Liable to retire by rotation ***DIN:*** 02453219	47	**Other Directorships** • Aurowell Health Systems Private Limited • Equitas Finance Private Limited • Everest Edusys and Solutions Private Limited • Lok Advisory Services Private Limited • MAS Financial Services Limited • Suryoday Micro Finance Private Limited
5.	**Jayanta Basu** ***Father's name***: Tapan Kumar ***Designation:*** Non-Executive, Nominee Director ***Address:*** I-1742, Chittaranjan Park New Delhi 110 019, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Liable to retire by rotation ***DIN:*** 01268046	50	**Other Directorships** • Matrix Cellular (International) Services Limited • Security and Intelligence Services (India) Limited • Sutures India Private Limited • Transaction Solutions International (India) Private Limited **Limited Liability Partnerships** • CX Advisors LLP
6.	**Amit Gupta** ***Father's name***: Atma Ram Gupta ***Designation:*** Non-Executive, Nominee Director ***Address:*** West Block, 4/F, Savoy Court, 101 Robinson Road, Mid-Levels, Hong Kong ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Liable to retire by rotation ***DIN:*** 02282600	39	**Other Directorships** • Ittiam Systems Private Limited • Om Logistics Limited

Sr. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
7.	**Abhijit Sen** ***Father's name***: Mihir Sen ***Designation****:* Non-Executive, Nominee Director ***Address****:* A 92 , Grand Paradi, 572 Dady Seth Hill, August Kranti Marg, Mumbai 400036, Maharashtra, India ***Occupation****:* Professional ***Nationality****:* Indian ***Term****:* Liable to retire by rotation ***DIN****:* 00002593	65	**Other Directorships** • IDFC Bank Limited • Cashpor Micro Credit • Rabo India Finance Limited • Radour Holdings Private Limited • Trent Limited
8.	**Sunil Patel** ***Father's name***: Vinayak Patel ***Designation****:* Non-Executive, Independent Director ***Address****:* 2989/H, 12th Main Road, HAL 2nd Stage, Indira Nagar Bengaluru 560 008 Karnataka, India ***Occupation****:* Professional ***Nationality****:* Indian ***Term****:* Five year term from September 22, 2014 to September 21, 2019 ***DIN****:* 00050837	66	**Other Directorships** Nil
9.	**Vandana Viswanathan** ***Father's name***: Gopalakrishnan Viswanathan ***Designation****:* Non-Executive, Independent Director ***Address****:* No 302, Lovedale Apartment, 19/1, Kensington Road, Ulsoor Bengaluru 560 008, Karnataka, India ***Occupation****:* Professional ***Nationality****:* Indian ***Term****:* Five year term from September 22, 2014 to September 21, 2019 ***DIN****:* 05192578	44	**Other Directorships** • Phicus Social Solutions Private Limited
10.	**Nandlal Sarda** ***Father's name***: Laxminarayan Sarda ***Designation****:* Non-Executive, Independent	67	**Other Directorships** • BQ Padmavathy Finance Academy Private Limited • Cybertech Systems and Software Limited

Sr. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
	Director ***Address:*** Department of Computer Science and Engineering, I.I.T. – Bombay Powai, Mumbai – 400 076, Maharashtra, India ***Occupation:*** Professor ***Nationality:*** Indian ***Term:*** Five year term from November 3, 2015 – November 2, 2020 ***DIN:*** 00147782		• IDBI Intech Limited

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

K.R. Ramamoorthy is the non-executive Chairman and Independent Director of our Company. He holds a bachelors degree in arts from Delhi University and bachelor's degree in law from Madras University. He is also a fellow member of the Institute of Company Secretaries of India. He is the former chief managing director, Corporation Bank and former chairman & chief executive officer, ING Vysya Bank. He has served as an advisor to CRISIL, a reputed credit rating agency in India and as consultant to The World Bank. He serves as an independent director on the boards of National Securities Clearing Corporation Limited, Subros Limited, Nilkamal Limited and other leading companies and is a trustee of Canara Robeco Mutual Fund.

Samit Ghosh is the Managing Director and Chief Executive Officer of our Company. He founded our Company in 2005 as a microfinance firm for the urban poor. Mr. Ghosh was a career banker for 30 years and worked both in South Asia and the Middle East. He started his career with Citibank in 1975 and later worked with Standard Chartered Bank, HDFC Bank and the Bank Muscat, and holds a master of business administration degree from the Wharton School of Business at the University of Pennsylvania. He was the past President of Microfinance Institutions Network and the chairman of Association of Karnataka Microfinance Institutions (AKMI) and is a board member of Women's World Banking Capital Partners L.P.

Anadi Charan Sahu is a Non-Executive, Nominee Director of our Company. He started his career with IDBI in 1982 and has over 30 years' experience. After initially working in IDBI, he moved to SIDBI in 1990, on its formation. In SIDBI, he has headed its various departments/branches at different states in the country. He took charge of Bengaluru region since September 01, 2015 as regional head of SIDBI. He holds a master's degree in commerce Ravenshaw College, Cuttack and a degree in law from Utkal University. He is also an associate of Indian Institute of Bankers.

Venkatesh Natarajan is a Non-Executive, Nominee Director of our Company. He joined Lok Advisory Services Private Limited in 2006 with over 12 years experience in early stage venture capital, product development and marketing. He holds an MBA from Cornell University and an M.S. in Electrical Engineering from Arizona State. He serves as a director in many other companies including Lok Advisory Services Private Limited, Equitas Finance Private Limited and Suryoday Micro Finance Private Limited.

Jayanta Basu is a Non-Executive, Nominee Director of our Company. He has done his post graduate diploma in management from the Indian Institute of Management, Ahmedabad and a bachelor's degree in economics from University of Delhi. He has approximately 19 years of experience in the fields of investments. He is currently a Designated Partner at CX Advisors LLP. He has previously worked with Citibank India.

Amit Gupta is a Non-Executive, Nominee Director of our Company. He is one of the founding partners and chief operating officer of NewQuest Capital Advisors (HK) Limited. He oversees India and south east Asia business for NewQuest Capital Advisors (HK) Limited. He represents NewQuest Capital Advisors (HK) Limited on board of Om Logistics Limited and Ittiam Systems Private Limited. He holds post graduate diploma in management from Indian Institute of Management, Bangalore, where he was placed in Director's Merit List for his performance and an undergraduate degree in electrical engineering from Kurukshetra University.

Abhijit Sen is a Non-Executive, Nominee Director of our Company. He retired from Citibank N.A. India after serving for over 18 years, last position being managing director - chief financial officer. He was also a director of Citicorp Services India Limited and other locally incorporated citi entities. He currently serves on several boards including IDFC Bank and Trent Limited. In the past, he has served on the board of NSDL e-governance Infrastructure Limited. He holds a bachelors honors degree in engineering from Indian Institute of Technology, Kharagpur and a post-graduate diploma in business management from Indian Institute of Management, Calcutta.

Sunil Patel is a Non-Executive, Independent Director of our Company. He is a practicing chartered accountant and former director of A. F. Ferguson and Co. and former partner of A. F. Ferguson Associates. He was an independent director in L&T Investment Management Limited from 1997 to 2013. He is a chartered accountant and holds a master's degree in business administration from Wharton Business School, University of Pennsylvania.

Vandana Viswanathan is a Non-Executive, Independent Director of our Company. She is a co-founder of CoCoon Consulting, a management and human relationship consulting firm. She had co-founded the firm in 2001. She holds a master's degree in Personnel Management and Industrial Relations from the Tata Institute of Social Sciences and a bachelor's degree in science from Bangalore University.

Nandlal Sarda is a Non-Executive, Independent Director of our Company. He is a professor in the department of computer science and engineering at Indian Institute of Technology Bombay. He received his master's degree in technology and doctorate in philosophy from Indian Institute of Technology Bombay. He served as director on the boards of Union Bank of India, The Clearing Corporation of India Limited, and Andhra Bank. He is director on the boards of IDBI Intech Limited and Cybertech Systems and Software Limited.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

Except as mentioned below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company:

Name of the Director	Abhijit Sen
Name of the Company	e-Serve International Limited
Name of stock exchanges from where the entity was delisted	BSE
Date of delisting on the stock exchange	December 22, 2004
Compulsory or voluntary delisting	Voluntary delisting
Reasons for delisting	Citigroup Overseas Investment Corporation wanted to gain full ownership of e-Serve International Limited pursuant to the delisting
Whether relisted	No
Term	From August 25, 1998 up to January 1, 2009

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Samit Ghosh

Samit Ghosh was appointed as our Managing Director and Chief Executive Officer, pursuant to resolution passed by the Board of our Company on May 16, 2014 and the resolution passed by the Shareholders of our Company on July 25, 2014 for a period of five years commencing from April 1, 2014 to March 31, 2019. Samit Ghosh shall be eligible for a maximum remuneration not exceeding ₹7.5 million per annum for a period of two years with effect from April 1, 2014.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2015 are as follows:

1. **Remuneration to Executive Directors:**

   Our Company has paid a sum of ₹7.26 million as remuneration to Samit Ghosh in Financial Year 2015.

2. **Remuneration to Non-Executive Directors:**

   Our Company has paid ₹1.08 million to our Non-Executive Directors as sitting fees in Financial Year 2015. Other than as disclosed above, our Company has not paid sitting fees to any of our other Non-Executive Directors. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

Our Company has, pursuant to a board resolution dated June 4, 2015, fixed the sitting fees payable to our Non-Executive Directors in the following manner:

(a) ₹0.04 million per meeting for attending the meetings of our Board; and

(b) ₹0.03 million per meeting for attending the meetings of the committees of our Board.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Directors, Anadi Charan Sahu, Venkatesh Natarajan, Jayanta Basu, Amit Gupta and Abhijit Sen have been nominated to our Board by our lender, SIDBI, and our Shareholders, Sarva Capital, Alena, NewQuest and CDC Group Plc, respectively pursuant to the terms of the Shareholders Agreement dated March 13, 2015, as amended by the Amendment Agreement dated July 28, 2015. For further details, see "*History and Certain Corporate Matters*" on page 126.

Except as disclosed above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Sr.No.	Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)	Post-Offer Percentage Shareholding (%)
1.	Samit Ghosh	868,340	1.01	[●]
2.	K.R. Ramamoorthy(1)	1,000	Negligible	[●]

(1) Jointly held with Vasantha Ramamoorthy

Shareholding of Directors in our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Except to the extent of their shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares, employee stock options, if any, held by them or Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them or the institutional shareholder they represent.

None of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of the Directors is party to any bonus or profit sharing plan of our Company.

Further, except statutory benefits upon termination of their employment in our Company upon retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Sr.No.	Name	Date of Appointment/Change/ Cessation	Reason
1.	Natrajan Karanam	July 3, 2013	Resignation
2.	Bhama Krishnamurthy	July 11, 2013	Appointment
3.	Sandeep Farias	November 11, 2013	Appointment
4.	Christopher Miles Brookfield	November 11, 2013	Resignation
5.	Sarvesh Suri	December 20, 2013	Appointment
6.	Ritesh Bawri	August 6, 2014	Appointment
7.	Ritesh Bawri	October 20, 2014	Resignation
8.	Jayanta Basu	March 25, 2015	Appointment
9.	Amit Gupta	March 25, 2015	Appointment
10.	Christina Juhasz	March 25, 2015	Resignation*
11.	Sanjiv Kapur	March 25, 2015	Resignation*
12.	Mohit Bhatnagar	March 25, 2015	Resignation*
13.	Mona Kachhwaha	March 25, 2015	Resignation*
14.	Sarvesh Suri	November 23, 2015	Resignation*
15.	Bhama Krishnamurthy	November 23, 2015	Resignation*
16.	Anadi Charan Sahu	November 23, 2015	Appointment
17.	Sandeep Farias	December 11, 2015	Resignation*

** Nomination withdrawn by appointing Shareholder*

Borrowing Powers of Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on December 23, 2014, the Board is authorised to borrow such sum or sums of money or monies for the purposes of the business of our Company as may be required from time to time either in foreign currency and/or in Indian rupees, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the monies already borrowed by our Company, may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves, provided that the total amount of money/monies so borrowed by our Board shall not at any time exceed the limit of ₹45,000 million.

Corporate Governance

In addition to the corporate governance provisions under the Companies Act, 2013, which are currently applicable to us, the corporate governance provisions of the SEBI Listing Regulations will also become applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof.

Currently, our Board has 10 Directors. In compliance with the requirements of SEBI Listing Regulations, we have one Executive Director, nine Non-Executive Directors including four independent Directors on our Board. Our Board also includes one woman Director.

Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the Board

In addition to the committees of the Board detailed below, our Board may from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. K. R. Ramamoorthy;

2. Abhijit Sen;

3. Nandlal L. Sarda;

4. Sunil Patel;

5. Vandana Viswanathan; and

6. Venkatesh Natarajan.

The Audit Committee was constituted by a meeting of the Board of Directors held on July 29, 2006 and was last re-constituted by a meeting of the Board of Directors held on November 23, 2015. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations and its terms of reference include the following:

a) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    (i) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    (iv) Significant adjustments made in the financial statements arising out of audit findings;

    (v) Compliance with listing and other legal requirements relating to financial statements;

    (vi) Disclosure of any related party transactions; and

    (vii) Modified opinion(s) in the draft audit report.

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the listed entity with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up there on;

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the whistle blower mechanism;

s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and

t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

f) Statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations, 2015.

ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulations, 2015.

Governance, Nomination and Remuneration Committee

The members of the Governance, Nomination and Remuneration Committee are:

1. Sunil Patel;
2. K.R. Ramamoorthy;
3. Vandana Viswanathan; and
4. Amit Gupta.

The Governance, Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on December 18, 2009 and was last re-constituted by a meeting of the Board of Directors held on November 23, 2015. The Board in its meeting dated August 6, 2014, has noted that the Governance, Nomination and Remuneration Committee would be treated as the Nomination and Remuneration Committee for the purposes of the Companies Act. The scope and function of the Governance, Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Governance, Nomination and Remuneration Committee include:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director;

b) To ensure 'fit and proper' status of proposed/existing Directors;

c) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

d) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

e) To recommend to the Board the appointment and removal of senior management;

f) To carry out evaluation of Director's performance and recommend to the Board appointment/removal based on his/her performance;

g) To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive;

h) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

i) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

j) To devise a policy on Board diversity;

k) To develop a succession plan for the Board and to regularly review the plan; and

l) To also act as the ESOP committee for the purposes of SEBI (Share Based Employee Benefits), Regulations 2014 and administer and manage the employee stock option schemes.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Sunil Patel;

2. Samit Ghosh; and

3. K.R. Ramamoorthy.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on November 23, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

a) To approve/refuse/reject registration of transfer/transmission of shares in a timely manner;

b) To authorise the issue, printing, signing of share certificates and common seal thereon post authorization from the Board of Directors of the Company, issue of duplicate share certificates and share certificates after split/ consolidation/rematerialization and in replacement of those which are defaced, mutilated, torn or old, decrepit, worn out or where the pages on reverse for recording transfers have been utilized;

c) To authorise to sign and endorse the share transfers on behalf of the Company;

d) Allotment of shares to the employees or ex-employees on exercise of stock options granted and vested under the various employee stock option schemes;

e) To monitor redressal of stakeholder's complaints/grievances including relating to non-receipt of allotment/refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

f) To oversee the performance of the register and transfer agents and to recommend measures for overall improvement in the quality of investor services; and

g) To perform all functions relating to the interests of security holders (shareholders and debenture holders) of the Company and as assigned by the Board, as may be required by the provisions of the Companies Act, 2013 and rules made thereunder, listing agreements with the stock exchanges and guidelines issued by the SEBI or any other regulatory authority.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Venkatesh Natarajan;

2. Vandana Viswanathan; and

3. Samit Ghosh.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on May 17, 2010 and was last re-constituted by a meeting of the Board of Directors held on November 23, 2015. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder. The terms of reference of the Corporate Social Responsibility Committee include the following:

a) To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;

b) To recommend the amount of expenditure to be incurred on the activities;

c) To Monitor the Corporate Social Responsibility Policy of the company from time to time; and

d) To do such other acts, deeds and things as may be directed by the board and required to comply with the applicable laws.

IPO Committee

The members of the IPO Committee are:

1. Jayanta Basu;

2. Samit Ghosh;

3. Sunil Patel; and

4. Amit Gupta.

The IPO Committee was constituted by our Board of Directors on September 29, 2015 and reconstituted by our Board of Directors on December 11, 2015. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

a) To review updates and progress as per the initial public offer schedule and timelines;

b) Matters related to seeking exemption from SEBI for 'no promoter';

c) Regulatory aspects pertaining to small finance bank transformation, communication with the regulator for any relaxations or clarifications;

d) Vetting of critical sections of the draft red herring prospectus (risk factors, business plan, small finance bank plan), corporate restructuring ;

e) Valuation parameters and finalization of the size of primary capital and offer for sale and the initial public offer timing;

f) Roadshows, analyst meets and other marketing drive internally or through public relation channels;

g) Evaluate the prospective investors, pre-IPO placement, and the decision on discounting, public issue pricing, issue likely date, price band, discount to retail investors, reservations if any; and

h) Post listing, matters pertaining to incorporation of new entity, transfer of business undertaking through slump sale and allied matters.

Risk Management Committee

The members of the Risk Management Committee are:

1. K.R. Ramamoorthy;

2. Samit Ghosh;

3. Venkatesh Natarajan; and

4. Abhijit Sen.

The Risk Management Committee was constituted by our Board of Directors at their meeting held on December 5, 2012 and was last reconstituted by a meeting of the Board of Directors held on November 23, 2015. The terms of reference of the Risk Management Committee include the following:

a) To monitor and review the risk management plan;

b) To review operational risk (including sub risk for operational risk), information technology risk and integrity risk;

c) To take strategic actions to mitigate the risk associated with the nature of the business;

d) To appraise the board of directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;

e) To do such other acts, deeds and things as may be directed by the board and required to comply with the applicable laws; and

f) To lay down procedure to inform board members about the risk assessment and minimization procedures.

Asset Liability Management Committee

The members of the Asset Liability Management Committee are:

1. K.R. Ramamoorthy;

2. Samit Ghosh;

3. Venkatesh Natarajan; and

4. Abhijit Sen

The Asset Liability Management Committee was constituted by our Board of Directors at their meeting held on December 5, 2012 and was last reconstituted by a meeting of the Board of Directors held on November 23, 2015. The terms of reference of the Asset Liability Management Committee include the following:

a) Addressing concerns regarding asset liability mismatches;

b) Achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity;

c) Addressing concerns regarding interest rate risk exposure; and

d) To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

Small Finance Bank Transition Committee

The members of the Small Finance Bank Transition Committee are:

1. Venkatesh Natarajan;

2. Abhijit Sen;

3. Samit Ghosh; and

4. Vandana Viswanathan.

The Small Finance Bank Transition Committee was constituted by our Board of Directors at their meeting held on March 25, 2015 and was last reconstituted by a meeting of the Board of Directors held on November 23, 2015.The terms of reference of the Small Finance Bank Transition include the following:

a) To finalize the motto and mission for SFB;

b) SFB operating model and business plan and transition to SFB business and timelines for achieving key milestones;

c) Selecting the consultant/PMO for the transition as also the functional consultants, finalization of various systems, infrastructure, technology, products and services (PMO) to also assist in vendor selections;

d) Human resources roadmap and organisation restructuring, job responsibilities, gaps, recruitment and training plans mapped with timelines;

e) To decide on the criteria and the percentage branches to be converted into SFB branches and to decide on the role and responsibilities of support control functions; and

f) Matters related to launch of the SFB.

HR and Compensation Committee

The members of the HR and Compensation Committee are:

1. Vandana Viswanathan;
2. Jayanta Basu; and
3. Samit Ghosh.

The Human Resources and Compensation Committee was constituted by our Board of Directors at their meeting held on December 10, 2008, and was last reconstituted by a meeting of the Board of Directors held on December 11, 2015. The terms of reference of the HR and Compensation Committee include the following:

a) Review regularly and approve the Company's program for executive and employee development.

b) Develop, review and approve the principles guiding the Company's executive compensation philosophies.

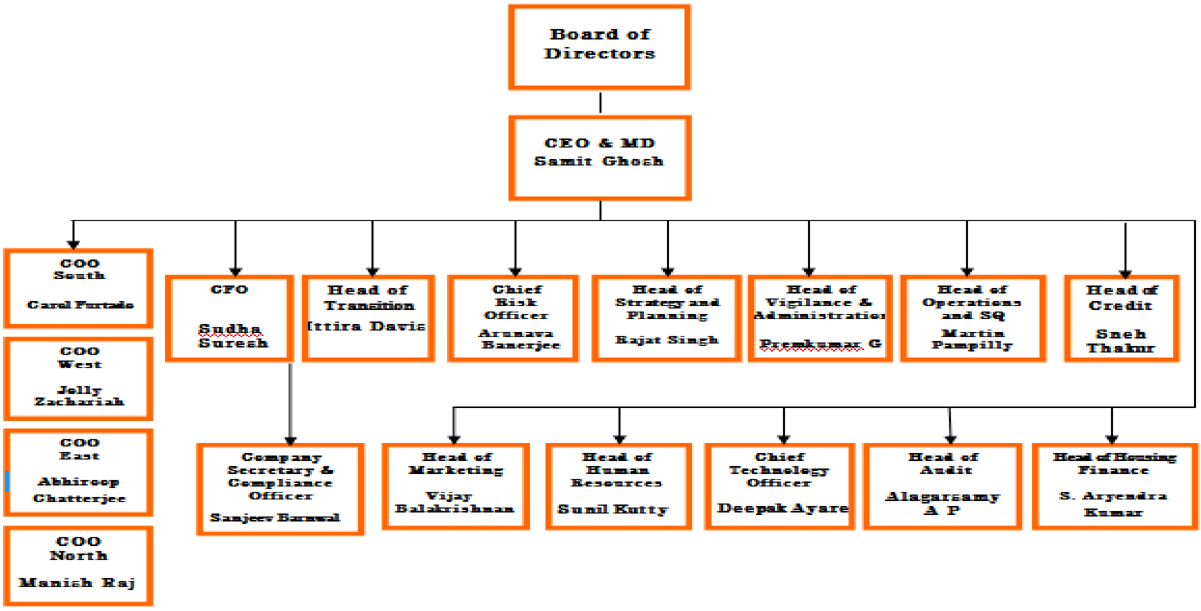
c) Review annually and approve the Company's compensation policy.

d) Assure that the bonus plan is administered in a manner consistent with Company's compensation principles and strategies including:

   i. Company's policies relating to executive management succession and executive organization development.

   ii. Review the operations of the Trust/s set up by the Company for relief and support of employees and customers.

Management Organisation Chart



Key Management Personnel

The details of our Key Management Personnel are as follows:

Samit Ghosh is the Managing Director and Chief Executive Officer of our Company. For further details, in relation to Samit Ghosh, see "*Our Management – Brief Biographies of Directors*" on page 136.

Sudha Suresh is the chief financial officer of our Company. She is a chartered accountant with a corporate career spanning over 18 years. She was awarded the 'CFO 100 - Recognition of Excellence' in 2013. She is also a qualified cost accountant. During her association with our Company, she was responsible for areas of strategic business planning and budgetary controls, treasury management, accounts and taxation, and management of board and regulatory compliances. During the Financial Year 2015, she was paid a gross compensation of ₹4.36 million.

Sanjeev Barnwal is the company secretary and compliance officer of the Company. He is a qualified company secretary from the Institute of Company Secretaries of India and holds a bachelor's degree in law. He has also received a certification from NSE's Certification in Financial Markets (NCFM) for Compliance Officer (Corporate) Module. He has a corporate experience of over 10 years and prior to joining our Company, he worked with SMC Capitals limited as Associate Vice President & Company Secretary and has worked with companies like CMC Limited and SBEC Sugar Limited in the past. During the Financial Year 2014-15, he was paid gross compensation of ₹1.18 million.

Carol Furtado is the chief operating officer, South. She has been with our Company since inception. She is a finance professional with over 20 years of experience, having worked in ANZ Grindlays and Bank Muscat. In 2009, she won the Financial Women's Association award in recognition of her demonstrated professional commitment from Women's World Bank. She completed master's programme from Mount Carmel Institute of Management, Bengaluru. During the Financial Year 2015, she was paid a gross compensation of ₹4.25 million.

Manish Raj is the chief operating officer, North. Manish Joined our Company in 2010. His first assignment was as an area manager at Dhanbad, Jharkhand. Thereafter, he was elevated to regional vigilance manager role wherein he was part of setting up vigilance department in East. In November 2013, he was appointed to manage the business for NCR and Madhya Pradesh in North region. In December 2014, he was appointed as regional business manager- GL, handling group lending business for the North region. Recently, in October 2015, he was promoted to the position of chief operating officer – North region. He has completed post graduate diploma in rural management from Xavier Institute of Management, Bhubaneswar. During the Financial Year 2015, he was paid a gross compensation of ₹1.04 million.

Abhiroop Chatterjee is the chief operating officer, East. He joined Ujjivan 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 was later assigned the role of distribution manager and was subsequently elevated to the role of distribution manager in May 2010. In January 2014, he was appointed as chief of staff for the eastern region. Thereafter, he was promoted as chief operating officer – East region in April 2014. He has a post graduate diploma in rural management from Xavier Institute of Management, Bhubaneswar. During the Financial Year 2015, he was paid a gross compensation of ₹1.27 million.

Jolly Zachariah is the chief operating officer, West, since 2008. He has over 22 years of banking experience with Citigroup. He has played an important role in establishing our Company's presence in urban Maharashtra and Gujarat. During the Financial Year 2015, he was paid a gross compensation of ₹3.28 million.

Martin Pampilly is the head of operations and services quality. He has over 14 years of experience, including with companies such as ANZ Grindlays, Bank Muscat and Centurion Bank. He was a member of centralised operations unit at Centurion Bank. He joined our Company in 2009 as regional operations manager (South), and managed the successful testing, training and implementation of the core banking project. He has successfully completed the strategic leadership program at Harvard in April 2013. In May 2013, he was promoted as the chief operation officer - East region. He is a graduate in science from Bangalore University. During the Financial Year 2015, he was paid a gross compensation of ₹2.31 million.

Rajat Singh is the head of strategy and planning. He joined our Company in 2007 as a financial analyst and his first assignment was to build and expand the organizational finance function. He was involved in developing and implementing organizational budgeting processes and basic business analytics structures. In June 2010, he was appointed as chief of staff for the Eastern region, overseeing the regional business and was thereafter promoted as chief operation officer (East) in October 2011. In April 2013, he became chief operating officer - North and is currently heading the strategy and planning division. He has a bachelor's degree in agricultural and food engineering from Indian Institute of Technology, Kharagpur. During the Financial Year 2015, he was paid a gross compensation of ₹2.35 million.

Sneh Thakur is the head of credit of our Company. She joined our Company 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 two years. During this time, she was involved in two rounds of equity fund raising in the Company. In 2011, she 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. She holds a post graduate diploma in management from SDM Institute for Management Development, Mysore. During the Financial Year 2015, she was paid a gross compensation of ₹1.5 million.

Alagarsamy A. P. is the head of audit of our Company. He is a banking and financial services professional with over 19 years of experience. He was with ICICI Bank for over 8 years. Before joining our Company in 2010, his last assignment was as Assistant Vice President with Fullerton India Credit Company. He has completed master's degree in business administration from Osmania University, Hyderabad. During the Financial Year 2015, he was paid a gross compensation of ₹3.15 million.

Deepak Ayare is the chief technology officer of our Company. He is an IT professional with 24 years of experience in different aspects of technology. He joined our Company in August 2008 and has implemented different projects, including loan origination system, document management and workflow systems, mobile technology, data centre and data warehouse. He is a graduate from Mumbai University. During the Financial Year 2015, he was paid a gross compensation of ₹2.66 million.

Premkumar G. is the head of vigilance and administration of our Company. He has over 14 years of experience in administration positions with One World Hospital and Paul D'Souza & Associates, a law firm. He joined our Company in 2006, and led the administration department. In 2012, he setup the vigilance department and heads the function. He is also a member of International Facility Management Association. During the Financial Year 2015, he was paid a gross compensation of ₹2.16 million.

Sunil Kutty is the head of human resources. He joined our Company as head of human resources in August 2014. He holds a master's degree in human relations from Pune University. He has over 24 years experience having worked in IT, NBFC, realty industries with organizations like Kale Consultants Limited, KPIT Cummins Limited, Tata Capital Limited and Nelco Limited.

During the Financial Year 2015, he was paid a gross compensation of ₹1.92 million.

S. Aryendra Kumar is the head of housing finance division of our Company. He comes with an engineering background and holds a master's in business administration. He has over 18 years of professional experience with Vysya Bank, SBI Home Finance Limited, Citibank N.A. and Tata Capital Housing Finance Limited. His last assignment was with Tata Capital Housing Finance Limited. He joined our Company as the head of housing finance in the month of September, 2014. During the Financial Year 2015, he was paid a gross compensation of ₹2.34 million.

Ittira Davis is the head of transition. He is an international banker having worked extensively in the Middle East and Europe. He has over 35 years of corporate and investment banking experience. He was with Europe Arab Bank for during the period July 2008 to October 2012 as managing director – corporate and institutional banking and as an executive director of the Europe Arab Bank. He has worked with Citibank in India and the Arab Bank Group in the Middle East and Europe. He joined our Company in March 2015. He is a graduate of Indian Institute of Management, Ahmedabad. During the Financial Year 2015, he was paid a gross compensation of ₹0.23 million.

Arunava Banerjee is the chief risk officer of our Company. He has over 35 years experience, primarily in banking industry. Starting his career with State Bank of India, he later worked with Standard Chartered Bank in their merchant banking division. He moved to Bahrain in 1996 as manager corporate banking at the Bahraini Saudi Bank, before making a career shift to work as the chief financial officer with Remza Investment Company W.L.L. He joined our Company in July 2015. He has a master's degree in arts from University of Kolkata and is an associate of the Indian Institute of Bankers. He joined our Company in the Financial Year 2016, hence no remuneration was paid to him in the Financial Year 2015.

Vijay Balakrishnan has over 20 years of experience with reputed corporates, including Bharti Airtel and Tata Group. He joined our Company in November 2015 as the head of marketing where he is responsible to lead the function nationally. He graduated from Delhi University and holds a graduate diploma in marketing management from Times School of Marketing. He was awarded the British Chevening Scholarship to study Leadership & Excellence at the London School of Economics, United Kingdom. He joined our Company in the Financial Year 2016, hence no remuneration was paid to him in the Financial Year 2015.

Sneh Thakur and Rajat Singh are related to each other. Sneh Thakur is the wife of Rajat Singh. None of the other Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

Except as disclosed below, none of our Key Management Personnel hold any Equity Shares as of the date of this Draft Red Herring Prospectus:

Sr.No.	Name	Number of Equity Shares	Pre-Offer Shareholding (%)	Post-Offer Shareholding (%)
1.	Samit Ghosh	868,340	1.01	[●]
2.	Ittira Davis*	50,000	0.06	[●]

** Jointly held with Anna Ittira Davis*

Bonus or profit sharing plan of the Key Management Personnel

There is no profit sharing plan for the Key Management Personnel. Our Company makes certain performance linked bonus payment for each financial year to the key management personnel as per their terms of employment.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Management Personnel may be regarded as interested in the Equity Shares that may be subscribed by or Allotted to them under the ESOP Schemes. For further details relating to Equity Shares allotted to KMPs under ESOP Schemes, see "*Capital Structure*" on page 57. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Sr.No.	Name	Designation	Date of change	Reason for change
1.	Sudha Suresh	Chief financial officer	April 1, 2014	Appointment
2.	Sunil Kutty	Head - Human Resources	August 11, 2014	Appointment
3.	Suhasini Ashok	Company Secretary	September 1, 2014	Resignation
4.	Sanjeev Barnwal	Company Secretary and Compliance Officer	September 1, 2014	Appointment
5.	S.Aryendra Kumar	Head of Housing Finance	September 3, 2014	Appointment
6.	Ittira Davis	Head of Transition	March 16, 2015	Appointment
7.	Arunava Banerjee	Chief Risk Officer	July 1, 2015	Appointment
8.	Vijay Balakrishnan	Head - Marketing	November 16, 2015	Appointment

Payment or Benefit to officers of our Company

Except certain stock options granted to our employees, no non-salary amount or benefit has been paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years. No amount is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors.

ESOP Schemes

For details in relation to ESOP Schemes, see "*Capital Structure*" on page 57.

OUR PROMOTER AND PROMOTER GROUP

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the SEBI ICDR Regulations or the Companies Act, 2013. Consequently, it has no 'promoter group' in terms of the SEBI ICDR Regulations.

OUR GROUP COMPANIES

The definition of 'group companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. In terms of the SEBI ICDR Regulations and in terms of the policy of materiality adopted by our Board pursuant to its resolution dated November 23, 2015, the companies which constitute the related parties of our Company under accounting standard 18 as per the Restated Financial Statements have been considered as Group Companies.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus:

The details of our Group Companies are provided below:

(i) Parinaam Foundation

Information

Parinaam Foundation was incorporated on March 31, 2008 under Section 25 of the Companies Act, 1956. The main objective of Parinaam Foudation is, *inter alia*, to promote, research, design, develop and sponsor schemes, programmes, projects, plans and efforts for effective social development, economic welfare and improvement of livelihood of people who are socially and economically backward.

Interest of the promoter

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the SEBI ICDR Regulations or the Companies Act, 2013.

Financial Information

The following information has been derived from the audited financial statements of Parinaam Foundation for the last three Financial Years:

(₹ *in million, except per share data*)

Particulars	**For the Financial Year**		
	2015	**2014**	**2013**
Equity Capital	0.5	0.5	0.5
Reserves (excluding revaluation reserves) and Surplus	35.10	21.95	12.09
Income from Operations and Other Income	32.76	26.38	24.20
Profit/(Loss) after Tax	12.40	9.86	10.54
Basic EPS (in ₹)	248.02	197.12	210.77
Diluted EPS (in ₹)	248.02	197.12	210.77
Net asset value per share (in ₹)	711.92	448.94	251.82

There are no matters of emphasis/qualifications of the auditors in relation to the aforementioned financial statements.

(ii) Ujjivan Social Services Foundation

Information

Ujjivan Social Services Foundation was incorporated on September 19, 2013 under Section 8 of the Companies Act, 2013. The main object of Ujjivan Social Services Foundation is, inter alia, to provide facility management services for serving the poor and underprivileged people and undertake micro financing activities as permitted by the RBI and to assist in providing loans for education and to render services relating to financial literacy and livelihood programs.

Interest of the promoter

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the SEBI ICDR Regulations or the Companies Act, 2013.

Financial Information

The following information has been derived from the audited financial statements of Parinaam Foundation for the last three Financial Years:

(*₹ in million, except per share data*)

Particulars	For the Financial Year		
	2015	2014	2013
Equity Capital	0.1	0.1	-
Reserves (excluding revaluation reserves) and Surplus	(0.08)	(0.07)	-
Income from Operations and Other Income	0.01	-	-
Profit/(Loss) after Tax	(0.00)*	(0.07)	-
Basic EPS (in ₹)	(0.97)	(7.38)	-
Diluted EPS (in ₹)	(0.97)	(7.38)	-
Net asset value per share (in ₹)	1.64	2.62	-

**Less than 0.01*

There are no matters of emphasis/qualifications of the auditors in relation to the aforementioned financial statements.

Nature and Extent of Interest of Group Companies

(a) ***In the promotion of our Company***

None of our Group Companies have any interest in the promotion or any business interest or other business interests in our Company.

(b) ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies with our Company

Except Ujjivan Social Services Foundation, there are no common pursuits between any of our Group Companies and our Company.

Ujjivan Social Services Foundation is enabled, pursuant to the main objects under its memorandum of association, to undertake micro financing activities permitted by the RBI. However, as on the date of this DRHP, it is not engaged in any business operations undertaken in pursuance of these objects.

Related Business Transactions within the Group Companies and significance on the financial performance of our Company

For more information, see "*Related Party Transactions*" on page 153.

Significant Sale/Purchase between Group Companies and our Company

None of our Group Companies is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, none of our Group Companies fall under the definition of sick industrial companies under SICA and none of them is under winding up.

Loss making Group Companies

Except Ujjivan Social Services Foundation, none of our Group Companies have incurred loss in the preceding Financial Year.

Other confirmations

None of the Group Companies are listed on any stock exchange or have made any public or rights issue of securities in preceding three years.

None of the Group Companies have been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

None of the Group Companies have been identified as wilful defaulters by the RBI or other authorities.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act and as reported in the Restated Financial Statements, see "*Financial Statements*" on page 162.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 182.

The dividends declared by our Company on the Equity Shares in each of the Financial Years 2011, 2012, 2013, 2014 and 2015 as per our Restated Financial Statements are given below:

Particulars	**Financial Years**				
	2011	**2012**	**2013**	**2014**	**2015**
Face value per share (in ₹)	10	10	10	10	10
Dividend (in ₹ million)	6.97	-	16.39	32.79	43.07
Dividend per share (in ₹)	0.20	-	0.25	0.50	0.50
Rate of dividend (%)	2	-	2.5	5	5
Dividend Tax (%)	16.21	-	17.02	17.32	20.36

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future. For details in relation to the risk involved, see "*Risk Factors*" on page 14.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our Restated Financial Statements on page 162, as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 99 and 163, respectively.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

The following financial and statistical information relates to our Company and should be read in conjunction with our Restated Financial Statements beginning on page 162:

Return on Equity and Assets

The following table sets forth, for the periods indicated, selected financial information relating to the return on equity and assets for our Company:

	Financial Year					Six months ended September 30, 2015
	2011	2012	2013	2014	2015	
	(₹ in million, except percentages)					
Net Profit	116.92	1.33	328.70	584.16	757.88	737.31
Average Total Assets (1)	5,598.43	8,029.88	11,259.93	17,177.83	30,274.80	41,462.88
Average Net Worth (2)	1,105.22	1,778.75	2,791.47	3,452.43	5,544.89	7,733.16
Total Borrowings (3)	4,721.30	6,172.44	9,974.63	16,499.63	31,217.71	33,651.61
Average Debt (4)	3,545.44	5,446.87	8,073.54	13,237.13	23,858.67	32,434.66
Return on Average Assets (%) (5)#	2.09%	0.02%	2.92%	3.40%	2.50%	3.56%
Return on Average Net Worth (%) (6)#	10.58%	0.07%	11.78%	16.92%	13.67%	19.07%
Average Debt / Average Net Worth	3.21	3.06	2.89	3.83	4.30	4.19
Average Net Worth as a percentage of Average Total Assets	19.74%	22.15%	24.79%	20.10%	18.32%	18.65%
Basic Earnings Per Share (7)	3.36	0.03	5.33	8.91	11.24	8.56
Diluted Earnings Per Share(7)	3.09	0.03	4.97	8.38	10.62	8.19
Book Value Per Share(8)	30.52	39.81	45.41	53.43	81.76	90.01

\# Return on Average Assets and Return on Average Net Worth in the six months ended September 30, 2015 have been presented on an annualized basis.

1. Average Total Assets represents the average of our total assets as of the last day of the relevant period and our total assets as of the last day of the previous period.

2. Average Net Worth represents the average of our net worth as of the last day of the relevant period and our net worth as of the last day of the previous period. Net worth is the aggregate of the Equity Share capital, shares pending allotment, share application money, reserves and surplus (including capital reserve, securities premium and surplus or deficit in the statement of profit and loss).

3. Total Borrowings represents the aggregate of all our borrowings outstanding (non-convertible debentures, term loans from banks and other parties) as of the last day of the relevant period.

4. Average Debt represents the average of our Total Borrowings outstanding as of the last day of the relevant period and our Total Borrowings outstanding as of the last day of the previous period.

5. Return on Average Assets is calculated as the Net Profit for the relevant period as a percentage of Average Total Assets in such period.

6. Return on Average Net Worth is calculated as the Net Profit for the relevant period as a percentage of Average Net Worth in such period.

7. Earnings per Share has been provided on both a basic and a diluted basis for the six months ended September 30, 2015 has not been annualized. Basic Earnings per Share and Diluted Earnings per Share are calculated as Net Profit for the relevant period divided by weighted average number of Equity Shares outstanding during the period.

8. Book Value Per Share is calculated as Net Worth at the end of the relevant period divided by the number of Equity Shares outstanding at the end of such period, including Equity Shares to be allotted pursuant to the exercise of vested options.

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for our Company:

	Financial Year					Six months ended September 30, 2015
	2011	2012	2013	2014	2015	
	(₹ in million, except percentages)					
Gross AUM[1]	6,251.45	7,034.23	11,259.97	16,172.68	32,741.37	40,881.95
Net AUM [2]	6,251.45	6,911.57	11,259.97	16,172.68	32,186.91	40,797.62
Securitized AUM[3]	-	122.66	-	-	554.46	84.33
Net AUM Growth (%)#	68.61%	10.56%	62.91%	43.63%	99.02%	53.50%
Average Net AUM[4]	4,979.55	6,581.51	9,085.77	13,716.33	24,179.80	36,492.27
Disbursements[5]	11,414.46	10,828.55	15,409.21	21,049.75	43,284.19	28,571.36
Disbursement Growth (%)# [6]	84.34%	-5.13%	42.30%	36.61%	105.63%	32.02%
Total Loan Accounts[7]	2,364,013	899,274	1,021,818	1,311,305	2,417,120	2,939,403
Interest Income[8]	1,326.71	1,338.23	2,066.35	3,254.49	5,508.32	4,147.98
Other Income[9]	237.72	224.80	272.94	322.13	610.49	474.74
Total Income[10]	1,564.43	1,563.03	2,339.29	3,576.62	6,118.81	4,622.72
Interest Expense[11]	473.63	597.22	816.48	1,393.33	2,698.91	1,950.34
NII[12]	853.08	741.01	1,249.87	1,861.16	2,809.41	2,197.64
Total Expenses[13]	1,391.84	1,564.52	1,862.29	2,688.20	4,973.68	3,493.95
Cost of Funds[14]#	13.36%	10.96%	10.11%	10.53%	11.31%	12.03%
Credit Cost[15]	45.37	57.62	69.03	82.92	210.48	109.08
Yield[16]#(%)	26.64%	20.33%	22.74%	23.73%	22.78%	22.73%
Spread[17]#(%)	13.28%	9.37%	12.63%	13.20%	11.47%	10.70%
Net Interest Margin[18]#(%)	17.13%	11.26%	13.76%	13.57%	11.62%	12.04%
Operating Expense/ Average AUM#(%) [19]	17.53%	13.82%	10.75%	8.84%	8.54%	7.86%
Gross NPA	18.07	63.19	9.49	11.84	23.46	51.27
Gross NPA/Net AUM (%)	0.29%	0.91%	0.08%	0.07%	0.07%	0.13%
Net NPAs	16.19	55.99	8.51	2.24	5.99	15.60
Net NPAs/Net AUM (%)	0.26%	0.81%	0.08%	0.01%	0.02%	0.04%

Cost of Funds, Yield, Spread, Net Interest Margin, Disbursements Growth, Net AUM Growth and Operating Expense/ Average AUM in the six months ended September 30, 2015 have been presented on an annualized basis.

1. Gross AUM represents receivables under financing activities as well as assets securitized/assigned as of the end of the relevant period.

2. Net AUM represents the Gross AUM less assets securitized/ assigned as of the end of the relevant period. Growth in Net AUM represents growth over the last day of the previous period

3. Securitized AUM represents receivables from assets which have been securitized/assigned as of the end of the relevant period.

4. Average Net AUM represents the average of our Net AUM as of the last day of the relevant period and our Net AUM as of the last day of the previous period.

5. Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period.

6. Pecentage growth in disbursement for the relevant period over disbursement of the previous period.

7. Total Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period.

8. Interest Income represents interest income from loans to customers in the relevant period.

9. Other Income represents loan processing fees received from customers, income from other financial services and other income which comprises of interest on deposits, interest on income tax refund, dividend income from current investments, net gain on sale of current investments, fee income arising from activities other than financing activities, net profit on sales of fixed assets and other miscellaneous income in the relevant period.

10. Total Income represents the sum of Interest Income and Other Income in the relevant period.

11. Interest Expense represents the interest cost on borrowings and loan processing fees in the relevant period, not including bank charges.

12. Net Interest Income represents Interest Income in the relevant period reduced by Interest Expense in such period.

13. Total Expenses represents employee benefits expense, provision/ write off for receivable under financing activity, finance costs, depreciation and amortization expenses and administrative and other expenses in the relevant period.

14. Cost of Funds represents the ratio of Interest Expense in the relevant period to the Average Debt in such period.

15. Credit Cost represents non-performing asset provisions, standard asset provisions, sub-standard provisions and doubtful provisions and write-offs in the relevant period.

16. Yield represents the ratio of Interest Income in the relevant period to the Average AUM in such period.

17. Spread represents the difference between the Yield and the Cost of Funds in the relevant period.

18. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM in the relevant period.

19. Operating expenses include administration expenses, personnel expenses including staff welfare, depreciation & amortization and bank charges.

Productivity Ratios

The following table sets forth, for the periods indicated, certain productivity ratios for our Company:

	As at March 31,					As at September 30, 2015
	2011	2012	2013	2014	2015	
Number of branches	351	299	301	350	423	469
Number of employees	4,009	3,449	3,656	4,667	7,089	7,786
Number of loan accounts	2,364,013	899,274	1,021,818	1,311,305	2,417,120	2,939,403
Number of borrowers	847,671	819,399	1,006,052	1,297,130	2,196,261	2,597,479
AUM per branch (₹ in Million)	17.81	23.12	37.41	46.21	76.09	86.99
AUM per employee (₹ in Millions)	1.56	2.0	3.08	3.47	4.54	5.24
AUM per loan account (₹ in Thousand)	2.64	7.69	11.02	12.33	13.32	13.88
Disbursement per branch(1) (₹ in Millions)*	32.52	36.22	51.19	60.14	102.33	121.84
Disbursement per employee(2) (₹ in Millions)*	2.85	3.14	4.21	4.51	6.11	7.34

* Disbursement per branch and Disbursement per employee in the six months ended September 30, 2015 have been presented on an annualized basis and should not be considered as a reflection of our performance in Fiscal 2016.

1. Disbursement per branch represents aggregate loans disbursed in the relevant period divided by the aggregate number of branches as at the end of such period.

2. Disbursement per employee represents aggregate loans disbursed in the relevant period divided by the aggregate number of employees as at the end of such period.

Geographical Spread of Loan Accounts

The following table sets forth the geographic spread of our Company based on the number of loan accounts:

State/ Union Territory	Number of Loan Accounts											
	As at March 31, 2011	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at September 30, 2015	% of Total
Assam	12,328	0.52%	18,289	2.03%	20,853	2.04%	26,554	2.03%	50,080	2.07%	74,472	2.53%
Bihar	88,068	3.73%	47,352	5.27%	56,430	5.52%	64,490	4.92%	105,280	4.36%	121,992	4.15%
Chandigarh	2,463	0.10%	2,965	0.33%	3,985	0.39%	4,466	0.34%	6,257	0.26%	8,176	0.28%
Goa	574	0.02%	1,088	0.12%	1,299	0.13%	1,548	0.12%	2,417	0.10%	2,528	0.09%
Gujarat	22,207	0.94%	32,088	3.57%	36,005	3.52%	45,486	3.47%	96,510	3.99%	124,388	4.23%
Haryana	28,775	1.22%	36,258	4.03%	49,618	4.86%	63,916	4.87%	124,407	5.15%	155,097	5.28%
Jharkhand	158,563	6.71%	47,070	5.23%	51,973	5.09%	56,691	4.32%	87,342	3.61%	99,236	3.38%
Karnataka	723,035	30.59%	174,204	19.37%	165,596	16.21%	207,678	15.84%	398,476	16.49%	450,531	15.33%
Kerala	12,051	0.51%	19,517	2.17%	25,044	2.45%	41,645	3.18%	66,290	2.74%	75,037	2.55%
Maharashtra	167,204	7.07%	101,346	11.27%	117,027	11.45%	153,060	11.67%	298,406	12.35%	356,993	12.15%
Meghalaya	4,529	0.19%	4,600	0.51%	5,232	0.51%	5,478	0.42%	8,157	0.34%	9,835	0.33%
New Delhi	81,393	3.44%	36,363	4.04%	38,799	3.80%	43,328	3.30%	68,109	2.82%	76,861	2.61%
Orissa	84,668	3.58%	25,176	2.80%	27,431	2.68%	34,822	2.66%	63,333	2.62%	80,289	2.73%
Pondicherry	4,025	0.17%	4,629	0.51%	5,880	0.58%	8,385	0.64%	18,938	0.78%	22,346	0.76%
Punjab	1,541	0.07%	5,429	0.60%	15,913	1.56%	28,745	2.19%	58,312	2.41%	79,121	2.69%
Rajasthan	114,646	4.85%	45,778	5.09%	52,252	5.11%	60,645	4.62%	87,554	3.62%	104,833	3.57%
Tamil Nadu	241,735	10.23%	97,637	10.86%	105,125	10.29%	157,494	12.01%	308,803	12.78%	384,436	13.08%
Uttar Pradesh	98,209	4.15%	55,031	6.12%	63,805	6.24%	75,326	5.74%	1,23,472	5.11%	149,841	5.10%
Uttarakhand	23,488	0.99%	9,823	1.09%	12,369	1.21%	15,376	1.17%	22,240	0.92%	26,339	0.90%
West Bengal	494,510	20.92%	134,631	14.97%	167,182	16.36%	211,751	16.15%	370,628	15.33%	454,401	15.46%
Madhya Pradesh	-	-	-	-	-	-	4,255	0.32%	32,045	1.33%	43,800	1.49%
Himachal Pradesh	-	-	-	-	-	-	166	0.01%	2,032	0.08%	2,879	0.10%
Chhattisgarh	-	-	-	-	-	-	-	-	4,040	0.17%	10,214	0.35%
Tripura	-	-	-	-	-	-	-	-	13,992	0.58%	25,758	0.88%
Total	2,364,013	100%	899,274	100%	1,021,818	100%	1,311,305	100%	2,417,120	100%	2,939,403	100%

Geographical Spread of Gross AUM

Our portfolio has been effectively managed to ensure that no single state contributes more than 20% of to Gross AUM from 2013 onwards. The following table sets forth the state-wise spread of our Gross AUM:

State	Gross AUM (₹ in million, except percentages)											
	As at March 31, 2011	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at September 30, 2015	% of Total
Assam	69.11	1.11%	141.95	2.02%	244.94	2.18%	318.17	1.97%	731.54	2.23%	1,068.10	2.61%
Bihar	276.88	4.43%	327.71	4.66%	589.64	5.24%	796.97	4.93%	1,407.08	4.30%	1,667.13	4.08%
Chandigarh	15.35	0.25%	21.26	0.30%	42.02	0.37%	48.45	0.30%	76.52	0.23%	102.44	0.25%
Goa	4.53	0.07%	8.34	0.12%	11.85	0.11%	17.57	0.11%	31.99	0.10%	35.14	0.09%
Gujarat	161.26	2.58%	204.02	2.90%	334.89	2.97%	569.18	3.52%	1,311.91	4.01%	1,898.75	4.64%
Haryana	166.93	2.67%	291.86	4.15%	586.69	5.21%	801.13	4.95%	1,629.90	4.98%	2,047.33	5.01%
Jharkhand	350.9	5.61%	346.52	4.93%	506.91	4.50%	634.79	3.93%	1,106.39	3.38%	1,355.29	3.32%
Karnataka	1,494.33	23.90%	1,538.52	21.87%	2,072.27	18.40%	2,785.14	17.22%	5,397.55	16.49%	6,206.11	15.18%
Kerala	65.92	1.05%	135.82	1.93%	302.51	2.69%	492.98	3.05%	910.94	2.78%	1,049.23	2.57%
Maharashtra	740.77	11.85%	815.55	11.59%	1,303.42	11.58%	2,049.98	12.68%	4,373.25	13.36%	5,622.60	13.75%
Meghalaya	22.93	0.37%	37.8	0.54%	60.93	0.54%	62.87	0.39%	108	0.33%	127.63	0.31%
New Delhi	269.39	4.31%	359.65	5.11%	507.57	4.51%	576.91	3.57%	932.63	2.85%	1,024.76	2.51%
Orissa	205.49	3.29%	176.26	2.51%	232.72	2.07%	373.99	2.31%	806.09	2.46%	1,093.25	2.67%
Pondicherry	21.59	0.35%	34.92	0.50%	57.11	0.51%	97.31	0.60%	249	0.76%	294.65	0.72%
Punjab	12.12	0.19%	40.43	0.57%	168.79	1.50%	333.03	2.06%	736.76	2.25%	1,061.10	2.60%
Rajasthan	360.32	5.76%	385.55	5.48%	654.22	5.81%	778.5	4.81%	1,272.05	3.89%	1,527.32	3.74%
Tamil Nadu	690.94	11.05%	666.09	9.47%	1,052.11	9.34%	1,860.61	11.50%	4,014.23	12.26%	5,027.07	12.30%
Uttar Pradesh	369.94	5.92%	478.34	6.80%	843.29	7.49%	997.63	6.17%	1,807.29	5.52%	2,235.42	5.47%
Uttarakhand	91.98	1.47%	88.95	1.26%	173.26	1.54%	203.41	1.26%	314.64	0.96%	394.59	0.97%
West Bengal	860.78	13.77%	934.71	13.29%	1,514.86	13.45%	2,319.89	14.34%	4,853.98	14.83%	6,077.56	14.87%
Madhya Pradesh	-	-	-	-	-	-	52.23	0.32%	391.38	1.20%	495.92	1.21%
Himachal Pradesh	-	-	-	-	-	-	1.92	0.01%	21.06	0.06%	33.44	0.08%
Tripura	-	-	-	-	-	-	-	-	195.43	0.60%	309.78	0.76%
Chhattisgarh	-	-	-	-	-	-	-	-	61.78	0.19%	127.36	0.31%
Total	**6,251.45**	**100%**	**7,034.23***	**100%**	**11,259.97**	**100%**	**16,172.68**	**100%**	**32,741.37***	**100%**	**40,881.95***	**100%**

Includes securitization

Sources of Funding

The following table sets out our sources of funding:

(₹ in million, except percentages)

	As at March 31, 2011	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at September 30, 2015	% of Total
Non-Convertible Debentures												
Secured	850	18%	1,240	20.09%	1,240	12.43%	1,130	6.85%	2,980	9.55%	5,462.50	16.23%
Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
Term Loans – Secured												
From Banks	2,825.20	59.84%	3,906.60	63.29%	7,701.79	77.22%	13,809.90	83.70%	23,669.27	75.82%	22,791.94	67.73%
From Financial Institutions and Others	1,034.86	21.92%	1,025.19	16.61%	992.82	9.95%	1,505.46	9.12%	3,966.01	12.70%	4,339.50	12.90%
Cash Credit – Secured												

	As at March 31, 2011	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at September 30, 2015	% of Total
From Banks	8.79	0.19%	-	-	40.02	0.40%	19.27	0.12%	45.03	0.14%	0.27	-
Unsecured Loans	2.45	0.05%	0.65	0.01%	-	-	35	0.21%	557.40	1.79%	1,057.40	3.14%
Total	**4,721.30**	**100%**	**6,172.44**	**100%**	**9,974.63**	**100%**	**16,499.63**	**100%**	**31,217.71**	**100%**	**33,651.61**	**100%**

Classification of Assets

The Prudential Norms Directions prescribed by the RBI, among other matters, require us to observe the classification of our assets; treatment of NPAs; and provisioning against NPAs. For further information, see "*Regulations and Policies*" on page 121 and *"Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Accounting Policies"* on page 163.

The following table sets forth certain information regarding classification of our assets and provisioning:

Asset Classification	As at March 31,					As at September 30, 2015
	2011	2012	2013	2014	2015	
	(₹ in million)					
Loan Outstanding (gross)						
Standard Assets	6,233.38	6,848.38	11,250.48	16,160.84	32,163.45	40,746.35
Sub-Standard Assets	17.99	62.21	9.46	4.47	11.99	31.20
Doubtful Assets	0.08	0.98	0.03	7.37	11.47	20.07
Total Loans Outstanding (gross)	**6,251.45**	**6,911.57**	**11,259.97**	**16,172.68**	**32,186.91**	**40,797.62**
Provisions						
Standard Assets	54.62	84.79	88.29	152.11	338.69	420.86
Sub-Standard Assets	1.80	6.22	0.95	2.24	5.99	15.60
Doubtful Assets	0.08	0.98	0.03	7.37	11.47	20.07
Total Provisions	**56.50**	**91.99**	**89.27**	**161.72**	**356.15**	**456.53**
Loan Outstanding (net)						
Standard Assets	6,178.76	6,763.59	11,162.19	16,008.73	31,824.76	40,325.49
Sub-Standard Assets	16.19	55.99	8.51	2.23	6	15.60
Doubtful Assets	-	-	-	-	-	-
Total Loans Outstanding (net)	**6,194.95**	**6,819.58**	**11,170.70**	**16,010.96**	**31,830.76**	**40,341.09**

Capital Adequacy

Our Company is subject to the CAR requirements prescribed by the RBI. As of September 30, 2015, our Company was required to maintain a minimum CAR of 15%, based on the total capital to risk-weighted assets. The following table sets forth certain information relating to the CAR of our Company as of the periods indicated:

(₹ in million, except percentage)

Particulars	As at March 31,					As at September 30, 2015
	2011	**2012**	**2013**	**2014**	**2015**	
Tier I Capital	1,130.14	2,338.80	3,143.29	3,626.48	7,161.22	7,817.20
Tier II Capital	-	-	28.13	152.12	838.69	820.87
Total Capital	**1,130.14**	**2,338.80**	**3,171.42**	**3,778.60**	**7,999.91**	**8,638.07**
Total Risk Weighted Assets	**6,467.28**	**7,216.48**	**11,627.63**	**16,624.69**	**33,005.82**	**41,990.73**
Capital Adequacy Ratio						
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	17.47%	32.41%	27.03%	21.81%	21.70%	18.62%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	-	-	0.24%	0.92%	2.54%	1.95%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**17.47%**	**32.41%**	**27.27%**	**22.73%**	**24.24%**	**20.57%**

Provisioning and Write-offs

Statutory provisions are required to be made in respect of sub-standard, doubtful and loss assets as per the directions, circulars and notifications issued by the RBI. The following are the provisioning norms applied by our Company as at September 30, 2015:

Asset Classification	Provisioning Percentage
1. Standard Assets*	
2. Non-Performing Assets (NPA)	
a. Sub-Standard Assets	
i. Overdue for 30 days and more but less than 60 days	20%
ii. Overdue for 60 days and more but less than 90 days	50%
b. Doubtful Assets	
iii. Doubtful Assets – Overdue for 90 days and more but less than 180 days	80%
iv. Doubtful Assets – Overdue for 180 days and more	100%
3. Loss Assets	**100%**

** Standard asset provisioning including 1-7 days is the balancing figure to maintain 1% on general loan portfolio and 2% on individual loan portfolio.*

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Deloitte
Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
Bengaluru - 560 025
India

Tel : + 91 (80) 66276000
Fax: + 91 (80) 66276013

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS AS REQUIRED UNDER PART I OF CHAPTER III OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

TO THE BOARD OF DIRECTORS OF
Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)
No.27, Grape Garden, 3rd A Cross,
18th Main, 6th Block, Koramangala,
Bengaluru – 560095

Dear Sirs,

1. We have examined the attached Restated Financial Statements of Ujjivan Financial Services Limited (Formerly, Ujjivan Financial Services Private Limited) ('the Company'), which comprises of the restated summary statement of assets and liabilities as at September 30, 2015 and March 31, 2015, 2014, 2013, 2012 and 2011 and restated summary statement of profit and loss and cash flows for the half year ended September 30, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and the Summary of Significant Accounting Policies as approved by the Board of Directors of the Company at their meeting held on December 11, 2015 for the purpose of inclusion in the offer document prepared by the Company in connection with the proposed initial public offering (IPO) of its equity shares including an Offer for Sale of shares by the Selling Shareholders, prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations").

2. We have examined such Restated Financial Statements taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 20, 2015 in connection with the proposed IPO of the Company; and

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ("Guidance Note").

3. These Restated Financial Statements have been compiled from the audited financial statements as at September 30, 2015 and March 31, 2015, 2014, 2013, 2012 and 2011 and for the half year ended September 30, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by Board of directors at their meetings held on November 23, 2015, June 4, 2015, May 16, 2014, May 17, 2013, May 15, 2012 and May 12, 2011 respectively.

4. Based on our examination, we report that:

   a) The Restated Summary Statement of Assets and Liabilities of the Company as at September 30, 2015 and as at year ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-1 to this report, have been arrived at after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure 4 – Restated Summary Statement of adjustments to audited financial statements;

   b) The Restated Summary Statement of Profit and Loss of the Company for the half year ended September 30, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-2 to this report, have been arrived at after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure 4 – Restated Summary Statement of adjustments to audited financial statements;

   c) The Restated Summary Statement of Cash Flows of the Company for the half year ended September 30, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure -3 to this report, have been arrived at after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure 4 – Restated Summary Statement of adjustments to audited financial statements; and

   d) The Summary of Significant Accounting Policies and Notes to Accounts of the Company for the half year ended September 30, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure 5 to this report, have been arrived at after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure 4 – Restated Summary Statement of adjustments to audited financial statements.

Based on the above, according to the information and explanations given to us, we are of the opinion that the Restated Financial Statements have been made after incorporating adjustments for the material amounts in the respective financial years/period to which they relate.

Further, there are no changes in the accounting policies adopted by the Company in the financial years/periods covered by this report which would require adjustment in the Restated Financial Statements, except for the adjustment made as per Annexure 4.

There are no qualifications in Auditors' Reports which would require an adjustment in the Restated Financial Statements.

There are no extra-ordinary items that need to be disclosed separately in the Restated Financial Statement requiring adjustments.

5. We have also examined the following restated financial information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on December 11, 2015 for the half year ended September 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

   (i) Annexure 6 - Summary Statement of Share capital, as restated
   (ii) Annexure 7 - Summary Statement of Reserves and surplus, as restated
   (iii) Annexure 8 - Summary Statement of Secured and Unsecured Loans, as restated
   (iv) Annexure 9 - Summary Statement of Fixed assets, as restated
   (v) Annexure 10 - Summary Statement of Non-current investments, as restated
   (vi) Annexure 11 - Summary Statement of Trade receivables, as restated
   (vii) Annexure 12 - Summary Statement of loans and advances, as restated
   (viii) Annexure 13 - Summary Statement of Cash and Bank balances, Other current & Non-current assets, as restated
   (ix) Annexure 14 - Summary Statement of Current Liabilities & Provisions, as restated
   (x) Annexure 15 - Summary Statement of Revenue from Operations and Expenses, as restated.
   (xi) Annexure 16 - Summary Statement of Other income, as restated
   (xii) Annexure 17 - Summary Statement of dividend proposed by the Company
   (xiii) Annexure 18 - Summary Statement of Accounting Ratios
   (xiv) Annexure 19 - Statement of Capitalization
   (xv) Annexure 20 – Statement of Tax shelter, as restated.
   (xvi) Annexure 21 - Summary of statement of additional information to financial statement, as restated

Deloitte
Haskins & Sells

In our opinion, the above financial information contained in Annexures 1 to 21 accompanying this report, read with significant accounting policies and notes annexed to the Restated Financial Statements, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable; SEBI-ICDR Regulations and the Guidance Note, as amended from time to time, and in terms of our engagement as agreed with you.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein. The figures included in the Restated Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 3.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration Number: 008072S)

S. Sundaresan

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bangalore
Date: December 11, 2015

Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)
Financial Statements, as restated

Index

Annexure Number	Particulars of the Annexure
Annexure 1	Summary Statement of Assets and Liabilities, as restated
Annexure 2	Summary Statement of Profit and Loss, as restated
Annexure 3	Summary Statement of Cash Flows, as restated
Annexure 4	Summary Statement of Adjustments to Audited Financial Statements
Annexure 5	Summary of Significant Accounting Policies
Annexure 6	Summary Statement of Share Capital, as restated
Annexure 7	Summary Statement of Reserves and Surplus, as restated
Annexure 8	Summary Statement of Secured and Unsecured Loans, as restated
Annexure 9	Summary Statement of Fixed Assets, as restated
Annexure 10	Summary Statement of Non-Current Investments, as restated
Annexure 11	Summary Statement of Trade Receivables, as restated
Annexure 12	Summary Statement of Loans and Advances, as restated
Annexure 13	Summary Statement of Cash and Bank Balances, Other Current and Other Non-Current Assets, as restated
Annexure 14	Summary Statement of Current Liabilities and Provisions, as restated
Annexure 15	Summary Statement of Revenue from operations and Expenses, as restated
Annexure 16	Summary Statement of Other Income, as restated
Annexure 17	Summary Statement of Dividend Proposed by the Company
Annexure 18	Summary Statement of Accounting Ratios
Annexure 19	Statement of Capitalisation, as restated
Annexure 20	Statement of Tax Shelters, as restated
Annexure 21	Statement of Additional Information to financial statements, as restated.

Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)

Annexure 1: Summary Statement of Assets and Liabilities, as restated

(Amount in Rs. Millions)

Particulars	Annexure	As at 30-Sep-15	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
I. EQUITY AND LIABILITIES							
Shareholders' funds							
(a) Share capital	**6**	861.33	861.33	655.81	655.81	572.87	348.42
(b) Reserves and surplus	**7**	7,240.48	6,503.17	3,069.46	2,523.77	1,830.49	805.72
Total	**A**	**8,101.81**	**7,364.50**	**3,725.27**	**3,179.58**	**2,403.36**	**1,154.14**
Non-current liabilities							
(a) Long-term borrowings	**8**	13,474.86	12,830.93	5,651.47	3,834.76	2,550.41	1,671.05
(b) Long-term provisions	**14**	79.77	59.49	22.96	11.61	0.95	0.18
Total	**B**	**13,554.63**	**12,890.42**	**5,674.43**	**3,846.37**	**2,551.36**	**1,671.23**
Current liabilities							
(a) Short-term borrowings	**8**	0.27	45.03	19.27	40.02	-	8.79
(b) Trade payables	**14**	116.69	117.84	50.59	47.99	40.91	42.88
(c) Other current liabilities	**14**	20,813.00	18,919.54	11,083.27	6,310.28	3,841.34	4,145.46
(d) Short-term provisions	**14**	576.76	425.26	234.18	144.40	114.25	86.04
Total	**C**	**21,506.72**	**19,507.67**	**11,387.31**	**6,542.69**	**3,996.50**	**4,283.17**
TOTAL (A + B + C)		**43,163.16**	**39,762.59**	**20,787.01**	**13,568.64**	**8,951.22**	**7,108.54**
II. ASSETS							
Non-current assets							
(a) Fixed assets							
- Tangible assets	**9**	162.99	142.30	98.08	82.79	87.32	87.93
- Intangible assets	**9**	65.73	37.17	29.17	28.59	24.25	9.67
(b) Non-current investments	**10**	1.01	1.01	1.01	1.00	1.00	1.00
(c) Deferred tax assets (net)	**21.9**	196.32	152.78	68.32	56.43	43.71	25.09
(d) Long-term loans and advances	**12**	122.75	68.46	51.13	33.23	29.62	36.36
(e) Other non-current assets	**13**	7,787.77	5,985.06	2,383.00	1,884.76	463.65	172.57
Total	**D**	**8,336.57**	**6,386.78**	**2,630.71**	**2,086.80**	**649.55**	**332.62**
Current assets							
(a) Receivable under financing activity	**11**	33,036.01	26,298.95	13,876.14	9,473.95	6,530.74	6,180.06
(b) Cash and Bank balances	**13**	856.49	6,447.84	3,944.54	1,786.22	1,614.52	511.73
(c) Short-term loans and advances	**12**	451.23	206.62	106.22	61.79	22.21	19.98
(d) Other current assets	**13**	482.86	422.40	229.40	159.88	134.20	64.15
Total	**E**	**34,826.59**	**33,375.81**	**18,156.30**	**11,481.84**	**8,301.67**	**6,775.92**
TOTAL (D+E)		**43,163.16**	**39,762.59**	**20,787.01**	**13,568.64**	**8,951.22**	**7,108.54**

The accompanying summary of significant accounting policies (Annexure - 5) and notes to accounts (Annexures 4 - 21) are an integral part of this statement.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan
Partner
Membership Number: 25776

Samit Ghosh
Managing Director

Sunil Patel
Director

Place: Bengaluru
Date:

Sanjeev Barnwal
Company Secretary

Sudha Suresh
Chief Financial Officer

Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)

Annexure 2: Summary Statement of Profit and Loss, as restated

(Amount in Rs. Millions)

Particulars	**Annexure**	**For the half year ended**	**For the year ended**				
		30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
REVENUE							
Revenue from operations	**15**	4,481.24	5,993.17	3,478.89	2,225.19	1,482.43	1,518.93
Other Income	**16**	141.48	125.64	97.73	114.10	80.60	45.50
Total Revenue	**A**	**4,622.72**	**6,118.81**	**3,576.62**	**2,339.29**	**1,563.03**	**1,564.43**
EXPENSES							
Employee benefits expense	**15**	933.57	1,329.58	814.91	659.14	603.39	555.61
Provision / write off for receivable under financing activity	**15**	109.08	210.48	82.92	69.03	57.62	45.37
Finance costs	**15**	1,962.40	2,713.81	1,398.53	820.78	609.29	481.29
Depreciation and amortisation expense	**9**	38.44	67.42	31.47	25.22	24.04	26.15
Administrative and Other expenses	**15**	450.46	652.39	360.37	288.12	270.18	283.42
Total Expenses	**B**	**3,493.95**	**4,973.68**	**2,688.20**	**1,862.29**	**1,564.52**	**1,391.84**
Profit/(Loss) before tax and exceptional items (A - B)	**C**	**1,128.77**	**1,145.13**	**888.42**	**477.00**	**(1.49)**	**172.59**
EXCEPTIONAL ITEMS							
Effect of increase / (decrease) in profits		-	-	-	-	-	-
Total Exceptional Items	**D**	**-**	**-**	**-**	**-**	**-**	**-**
Profit/(Loss) before tax (C + D)	**E**	**1,128.77**	**1,145.13**	**888.42**	**477.00**	**(1.49)**	**172.59**
TAX EXPENSE							
(a) Current tax expense		435.00	470.00	317.00	161.00	15.80	73.00
(b) Provision for tax of earlier year		-	(1.95)	(0.84)	-	-	-
(c) Deferred tax		(43.54)	(80.80)	(11.90)	(12.70)	(18.62)	(17.33)
Tax expense	**F**	**391.46**	**387.25**	**304.26**	**148.30**	**(2.82)**	**55.67**
Net Profit / (Loss) for the year (as restated) (E - F)	**G**	**737.31**	**757.88**	**584.16**	**328.70**	**1.33**	**116.92**
Earnings per Equity share:	**18**						
(a) Basic		8.56	11.24	8.91	5.33	0.03	3.36
(b) Diluted		8.19	10.62	8.38	4.97	0.03	3.09

The accompanying summary of significant accounting policies (Annexure - 5) and notes to accounts (Annexures 4 - 21) are an integral part of this statement.

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner
Membership Number: 25776

Place: Bengaluru
Date:

For and on behalf of the Board of Directors

Samit Ghosh
Managing Director

Sunil Patel
Director

Sanjeev Barnwal
Company Secretary

Sudha Suresh
Chief Financial Officer

Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)

Annexure 3: Summary Statement of Cash Flows, as restated

(Amount in Rs. Millions)

Particulars	For the half year ended	For the year ended				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net Profit as per Statement of Profit & Loss as restated	1,128.77	1,145.13	888.42	477.00	(1.49)	172.59
Adjustments for						
Depreciation and amortisation expenses	38.44	67.42	31.47	25.22	24.04	26.15
(Profit)/Loss on Sale of investment	(65.98)	(44.66)	(29.50)	(11.40)	0.10	(0.01)
Dividend on Mutual Funds	-	-	-	(11.94)	(14.94)	(9.91)
Bad debts written off against provision reversed	(7.57)	(10.08)	(8.92)	(66.84)	-	-
Provision for Receivables under Financing Activities	107.96	204.50	81.38	63.29	35.50	37.91
Provision for advances	1.41	1.84	2.45	2.11	1.72	-
Advances written off	3.67	0.93	0.15	3.68	0.09	5.17
Fixed assets written off	0.04	0.85	0.05	1.42	-	-
Interest on fixed deposits	(63.85)	(68.37)	(34.46)	(32.18)	(23.87)	(7.07)
Loss /(Profit) on sale of Fixed Assets	(0.18)	0.43	4.87	0.46	0.31	0.58
Operating Profit before Working capital changes	**1,142.71**	**1,297.99**	**935.91**	**450.82**	**21.46**	**225.41**
Changes in working capital:						
(Increase) / Decrease in Receivables under Financing Activity	(6,737.06)	(12,422.80)	(4,402.17)	(2,562.39)	(660.12)	(2,489.35)
(Increase) / Decrease in Loans and advances	(258.22)	(116.66)	(64.95)	(48.22)	(3.38)	(22.38)
(Increase) / Decrease in Other assets	(1,927.68)	(3,780.61)	(591.47)	(1,797.19)	(132.98)	(153.26)
Increase / (Decrease) in Trade payables	(1.15)	67.25	2.60	7.07	(1.96)	529.73
Increase / (Decrease) in Other current liabilities	58.74	323.40	43.95	(8.88)	(884.68)	-
Increase / (Decrease) in Short-term provisions	102.16	179.42	68.08	(5.32)	38.78	-
Increase / (Decrease) in Long-term provisions	(80.10)	(157.90)	(61.10)	14.21	(34.72)	-
Cash flow from operations	**(7,700.60)**	**(14,609.91)**	**(4,069.15)**	**(3,949.90)**	**(1,657.60)**	**(1,909.85)**
Tax paid	(333.83)	(469.81)	(313.70)	(144.72)	(18.27)	(75.98)
Net Cash from operating activities (A)	**(8,034.43)**	**(15,079.72)**	**(4,382.85)**	**(4,094.62)**	**(1,675.87)**	**(1,985.83)**
Cash flows from Investing activities						
Investments in shares	-	-	(0.01)	-	-	-
Purchase of investments	(17,910.30)	(16,975.05)	(7,874.61)	(7,542.57)	(6,443.00)	-
Proceeds on sale of investments	17,976.27	17,019.71	7,904.11	7,565.91	6,457.84	-
Purchase of fixed assets	(134.06)	(137.51)	(53.19)	(28.52)	(32.97)	(45.56)
Proceeds on sale of fixed assets	0.75	1.98	0.94	0.87	0.71	0.41
Interest on fixed deposits	70.23	66.43	29.13	32.18	23.87	7.07
Income from investments	-	-	-	-	-	0.01
Dividend from mutual funds	-	-	-	-	-	9.91
Net Cash from investing activities (B)	**2.89**	**(24.44)**	**6.37**	**27.87**	**6.45**	**(28.16)**
Cash flows from financing activities						
Proceeds from issue of share capital & securities premium (net)	-	2,940.28	-	466.70	1,247.88	-
Dividend and dividend tax paid	(51.83)	(38.41)	(19.24)	-	(8.10)	(8.13)
Borrowings from banks / others	11,867.50	28,031.94	13,601.77	7,160.02	4,670.00	4,465.29
Repayment of borrowings from banks / others	(9,433.62)	(13,313.85)	(7,076.77)	(3,357.83)	(3,218.87)	(2,113.56)
Net Cash from financing activities (C)	**2,382.05**	**17,619.96**	**6,505.76**	**4,268.89**	**2,690.91**	**2,343.60**
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	**(5,649.49)**	**2,515.80**	**2,129.28**	**202.14**	**1,021.49**	**329.61**
Balance of cash and cash equivalents - Opening	**6,377.84**	**3,862.04**	**1,732.76**	**1,530.62**	**509.13**	**179.52**
Balance of cash and cash equivalents - Closing	**728.35**	**6,377.84**	**3,862.04**	**1,732.76**	**1,530.62**	**509.13**

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow Statements'.
2. The accompanying summary of significant accounting policies (Annexure - 5) and notes to accounts (Annexures 4 - 21) are an integral part of this statement.
3. Refer Annexure 13 for items included in cash and cash equivalents.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S Sundaresan
Partner

Samit Ghosh
Managing Director

Sunil Patel
Director

Place: Bangalore
Date:

Sanjeev Barnwal
Company Secretary

Sudha Suresh
Chief Financial Officer

Annexure 4: Summary Statement of Adjustments to Audited Financial Information

(Amount in Rs. Millions)

Particulars	Note ref	For the period	For the year ended				
		30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net Profit / (Loss) for the year (as per audited accounts) (A)		**737.31**	**757.88**	**550.37**	**338.52**	**17.15**	**114.09**
Restatement Adjustments							
Increase / (decrease) in net profits for restatement adjustments:							
- Provision for tax of earlier years		-	-	-	-	-	6.00
- Processing fee		-	-	50.02	(14.54)	(23.42)	(4.69)
Total effect of adjustments before tax (B)		**-**	**-**	**50.02**	**(14.54)**	**(23.42)**	**1.31**
Tax adjustments							
Deferred tax		-	-	16.23	(4.72)	(7.60)	(1.52)
Total of tax adjustments (C)		**-**	**-**	**16.23**	**(4.72)**	**(7.60)**	**(1.52)**
Net effect of increase in profit/ (loss) on adjustments after tax (D) = (B - C)		**-**	**-**	**33.79**	**(9.82)**	**(15.82)**	**2.83**
Net Profit / (Loss) for the year as restated (E) = (A + D)		**737.31**	**757.88**	**584.16**	**328.70**	**1.33**	**116.92**

Explanatory Notes for the adjustments:

a) Prior period items accounted for the period ended upto September 30, 2015 includes

(Amount in Rs. Millions)

Financial year	**Adjustment for decrease in**	
2015 - 2016		-
2014 - 2015		-
2013 - 2014		-
2012 - 2013		-
2011 - 2012		-
2010 - 2011 :		
-Tax provision relating to earlier years		6.00
-Reversal of processing fees net of deferred taxes		4.98
Total	**-**	**10.98**

Provision for tax related to financial year 2009-10 was made in financial year 2010-11. The same has been adjusted in the year 2010-11 in the Restated Statement of Profit and Loss.

b) The following regrouping adjustments made in respect of change in accounting policy to the audited financial statements for the respective years are given below:

(Amount in Rs. Millions)

Particulars	For the period ended	For the year ended				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Increase / (decrease) in profits due to adjustment of following:						
- Processing fee, net	-	-	50.02	(14.54)	(23.42)	(4.69)

Note:

• Processing fees during the financial years 2010-11, 2011-12 and 2012-13 were being amortised over the period of the borrowings and disclosed as prepaid expenses, however the policy was changed in the financial year 2013-14 and were being fully amortised in the same year. In order to maintain uniformity, the processing fees pertaining to the relevant years have been adjusted accordingly.

• The above restatement will have corresponding impact on deferred taxes. Accordingly, the originating timing differences on account of restatement for the above years have been considered in the respective financial years.

c) Material regrouping:

With effect from April 1, 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 in accordance with the requirements applicable for the half year ended September 30, 2015.

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statement of the Company as at and for the half year ended September 30, 2015, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended).

Annexure 4: Summary Statement of Adjustments to Audited Financial Information

d) Non-Adjustment Items

Audit reservations / qualifications, which do not require any corrective adjustment in the financial information:

(a) The details of fraud identified and reported by the management relating to misappropriation of funds by certain employees as given below.

(Amount in Rs. Millions)

Particulars	**30-Sep-15**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Amount of fraud reported as on	0.53	1.41	0.44	4.36	2.99	1.54
Amount recovered as on	0.38	0.55	0.36	0.99	1.69	0.71

(b) As per requirement of Clause 1(b) of paragraph 4 of CARO 2003
During the year ending March 31, 2014, fixed assets were physically verified by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, the company is still in the process of reconciling the physical assets with book records.

Details of dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes are given below:

(Amount in Rs. Millions)

Nature of Dues and Name of Statute	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved (Rs. in Million)**	**Reported in the CARO for the year ended**
Finance Act 1994 - Service Tax	Additional Commissioner	2006-10	0.57	31-Mar-11
Finance Act 1994 - Service Tax	Additional Commissioner	2006-10	0.56	31-Mar-12
Finance Act 1994 - Service Tax	Additional Commissioner	2006-10	0.56	31-Mar-13

ANNEXURE 5: SIGNIFICANT ACCOUNTING POLICIES

5.1 BACKGROUND

The statement of restated assets and liabilities as at September 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and statement of restated profit and loss and cash flow for the half year ended September 30, 2015 and years then ended March 31, 2015, 2014, 2013, 2012 and 2011 (hereinafter collectively referred to as "Restated Summary Statements") relate to Ujjivan Financial Services Limited (formerly Ujjivan Financial Services Private Limited) ("the Company") and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies and relevant stock exchange/s in connection with its proposed Initial Public Offering.

These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule III to the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

5.2 CORPORATE INFORMATION

Ujjivan Financial Services Limited (formerly Ujjivan Financial Services Private Limited) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a Microfinance institution serving the economically active poor in urban and semi-urban areas. The Company has received registration as NBFC-MFI categorised as Non Deposit taking Systematically Important (ND-SI) under Non-Banking Financial Company Micro Finance Institutions (NBFC - MFIs) directions on September 5, 2013. The Company has its headquarters in Bangalore with regional offices in New Delhi, Kolkata and Pune. It has 469 branches in 24 states and Union Territories across India as on September 30, 2015.

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.3.1. Basis of preparation

The Financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standard specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013 ('the 2013 Act') / Companies Act 1956 ('the 1956 Act') as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements have been prepared on accrual basis under the historical cost convention and considering the directions issued by the Reserve Bank of India (RBI) to the extent applicable to the Company.

The financial statements for the five years had been originally prepared in Rupees whereas the restated financials are presented in millions.

The financial statements of respective years have been restated in line with the accounting policies followed for the half year ended September 30, 2015.

5.3.2. Use of estimates

The presentation of financial statements in conformity with Indian GAAP which requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liability) and the reported income and expenses during the year. The management believes that the estimate used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known/material.

5.3.3. Cash flow statement

The Cash Flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any defferals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

Cash and cash equivalents (for the purpose of cash flow statement)

Cash comprises of cash on hand and demand deposits with bank. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

5.3.4. Tangible and Intangible assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost of an asset comprises its purchase price (net of capital grants) and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

5.3.5. Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period/year is revised to reflect the changed pattern, if any.

5.3.6. Investments

Investments are classified into current investments and long term investments. Current investments are carried at lower of cost or fair value. Long term investments are carried individually at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Cost of investments include acquisition charges such as brokerage, fees and duties.

5.3.7.Receivables under Financing Activity

Receivables are classified into 'Performing and Non-Performing' assets in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and NBFC, MFI directions (as applicable) issued by the Reserve Bank of India as amended from time to time.

5.3.8.Revenue

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

Revenues from Non-Performing, loan documentation and meeting charges are recognized as income on cash basis.

Interest income on fixed deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Profit / premium arising at the time of securitisation of loan portfolio is amortised over the life of the underlying loan portfolio / securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess interest spread) is recognized in the Statement of Profit and Loss account net of any losses when redeemed in cash.

5.3.9.Grants

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

5.3.10. Employee benefits

Employee benefits include Provident Fund, Employee State Insurance scheme, gratuity fund contribution and compensated absences

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

b) Defined Contribution Plan

Company's contributions to Provident Fund, Pension Fund and Employee State Insurance scheme are considered as defined contribution plan and are charged as expense based on amount of contribution required to be made and when services are rendered by the employees.

c) Defined Benefit Plan

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

d) Long term employee benefits

Liability for compensated absences is provided based on actuarial valuation carried out at the end of the financial period using Projected Unit Credit Method and is not funded. Past service cost is recognized immediately to the extent that the benefits are already used and otherwise is amortised on straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognised past service cost, as redeemed by the fair value of scheme assets.

Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are recognised as a liability at the present value of the defined benefit obligations as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or expense in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

5.3.11. Lease

Lease rentals under operating lease are charged to the Statement of Profit and Loss on straight line basis over the lease term.

Assets leased by the Company in its capacity as a lessee, in which substantially all the risk and rewards of ownership vest in the Company are classified as finance leases. Lease arrangements where risk and rewards incidental to ownership of an assets substantially vest with the lessor are recognised as operating leases.

5.3.12. Earnings per share

In determining the earnings per share, the Company considers the net profit / (loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be diluted only if their conversion to equity share would decrease the net profit per share from continuing ordinary operations. Diluted potential equity shares are determined independently for the each period presented.

5.3.13. Borrowing costs

Borrowing costs attributable to qualifying assets (assets which require substantial period of time to get ready for their intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

5.3.14. Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

5.3.15. Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in notes. Contingent assets are not recognised in the financial statements.

5.3.16. Employee Stock Option Plan

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

5.3.17. Operating Cycle

Based on the nature of activities of the Company and normal time between acquisition of assets and their realisation in cash and cash equivalent, the Company has determined operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

Annexure 6: Summary Statement of Share Capital, as restated

Particulars	As at 30-Sep-15	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
Authorised capital						
Equity shares of Rs.10/- each, with voting rights						
- Number of shares	100,000,000	100,000,000	75,000,000	75,000,000	75,000,000	60,000,000
- Amount in Rs. Millions	1,000.00	1,000.00	750.00	750.00	750.00	600.00
Issued, subscribed and paid-up capital						
A. Fully paid-up						
Equity shares of Rs.10/- each, with voting rights						
- Number of shares	86,132,969	86,132,969	65,581,363	65,581,363	57,286,626	34,842,460
- Amount in Rs. Millions	861.33	861.33	655.81	655.81	572.87	348.42
Total paid-up capital (Amount in Rs. Millions)	**861.33**	**861.33**	**655.81**	**655.81**	**572.87**	**348.42**

Nominal value of shares Rs.10. During the year 2010-11, the company has sub divided its Equity shares of face value of Rs.100/- each to Equity share of face value of Rs.10/- pursuant to approval of members in the Extra Ordinary General Meeting held on October 12, 2010

a) **Terms & Rights attached to each class of shares:**

The Company has only one class of equity shares with voting rights (one vote per share). The distribution of dividend is in proportion to the number of equity shares held by the shareholders.

b) **Details of Shareholders holding more than 5% shares in the Company**

Name of shareholder	As at 30-Sep-15	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
CDC Group Plc	10,932,696	10,932,696	-	-	-	-
- Percentage of holding (%)	12.69%	12.69%	-	-	-	-
Alena Private Limited	10,790,943	9,207,251	-	-	-	-
- Percentage of holding (%)	12.53%	10.69%	-	-	-	-
NewQuest Asia Investments II Limited	8,199,522	8,199,522	-	-	-	-
- Percentage of holding (%)	9.52%	9.52%	-	-	-	-
Elevar Equity Mauritius	6,355,684	6,355,684	5,535,732	5,535,732	5,535,732	3,342,750
- Percentage of holding (%)	7.38%	7.38%	8.44%	8.44%	9.66%	9.59%
Lok Capital II LLC	5,870,426	5,870,426	5,870,426	5,870,426	-	-
- Percentage of holding (%)	6.82%	6.82%	8.95%	8.95%	-	-
International Finance Corporation	10,202,406	10,202,406	7,894,737	7,894,737	-	-
- Percentage of holding (%)	11.84%	11.84%	12.04%	12.04%	-	-
Women's World Banking Capital Partners.L.P. (formerly known as WWB ISIS Fund Limited Partnership)	5,406,628	5,406,628	4,290,610	4,290,610	-	-
- Percentage of holding (%)	6.28%	6.28%	6.54%	6.54%	-	-
Bajaj Holdings & Investment Limited	5,124,702	5,124,702	-	-	-	-
- Percentage of holding (%)	5.95%	5.95%	-	-	-	-
Mauritius Unitus Corporation	-	-	4,869,476	4,869,476	4,869,476	4,430,880
- Percentage of holding (%)	-	-	7.43%	7.43%	8.50%	12.72%
Sequoia Capital India Investments III	-	-	9,529,376	9,529,376	9,529,376	7,774,990
- Percentage of holding (%)	-	-	14.53%	14.53%	16.63%	22.31%
WCP Holdings III	-	-	7,017,544	7,017,544	7,017,544	-
- Percentage of holding (%)	-	-	10.70%	10.70%	12.25%	-
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	-	-	6,120,000	6,120,000	5,720,000	-
- Percentage of holding (%)	-	-	9.33%	9.33%	9.98%	-
India Financial Inclusion Fund	-	-	5,896,182	5,896,182	5,896,182	2,387,410
- Percentage of holding (%)	-	-	8.99%	8.99%	10.29%	6.85%
Bellwether Microfinance Fund	-	-	-	-	4,116,040	4,116,040
- Percentage of holding (%)	-	-	-	-	7.18%	11.81%
Michael and Susan Dell Foundation	-	-	-	-	3,556,810	3,556,810
- Percentage of holding (%)	-	-	-	-	6.21%	10.21%

Annexure 7: Summary Statement of Reserves and Surplus, as restated

(Amount in Rs. Millions)

Particulars		As at 30-Sep-15	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
(a) Securities premium account							
Opening balance		4,818.75	2,083.98	2,083.98	1,700.23	676.79	676.79
Add: Premium on shares issued during the year		-	2,802.21	-	389.85	1,054.88	-
Less: Utilised during the year for:							
a) writing off share issue expenses		-	67.44	-	6.10	30.13	-
b) discount on debentures		-	-	-	-	1.31	-
Closing balance	**A**	**4,818.75**	**4,818.75**	**2,083.98**	**2,083.98**	**1,700.23**	**676.79**
(b) Statutory reserve*							
Opening balance		374.89	223.31	113.23	45.53	42.10	19.28
Add: Addition during the year		147.46	151.58	110.08	67.70	3.43	22.82
Closing balance	**B**	**522.35**	**374.89**	**223.31**	**113.23**	**45.53**	**42.10**
(c) Other reserves							
Opening balance		1.30	1.30	1.30	1.30	1.30	1.30
Add: Addition during the year		-	-	-	-	-	-
Closing balance	**C**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**
(d) Surplus or deficit in statement of Profit and Loss							
Opening balance		1,308.23	760.87	325.26	83.43	85.53	(0.47)
Add: Restated profits for the year		737.31	757.88	584.16	328.71	1.33	116.92
Less: Dividends proposed to be distributed		-	43.07	32.79	16.39	-	6.97
Less: Tax on proposed Dividend		-	8.77	5.57	2.79	-	1.13
Less: Tax on Dividend of earlier year		-	-	0.11	-	-	-
Less: Depreciation adjustment (Refer Annexure 9)		-	7.11	-	-	-	-
Less: Transferred to statutory reserve		147.46	151.57	110.08	67.70	3.43	22.82
Closing balance	**D**	**1,898.08**	**1,308.23**	**760.87**	**325.26**	**83.43**	**85.53**
Total (A + B + C + D)		**7,240.48**	**6,503.17**	**3,069.46**	**2,523.77**	**1,830.49**	**805.72**

* Transfer of 20% of the profit after tax before restatement adjustment, if any, to the statutory reserves in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934.

Annexure 8: Summary Statement of Secured and Unsecured Loans, as restated

(Amount in Rs. Millions)

Particulars		**As at**	**As at**				
		30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Secured loans							
Non Convertible Debentures (Refer Note below)							
Long term borrowings		4,687.50	2,275.00	730.00	230.00	840.00	400.00
Current maturities of long-term borrowings		775.00	705.00	400.00	1,010.00	400.00	450.00
		5,462.50	2,980.00	1,130.00	1,240.00	1,240.00	850.00
- Term loans from banks (Refer Note below)							
Long term borrowings		6,609.12	7,774.19	4,294.94	3,159.74	1,227.38	689.33
Current maturities of long-term borrowings		16,182.82	15,895.08	9,514.96	4,542.05	2,679.22	2,135.87
		22,791.94	23,669.27	13,809.90	7,701.79	3,906.60	2,825.20
- Term loans from NBFCs (Refer Note below)							
Long term borrowings		344.91	1,130.32	-	-	-	-
Current maturities of long-term borrowings		1,278.75	540.47	-	-	-	-
		1,623.66	1,670.79	-	-	-	-
- Term loans from others (Refer Note below)							
Long term borrowings		1,333.33	1,151.42	591.53	445.02	483.03	581.07
Current maturities of long-term borrowings		1,382.51	1,143.80	913.93	547.80	542.16	453.79
		2,715.84	2,295.22	1,505.46	992.82	1,025.19	1,034.86
- Cash Credit from Banks							
Short term borrowings		0.27	45.03	19.27	40.02	-	8.79
Total	**A**	**32,594.21**	**30,660.31**	**16,464.63**	**9,974.63**	**6,171.79**	**4,718.85**
Unsecured loans*							
Long term borrowings		500.00	500.00	35.00	-	-	0.65
Current maturities of long-term borrowings		557.40	57.40	-	-	0.65	1.80
Total	**B**	**1,057.40**	**557.40**	**35.00**	**-**	**0.65**	**2.45**
Total borrowings (A + B)		**33,651.61**	**31,217.71**	**16,499.63**	**9,974.63**	**6,172.44**	**4,721.30**
Total borrowings represented by:							
- Long-term borrowings		13,474.86	12,830.93	5,651.47	3,834.76	2,550.41	1,671.05
- Short-term borrowings		0.27	45.03	19.27	40.02	-	8.79
- Current maturities of borrowings (included in Annexure 14- Other-current liabilities)							
a) Current maturities of non convertible debentures		775.00	705.00	400.00	1,010.00	400.00	450.00
b) Current maturities of long-term borrowings		19,401.48	17,636.75	10,428.89	5,089.85	3,222.03	2,591.46
Total		**33,651.61**	**31,217.71**	**16,499.63**	**9,974.63**	**6,172.44**	**4,721.30**

Note:
Borrowings are secured by hypothecation of book debts.
There are no borrowings from related parties at the end of any of the above years.

*The above borrowings can be recalled at anytime at the discretion of the bank.

Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)

Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated
Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30- Sep -15:
a) Secured term loans from Banks

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount in Rs. Million Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment charges	Default charges
1	Axis Bank	500.00	125.00	Base Rate + 1.75%	8 quarterly installments without moratorium. First installment due from 3rd month from disbursement	2	To be decided as and when prepaid	2%
2	Axis Bank	750.00	428.57	Base Rate + 2.25%		4		
3	Axis Bank	500.00	357.14	Base Rate + 2.35%		5		
4	Axis Bank	750.00	642.86	Base Rate + 1.85%		6		
5	Axis Bank	1,250.00	800.00	Base Rate + 1.40%		7		
		-						
6	ING Vysya	200.00	25.00	Base Rate +2.95%	24 equal monthly installments after 3 months from date of drawal	3	2%	2%
7	ING Vysya	150.00	37.50	Base Rate +2.80%		6		
8	ING Vysya	230.00	143.75	Base Rate +2.60%		15		
		-						
9	Kotak Bank	500.00	46.55	Base Rate + 3.05%	24 months EMI	2	Prepayment charges as applicable	2%
10	Kotak Bank	1,000.00	550.42	Base Rate + 2.25%		18		
11	Kotak Bank	500.00	133.33	Base Rate + 2.25%		16		
12	Kotak Bank		287.50	Base Rate + 2.25%		23		
13	Kotak Bank	1,000.00	335.42	Base Rate + 1.50%		23		
14	Kotak Bank		499.99	Base Rate + 1.50%		24		
15	CORPORATION BANK	5,000.00	499.99	Base Rate + 2.00%	24 equal monthly installments after 6 months moratorium	24	2%	As applicable
16	HDFC	832.00	221.87	Base Rate + 3.65%	15 Monthly installments after 3 months moratorium	4	Prepayment charges as applicable	2%
17	HDFC	1,350.00	571.43	Base Rate + 3.65%	21 Monthly installments after 3 months moratorium	16		
18	HDFC		514.28	Base Rate + 3.65%	21 Monthly installments after 3 months moratorium	18		
19	DCB Bank Ltd	150.00	6.25	Base Rate + 2.25%	24 equal monthly installments after 2 months moratorium	1	2%	2%
20	DCB Bank Ltd	150.00	31.25	Base Rate + 1.65%	24 equal monthly installments after 2 months moratorium	5		
21	DCB Bank Ltd	130.00	59.58	Base Rate + 1.65%	24 equal monthly installments after 2 months moratorium	11		
22	DCB Bank Ltd	120.00	80.00	Base Rate + 1.25%	24 equal monthly installments after 2 months moratorium	16		
23	DCB Bank Ltd	170.00	170.00	Base Rate + 1.15%		24		

Ujjivan Financial Services Limited
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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated
Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30- Sep -15:
a) Secured term loans from Banks

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount in Rs. Million Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment charges	Default charges
24	Bank of America	250.00	250.00	Base Rate + 2.85%	Bullet Payment	1	2%	2%
			-					
25	Yes Bank	750.00	58.33	Base Rate + 1.75%	24 monthly installments	4	2%	2%
26	Yes Bank		62.50	Base Rate + 1.75%		5		
27	Yes Bank		25.00	Base Rate + 1.75%		6		
28	Yes Bank	1,250.00	652.92	Base Rate + 1.75%		17		
29	Yes Bank	1,000.00	375.00	Base Rate + 1.00%		18		
30	Yes Bank		458.33	Base Rate + 1.00%		22		
31	South Indian Bank	150.00	90.00	Base Rate + 2.80%	10 quarterly installments commencing 6 months from drawdown	6	If Closed from own Sources after 2 years- NIL If Closed from own Sources before two years- 1% If Closed through take over by other	2%
32	South Indian Bank	200.00	200.00	Base Rate + 2.30%	10 quarterly installments commencing 6 months from drawdown	10		
33	IDBI Bank	1,250.00	11.00	Base Rate + 2.25%	21 Monthly installments after 3 months moratorium	1	1%	2%
34	IDBI Bank		66.00	Base Rate + 2.25%		2		
35	IDBI Bank		46.85	Base Rate + 2.25%		4		
36	IDBI Bank	1,500.00	713.50	Base Rate + 2.25%		10		
37	IDBI Bank	1,000.00	666.66	Base Rate + 2.25%		14		
38	IDBI Bank	2,000.00	500.00	Base Rate + 1.75%		24		
39	State Bank of India	500.00	348.80	Base Rate +2.50%	30 Monthly installments after 3 months moratorium	21	As Applicable	
40	State Bank of Patiala	250.00	181.80	Base Rate +2.25%	33 Monthly installments after 3 months moratorium	24	2%	1%
41	State Bank of Travancore	200.00	55.99	Base Rate + 2.30%	21 equal monthly installments after 3 months from date of drawal	6	As Applicable	2%
42	Standard Chartered Bank	562.50	375.00	Base Rate + 2.25%	4 quarterly installments	2	Prepayment charges as applicable	2%
43	Standard Chartered Bank	450.00	225.00	Base Rate + 3.00%		2		
44	Standard Chartered Bank		112.50	Base Rate + 2.15%		1		
45	Standard Chartered Bank		112.50	Base Rate + 2.15%		1		
46	Standard Chartered Bank	220.00	110.00	Base Rate + 2.00%		2		
47	Standard Chartered Bank		55.00	Base Rate + 2.15%		1		

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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated
Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30- Sep -15:
a) Secured term loans from Banks

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount in Rs. Million Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment charges	Default charges
48	RBL Bank	470.00	117.50	Base Rate+1.75%	8 quarterly installments commencing 6 months from drawdown	2	Prepayment charges as applicable	2%
49	RBL Bank	400.00	200.00	Base Rate+1.5%	8 quarterly installments commencing 6 months from drawdown	4		
50	RBL Bank	650.00	487.50	Base Rate+1.5%	8 quarterly installments commencing 6 months from drawdown	6		
51	RBL Bank	1,350.00	650.00	Base Rate+0.95%	8 quarterly installments commencing 6 months from drawdown	8		
52	Andhra Bank	200.00	33.33	Base Rate + 2.25%	36 monthly installments	6	2%	2%
53	Andhra Bank	500.00	305.56	Base Rate + 2.00%	36 monthly installments	22		
54	Andhra Bank	750.00	500.00	Base Rate + 1.50%	24 Monthly installments	24		
55	Dhanlaxmi Bank	200.00	150.00	Base Rate + 1.25%	8 quarterly installments after 3 months from drawdown	6	2% if within 12 months ; 1	2%
56	The Hongkong and Shanghai Banking Corporation Limited	415.00	11.11	Base Rate + 2.15%	21 equal monthly installments after 3 months from date of drawal	1	As per Bank's discretion	
57	The Hongkong and Shanghai Banking Corporation Limited		23.89	Base Rate + 2.15%		2		
58	The Hongkong and Shanghai Banking Corporation Limited	500.00	277.78	Base Rate + 1.90%	18 monthly installments after 6 months from date of drawal	10		
59	The Hongkong and Shanghai Banking Corporation Limited	200.00	166.67	Base Rate + 1.90%	18 monthly installments after 6 months from date of drawal	15		
60	The Hongkong and Shanghai Banking Corporation Limited	500.00	500.00	Base Rate + 1.65%	18 monthly installments after 6 months from date of drawal	21		

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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated
Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30- Sep -15:
a) Secured term loans from Banks

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount in Rs. Million Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment charges	Default charges
61	Union Bank of India	250.00	72.90	Base Rate + 2.50%	24 equal monthly installments after 2 months moratorium	7	1%	2%
62	Union Bank of India	400.00	266.67	Base Rate + 2.50%	24 equal monthly installments after 2 months moratorium	16		
63	IndusInd Bank	500.00	20.83	Base Rate +1.85%	24 equal monthly installments	1	Prepayment charges as applicable	Default charges as applicable
64	IndusInd Bank	312.50	81.52	Base Rate +2%	23 equal monthly installments	6	Prepayment charges as applicable	Default charges as applicable
65	IndusInd Bank	500.00	239.13	Base Rate +1.5%	23 equal monthly installments	11	Prepayment charges as applicable	Default charges as applicable
66	IndusInd Bank	250.00	50.00	Base Rate +2%	10 equal monthly installments	2	Prepayment charges as applicable	Default charges as applicable
67	ICICI Bank	400.00	18.75	Base Rate +2.8%	8 quarterly installments with a moratorium period of 3 months	1	1%	Documented Rate +6%
68	ICICI Bank		62.50	Base Rate +2.8%		2		
69	ICICI Bank	350.00	87.50	Base Rate +2.8%		2		
70	ICICI Bank	750.00	562.50	Base Rate +2.25%		6		
71	Indian Overseas Bank	1,250.00	1,071.50	Base Rate +2.5%	7 quarterly installments with a moratorium period of 3 months	6	Prepayment charges as applicable	2%
72	Federal Bank	250.00	125.00	Base Rate +3.05%	12 quarterly installments with a moratorium period of 3 months	6	2%	2%
73	Federal Bank	250.00	166.67	Base Rate +2.80%	12 quarterly installments with a moratorium period of 3 months	8		
74	Federal Bank	250.00	218.75	Base Rate +1.95%	8 quarterly installments with a moratorium period of 3 months	7		
75	BNP Paribas	410.00	205.00	Base Rate +2.60%	8 quarterly installments without moratorium. First installment due from 3rd month from	4	Prepayment charges as applicable	2%
76	BNP Paribas	300.00	300.00	Base Rate +1.10%		8		
			-					
77	Dena Bank	300.00	225.00	Base Rate +2.25%	24 equal monthly installments	18	Prepayment charges as applicable	2%

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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated
Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30- Sep -15:
a) Secured term loans from Banks

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount in Rs. Million Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment charges	Default charges
78	Bank of Baroda	500.00	426.20	Base Rate +2.35%	21 Monthly installments after 3 months moratorium	17	0.50% with a cap of 2%; However prepayemt or accelerated repayment out cash generated from own sources wont attract any cahrges	1-2%
79	State Bank of Hyderabad	250.00	208.17	Base Rate +2.05%	12 quarterly installments commencing from month after drawal	10	2% Loan PrePaid from own sources will not attract charges	As Applicable
80	Canara Bank	200.00	175.00	Base Rate +2.00%	8 quarterly installments with a moratorium period of 3 months	7	Prepayment charges as applicable	2%
81	Central Bank of India	250.00	62.45	Base Rate +2.55%	8 quarterly installments with a moratorium period of 3 months	2	Prepayment charges as applicable	2%
			-					
82	CitiBank	600.00	600.00	Base Rate +1.90%	Bullet payment	1	Prepayment charges as applicable	As Applicable
83	Oriental Bank of Commerce	150.00	37.39	Base Rate +2.50%	24 equal monthly installments	6	1%	As Applicable
84	Oriental Bank of Commerce	250.00	50.00	Base Rate +1.50%	24 equal monthly installments	24	1%	As Applicable
85	Bank of Maharashtra	750.00	750.00	Base rate + 1.50%	Quaterly installments(24 months)	8	Nil	As Applicable
86	SBER Bank	180.00	180.00	Base Rate + 2.0%	Bullet	1	1%	Interest Rate + 2%
87	Societe Generale	180.00	67.50	Base Rate +2.6%	24 equal monthly installments	9	Prepayment charges as applicable	2%
88	Societe Generale	450.00	311.06	Base Rate +2.35%	24 equal monthly installments	16		

Ujjivan Financial Services Limited
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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated
Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30- Sep -15:
a) Secured term loans from Banks

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount in Rs. Million Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment charges	Default charges
89	Vijaya Bank	250.00	62.50	Base Rate +2.30%	8 quarterly installments with a moratorium period of 3 months	2	Prepayment charges as applicable	2%
90	Vijaya Bank	150.00	93.75	Base Rate +2.30%	8 quarterly installments with a moratorium period of 3 months	5		
			-					
91	Abu Dhabi Commercial Bank	250.00	250.00	Base Rate + 1.55%	24 Equal Monthly installments	24	As applicable	
	Grand Total		**22,791.94**					

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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30-Sep-15:
b) Secured term loans (equipment finance loans) from NBFCs and other parties

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount Rs. in Million Outstanding as at 30-Sep-15	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment Charges	Default Charges	Security
1	Small Industries Development Bank of India	705.00	3.00	54 Monthly Installments after 6 months moratorium	2	Prepayment Charges as applicable	2%	A)Exclusive first charge by way of hypothecation of book debts / receivables created out of the assistance availed from SIDBI B)The borrower shall deposit and charge with SIDBI, duly discharged Term Deposit Receipts [TDRs] issued by SIDBI for an amount equivalent to 2.5% of the loan amount disbursed by SIDBI from time to time as security
2	Small Industries Development Bank of India	455.00	9.18	54 Monthly Installments after 6 months moratorium	11			
3	Small Industries Development Bank of India	1,000.00	370.32	27 Monthly Installments after 3 months moratorium	11			
4	Small Industries Development Bank of India	750.00	500.00	27 Monthly Installments after 3 months moratorium	18			
5	IFMR Capital Finance Private Limited	200.00	81.54	24 months EMI	9	2%	Coupon + 2%	Book Debts(Exclusive Charge by way of hypothecation of specific book debts) of 100% & cash collateral of 5%
6	IFMR Capital Finance Private Limited	110.00	63.32	24 months EMI	13			Book Debts(Exclusive Charge by way of hypothecation of specific book debts) of 100% & cash collateral of 5%
7	Captal First Limited	500.00	500.00	Bullet	1	2%	2%	Book Debts(First & Exclusive Charge by way of hypothecation of specific book debts) of 120%

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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30-Sep-15:
b) Secured term loans (equipment finance loans) from NBFCs and other parties

No	Name of Lender	Amount Sanctioned (Rs in Mio)	Amount Rs. in Million Outstanding as at 30-Sep-15	Repayment terms	No. of installments outstanding as at 30-Sep-15	Prepayment Charges	Default Charges	Security
8	Tata Capital Financial Services Limited	200.00	150.00	24 monthly installments	18	2%	2%	Book Debts(Exclusive Charge by way of hypothecation of specific book debts(50% JLG & 50% IL) of 110%
9	Hero Fin Corp Limited	250.00	250.00	30 monthly installments after 6 months from date of drawal	30	1%	2%	Book Debts(Exclusive Charge by way of hypothecation of specific book debts) of 110%
10	L&T Fin Corp Limited	500.00	195.65	23 Monthly Installments after 1 month moratorium	18	2%	2%	Book Debts(Exclusive Charge by way of hypothecation of specific book debts(50% JLG & 50% IL) of 115%
11	L&T Fin Corp Limited		195.65	23 Monthly Installments after 1 month moratorium	18			
12	Edelweiss Housing Finance Limited	187.50	187.50	Bullet	1	2%	2%	Book Debts(First & Exclusive Charge by way of hypothecation of specific book debts) of 111%
13	National Bank for Agriculture and Rural Development	100.00	833.34	6 semi annual payments	5	As applicable	As applicable	Refinance Microfinance customers amounting to of Rs.1440.00 million
14	National Bank for Agriculture and Rural Development	100.00	1,000.00	6 semi annual payments	6	As applicable	As applicable	Refinance Microfinance customers amounting to of Rs.1111.11 million
	Grand Total		**4,339.50**					

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Annexure 8A : Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 30-Sep-15:
c) Secured Non-Convertible Debentures

No.	Debenture Series	Tenor	Rate of Interest (p.a)	Amount Rs. in Million Outstanding as at 30-Sep-15	Date of Allotment	Redemption date or Schedule
1	UTI INTERNATIONAL WEALTH CREATOR 4	6 Years (with Call and Put option after 3 Years)	12.75% with coupon rest after 3 years from the date of Allotment.	400.00	30-Jul-13	30-Jul-19
2	INTERNATIONAL FINANCE CORPORATION	5 years	12.60%	600.00	1-Jul-14	28-May-19
3	UTI - INCOME OPPORTUNITIES FUND	2 Years	13.65%	500.00	12-Dec-14	12-Dec-16
4	OIKOCREDIT, ECUMENICAL DEVELOPMENT CO-OPERATIVE SOCIETY U.A	3 Years	13.25%	400.00	26-Dec-14	30-Dec-17
5	RELIANCE CAPITAL TRUSTEE CO LTD A/C- RELIANCE REGULAR SAVINGS FUND-DEBT OPTION	2 Years	13.00%	562.50	20-Mar-15	20-Mar-17
6	ICICI PRUDENTIAL REGULAR SAVINGS PLAN ICICI PRUDENTIAL FIXED MATURITY PLAN CORPORATE BOND SERIES B-1100 DAYS ICICI PRUDENTIAL FIXED MATURITY PLAN-SERIES 75-1100 DAYS PLAN G ICICI PRUDENTIAL FIXED MATURITY PLAN-SERIES 75-1100 DAYS PLAN I ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES 75-1103 DAYS PLAN L ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES 75-1100 DAYS-PLAN Q	2 Years	12.15%	1,000.00	12-May-15	12-May-17
7	ICICI PRUDENTIAL REGULAR INCOME FUND ICICI PRUDENTIAL FIXED MATURITY PLAN CORPORATE BOND SERIES B-1100 DAYS ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES 75-1246 DAYS PLAN U ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES 76-1185 DAYS PLAN H	2 Years	12.15%	1,000.00	23-Jun-15	23-Jun-17
8	UTI INTERNATIONAL WEALTH CREATOR 4	6 Years (with Call and Put option after 3 Years)	12.35% with coupon rest after 3 years from the date of Allotment.	1,000.00	5-Aug-15	5-Aug-21
	Grand Total			**5,462.50**		

Note: Non-Convertible Debentures have been secured by hypothecation of outstanding receivables (including interest on such receivables)

d) Secured working capital loans from banks

No	Name of Lender	Nature of Borrowing	Amount Sanctioned (Rs in Mio)	Amount in Rs. Millions Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Date of sanction	Security
1	Dhanlaxmi Bank	Cash Credit Facility	50.00	0.27	13.00%	17-Nov-14	Book Debts hypothecation of Bookdebts of 110% of sanctioned amount

e) Unsecured borrowings - Finance lease obligations

No	Particulars	Amount Sanctioned (Rs in Mio)	Amount in Rs. Millions Outstanding as at 30-Sep-15	Rate of Interest (p.a.)	Date of sanction	Repayment terms	Purpose
1	Small Industries Development Bank of India	57.40	57.40	4.00%	2-Mar-14	Monthly	Capacity Building
2	Small Industries Development Bank of India - Sub Debt	500.00	500.00	15.00%	26-Sep-14	Bullet payment	Onward Lending
3	Commercial Paper - Religare Invesco Opportunities Fund	500.00	500.00	10.60%	30-Jul-15	Bullet payment	
			1,057.40				

Annexure 9: Summary Statement of Fixed Assets, as restated

(Amount in Rs. Millions)

Particulars		**As at 30-Sep-15**	**As at 31-Mar-15**	**As at 31-Mar-14**	**As at 31-Mar-13**	**As at 31-Mar-12**	**As at 31-Mar-11**
I. Gross block							
Tangible assets							
- Computers		153.20	129.96	76.23	61.64	59.70	53.69
- Furniture and fixtures		61.58	53.31	37.13	29.38	24.74	21.14
- Vehicles		8.65	6.85	2.41	2.43	2.33	2.58
- Office equipments		66.75	57.67	41.17	33.31	30.72	26.85
- Leasehold improvements		45.11	39.82	37.01	32.02	32.06	30.22
Total	**A**	**335.29**	**287.61**	**193.95**	**158.78**	**149.55**	**134.48**
Intangible assets							
- Computer software		102.51	68.25	53.22	45.55	35.38	15.41
Total	**B**	**102.51**	**68.25**	**53.22**	**45.55**	**35.38**	**15.41**
II. Accumulated depreciation							
Tangible assets							
- Computers		78.35	65.64	42.09	31.40	22.27	13.28
- Furniture and fixtures		33.79	29.06	19.83	15.48	13.30	11.28
- Vehicles		1.44	0.99	0.99	0.80	0.86	0.91
- Office equipments		34.82	29.14	10.17	7.94	6.67	5.18
- Leasehold improvements		23.90	20.48	22.79	20.37	19.13	15.90
Total	**A**	**172.30**	**145.31**	**95.87**	**75.99**	**62.23**	**46.55**
Intangible assets							
- Computer software		36.78	31.08	24.05	16.96	11.13	5.74
Total	**B**	**36.78**	**31.08**	**24.05**	**16.96**	**11.13**	**5.74**
III. Net block							
Tangible assets							
- Computers		74.85	64.32	34.14	30.24	37.43	40.41
- Furniture and fixtures		27.79	24.25	17.30	13.90	11.44	9.86
- Vehicles		7.21	5.86	1.42	1.63	1.47	1.67
- Office equipments		31.93	28.53	31.00	25.37	24.05	21.67
- Leasehold improvements		21.21	19.34	14.22	11.65	12.93	14.32
Total	**A**	**162.99**	**142.30**	**98.08**	**82.79**	**87.32**	**87.93**
Intangible assets							
- Computer software		65.73	37.17	29.17	28.59	24.25	9.67
Total	**B**	**65.73**	**37.17**	**29.17**	**28.59**	**24.25**	**9.67**

1.Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs.7.11 million (net of deferred tax of Rs. 3.66 million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

Consequent to the change in the useful life of the assets, depreciation expense in the Statement of Profit and Loss for the year ending March 31, 2015 is higher by Rs. 24.13 million.

2. The following are the particulars of assets the value of which are net of grants received for purchase:

(Amount in Rs. Millions)

Particulars	**As at 30-Sep-15**	**As at 31-Mar-15**	**As at 31-Mar-14**	**As at 31-Mar-13**	**As at 31-Mar-12**	**As at 31-Mar-11**
Computers	1.41	1.43	1.55	1.55	1.55	1.55
Vehicles	-	0.89	0.89	0.89	-	-
Office Equipments	0.37	0.38	0.07	0.07	-	-

3. All the tangible/intangible assets are owned by the Company and are not on lease.

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Annexure 9A: Details of Fixed Assets, as restated

(Amount in Rs. Millions)

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Gross block						
Balance as at beginning of the year						
Tangible assets						
- Computers	129.96	76.23	61.64	59.70	53.69	35.32
- Furniture and fixtures	53.31	37.13	29.38	24.74	21.14	12.91
- Vehicles	6.85	2.41	2.43	2.33	2.58	2.51
- Office equipments	57.67	41.17	33.31	30.72	26.85	16.85
- Leasehold improvements	39.82	37.01	32.02	32.06	30.22	29.32
Total - A	**287.61**	**193.95**	**158.78**	**149.55**	**134.48**	**96.91**
Intangible assets						
- Computer software	68.25	53.22	45.55	35.38	15.41	12.64
Total - B	**68.25**	**53.22**	**45.55**	**35.38**	**15.41**	**12.64**
Total - (A+B)	**355.86**	**247.17**	**204.33**	**184.93**	**149.89**	**109.55**
Additions						
Tangible assets						
- Computers	26.73	62.19	14.92	2.66	6.20	18.50
- Furniture and fixtures	8.97	19.34	8.50	5.79	4.20	8.92
- Vehicles	1.83	6.13	-	0.49	-	0.38
- Office equipments	10.78	19.41	11.40	4.56	4.71	10.46
- Leasehold improvements	5.73	11.57	10.71	4.10	3.96	2.60
Total - A	**54.04**	**118.64**	**45.53**	**17.60**	**19.07**	**40.86**
Intangible assets						
- Computer software	34.27	15.03	7.67	10.17	19.97	2.77
Total - B	**34.27**	**15.03**	**7.67**	**10.17**	**19.97**	**2.77**
Total - (A+B)	**88.31**	**133.67**	**53.20**	**27.77**	**39.04**	**43.63**
Disposals						
Tangible assets						
- Computers	3.49	8.46	0.33	0.72	0.19	0.13
- Furniture and fixtures	0.70	3.16	0.75	1.15	0.60	0.69
- Vehicles	0.03	1.69	0.02	0.39	0.25	0.31
- Office equipments	1.70	2.91	3.54	1.97	0.84	0.46
- Leasehold improvements	0.44	8.76	5.72	4.14	2.12	1.70
Total - A	**6.36**	**24.98**	**10.36**	**8.37**	**4.00**	**3.29**
Intangible assets						
- Computer software		-	-	-		
Total - B	**-**	**-**	**-**	**-**	**-**	**-**
Total - (A+B)	**6.36**	**24.98**	**10.36**	**8.37**	**4.00**	**3.29**
Balance as at the end of the year						
Tangible assets						
- Computers	153.20	129.96	76.23	61.64	59.70	53.69
- Furniture and fixtures	61.58	53.31	37.13	29.38	24.74	21.14
- Vehicles	8.65	6.85	2.41	2.43	2.33	2.58
- Office equipments	66.75	57.67	41.17	33.31	30.72	26.85
- Leasehold improvements	45.11	39.82	37.01	32.02	32.06	30.22
Total - A	**335.29**	**287.61**	**193.95**	**158.78**	**149.55**	**134.48**
Intangible assets						
- Computer software	102.51	68.25	53.22	45.55	35.38	15.41
Total - B	**102.51**	**68.25**	**53.22**	**45.55**	**35.38**	**15.41**
Total - (A+B)	**437.80**	**355.86**	**247.17**	**204.33**	**184.93**	**149.89**

Ujjivan Financial Services Limited
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Annexure 9A: Details of Fixed Assets, as restated

(Amount in Rs. Millions)

Particulars	As at					
	30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
II. Accumulated Depreciation & amortisation						
Balance as at the beginning of the year						
Tangible assets						
- Computers	65.64	42.09	31.40	22.27	13.28	6.62
- Furniture and fixtures	29.06	19.83	15.48	13.30	11.28	4.55
- Vehicles	0.99	0.99	0.80	0.86	0.91	0.87
- Office equipments	29.14	10.17	7.94	6.67	5.18	2.62
- Leasehold improvements	20.48	22.79	20.37	19.13	15.90	10.30
Total - A	**145.31**	**95.87**	**75.99**	**62.23**	**46.55**	**24.96**
Intangible assets						
- Computer software	31.08	24.05	16.96	11.13	5.74	3.49
Total - B	**31.08**	**24.05**	**16.96**	**11.13**	**5.74**	**3.49**
Total - (A+B)	**176.39**	**119.92**	**92.95**	**73.36**	**52.29**	**28.45**
Depreciation / amortisation expense for the year						
Tangible assets						
- Computers	15.98	25.06	10.89	9.70	9.03	6.69
- Furniture and fixtures	5.32	11.38	4.77	2.90	2.42	7.07
- Vehicles	0.48	0.79	0.21	0.20	0.19	0.20
- Office equipments	7.08	17.45	3.14	2.06	1.73	2.63
- Leasehold improvements	3.87	5.72	5.36	4.53	5.28	7.31
Total - A	**32.73**	**60.40**	**24.37**	**19.39**	**18.65**	**23.90**
Intangible assets						
- Computer software	5.71	7.02	7.10	5.83	5.39	2.25
Total - B	**5.71**	**7.02**	**7.10**	**5.83**	**5.39**	**2.25**
Total - (A+B)	**38.44**	**67.42**	**31.47**	**25.22**	**24.04**	**26.15**
On disposals						
Tangible assets						
- Computers	3.27	8.16	0.20	0.57	0.04	0.03
- Furniture and fixtures	0.59	2.18	0.42	0.72	0.40	0.34
- Vehicles	0.03	0.79	0.02	0.26	0.24	0.16
- Office equipments	1.40	2.58	0.91	0.79	0.24	0.07
- Leasehold improvements	0.45	8.03	2.94	3.29	2.05	1.71
Total - A	**5.74**	**21.74**	**4.49**	**5.63**	**2.97**	**2.31**
Intangible assets						
- Computer software	-	-	-	-	-	-
Total - B	-	-	-	-	-	-
Total - (A+B)	**5.74**	**21.74**	**4.49**	**5.63**	**2.97**	**2.31**
Transition Adjustment recorded against surplus balance in statement of P/L						
Tangible assets						
- Computers	-	6.65	-	-	-	-
- Furniture and fixtures	-	0.03	-	-	-	-
- Vehicles	-	-	-	-	-	-
- Office equipments	-	4.10	-	-	-	-
- Leasehold improvements	-	-	-	-	-	-
Total - A	**-**	**10.78**	**-**	**-**	**-**	**-**
Intangible assets						
- Computer software	-	-	-	-	-	-
Total - B	-	-	-	-	-	-
Total - (A+B)	**-**	**10.78**	**-**	**-**	**-**	**-**
Balance as at the end of the year						
Tangible assets						
- Computers	78.35	65.64	42.09	31.40	22.27	13.28
- Furniture and fixtures	33.79	29.06	19.83	15.48	13.30	11.28
- Vehicles	1.44	0.99	0.99	0.80	0.86	0.91
- Office equipments	34.82	29.14	10.17	7.94	6.67	5.18
- Leasehold improvements	23.90	20.48	22.79	20.37	19.13	15.90
Total - A	**172.30**	**145.31**	**95.87**	**75.99**	**62.23**	**46.55**
Intangible assets						
- Computer software	36.78	31.08	24.05	16.96	11.13	5.74
Total - B	**36.78**	**31.08**	**24.05**	**16.96**	**11.13**	**5.74**
Total - (A+B)	**209.08**	**176.39**	**119.92**	**92.95**	**73.36**	**52.29**

Ujjivan Financial Services Limited
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Annexure 9A: Details of Fixed Assets, as restated

(Amount in Rs. Millions)

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
III. Net Block						
Balance as at the end of the year						
Tangible assets						
- Computers	74.85	64.32	34.14	30.24	37.43	40.41
- Furniture and fixtures	27.79	24.25	17.30	13.90	11.44	9.86
- Vehicles	7.21	5.86	1.42	1.63	1.47	1.67
- Office equipments	31.93	28.53	31.00	25.37	24.05	21.67
- Leasehold improvements	21.21	19.34	14.22	11.65	12.93	14.32
Total - A	**162.99**	**142.30**	**98.08**	**82.79**	**87.32**	**87.93**
Intangible assets						
- Computer software	65.73	37.17	29.17	28.59	24.25	9.67
Total - B	**65.73**	**37.17**	**29.17**	**28.59**	**24.25**	**9.67**
Total - (A+B)	**228.72**	**179.47**	**127.25**	**111.38**	**111.57**	**97.60**

Ujjivan Financial Services Limited
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Annexure 10: Summary Statement of Non-Current Investments, as restated

Particulars	**As at**	**As at**				
	30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Investment in others: (Unquoted) - (At cost)						
Investment in equity instruments of:						
Alpha Micro Finance Consultants Pvt Ltd						
- Cost of investment (Amount in Rs. Millions)	1.00	1.00	1.00	1.00	1.00	1.00
- Number of equity shares invested	100,000	100,000	100,000	100,000	100,000	100,000
- Total number of equity shares	3,225,000	3,225,000	3,225,000	3,225,000	3,225,000	3,225,000
- Percentage of holding	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Ujjivan Social Services Foundation						
- Cost of investment (Amount in Rs. Millions)	0.01	0.01	0.01	-	-	-
- Number of equity shares	1,000	1,000	1,000	-	-	-
- Total number of equity shares	10,000	10,000	10,000	-	-	-
- Percentage of holding	10%	10%	10%	-	-	-
Total	**1.01**	**1.01**	**1.01**	**1.00**	**1.00**	**1.00**

Ujjivan Financial Services Limited
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Annexure 11: Summary Statement of Receivables under financing activity, as restated

(Amount in Rs. Million)

Particulars	**As at 30-Sep-15**	**As at 31-Mar-15**	**As at 31-Mar-14**	**As at 31-Mar-13**	**As at 31-Mar-12**	**As at 31-Mar-11**
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:						
- Unsecured, considered good	-	-	-	-	-	-
- Unsecured, considered Doubtful	7.23	3.91	4.60	7.14	46.54	16.93
	7.23	**3.91**	**4.60**	**7.14**	**46.54**	**16.93**
Others						
- Unsecured, considered good	32,986.92	26,276.10	13,864.48	9,466.81	6,484.20	6,163.13
- Unsecured, considered Doubtful	41.86	18.94	7.06	-	-	-
	33,028.78	**26,295.04**	**13,871.54**	**9,466.81**	**6,484.20**	**6,163.13**
Total (A + B)	**33,036.01**	**26,298.95**	**13,876.14**	**9,473.95**	**6,530.74**	**6,180.06**

Note:

Particulars	**30-Sep-15**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Assets derecognised on account of securitisation of receivables	84.33	554.46	-	-	122.66	-

There are no amounts due from Related Party/Directors in any of the above years.

Ujjivan Financial Services Limited
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Annexure 12: Summary Statement of Loans and Advances, as restated

(Amount in Rs. Millions)

Particulars	As at 30-Sep-15	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
I. Long-term loans and advances						
(a) Capital advances	50.34	4.58	0.73	0.74	-	6.07
(b) Security deposits	63.85	56.58	46.86	29.32	27.57	28.25
(c) Employee Loans and advances	8.23	7.30	3.49	2.99	2.05	2.04
(d) Prepaid expenses	0.33	-	0.05	0.18	-	-
Total long-term loans and advances	**122.75**	**68.46**	**51.13**	**33.23**	**29.62**	**36.36**
II. Short-term loans and advances						
(a) Loans and advances to related parties	-	-	-	-	-	-
(b) Security deposits	1.11	0.44	0.15	0.13	0.17	0.12
(c) Loans and advances to employees	-					
Unsecured, considered good	34.85	31.55	16.27	11.28	11.89	10.49
Unsecured, considered doubtful	0.92	1.57	0.97	2.10	1.94	0.64
Less: Provision for doubtful loans and advances	(0.92)	(1.57)	(0.97)	(2.10)	(1.94)	(0.64)
(d) Prepaid expenses	21.26	12.03	12.96	7.89	4.06	6.96
(e) Others advances:*						
- Unsecured, considered good	394.01	162.60	76.84	42.49	6.09	2.41
- Unsecured, considered doubtful	7.85	5.78	4.54	3.26	1.31	0.88
	401.86	168.38	81.38	45.75	7.40	3.29
- Less: Provision For doubtful advances	(7.85)	(5.78)	(4.54)	(3.26)	(1.31)	(0.88)
Total short-term loans and advances	**451.23**	**206.62**	**106.22**	**61.79**	**22.21**	**19.98**

* Includes insurance claims receivable, advance for expenses and collateral for securitisation for receivables.

There are no amounts due from Related Party/Directors in any of the above years.

Annexure 13: Summary Statement of Cash and Bank Balances, Other Current and Other Non-Current Assets, as restated

(Amount in Rs. Millions)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Cash and Cash Equivalents						
(a) Cash on hand	14.70	2.20	3.06	2.92	4.67	4.95
(b) Cheques, drafts on hand	-	-	0.04	0.04	-	-
(c) Balances with banks :						
- In current accounts (refer Note (i) below)	713.65	814.64	1,113.04	479.80	473.58	127.54
- In deposit accounts	-	5,561.00	2,745.90	1,250.00	1,052.37	376.64
	728.35	6,377.84	3,862.04	1,732.76	1,530.62	509.13
(d) Other bank balances:						
- In earmarked deposits*	128.14	70.00	82.50	53.46	83.90	2.60
Total	**856.49**	**6,447.84**	**3,944.54**	**1,786.22**	**1,614.52**	**511.73**
II. Other Current Assets						
(a) Interest receivable under Financing activity	467.47	400.25	211.49	141.75	108.71	56.51
(b) Interest accrued on deposits	14.67	20.75	17.81	7.90	15.44	1.77
(c) Accrued Income	0.72	1.40	0.10	10.23	10.05	5.87
Total	**482.86**	**422.40**	**229.40**	**159.88**	**134.20**	**64.15**
III. Other Non-Current Assets						
(a) Receivable under financing activity (long-term) unsecured considered good	7,759.43	5,887.34	2,296.36	1,785.81	380.83	71.39
(b) Receivable under financing activity (long-term) unsecured considered doubtful	2.18	0.62	0.18	0.21	-	-
(c) Interest accrued on long term deposits	1.91	2.21	3.20	7.83	8.07	6.18
(d) Term deposits (more than 12 months maturity)*	24.25	94.89	83.26	90.91	74.75	95.00
Total	**7,787.77**	**5,985.06**	**2,383.00**	**1,884.76**	**463.65**	**172.57**

* Under lien against loans availed by the company.

Note (i): Balances in current accounts restricted for use:
The Company has balances with banks which is used only for repayment of security deposit of customers which are as given below:

(Amount in Rs. Million)

Particulars	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Balances in current accounts	14.11	14.11	19.34	0.43	-	-

Annexure 14: Summary Statement of Current Liabilities and Provisions, as restated

(Amount in Rs. Millions)

Particulars		**As at**					
		30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
I. Trade payables							
a) Dues to micro and small enterprises			-	-	-	-	-
b) Dues to others		116.69	117.84	50.59	47.99	40.91	42.88
	A	**116.69**	**117.84**	**50.59**	**47.99**	**40.91**	**42.88**
II. Other-current liabilities							
a) Current maturities of non convertible debentures		775.00	705.00	400.00	1,010.00	400.00	450.00
b) Interest accrued but not due on borrowings		328.08	216.47	98.93	78.33	68.25	49.29
c) Current maturities of long-term borrowings		19,401.48	17,636.75	10,428.89	5,089.85	3,222.03	2,591.46
d) Provision for Gratuity		24.41	25.47	14.73	17.62	7.47	5.78
e) Other payables							
Statutory remittances		33.42	31.62	16.40	21.24	10.37	5.68
Security deposits from customers		3.79	9.51	18.88	19.72	2.57	2.84
Unclaimed security deposits from customers		13.55	13.76	19.31	12.18	94.20	1,036.60
Deposit from vendors		0.13	0.13	0.13	0.13	0.13	0.30
Other payables		233.14	280.83	86.00	61.21	36.30	3.51
Credit balance in current account		-	-	-	-	0.02	-
Total	**B**	**20,813.00**	**18,919.54**	**11,083.27**	**6,310.28**	**3,841.34**	**4,145.46**
III. Long Term Provisions							
(a) Provision - Others:							
Provision for receivables under financing activity							
-Provision for standard assets		77.59	58.87	22.86	11.61	0.95	0.18
-Provision for non performing assets		2.18	0.62	0.10	-	-	-
Total	**C**	**79.77**	**59.49**	**22.96**	**11.61**	**0.95**	**0.18**
IV. Short Term Provisions							
(a) Provision for employee benefits:							
- Compensated absences		78.03	55.96	34.44	27.46	19.40	15.34
(b) Provision - Others:							
a) Provision for receivables under financing activity							
-Provision for standard assets		343.27	279.81	129.25	68.17	27.84	56.32
-Provision for non performing assets		33.49	16.85	9.51	9.49	63.20	-
b) Provision for tax		121.97	20.80	22.56	19.92	3.65	6.12
c) Provision for proposed equity dividend		-	43.07	32.79	16.40	-	6.97
d) Provision for Tax on proposed equity dividend		-	8.77	5.63	2.79	-	1.13
e) Fringe Benefit Tax payable (net of advance FBT)		-	-	-	0.17	0.16	0.16
Total	**D**	**576.76**	**425.26**	**234.18**	**144.40**	**114.25**	**86.04**
Total provisions (C + D)		**656.53**	**484.75**	**257.14**	**156.01**	**115.20**	**86.22**
Total provisions represented by:							
- Long-term provisions		79.77	59.49	22.96	11.61	0.95	0.18
- Short-term provisions		576.76	425.26	234.18	144.40	114.25	86.04
Total		**656.53**	**484.75**	**257.14**	**156.01**	**115.20**	**86.22**

Annexure 15: Summary Statement of Revenue from operations and Expenses, as restated

(Amount in Rs. Millions)

Particulars	For the half year ended	For the year ended				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Revenue from operations						
Interest on loans	4,147.98	5,508.32	3,254.49	2,066.35	1,338.23	1,326.71
Loan processing fee	306.58	472.72	224.40	158.62	109.47	192.22
Income from other Financial Services	26.68	12.13	-	0.22	34.73	-
Total	**4,481.24**	**5,993.17**	**3,478.89**	**2,225.19**	**1,482.43**	**1,518.93**
II. Expenses						
Employee benefits expense						
Salaries and wages (net)	800.12	1,148.75	708.40	570.96	529.09	488.06
Contributions to provident and other funds	69.19	90.77	49.09	45.86	35.39	31.48
Staff welfare expenses	64.26	90.06	57.42	42.32	38.91	36.07
Total	**933.57**	**1,329.58**	**814.91**	**659.14**	**603.39**	**555.61**
Provision / write off for receivable under financing activity						
Bad debts written off	8.69	16.05	10.47	72.58	22.13	7.46
Less: provision reversed	(7.57)	(10.08)	(8.92)	(66.84)	(15.59)	(3.73)
Provision for receivables under financing activity	107.96	204.51	81.37	63.29	51.08	41.64
Total	**109.08**	**210.48**	**82.92**	**69.03**	**57.62**	**45.37**
Finance costs						
Interest expense on borrowings	1,887.34	2,551.52	1,343.91	778.59	553.94	457.92
Other borrowing cost	0.25	0.46	0.30	0.04	0.05	0.15
Loan processing fees, bank charges and other related costs	74.81	161.83	54.32	42.15	55.30	23.22
Total	**1,962.40**	**2,713.81**	**1,398.53**	**820.78**	**609.29**	**481.29**

Annexure 15: Summary Statement of Revenue from operations and Expenses, as restated, contd.,

(Amount in Rs. Millions)

Particulars	For the half year ended	For the year ended				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Administrative and Other expenses						
Electricity and water charges	9.96	15.07	10.33	9.90	7.35	6.93
Rent	57.27	92.19	60.51	51.30	48.79	43.19
Donation	-	0.50	-	-	-	-
Repairs & maintenance:						
Building	3.22	4.39	2.19	1.05	2.09	0.81
Others	17.88	18.09	10.64	7.39	4.47	3.34
Security & house keeping	16.81	25.78	18.47	16.58	18.58	19.38
Office maintenance	6.57	13.97	8.28	5.98	6.74	7.48
Insurance	1.90	2.93	3.16	2.42	2.25	3.13
Rates & taxes	20.84	16.17	8.11	4.97	8.39	4.48
Audit fee	1.31	2.17	2.09	2.04	1.66	1.34
Professional charges	89.22	116.02	39.44	31.68	25.57	23.66
Sitting fee	1.12	1.08	0.62	0.50	0.28	0.32
Postage & courier	14.61	21.29	13.03	10.49	9.94	9.70
Printing & stationery	22.31	38.90	19.70	15.39	16.63	27.89
Recruitment expenses	6.42	10.49	3.28	0.71	0.31	0.77
Telephone expenses	33.42	34.89	22.32	19.14	19.83	16.15
Training & conference charges	17.92	45.42	15.92	9.10	7.16	9.52
Travelling & conveyance expenses	103.56	148.60	90.48	74.21	72.34	63.01
Expenditure on Corporate Social Responsibility	4.01	14.66	8.81	-	-	-
Advances written off	3.67	0.93	2.45	3.68	0.09	5.17
Less: provision reversed	-	-	(2.30)	-	-	-
Fixed assets written off	0.04	0.85	0.05	1.42	-	-
Loss on sale of investments		-	-	-	0.10	-
Loss on sale of fixed assets (net)	-	0.43	4.87	0.46	0.31	0.58
Provision for other advances	1.41	1.84	2.45	2.11	1.72	-
Miscellaneous expenses	16.99	25.73	15.47	17.60	15.58	36.57
Total	**450.46**	**652.39**	**360.37**	**288.12**	**270.18**	**283.42**

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Annexure 16: Summary Statement of Other Income, as restated

(Amount in Rs. Millions except percentage data)

Particulars	**Nature**	**For the half year ended**	**For the year ended**				
		30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Other Income, as restated		141.48	125.64	97.73	114.10	80.60	45.50
Net profit before tax, as restated		1,128.77	1,145.13	888.42	477.00	(1.49)	172.59
Percentage		**12.53%**	**10.97%**	**11.00%**	**23.92%**	**(5,409.40%)**	**26.36%**
Break-up of Other Income:							
Interest income from deposits with bank	Recurring	63.85	68.37	34.46	32.18	23.87	7.07
Interest on income tax refund	Non-recurring	-	-	0.05	0.11	-	-
Dividend income from current investments - mutual fund	Non-recurring	-	-	-	11.94	14.94	9.91
Net gain on sale of current investments - mutual fund	Recurring	65.98	44.66	29.50	11.40	-	0.01
Fee income, other than financing activity	Recurring	1.42	1.56	27.66	53.00	37.63	26.60
Profit on sales of fixed assets (net)	Recurring	0.17	-	-	-	-	-
Miscellaneous income	Non-recurring	10.06	11.05	6.06	5.47	4.16	1.91
Total		**141.48**	**125.64**	**97.73**	**114.10**	**80.60**	**45.50**

Notes

1) All the above income relate to the Company's business activity

2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activities of the Company as determined by the management.

Annexure 17: Summary Statement of Dividend Proposed by the Company

(Amount in Rs. Millions except percentage data)

Particulars	**For the half year ended**	**For the year ended**				
	30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Dividend proposed	-	43.07	32.79	16.39	-	6.97
Rate of dividend - proposed	-	5.00%	5.00%	2.50%	-	2.00%

Annexure 18: Summary Statement of Accounting Ratios

(Number / Amount Rs. in Millions, Except Per Share Data)

Particulars		**For the half year ended**	**For the year ended**				
		30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Basic and Diluted Earnings Per Share (Rs.)	**A**						
Basic Earnings Per Share (Basic EPS)							
Net profit/loss after tax, as restated, attributable to equity shareholders		737.31	757.88	584.16	328.70	1.33	116.92
Weighted average number of Equity Shares outstanding		86.13	67.43	65.58	61.72	38.57	34.84
Basic EPS in Rs.		**8.56**	**11.24**	**8.91**	**5.33**	**0.03**	**3.36**
Face value in Rs.		**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**
Diluted Earnings Per Share (Diluted EPS)							
Net profit/loss after tax, as restated, attributable to equity shareholders		737.31	757.88	584.16	328.70	1.33	116.92
Weighted average number of Shares used for calculating Basic EPS		86.13	67.43	65.58	61.72	38.57	34.84
Add: Effect of ESOPs which are dilutive		3.88	3.95	4.14	4.44	3.08	2.97
Weighted average number of shares considered for calculating Diluted EPS		90.01	71.38	69.72	66.16	41.65	37.81
Diluted EPS in Rs.		**8.19**	**10.62**	**8.38**	**4.97**	**0.03**	**3.09**
Face value in Rs.		**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**
Net Asset Value Per Equity Share (Rs.)	**B**	**As at**	**As at**				
		30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Net worth, as restated		**8,101.81**	**7,364.50**	**3,725.27**	**3,179.58**	**2,403.36**	**1,154.14**
Number of equity shares outstanding at year end		86.13	86.13	65.58	65.58	57.29	34.84
Add: Impact of outstanding ESOP		3.88	3.95	4.14	4.44	3.08	2.97
Number of equity shares outstanding (including potential equity shares)		**90.01**	**90.08**	**69.72**	**70.02**	**60.37**	**37.81**
Net Assets Value per equity share (Rs.)		**90.01**	**81.76**	**53.43**	**45.41**	**39.81**	**30.52**
Return on Net worth	**C**	**For the half year ended**	**For the year ended**				
		30-Sep-15	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Net Profit after tax, as restated		737.31	757.88	584.16	328.71	1.33	116.92
Net worth, as restated		**8,101.81**	**7,364.50**	**3,725.27**	**3,179.58**	**2,403.36**	**1,154.14**
Return on net worth		**9.10%**	**10.29%**	**15.68%**	**10.34%**	**0.06%**	**10.13%**

Note: The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$= \frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

(ii) Net Assets Value (NAV)

$$= \frac{\text{Net worth, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$= \frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year / period}}$$

(iv) Net worth for ratios mentioned above is as arrived as mentioned below:
Net worth, as restated = Equity share capital + Shares pending allotment + Share application money pending allotment + Reserves and surplus (including Capital Reserve, Securities Premium, Share options outstanding account and Surplus / (Deficit) in Statement of Profit and Loss).
All the above are based on Financial Information, as restated.

(v) Nominal value of shares Rs.10. During the year 2010-11, the company has sub divided its Equity shares of face value of Rs.100/- each to Equity share of face value of Rs.10/- pursuant to approval of members in the Extra Ordinary Meeting held on October 12, 2010. The number of Equity shares shown for the financial year 2010-11 are after considering the face value of Rs.10.

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Annexure 19: Statement of Capitalisation, as restated

(Amount in Rs. Millions)

Particulars	**Pre-issue As at 30-Sep-15**	**Post-Issue***
Debt		
Short-term borrowings	0.27	XXX
Long-term borrowings	13,474.86	XXX
Add: Current maturities of long term borrowings (including non convertible debentures)	20,176.48	
Total debts	**33,651.61**	XXX
Shareholders' funds		
Share capital	861.33	XXX
Reserves as restated (excluding revaluation reserve)	7,240.48	XXX
Total shareholders' funds	**8,101.81**	XXX
Long term debt/equity	**4.15**	XXX

* Shareholders fund post issue can be calculated only on the conclusion of the book building process.

Notes

1. Short term borrowings represent debts which are due within 12 months from 30-September-2015.

2. Long term debts include current portion of long-term borrowings repayable over the next twelve months.

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Annexure 20: Statement of Tax Shelters, as restated

(Amount in Rs. Millions)

Particulars		**For the half year ended 30-Sep-2015**	**For the year ended**				
			31-Mar-15	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**
Profit before current and deferred taxes as restated	**(A)**	1,128.77	1,145.13	888.42	477.00	(1.49)	172.59
Weighted average tax rate (%)	**(B)**	34.608%	33.990%	33.990%	32.445%	32.450%	33.218%
Tax Expense at weighted average rate	**(C)**	390.64	389.23	301.97	154.76	(0.48)	57.33
Adjustments							
Permanent Differences							
Expenses disallowed							
Capital expenditure		0.04	3.16	4.92	1.88	1.14	1.68
Disallowance of expenses as per Income Tax Act		4.01	-	0.10	0.10	3.95	0.10
Dividend income exempt included in profit		-	-	-	(11.94)	(14.94)	(9.91)
Other income exempt included in profit		(0.18)	-	-	-	-	-
Total	**(D)**	**3.87**	**3.16**	**5.02**	**(9.96)**	**(9.85)**	**(8.13)**
Temporary Differences							
Difference between book depreciation and tax depreciation		(4.84)	7.90	1.15	0.37	(9.32)	(0.12)
Deduction u/s 43B of the IT Act		26.97	27.81	11.78	12.39	8.37	12.32
Other timing differences		101.80	196.27	74.91	(1.44)	37.22	37.60
Total	**(E)**	**123.93**	**231.98**	**87.84**	**11.32**	**36.27**	**49.80**
Net Adjustment (D+E)	**(F)**	**127.80**	**235.14**	**92.86**	**1.36**	**26.42**	**41.67**
Tax thereon	**(G)**	44.23	79.92	31.56	0.44	8.57	13.84
Total tax (C+G)	**(H)**	434.87	469.15	333.53	155.20	8.09	71.17
Current Tax provision for the year	**(I)**	434.87	469.15	333.53	155.20	8.09	71.17
Increase/(decrease) in tax provision on account of:							
Income Tax impact on restatement		-	-	(17.00)	4.72	7.60	1.56
Current Tax provision for the year as per books	**(J)**	**434.90**	**469.20**	**316.53**	**159.92**	**15.69**	**72.73**
Provision for current domestic tax as per the books of accounts							
Current Tax		435.00	470.00	317.00	161.00	15.80	73.00
Total tax expenses as per the books of accounts (derived)		434.90	469.20	316.53	159.92	15.69	72.73
Total tax expenses as per the books of accounts (rounded off)		435.00	470.00	317.00	161.00	15.80	73.00
Total tax expenses as per Statement of Profit and Loss (rounded off)		**435.00**	**470.00**	**317.00**	**161.00**	**15.80**	**73.00**

Annexure 21: Statement of Additional information to the financial information as restated

21.1 Contingent liabilities and commitments (to the extent not provided for)

(Amount in Rs. Millions)

	Particulars	As at Sept 30, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
(i)	Contingent liabilities						
	(a) Disputed taxes – Service tax	4.23	4.23	4.23	0.56	0.56	0.57
(ii)	Commitments						
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for						
	Tangible Assets	0.59	1.73	0.98	-	-	0.34
	Intangible Assets	40.84	2.80	-	-	-	5.59

21.2 **Asset Classification & Provisioning:**

The Company follows Prudential Norms of the Reserve Bank of India (RBI) with regard to classification in respect of all loans extended to its customers. Loans where the installment is overdue for a period of ninety days or more or on which interest amount remained overdue for a period of ninety days or more is treated as Non performing assets.

The Company complies with the prudential norms of the Reserve Bank of India (RBI) with regard to income recognition, asset classification and provisioning. The Company is following provisioning norms as recommended vide DNBS.CC.PD.No.250/03.10.01/2011-12 dated 2 December 2011, DNBS.PD/CC.No. 263/03.10.038/2011-12 dated 20 March 2012 and DNBS.(PD).CC. No. 347 /03.10.38/2013-14 dated 1 July 2013.

Accordingly the Company in line with guidelines laid down under the DNBS(PD)CC.No.347/30.10.038/ 2013-14 dated July01,2013 has provided 1% of the total outstanding portfolio as at the end of half year/year given below.

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

(Amount in Rs. Millions)

Classification of Assets	As at Sept 30, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Standard assets	40,746.35	32,163.45	16,160.84	11,250.48	6,848.38	6,233.38
Sub-standard assets	31.20	11.99	4.47	9.46	62.21	17.99
Doubtful assets	20.07	11.47	7.37	0.03	0.98	0.08
Total	**40,797.62**	**32,186.91**	**16,172.68**	**11,259.97**	**6,911.57**	**6,251.45**
Annexure 13 Non current- Receivable under financing activity- Standard Assets	7,759.43	5,887.34	2,296.36	1,785.81	380.83	71.39
Annexure 13 Non current-Receivable under financing activity- Non performing Assets	2.18	0.62	0.18	0.20	-	-
Annexure 11 Current-Trade receivables under financing activity- Standard Assets	33,028.78	26,295.04	13,871.54	9,466.82	6,484.20	6,163.13
Annexure 11 Current-Trade receivables under financing activity- Non performing Assets	7.23	3.91	4.60	7.14	46.54	16.93
Total	**40,797.62**	**32,186.91**	**16,172.68**	**11,259.97**	**6,911.57**	**6,251.45**

(Amount in Rs. Millions)

Provision	As at Sept 30, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Standard assets	420.86	338.69	152.11	88.29	84.79	54.62
Sub-standard assets	15.60	5.99	2.24	0.95	6.22	1.80
Doubtful assets	20.07	11.47	7.37	0.03	0.98	0.08
Total	**456.53**	**356.15**	**161.72**	**89.27**	**91.99**	**56.50**
Annexure 14 Long term -Provision for standard assets	77.59	58.87	22.86	11.61	0.95	0.18
Annexure 14 Long term -Provision for non performing assets	2.18	0.62	0.10	-	-	-
Annexure 14 Short term -Provision for standard assets	343.27	279.81	129.25	68.17	27.84	56.32
Annexure 14 Short term -Provision for non performing assets	33.49	16.85	9.51	9.49	63.20	-
Total	**456.53**	**356.15**	**161.72**	**89.27**	**91.99**	**56.50**

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Annexure 21: Statement of Additional information to the financial information as restated
Movement of NPAs *(Amount in Rs. Millions)*

Particulars	As at Sept 30, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Movement of NPAs (Gross)						
(a) Opening balance	23.46	11.84	9.49	63.19	18.07	7.38
(b) Additions during the year	59.27	35.87	19.19	39.18	107.24	254.42
(c) Reductions during the year	31.46	24.25	16.84	92.88	62.11	243.73
(d) Closing balance	51.27	23.46	11.84	9.49	63.20	18.07
Movement of Net NPAs						
(a) Opening balance	5.99	2.24	8.51	55.99	16.19	6.64
(b) Additions during the year	29.63	17.93	1.13	15.52	87.01	123.38
(c) Reductions during the year	20.02	14.18	7.41	63.00	47.21	113.83
(d) Closing balance	15.60	5.99	2.24	8.51	55.99	16.19
Movement of provisions for NPAs (excluding provisions on standard assets)						
(a) Opening balance	17.47	9.61	0.98	7.20	1.88	0.74
(b) Provisions made during the year	29.64	17.93	18.06	23.66	20.23	131.03
(c) Write-off / write-back of excess provisions	11.44	10.07	9.43	29.88	14.91	129.89
(d) Closing balance	35.67	17.47	9.61	0.98	7.20	1.88

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

(i) **Capital to Risk asset ratio**

(Amount in Rs. Millions)

Particulars	As at Sept 30, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Tier I Capital	7,817.20	7,161.22	3,626.48	3,143.29	2,338.80	1,130.14
Tier II Capital	820.87	838.69	152.12	28.13	-	-
Total	**8,638.07**	**7,999.91**	**3,778.60**	**3,171.42**	**2,338.80**	**1,130.14**
Total Risk Weighted Assets	41,990.73	33,005.82	16,624.69	11,627.63	7,216.48	6,467.28
Capital Ratios						
Tier I Capital as a percentage of Total Risk Weighted Assets (%)	18.62%	21.70%	21.81%	27.03%	32.41%	17.47%
Tier II Capital as a percentage of Total Risk Weighted Assets (%)	1.95%	2.54%	0.92%	0.24%	0.00%	0.00%
Total Capital (%)	20.57%	24.24%	22.73%	27.27%	32.41%	17.47%

21.4 Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012 .

(in percentage)

Margin Cap	As at Sept 30, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Margin Cap of the Company has been computed as suggested by MFIN in their representation to The Reserve Bank of India dated August 29, 2012 (Subject reference : RBI/2012-13/161 ONBS (PO) CC.No.300 /03.10.038/2012-13. dated August 3, 2012).	9.78%	9.82%	10.80%	11.60%	9.32%	11.71%

Annexure 21: Statement of Additional information to the financial statements as restated

21.5 Employee Benefits:

The details of employee benefits are as given below:

I Defined Contribution Plans

During the half year, the Company has recognized the following amounts in the statement of profit and loss

(Amount in Rs. Millions)

Particulars	For the half year ended September 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31,2012	For the year ended March 31,2011
Employers' Contribution to Provident & Pension Fund	44.78	60.21	34.36	28.23	27.92	25.70
Employers' Contribution to ESI	16.60	25.64	17.58	15.65	15.33	14.23

II Defined Benefit Plan

Contribution to Gratuity Fund:

Details of defined benefit plan of gratuity are given below:

(Amount in Rs. Millions)

Particulars	For the half year ended September 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31,2012	For the year ended March 31,2011
Components of employer expense						
Current Service cost	30.88	20.21	14.36	17.86	7.60	3.84
Interest cost	2.99	4.05	3.44	1.60	1.03	0.48
Expected return on plan assets	(3.77)	(5.07)	(2.02)	(1.30)	(0.78)	(0.42)
Actuarial Losses/(Gains)	(5.69)	11.37	(0.17)	(0.54)	(0.38)	1.89
Total expense/(income) recognized in the Statement of Profit & Loss	**24.41**	**30.56**	**15.61**	**17.62**	**7.47**	**5.79**
Actual Contribution and Benefit Payments for the Year ended						
Actual benefit payments	(3.14)	(3.85)	(2.23)	(0.75)	(0.14)	0.00
Actual Contributions	25.47	19.81	18.51	7.47	5.78	3.28
Change in Defined Benefit Obligation (DBO) during the year ended						
Present Value of DBO at the beginning of the year	80.98	54.28	38.85	20.38	12.16	5.95
Current service cost	30.88	20.21	14.36	17.86	7.59	3.84
Interest cost	2.99	4.05	3.44	1.60	1.03	0.48
Actuarial (gains)/losses	(9.46)	6.29	(0.14)	(0.24)	(0.26)	1.89
Actual return on plan assets	3.51	0.00	0.00	0.00	0.00	0.00
Benefits paid	(3.14)	(3.85)	(2.23)	(0.75)	(0.14)	0.00
Present Value of DBO at the end of the year	**105.76**	**80.98**	**54.28**	**38.85**	**20.38**	**12.16**

(Amount in Rs. Millions)

Particulars	**As at Sept 30, 2015**	**As at March 31, 2015**	**As at March 31,2014**	**As at March 31, 2013**	**As at March 31,2012**	**As at March 31,2011**
Net asset/(liability) recognized in balance sheet as at						
Fair value of plan assets	81.35	55.52	39.55	21.23	12.91	6.37
Present Value of Defined Benefit Obligation	(105.77)	(80.99)	(54.28)	(38.85)	(20.38)	(12.15)
Excess of plan assets over present value of obligation	-	-	-	-	-	-
Net (liability) recognized in balance sheet	(24.41)	(25.47)	(14.73)	(17.62)	(7.47)	(5.78)
Present Value of DBO at the end of the period /year						
Current liability	(24.41)	(25.47)	(14.73)	(17.62)	(7.47)	(5.78)
Non current liability	-	-	-	-	-	-
Change in Fair Value of Assets during the year ended						
Plan assets at the beginning of the year	55.52	39.55	21.23	12.91	6.37	2.66
Expected return on plan assets	3.77	5.07	2.02	1.30	0.90	0.42
Actuarial gain/(loss)	(0.26)	(5.07)	0.02	0.30	0.00	0.00
Actual Company Contributions	25.47	19.81	18.51	7.47	5.78	3.28
Benefit Paid	(3.14)	(3.84)	(2.23)	(0.75)	(0.14)	0.01
Plan assets at the end of the year	**81.36**	**55.52**	**39.55**	**21.23**	**12.91**	**6.37**
Actuarial Assumptions						
Discount Rate	7.53%	7.74%	9.12%	8.00%	8.50%	8.00%
Expected Return on plan assets	7.53%	8.00%	8.00%	8.00%	8.50%	9.15%
Rate of increase in compensation	12.50%	10.00%	10.00%	10.00%	8.00%	8.00%
Attrition rate	22.32%	17.32%	17.24%	21.60%	25.36%	21.65%
Retirement age	60	60	60	60	58	58

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

Annexure 21: Statement of Additional information to the financial statements as restated

Details relating to experience adjustment and expected future cashflow is given below

(Amount in Rs. Millions)

Particulars	As at Sept 30, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined Benefit Obligation at end of the year	105.76	80.98	54.28	38.85	20.38
Plan Assets at end of the year	81.36	55.52	39.55	21	12.91
Funded Status - Assets/ (Liabilities)	(24.40)	(25.46)	(14.73)	(18)	(7.47)
Experience Gain/(Loss) adjustments on plan liabilities	(5.95)	6.29	(0.34)	(0.34)	0.31
Experience Gain/(Loss) adjustments on plan Assets	0.26	5.07	0.03	0.30	0.00
Actuarial Gain/(Loss) due to change on assumptions	0.00	34.58	0.10	0.10	0.22

* In the absence of details relating to experience adjustment for the periods prior to March 2012 and expected future cash flow the same are not furnished.

21.6 Segment Reporting

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

21.7 Related Party Disclosure

A. List of Related Parties is given below:

Key Management Personnel	Mr. Samit Ghosh , Managing Director Mrs. Sudha Suresh, Chief Financial Officer Mrs. Suhasini Ashok, Company Secretary (upto August 31, 2014) Mr. Sanjeev Barnwal,Company Secretary (with effect from September 1, 2014)
Enterprises owned by Key Management Personnel	Parinaam Foundation Ujjivan Social Services Foundation

B. Transactions with Related Parties during the year

(Amount in Rs. Millions)

Particulars		Key Management Personnel				
	For the half year ended September 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31,2012	For the year ended March 31,2011
Remuneration:						
Mr. Samit Ghosh	3.75	7.26	5.08	4.46	3.79	3.12
Mrs. Sudha Suresh	2.50	4.36	3.63	3.43	2.68	2.30
Mrs. Suhasini Ashok (upto August 31, 2014)	0.00	0.54	0.78	0.64	0.02	0.00
Mr. Sanjeev Barnwal (with effect from September 1, 2014)	1.11	1.18	-	-	-	-

Enterprises owned by Key Management Personnel

(Amount in Rs. Millions)

Particulars	For the half year ended September 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31,2012	For the year ended March 31,2011
A. Parinaam Foundation						
Recovery of expense	0.45	7.28	6.25	4.85	0.36	-
Donations	-	0.50	-	-	-	-
B. Ujjivan Social Services Foundation						
Investment in shares	-	-	0.01	-	-	-

C. Outstanding balance with related parties

Outstanding Balance	As at Sept 30,2015	As at March 31,2015	As at March 31,2014	As at March 31,2013	As at March 31,2012	As at March 31,2011
Due to Mr. Samit Ghosh	0.54	0.36	0.24	0.20	0.00	0.78
Due to Mrs. Sudha Suresh	0.33	0.21	0.18	-	-	-
Due to Mrs. Suhasini Ashok	0.00	0.03	0.01	-	-	-
Due to Mr. Sanjeev Barnwal	0.04	0.02	-	-	-	-
Due from Parinaam foundation	0.81	-	-	-	-	-

Ujjivan Financial Services Limited
(Formerly Ujjivan Financial Services Private Limited)

Annexure 21: Statement of Additional information to the financial statements as restated

21.8 Details of leasing arrangements

The Company has taken on operating lease certain facilities and office premises for a period ranging from 11 months to 120 months which are non-cancellable for the period as reflected in the respective agreements. These lease agreements provide for increase in the lease payments by 10% to 15% over the period as mentioned in the agreements.

(Amount in Rs. Millions)

Particulars	For the half year ended September 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31,2012	For the year ended March 31,2011
The total minimum lease payments for the current period, in respect of operating leases, included under rent	57.27	92.19	60.51	51.30	48.79	43.19

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

(Amount in Rs. Millions)

Particulars	For the half year ended September 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31,2012	For the year ended March 31,2011
Not later than one year	73.07	43.06	32.24	10.71	41.69	40.42
Later than one year but not later than five years	139.82	58.77	77.29	9.02	63.67	53.07
Later than 5 years	70.65	-	-	-	3.49	12.70

21.9 Deferred Tax

(Amount in Rs. Millions)

Particulars	As at 30 Sept, 2015	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011
Deferred tax (asset)/liability						
Tax effect of items constituting deferred tax liability						
On difference between book balance and tax balance of fixed assets	0.16	-	5.24	7.30	7.42	4.49
Net Tax effect of items constituting deferred tax liability	**0.16**	**-**	**5.24**	**7.30**	**7.42**	**4.49**
Tax effect of items constituting deferred tax assets						
On difference between book balance and tax balance of fixed assets	-	(1.55)	-	-	-	-
Provision for employee benefits	(35.45)	(27.68)	(16.71)	(15.32)	(8.73)	(6.86)
Provision for doubtful debts	(161.03)	(123.55)	(56.85)	(32.18)	(30.90)	(18.82)
On account of processing fee restatement	-		-	(16.23)	(11.50)	(1.51)
On opening balance of reserves on account of reversal of processing fees	-	-	-	-	-	(2.39)
Tax effect of items constituting deferred tax assets	**(196.48)**	**(152.78)**	**(73.56)**	**(63.73)**	**(51.13)**	**(29.58)**
Total						
Add/(Less) - Adjustment on account of restatement - Refer Annexure - 5	-	-	-	-	-	-
Net deferred tax (asset)/liability as at the end of the year	**(196.32)**	**(152.78)**	**(68.32)**	**(56.43)**	**(43.71)**	**(25.09)**

21.10 Employee Stock Option Plan

The Company has established Employee Stock Option Plan (ESOP) for compensation to its employees, being ESOP 2006, ESOP 2007, ESOP 2008 and ESOP 2010.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and Earnings Per Share (EPS) both basic & diluted. Had the company adopted the fair value method amortising the stock compensation expense thereon over the vesting period, the reported profits and the basic and diluted EPS would have been as given below.

Particulars	For the half year ended Sept 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
Reporting profit would have been lower by (Rupees in Millions)	17.20	14.80	14.42	6.84	1.05	0.53
Basic EPS	8.36	11.02	8.69	5.21	0.01	3.34
Diluted EPS	8.00	10.41	8.17	4.86	0.01	3.08

Option activity under the plans is as given below:

Particulars	(in nos. Millions)					
	For the half year ended Sept 30, 2015	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
Options granted, beginning of year	3.95	4.14	4.44	3.08	2.97	0.55
Granted during the year	-	-	-	1.65	0.38	2.61
Exercised during the year	-	-	-	-	-	-
Forfeited/Expired during the year	0.06	0.19	0.30	0.29	0.27	0.19
Options granted, as at the end of the financial year	3.88	3.95	4.14	4.44	3.08	2.97
Option exercisable at the year end	2.41	2.31	1.84	1.11	1.06	0.54
Weighted average of remaining contractual life (years) at the year end	0.32	2.09	2	2.97	2.05	3.28

Annexure 21: Statement of Additional information to the financial statements as restated

21.11 Details of Financial Assets sold to Securitisation Company

(Amount in Rs. Millions except No of accounts)

Particulars	Sept 30,2015	March 31,2015	March 31, 2014	March 31,2013	March 31,2012	March 31,2011
No. of accounts	-	0.09	-	-	0.07	-
Aggregate value of accounts sold to Securitisation Company	-	836.40	-	-	575.32	-
Aggregate Consideration	-	817.73	-	-	575.32	-
Additional consideration realized in respect of accounts transferred in earlier years	-	0.00	-	-	0.00	-
Quantum of credit enhancement in the form of deposits	-	47.38	-	-	47.90	-
Aggregate gain /(loss) over net book value	-	11.91	-	-	35.79	-

For and on behalf of the Board of Directors

Samit Ghosh
Managing Director

Sunil Patel
Director

Place: Bangalore
Date:

Sanjeev Barnwal
Company Secretary

Sudha Suresh
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements beginning on page 162, *prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations, including the annexures and notes thereto and the reports thereon, included in "Financial Statements" beginning on page* 162. *Unless otherwise stated, the financial information used in this section is derived from the Restated Financial Statements.*

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" on page 14*.*

In this section, unless the context otherwise requires, a reference to "we", "us", "our" or "our Company" is a reference to Ujjivan Financial Services Limited.

Overview

We started our operations as an NBFC-MFI in 2005 with the mission of providing a full range of financial services to the economically active poor who are not adequately served by regular financial institutions. Our business is primarily based on the joint liability group lending model for providing small ticket, collateral free loans to economically active women. We also offer individual loans to Micro & Small Enterprises ("**MSEs**"). On October 7, 2015, we were one amongst 10 companies in India, out of a total of 72 applicants, to receive in-principle approval from the RBI to set up a small finance bank ("**SFB**"). (*Source: RBI Press Release*)

We have adopted an integrated approach to lending, which combines a high customer touch-point, which is typical of microfinance, with the technology infrastructure and back-end support functions similar to that of a retail bank. Our integrated approach has enabled us to manage increasing business volumes and optimise overall efficiencies. A technology-enabled business model has been our strategic priority, and the back-end of our operations have a fully integrated IT platform.

We offer a diverse range of loan products to cater to the specific requirements of our customers. Our products can be classified under two broad categories, namely, group loans and individual loans. Depending upon the end use, these products can be further sub-divided into agricultural, education, home improvement, home purchase and livestock loans. All of our assets under management ("**AUM**") fall under the priority sector lending norms prescribed by the RBI. In addition to loan products, we also provide non-credit offerings comprising of life insurance products, in partnership with insurance providers such as Bajaj Allianz Life Insurance Company Limited and Kotak Mahindra Life Insurance Company Limited.

We have adopted a decentralized management structure for our operations, comprising of four regional offices at Bengaluru, New Delhi, Kolkata and Pune. Our two-tiered management hierarchy comprises of a national leadership team ("**NLT**") providing overall direction to our business, and four regional leadership teams ("**RLT**") responsible for taking on-ground operational decisions. A large proportion of our NLT and RLT members have significant experience in the banking and financial services industry providing depth to our management team. This further provides us with the advantage of understanding ground realities and local diversity of a particular region, enabling quick decision making and proactive responses to regional market changes.

As of March 31, 2015, we had operations spread across 24 states and union territories, and 209 districts across India, making us the largest MFI in terms of geographical spread (*Source: Bharat Microfinance Report 2015, and the MFIN Micrometer Report, September 2015*). As of September 30, 2015, we served over 2.77 million customers through 469 branches and 7,786 employees and our Net AUM stands at ₹40,797.62 million. Further, as of September 30, 2015, we have approximately 11.15% of market share of the NBFC-MFI business in India (*Source: MFIN Micrometer Report, September 2015*), making us one of the leading providers of microfinance in India. Our growth has been rapid and calibrated in equal measure, and we have strategically avoided expanding into regions which have experienced crises in the MFI industry, as well as regions where overlending is prevalent.

We believe we are a customer centric organization, and this is reflected in our customer retention ratio, which was 89.18% as of September 30, 2015. We have a dedicated service quality department addressing customer grievances and their feedback. Our customer centric approach has been recognized through accolades such as the 'MIX 2013 Socially Transparent and Responsible (S.T.A.R.) MFI' award by MIX in 2013 and the 'Innovator in Responsible Business' award by Inc India magazine in 2013. We have partnered with the Parinaam Foundation for the formulation and implementation of financial literacy programs such as '*Diksha*' and '*Sankalp*', and continue to support them in their initiatives, which aides in raising the level of awareness of our customers.

For the past five consecutive years, we have been ranked consistently among the top 25 companies to work for in India by the Great Places to Work® Institute in partnership with the Economic Times. For the year 2015, we have been ranked 1st in the microfinance sector by the Great Places to Work® Institute. Our employee productivity ratio (number of clients per loan officer), which was 633 as of September 30, 2015, is higher than the industry average of 579 as of September 30, 2015. (*Source: MFIN Micrometer Report, September 2015*).

We have long term investors and a majority of our equity investors have stayed invested with us for a period of more than five years. Our longstanding relationships with investors and shareholders, and good track record with lenders, has enabled us to consistently access a diverse pool of capital since our inception.

We leverage our community connect to ensure that our products and social welfare initiatives are suited to the specific requirements of our customers and the community. Our social development programs are formulated jointly by a representative from the local community and our local branch team. As of September 30, 2015, we have completed over 1,202 such programs across India.

Our total revenues in Financial Years 2013, 2014 and 2015 and in the six month period ended September 30, 2015 was ₹2,339.29 million, ₹3,576.62 million, ₹6,118.81 million and ₹4,622.72 million. We achieved positive net profit after tax (as restated) in Financial Year 2010 and have remained profitable in each Financial Year ever since. Our net profit (as restated) after tax in Financial Years 2013, 2014, 2015 and the six month period ended September 30, 2015 was ₹328.70 million, ₹584.16 million, ₹757.88 million and ₹737.31 million, respectively. Our GNPA in the Financial Years 2013, 2014, 2015 and the six month period ended September 30, 2015 was 0.08%, 0.07%, 0.07% and 0.13%, respectively.

Factors Affecting Our Results of Operations

As our target clients are individuals and micro and small enterprises that are underserved through formal financing channels, our ability to increase our revenues is dependent on our ability to offer lending and other financial products to suit our target customer base on competitive terms; offer our existing customers additional loans and other financial products; and expand into related businesses that provide us with an opportunity to offer our products to new as well as existing customers. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant impact on our results of operations:

Proposed SFB Operations

The RBI has, pursuant to its letter dated October 7, 2015 (the "**SFB In-Principle Approval**"), granted us an in-principle approval to set up an SFB. On the establishment of an SFB, we believe we will be able to provide a broader range of services and products, and expect to be able to expand our existing range of credit products by supplementing them with innovative and tailor-made savings, credit and payments products. We believe that transitioning into an SFB will enable us to reduce our dependence on bank borrowings and provide us with access to a wider range of funds, including savings products and diversified base of customer deposits. We believe these additional funding sources will enable us to broaden our funding sources and access funds at a lower cost, thereby enabling us to offer loans at competitive rates. In terms of the aforementioned in-principle approval, we have been provided with an 18 month timeline from the date of the SFB In-Principle Approval to comply with all requirements prescribed by the RBI in relation to small finance banks. In order to ensure a successful transition to the small finance bank business, our Company has put in place a project plan for the transition along with relevant business plans and internal policies in order to utilize our existing capabilities and infrastructure in the most optimal and efficient manner. For further information relating to our proposed SFB operations, see "*Proposed SFB Business*" on page 114. Further, for risks in relation to the transition to our proposed SFB operations, see "*Risk Factors*" on page 14.

Additional Financial Products and Services

Given the nature of our business, which is driven by new customer acquisition and growth in business volumes, it is essential for our success that we continue diversification of our business and revenue base, with an emphasis on creating new product offerings and expanding our reach to new markets. We currently offer a wide and diverse range of loan products which can be broadly classified into group loans and individual loans, as well as life insurance products through our partnership with insurance providers such as Bajaj Allianz Life Insurance Company Limited and Kotak Mahindra Life Insurance Company Limited, and in Financial Year 2015 have introduced certain well-received product initiatives including '*Rishta*' Loans and '*Akarshan*' Loans. In addition, we have introduced other financing products relevant to our customer segment such as agriculture loans for small and marginal farmers and secured business loans. Further, as an SFB, we expect to be able to introduce a broader range of financing products and services for our target customer segments, as discussed in "*Proposed SFB Business*" on page 114.

In Financial Year 2015, we saw growth in our individual loan portfolio, largely driven by new product launches and new branches, increasing our geographical presence. We believe that these factors are key to our continued growth in a competitive business landscape. We continue to seek to develop new products and initiatives, and expect that these new businesses and product offerings may require increasing management attention and capital investments. The demand that we receive for such new and additional financing products and services will directly impact our future revenue and profitability, along with our ability to successfully implement our business strategies and address the market opportunities that our management identifies. For example, in Financial Year 2015 we launched the pilot phase of our secured business loans and secured housing loans – we believe that the secured lending space will drive growth in our individual loan business in the near future. Further, we focus on developing customer engagement and loyalty, as we believe that the graduation of higher vintage customers from our group loan business will help propel our individual loan business. In Financial Year 2015, our individual loan business constituted 10.47% of our Gross AUM portfolio, and as on September 30, 2015, the individual loan business constituted 11.88% of our Gross AUM portfolio.

Availability of Cost Effective Funding Sources and Interest Rate Volatility

Revenue from interest on loans is the largest component of our total revenue, representing 88.33%, 90.99% and 90.02% and 89.73% of our total revenue in Financial Years 2013, 2014, 2015 and in the six months ended September 30, 2015, respectively, while interest expense on borrowings represents a majority of our expenses, constituting 34.90%, 38.96%, 44.11% and 42.19% of our total revenue in Financial Years 2013, 2014 and 2015 and in the six months ended September 30, 2015, respectively. Our net interest income, or the difference between our revenue from interest on loans and our interest expense on borrowings, therefore plays a key role in determining our overall results of operations.

Our net interest income is affected by debt service costs and costs of funds, which depend largely on external factors such as the status of bank lending rates in India, in particular, interest rate movements, as well as internal factors such as changes in our credit rating based on our growth, performance and profitability. We may also be affected by changes in RBI repo rates, which impact the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities. Our total outstanding borrowings increased in line with our growth in business by 89.20% from ₹ 16,499.63 million as of March 31, 2014 to ₹31,217.71 million as of March 31, 2015. As of September 30, 2015, we had total outstanding borrowings of ₹33,651.61 million.

We believe that we have access to diversified funding sources, including non-convertible debentures from foreign financial institutions and domestic mutual funds. In Financial Year 2015, we diversified our debt portfolio to include subordinated debt, and continued sourcing funds from securitization transactions and non-convertible debentures, along with borrowings from banks, financial institutions and alternative sources (NBFCs). This was supplemented by equity infusions, and we have raised several rounds of equity capital with the continued support of our existing and new investors. As a result, we believe that our stable access to funds and leveraging capability enables us to maintain competitive interest rates for loans to our customers.

Credit Quality, Provisions and Write-Offs

We have an independent credit function, which is centralised at the regional level for efficiency of operations. In light of our growing clientele and changing customer dynamics, our credit function plays an important role in determining our ability to reduce the risk of losses from loan impairment. We have extended the credit function's presence in the field to cover our growing individual loan portfolio as well, which we believe ensures prudent and independent underwriting. We believe that the quality of our loan portfolio is supported by integration of our Fraud Control Unit process, a well-defined Loan Approval Matrix, loan sanctioning by certified staff and stringent end-use monitoring.

Our results of operations are directly impacted by the level of risk of losses from loan impairment, and the credit quality of our loans is therefore a vital factor in our business. We believe that the quality of our credit function, resulting in effective credit evaluation measures, as well as our systemic processes such as verification of borrower risk profile, source of repayment, underlying collateral and disbursement and collection processes have enabled us to maintain relatively low levels of NPAs. The following table illustrates our asset quality ratios across our businesses:

(₹ in million, except percentages)

	Financial Year			**Six months ended September 30, 2015**
	2013	**2014**	**2015**	
Aggregate NPAs				
Gross NPA / On-Book AUM (%)	0.08%	0.07%	0.07%	0.13%
Net NPAs / On-Book AUM (%)	0.08%	0.01%	0.02%	0.04%
Group Loan NPAs	0.13%	0.07%	0.06%	0.09%
Individual Loan NPAs	-*	-*	0.20%	0.35%

** Individual Loan NPAs during Financial Years 2013 and 2014 were insignificant*

We continue to focus on capacity building and increased efficiencies through enhanced technological interventions such as eKYC authentications with unique identification numbers, online training for staff and handheld device enabled underwriting processes. We believe the implementation of credit scoring and customer segmentation for individual loan clients, business intelligence tools and collection software with credit analytics provides us with deeper insights on customer credit behaviour.

Operating Expenses and Productivity Levels

We focus on improving our operational efficiencies across our product portfolio, including through processes such as monitoring our Turnaround Time ("**TAT**") and customer retention measures. In Financial Years 2013, 2014 and 2015, and in the six months ended September 30, 2015, our total expenses were ₹1,862.29 million, ₹2,688.20 million, ₹4,973.68 million, and ₹3,493.95 million, respectively, of which operating expenses (bank charges, employee benefit expense, administrative and other expense and depreciation and amortisation expense) comprised 41.76%, 33.89%, 33.74% and 31.03% of our total revenue, respectively, for these periods. Our Operating expense ratios have seen a steady decline from 78.15% in Financial Year 2013 to 73.48% in Financial Year 2015, and to 65.28% as of September 30, 2015. This is primarily due to a combination of various factors. Better TAT on account of higher proportion of pre-approved loans and the resulting customer retention rate, has enabled higher growth in our repeat loan business. Our TAT reduced from 7.94 days in Financial Year 2013 to 6.20 days as of September 30, 2015 for group loan products, and from 17.26 days in Financial Year 2013 to 9.33 days as of September 30, 2015 for Individual Loan products.

Our ability to maintain and expand our network of branches in a cost effective manner, while improving their productivity levels, has a direct result on our financial performance. We monitor the productivity levels of our branches and employees through a monthly 'branch report card' and seek to improve the AUM and disbursement amount per branch as well as the AUM and disbursement amount per employee. We have also introduced equal form flow in disbursements, and increased the number of repayment windows available to our customers from one to three, which has in turn resulted to an increase in productivity. Our AUM per branch increased from ₹37.41 million as at March 31, 2013 to ₹76.09 million as at March 31, 2015 and ₹86.99 million as at September 30, 2015, and our disbursements per branch increased from ₹ 51.19 million as at March 31, 2013 to ₹102.33 million as at March 31, 2015 and ₹121.84 million (annualised) for the half year ended September 30, 2015.

Competition

We face our most significant organized competition from other NBFC-MFIs and MFIs. In addition, many of our potential customers in economically weaker segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, especially moneylenders, landlords, local shopkeepers and traders, at much higher rates. In the organized sector, many of the institutions with which we compete have greater assets and better access to, and lower costs of funding than we do. In certain areas, they may also have better brand recognition and larger customer bases than us. We typically encounter greater competition from MFIs and SHG linked programs which have substantial operations in certain states. With the advent of technology based initiatives and alternative modes of banking, we may face increased competition in this sector, which may in turn impact our revenues and profitability. Further, as a result of the introduction of the SFB regime by the RBI, we may face increased competition from other NBFC-MFIs and MFIs who are also in the process of setting up SFBs.

Macroeconomic Factors

As an NBFC-MFI operating in India, our financial performance may be impacted by the overall economic conditions in India, including the GDP growth rate and related government policies. Further, our financial results may be influenced by macroeconomic factors relating to growth of the Indian economy in general and the financial services industry in particular. We are also vulnerable to volatility in interest rates in India and regulatory changes applicable to NBFC-MFIs. Our business is subject to various other risks and uncertainties, including those discussed in "*Risk Factors*" on page 14. Any trends or events which have a significant impact on the economic situation in India, including a rise in interest rates, could have an adverse impact on our business.

Regulatory Developments

The growth of our business is dependent on stable government policies and prudent regulation. For example, the introduction of ordinances or regulations, such as the proposed Microfinance Institutions (Development and Regulation) Bill, 2012, may have an impact on our microfinance business. Additionally, RBI requires, inter alia, domestic scheduled commercial banks operating in India to maintain a minimum of 40% of their ANBC, or a credit equivalent amount of off-balance sheet exposure, whichever is higher, as lending to specific sectors (known as priority sectors) such as agriculture, micro, small and medium enterprises, export credit, education, housing, social infrastructure and renewable energy. Priority sector lending ("**PSL**") funds received as a result of these bank requirements are a significant source of funding for the MFI industry in India, subject to certain eligibility conditions that are required to be satisfied by NBFC-MFIs to avail such funds. To the extent that changes in regulations impose any further conditions or requirements for PSL funds or in the event that loans to MFIs are no longer classified as PSL, our access to, and the cost of, debt financing may be adversely affected.

We are currently required by the RBI to maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The RBI also requires us to make provisions for NPAs. Any change in the regulatory framework affecting NBFC-MFIs, and in particular those requiring us to maintain a minimum capital adequacy ratio, placing restrictions on securitization, or borrowing from alternate sources, would materially and adversely affect our results of operations and growth. Further, NBFC-MFIs are also required to comply with margin cap requirements as per RBI guidelines.

We make provisions for our substandard, doubtful and loss assets in compliance with RBI regulations, as applicable, and we believe that our current provisions for NPAs are adequate to cover identified losses in our asset portfolio. With the change in the mix of Group Lending and Individual Lending businesses in the future, increase in both provisioning and NPAs is possible. In addition, any increase in the level of final credit losses or an inability to maintain our asset quality may adversely affect our NPA levels and require us to increase our provisions and write-offs. In 2011, the Malegam Committee report made various suggestions, inter alia, in relation to pricing of interest, transparency in interest rates, multiple lending and over-borrowing, which resulted in the introduction of the NBFC – MFI Directions, 2011 by the RBI which lay down a stringent regulatory regime for the microfinance industry in India, resulting in extensive regulation, and further regulations introduced a margin cap for the MFI Industry. If the interpretation of the regulators and authorities varies from our interpretation of the applicable regulations, we may be subject to penalties and our business and operations could be adversely affected. Further, there can be no assurance that any future change in the regulations applicable to us or the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

For regulatory developments in relation to SFB operations, see "*Proposed SFB Business*" on page 114.

Significant Accounting Policies

Use of estimates

The presentation of financial statements is in conformity with Indian GAAP, which requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liability) and the reported income and expenses during the year. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known/material.

Cash flow statement

The Cash Flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of our Company are segregated based on available information.

Cash and cash equivalents (for the purpose of cash flow statement)

Cash comprises of cash on hand and demand deposits with bank. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Tangible and Intangible assets (Fixed Assets)

Fixed assets are stated at cost, net of accumulated depreciation. The cost of an asset comprises its purchase price (net of capital grants) and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Asset	Useful life as per Schedule II (in years)
Computer	3
Furniture	10
Office equipment	5
Motor vehicle	8
Server	6
Software	6

Investments

Investments are classified into current investments and non current investments. Current investments are carried at lower of cost or fair value. Non current investments are carried individually at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Receivables under Financing Activity

Receivables under financing activity include Business Loans, Family Loans, Housing Loans, Education loan, Live stock Loans, Bazaar Loans, Short term Business Loans, Individual Business Loans, Home Improvement Loan, Business Growth Loan, Agriculture Loan, Loyalty Business Loan and Loyalty Housing Loan. Loans are classified into 'Performing and Non-Performing' assets in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and NBFC, MFI directions (as applicable) issued by the Reserve Bank of India as amended from time to time.

Revenue

Revenue from Interest on loans (other than non performing loans) financed by our Company is recognized on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

Revenues from Non-Performing Assets, loan documentation and meeting charges are recognized as income on cash basis.

Interest income on fixed deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Profit/premium arising at the time of securitisation of loan portfolio is amortised over the life of the underlying loan portfolio/securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess interest spread) is recognized in the statement of profit and loss account net of any losses when redeemed in cash.

Employee benefits

Employee benefits include Provident Fund, Employee State Insurance scheme, gratuity fund and compensated absences.

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

b) *Defined Contribution Plan*

   Company's contributions to Provident Fund, Pension Fund and Employee State Insurance scheme are considered as defined contribution plan and are charged as expense based on amount of contribution required to be made and when services are rendered by the employees.

c) *Defined Benefit Plan*

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

d) *Long term employee benefits*

   Liability for compensated absences is provided based on actuarial valuation carried out at the end of the financial period using Projected Unit Credit Method and is not funded. Past service cost is recognized immediately to the extent that the benefits are already used and otherwise is amortised on straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognised past service cost, as redeemed by the fair value of scheme assets.

   Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are recognised as a liability at the present value of the defined benefit obligations as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or expense in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Lease

Lease rentals under operating lease are charged to the Statement of Profit and Loss on straight line basis over the lease term.

Assets leased by our Company in its capacity as a lessee, in which substantially all the risk and rewards of ownership vest in our Company, are classified as finance leases. Lease arrangements where risk and rewards incidental to ownership of assets substantially vest with the lessor are recognised as operating leases.

Borrowing costs

Borrowing costs attributable to qualifying assets (assets which require substantial period of time to get ready for their intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and our Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in notes. Contingent assets are not recognised in the financial statements.

Employee Stock Option Plan

Our Company has employee stock option plans for the benefit of its employees, see "*Capital Structure*" on page 57. Options granted in terms of the Stock option plans on or after April 1, 2005 are accounted in accordance with the Guidance Note on Accounting for Employee Share Based Payment Plans issued by the Institute of Chartered Accountants of India ("**ICAI**"). The difference between the intrinsic value of the stock option granted on or after April 1, 2005 and exercise price, if any, is expensed as "Employee Compensation" over the period of vesting.

Operating Cycle

Based on the nature of activities of our Company and normal time between acquisition of assets and their realisation in cash and cash equivalent, Our Company has determined operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

Principal Components of Income and Expenditure

Revenue

Revenue from Operations

Income from operations primarily includes income from interest on loans and deposits. Income from operations also includes loan processing fees and income from other financial services.

Other Income

Other income includes interest income on fixed deposits, net gain on sale of current investments – mutual fund, fee income from activities other than financing and other miscellaneous income.

Expenses

Total expenses includes (i) finance costs; (ii) employee benefits expense; (iii) administrative and other expenses; (iv) depreciation and amortization expenses; and (v) provision/write off for receivable under financing activity.

Finance Costs

Finance costs include interest expense on borrowings and other financing, and loan processing fees.

Changes in Accounting Policies

Our Company changed its accounting policy with respect to accounting of processing fees in Financial Year 2014, pursuant to which processing fees were charged in the same year as the debt was incurred, as against the earlier policy where the processing fees were amortised over the tenor of the loan borrowed.

Employee Benefits Expense

Employee benefits expense includes salaries and wages (net), contribution to provident and other funds and staff welfare expenses relating to our direct employees.

Administrative and Other Expenses

Administrative and other expenses include travelling and conveyance, professional charges, rent expense, security and housekeeping expenses, training and conference charges as well as miscellaneous expenses.

Depreciation and Amortization Expense

Depreciation represents depreciation on our fixed assets including computers, furniture and fixtures, vehicles, and office equipment and leasehold improvements. Amortization represents amortization of computer software.

Provisions and write offs

Provision/write off for receivable under financing activity includes bad debts written off with respect to our portfolio loans and losses relating to loans we assigned to third parties and provisions for standard assets and NPAs.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particulars	**Financial Year**						**Six months ended September 30, 2015**	
	2013		**2014**		**2015**			
	(₹ in million)	**Percentage of total revenue (%)**	**(₹ in million)**	**Percentage of total revenue (%)**	**(₹ in million)**	**Percentage of total revenue (%)**	**(₹ in million)**	**Percentage of total revenue (%)**
REVENUE								
Revenue from Operations	2,225.19	95.12	3,478.89	97.27	5,993.17	97.95	4,481.24	96.94
Other Income	114.10	4.88	97.73	2.73	125.64	2.05	141.48	3.06
Total Revenue	**2,339.29**	**100.00**	**3,576.62**	**100.00**	**6,118.81**	**100.00**	**4,622.72**	**100.00**
EXPENSES								
Employee benefits expense	659.14	28.18	814.91	22.78	1,329.58	21.73	933.57	20.20
Provision/write off for receivable under financing activity	69.03	2.95	82.92	2.32	210.48	3.44	109.08	2.36
Finance costs	820.78	35.09	1,398.53	39.10	2,713.81	44.35	1,962.40	42.45
Depreciation and amortization expense	25.22	1.08	31.47	0.88	67.42	1.10	38.44	0.83
Administrative and Other expenses	288.12	12.32	360.37	10.08	652.39	10.66	450.46	9.74
Total Expenses	**1,862.29**	**79.61**	**2,688.20**	**75.16**	**4,973.68**	**81.29**	**3,493.95**	**75.58**
Profit/(loss) before Tax and exceptional items	**477.00**	**20.39**	**888.42**	**24.84**	**1,145.13**	**18.71**	**1,128.77**	**24.42**
Exceptional Items								
Effect of increase/(decrease) in profits	-		-		-		-	
Total Exceptional Items	-		-		-		-	
Profit/(Loss) before Tax	**477.00**	**20.39**	**888.42**	**24.84**	**1,145.13**	**18.71**	**1,128.77**	**24.42**
Tax Expense								
Current Tax expense	161.00	6.88	317.00	8.86	470.00	7.68	435.00	9.41
Provision for tax of earlier year	-		(0.84)	(0.02)	(1.95)	(0.03)	-	
Deferred Tax	(12.70)	(0.54)	(11.90)	(0.33)	(80.80)	(1.32)	(43.54)	(0.94)
Net tax expense	**148.30**	**6.34**	**304.26**	**8.51**	**387.25**	**6.33**	**391.46**	**8.47**
Net Profit/(Loss) for the year (as restated)	**328.70**	**14.05**	**584.16**	**16.33**	**757.88**	**12.39**	**737.31**	**15.95**

Six months ended September 30, 2015

Revenue

Our total revenue for the six month period ended September 30, 2015 amounted to ₹4,622.72 million.

Revenue from Operations

Revenue from operations for the six month period ended September 30, 2015 amounted to ₹4,481.24 million. This consisted primarily of revenue from interest on loans of ₹4,147.98 million and loan processing fee of ₹306.58 million, enabled by the expansion of our customer base during this period. Our Company posted an increase in business primarily on account of loyalty loans disbursed during the second quarter of Financial Year 2016.

Expenditure

Our total expenses for the six month period ended September 30, 2015 amounted to ₹ 3,493.95 million, primarily consisting of finance costs of ₹1,962.40 million and employee benefits expense of ₹ 933.57 million, as well as administrative and other expenses of ₹ 450.46 million.

Employee Benefits Expense

Employee benefits expense for the six month period ended September 30, 2015 consisted of salaries and wages (net) of ₹800.12 million, contributions to provident and other funds of ₹ 69.19 million and staff welfare expenses of ₹64.26 million, as a result of an increase in our number of employees from 7,089 as of March 31, 2015 to 7,786 as of September 30, 2015 and salary increments.

Provisions and Write-Offs

Provision/write off for receivable under financing activity for the six month period ended September 30, 2015 amounted to ₹ 109.08 million, on account of provision for receivables under financing activity of ₹107.96 million and bad debts written off (net of provisions) of ₹1.12 million.

Finance Costs

Our finance costs for the six month period ended September 30, 2015 primarily comprised interest expense on borrowings of ₹1,887.34 million and loan processing fees, bank charges and other related costs of ₹74.81 million and ₹0.25 million of other borrowing cost (interest on cash credit).

Depreciation and Amortization Expenses

Depreciation and amortization expense for the six month period ended September 30, 2015 amounted to ₹38.44 million.

Administrative and Other Expenses

Administrative and other expenses for the six month period ended September 30, 2015 mainly comprised rent of ₹57.27 million, professional charges of ₹ 89.22 million and travelling and conveyance expenses of ₹103.56 million.

Profit Before Tax

Our profit before tax for the six month period ended September 30, 2015 was ₹1,128.77 million.

Tax Expense

Our net tax expense for the six month period ended September 30, 2015 was ₹391.46 million, consisting of current tax expense of ₹435.00 million which was partially offset by a deferred tax credit of ₹43.54 million.

Profit for the Six Month Period ended September 30, 2015

As a result of the above, our net profit for the six month period ended September 30, 2015 was ₹737.31 million.

Financial Year 2015 compared to Financial Year 2014

Revenue

Our total revenue increased by 71.08% from ₹3,576.62 million in Financial Year 2014 to ₹6,118.81 million in Financial Year 2015.

Revenue from Operations

Revenue from operations increased by 72.27% from ₹3,478.89 million in Financial Year 2014 to ₹5,993.17 million in Financial Year 2015. The following table sets forth certain information relating to our revenue from operations in the periods specified:

Revenue from Operations	**Financial Year 2014**		**Financial Year 2015**	
	Amount	**Percentage of Total Revenue from Operations**	**Amount**	**Percentage of Total Revenue from Operations**
	(₹ in million)	**(%)**	**(₹ in million)**	**(%)**
Interest on loans	3,254.49	93.55%	5,508.32	91.91%

Revenue from Operations	Financial Year 2014		Financial Year 2015	
	Amount	Percentage of Total Revenue from Operations	Amount	Percentage of Total Revenue from Operations
	(₹ in million)	(%)	(₹ in million)	(%)
Loan processing fee	224.40	6.45%	472.72	7.89%
Income from other financial services	-	-	12.13	0.20%
Total	**3,478.89**	**100.00%**	**5,993.17**	**100.00%**

Revenues from interest on loans contributed the largest proportion of our revenue from operations and represented 93.55% and 91.91% of our total revenue from operations in Financial Year 2014 and Financial Year 2015, respectively. Interest on loans increased by 69.25% from ₹3,254.49 million in Financial Year 2014 to ₹ 5,508.32 million in Financial Year 2015. This was primarily on account of increased business in both group lending and individual lending together with an increase in our customer base, addition of branches, introduction of new products and special campaigns. Our loan portfolio and customer base expanded primarily due to growth in our individual lending business, as well as the launch of new products in our group lending business, such as the Rishta loan, which is essentially a short term offering to repeat customers with good credit history. We also introduced secured business and secured housing loans during Financial Year 2015 in the pilot phase. This led to an increase in the number of new customers during Financial Year 2015, which also contributed to the enhanced business in Financial Year 2015.

Loan processing fees increased by 110.66% from ₹ 224.40 million in Financial Year 2014 to ₹ 472.72 million in Financial Year 2015 as a result of the increase in disbursements during Financial Year 2015.

Other Income

Other income increased by 28.56% from ₹ 97.73 million in Financial Year 2014 to ₹125.64 million in Financial Year 2015, primarily on account of an increase in interest income from deposits with banks and net gain on sale of current investments - mutual fund during this period, arising from higher volumes of short term investments compared to Financial Year 2014.

Expenditure

Total expenses increased by 85.02% from ₹2,688.20 million in Financial Year 2014 to ₹ 4,973.68 million in Financial Year 2015, primarily on account of increases in finance costs and employee benefits expense. As a percentage of revenue from operations, total expenses increased from 75.16% in Financial Year 2014 to 81.29% in Financial Year 2015.

	Financial Year 2014		Financial Year 2015	
	Amount	Percentage of Total Revenue from Operations	Amount	Percentage of Total Revenue from Operations
	(₹ in million)	(%)	(₹ in million)	(%)
Employee benefits expense	814.91	23.42%	1,329.58	22.18%
Provision/write off for receivable under financing activity	82.92	2.38%	210.48	3.51%
Finance costs	1,398.53	40.20%	2,713.81	45.28%
Depreciation and amortization expense	31.47	0.90%	67.42	1.12%
Administrative and Other expenses	360.37	10.36%	652.39	10.89%
Total Expenditure	**2,688.20**	**77.27%**	**4,973.68**	**82.99%**

Employee Benefit Expenses

Employee benefits expenses increased by 63.16% from ₹814.91 million in Financial Year 2014 to ₹1,329.58 million in Financial Year 2015, primarily resulting from an increase in the number of employees arising from the establishment of 73 new branches during this period, from 4,667 employees as of March 31, 2014 to 7,089 employees as of March 31, 2015. These additional branches were established in order to serve our expanding customer base.

Salaries and wages (net) increased by 62.16% from ₹708.40 million in Financial Year 2014 to ₹1,148.75 million in Financial Year 2015, in line with the increase in our employee headcount, while contribution to provident and other funds increased by 84.91% from ₹49.09 million in Financial Year 2014 to ₹90.77 million in Financial Year 2015. The increased contribution to provident fund and other funds was due to the requirement of increase in employers contribution to provident fund with effect from September 1, 2014. towards There was also an increase in staff welfare expenses by 56.84% from ₹ 57.42 million in Financial Year 2014 to ₹90.06 million in Financial Year 2015, primarily on account of an increase in the employee base.

Provisions and Write-Offs

Provision/write off for receivable under financing activity increased by 153.84% from ₹82.92 million in Financial Year 2014 to ₹210.48 million in Financial Year 2015. This increase in provisions and write offs during the period was on account of an increase in loan portfolio by ₹16,014.23 million during Financial Year 2015, as well as an increase in provisioning norms for loans related to individual business from 1% in Finacial Year 2014 to 2% in Financial Year 2015.

Finance Costs

Finance costs increased by 94.05% from ₹1,398.53 million in Financial Year 2014 to ₹ 2,713.81 million in Financial Year 2015, reflecting increased borrowing costs and associated fees in line with increase of our loan disbursements of ₹43,284.19 million in Financial Year 2015 as compared to ₹21,049.75 million in Financial Year 2014. Interest expense on borrowings increased by 89.86% from ₹1,343.91 million in Financial Year 2014 to ₹2,551.52 million in Financial Year 2015. Loan processing fees, bank charges and other related costs also increased by 197.92% from ₹54.32 million in Financial Year 2014 to ₹161.83 million in Financial Year 2015. This increase was a result of loans taken in Financial Year 2015, amounting to ₹28,031.94 million, being higher in comparison to loans taken in Financial Year 2014.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased by 114.24% from ₹31.47 million in Financial Year 2014 to ₹67.42 million in Financial Year 2015, primarily as a result of revisions in provisions of the Companies Act, 2013 that relate to depreciation, as well as higher capital expenditure in Financial Year 2015.

Administrative and other expenses

Administrative and other expenses increased by 81.03% from ₹360.37 million in Financial Year 2014 to ₹652.39 million in Financial Year 2015, primarily due to the growth in our operations and our expanding branch network across India. This was mainly driven by increases in travelling and conveyance expenses, professional charges, training and conference charges and rent expense, arising from our business expansion and establishment of new branches during this period. This increase was also driven by data centre outsourcing costs and annual maintenance costs for our IT related assets.

Profit before Tax

Profit before tax increased by 28.90% to ₹1,145.13 million in Financial Year 2015 compared to ₹888.42 million in Financial Year 2014.

Tax Expense

Net tax expense increased by 27.28% to ₹387.25 million in Financial Year 2015 compared to ₹304.26 million in Financial Year 2014, as a result of the increase in profit before tax during this period. Current tax expenses increased by 48.26% from ₹317.00 million in Financial Year 2014 to ₹470.00 million in Financial Year 2015, which was partially offset by a deferred tax credit of ₹80.80 million in Financial Year 2015 compared to ₹11.90 million in Financial Year 2014. The increase in deferred tax credit during this period was on account of higher employee benefits, increase in provision for doubtful debts and increase in the written down value of fixed assets.

Net Profit for the Period (as restated)

As a result of the above, our net profit for the year increased by 29.74% to ₹757.88 million in Financial Year 2015 compared to ₹584.16 million in Financial Year 2014.

Financial Year 2014 compared to Financial Year 2013

Revenue

Our total revenue increased by 52.89% from ₹2,339.29 million in Financial Year 2013 to ₹3,576.62 million in Financial Year 2014.

Revenue from Operations

Revenue from operations increased by 56.34% from ₹2,225.19 million in Financial Year 2013 to ₹3,478.89 million in Financial Year 2014. The following table sets forth certain information relating to our revenue from operations in the periods specified:

Revenue from operations	Financial Year 2013		Financial Year 2014	
	Amount	Percentage of Total Revenue from Operations	Amount	Percentage of Total Revenue from Operations
	(₹ in million)	(%)	(₹ in million)	(%)
Interest on loans	2,066.35	92.86%	3,254.49	93.55%
Loan processing fee	158.62	7.13%	224.40	6.45%
Income from other financial services	0.22	0.01%	-	-
Total	**2,225.19**	**100.0%**	3,478.89	**100.0%**

Revenue from interest on loans contributed the largest proportion of our revenue from operations. Interest on loans increased by 57.50% from ₹2,066.35 million in Financial Year 2013 to ₹3,254.49 million in Financial Year 2014. This was primarily due to an increase in our customer acquisition, as well as a high number of repeat loans at higher ticket sizes for our existing customers.

Loan processing fees increased by 41.47% from ₹158.62 million in Financial Year 2013 to ₹ 224.40 million in Financial Year 2014, arising from higher business volumes due to an increase in the number of loans granted, higher ticket sizes and growth in the individual lending business, which had higher processing fee rates.

Other Income

Other income decreased by 14.35% from ₹114.10 million in Financial Year 2013 to ₹97.73 million in Financial Year 2014 due to decrease in income from insurance fees during this period.

Expenditure

Total expenses increased by 44.35% from ₹1,862.29 million in Financial Year 2013 to ₹2,688.20 million in Financial Year 2014, primarily on account of increase in finance costs and employee benefits expenses.

	Financial Year 2013		**Financial Year 2014**	
	Amount	**Percentage of Total Revenue from Operations**	**Amount**	**Percentage of Total Revenue from Operations**
	(₹ in million)	**(%)**	**(₹ in million)**	**(%)**
Employee benefits expense	659.14	29.62%	814.91	23.42%
Provision / write off for receivable under financing activity	69.03	3.10%	82.92	2.38%
Finance costs	820.78	36.89%	1,398.53	40.20%
Depreciation and amortization expense	25.22	1.13%	31.47	0.90%
Administrative and Other expenses	288.12	12.95%	360.37	10.36%
Total Expenditure	**1,862.29**	83.69%	**2,688.20**	77.27%

Employee Benefit Expenses

Employee benefit expenses increased by 23.63% from ₹ 659.14 million in Financial Year 2013 to ₹ 814.91 million in Financial Year 2014, resulting from an increase in number of employees, from 3,656 employees as of March 31, 2013 to 4,667 employees as of March 31, 2014, as well as salary levels during this period. Our expenditure on salaries and wages (net) accordingly increased by 24.07% from ₹570.96 million in Financial Year 2013 to ₹708.40 million in Financial Year 2014. There was also an increase in staff welfare expenses by 35.68% from ₹42.32 million in Financial Year 2013 to ₹57.42 million in Financial Year 2014.

Provisions and write-offs

Provision/write off for receivable under financing activity increased by 20.12% from ₹69.03 million in Financial Year 2013 to ₹82.92 million in Financial Year 2014 primarily due to increase in loan portfolio, as well as the compliance on overall provisioning in line with RBI guidelines.

Finance Costs

Finance costs increased by 70.39% from ₹820.78 million in Financial Year 2013 to ₹1,398.53 million in Financial Year 2014. This increase was on account of an increase in interest expense on borrowings by 72.61% from ₹778.59 million in Financial Year 2013 to ₹1,343.91 million in Financial Year 2014, in line with increase in loan disbursements of ₹21,049.75 million in Financial Year 2014 as compared to ₹ 15,409.21 million in Financial Year 2013, and a higher cost of borrowing along with an increase in loan processing fees, bank charges and other related costs by 28.87% from ₹42.15 million in Financial Year 2013 to ₹54.32 million in Financial Year 2014. This increase in loan processing fees was essentially due to a change in accounting policy in Financial Year 2014 that led to loan processing fees being fully charged in the same year as the debt was incurred, as against the earlier policy, applicable until Financial Year 2013, where the processing fees were amortised over the tenor of the loan borrowed.

Depreciation and Amortization Expenses

Depreciation and amortization expense increased by 24.78% from ₹25.22 million in Financial Year 2013 to ₹31.47 million in Financial Year 2014, as a result of further capital assets added during Financial Year 2014.

Administrative and Other Expenses

Administrative and other expenses increased by 25.08% from ₹288.12 million in Financial Year 2013 to ₹360.37 million in Financial Year 2014, reflecting the growth in our operations and our expanding branch network across India, which was augmented by adding 50 new branches in Financial Year 2014. These expenses were primarily driven by increases in travelling and conveyance expenses, professional charges and rent expenses.

Profit before Tax

Our profit before tax increased by 86.25% to ₹888.42 million in Financial Year 2014 compared to ₹477.00 million in Financial Year 2013.

Tax Expense

Net tax expense increased by 105.17% to ₹304.26 million in Financial Year 2014 compared to ₹148.30 million in Financial Year 2013, in line with the increase in our profit before tax during this period. This primarily consisted of an increase in current tax expense by 96.89% from ₹161.00 million in Financial Year 2013 to ₹317.00 million in Financial Year 2014, which was partially offset by a decrease in deferred tax credit of ₹11.90 million in Financial Year 2014, compared to ₹12.70 million in Financial Year 2013. The decrease in deferred tax credit during this period was due to higher employee benefits and higher provision for doubtful debts.

Net Profit for the Period (as restated)

As a result of the above, our net profit for the year increased by 77.72% to ₹584.16 million in Financial Year 2014, compared to ₹328.70 million in Financial Year 2013.

Financial Position

As of September 30, 2015, our net worth was ₹8,101.81 million. Our net worth increased by 97.69% from ₹3,725.27 million as of March 31, 2014 to ₹7,364.50 million as of March 31, 2015.

Assets

The following table sets forth the principal components of our assets as of September 30, 2015, and as of March 31, 2013, 2014, and 2015:

(₹ in million)

Assets	As of March 31,			As of September 30, 2015
	2013	2014	2015	
Non-Current Assets				
Fixed Assets				
- Tangible Assets	82.79	98.08	142.30	162.99
- Intangible Assets	28.59	29.17	37.17	65.73
Non-current investments	1.00	1.01	1.01	1.01
Deferred tax assets (net)	56.43	68.32	152.78	196.32
Long-term loans and advances	33.23	51.13	68.46	122.75
Other non-current assets	1,884.76	2,383.00	5,985.06	7,787.77
Total Non-Current Assets	**2,086.80**	**2,630.71**	**6,386.78**	**8,336.57**
Current Assets				
Receivable under financing activity	9,473.95	13,876.14	26,298.95	33,036.01
Cash and Bank equivalents	1,786.22	3,944.54	6,447.84	856.49
Short-term loans and advances	61.79	106.22	206.62	451.23
Other current assets	159.88	229.40	422.40	482.86
Total Current Assets	**11,481.84**	**18,156.30**	**33,375.81**	**34,826.59**
Total Assets	**13,568.64**	**20,787.01**	**39,762.59**	**43,163.16**

As of September 30, 2015, we had total assets of ₹43,163.16 million. As of March 31, 2015, we had total assets of ₹ 39,762.59 million, compared to ₹20,787.01 million as of March 31, 2014. This increase in total assets was primarily on account of increases in our (i) other unsecured receivable under financing activity, considered good amounting to ₹26,276.10 million as of March 31, 2015 compared to ₹13,864.48 million as of March 31, 2014, mainly attributable to the increase in our business operations and corresponding increase in outstanding trade receivables; (ii) other non-current assets, consisting largely of receivables under financing activity (long term) unsecured considered good, amounting to ₹5,887.34 million as of March 31, 2015 compared to ₹ 2,296.36 million as of March 31, 2014, mainly attributable to the increase in our business operations and corresponding increase in outstanding trade receivables; and (iii) cash and bank equivalents, consisting largely of balances with banks in deposit accounts, amounting to ₹5,561.00 million as of March 31, 2015 compared to ₹2,745.90 million as of March 31, 2014, mainly attributable to the raising of equity at the end of Financial Year 2015 along with an increase in bank borrowings.

Liabilities and Provisions

The following table sets forth the principal components of our liabilities as of September 30, 2015 and as of March 31, 2013, 2014 and 2015:

(₹ *in million*)

Liabilities	As of March 31,			As of September 30, 2015
	2013	2014	2015	
Non-Current Liabilities				
- Long term borrowings	3,834.76	5,651.47	12,830.93	13,474.86
- Long term provisions	11.61	22.96	59.49	79.77
Total Non-Current Liabilities	**3,846.37**	**5,674.43**	**12,890.42**	**13,554.63**
Current Liabilities				
- Short term borrowings	40.02	19.27	45.03	0.27
- Trade payables	47.99	50.59	117.84	116.69
- Other current liabilities	6,310.28	11,083.27	18,919.54	20,813.0
- Short term provisions	144.40	234.18	425.26	576.76
Total Current Liabilities	**6,542.69**	**11,387.31**	**19,507.67**	**21,506.72**

Non-Current Liabilities

Our total non-current liabilities comprise of long term borrowings and long term provisions, and amounted to ₹13,554.63 million as of September 30, 2015. Our total non-current liabilities increased by 127.17% from ₹5,674.43 million as of March 31, 2014 to ₹12,890.42 million as of March 31, 2015. This was primarily due to a 127.04% increase in long term borrowings from ₹5,651.47 million as of March 31, 2014 to ₹12,830.93 million as of March 31, 2015, required in order to cater to our increased business requirements and the growing demand of our customers for longer tenor loans.

Current Liabilities

Our total current liabilities comprise of short term borrowings, trade payables, other current liabilities and short term provisions, and amounted to ₹ 21,506.72 million as of September 30, 2015. Our total current liabilities increased by 71.31% from ₹11,387.31 million as of March 31, 2014 to ₹19,507.67 million as of March 31, 2015. This was primarily due to an increase of 69.11% in current maturities of long term borrowings from ₹10,428.89 million as of March 31, 2014 to ₹17,636.75 million as of March 31, 2015 which resulted from an increase in our long term borrowings, typically with a maturity period of two to three years, and due to an increase in the current maturity of NCDs from ₹400.00 million to ₹705.00 million.

Provisions

Our long term provisions, comprising provision for standard assets and provision for non-performing assets, amounted to ₹79.77 million as of September 30, 2015. Long term provisions increased by 159.10% to ₹59.49 million as of March 31, 2015, from ₹22.96 million as of March 31, 2014. This was primarily as a result of an increase in provision for standard assets, arising from an increase in loan portfolio and growth in business.

Short term provisions, primarily comprising provision for compensated absences, provision for receivables under financing activities for standard assets and non-performing assets, provision for tax and provision for proposed equity dividend, amounted to ₹576.76 million as of September 30, 2015. The increase from the short term provisions as of March 31, 2015, is primarily on account of an increase in tax provisions by around ₹101.17 million, and ₹80.10 million on increased provisioning on receivables. Short term provisions increased by 81.60% to ₹425.26 million as of March 31, 2015, from ₹234.18 million as of March 31, 2014. This was primarily as a result of increases in provision for receivables under financing activity for standard assets and for non-performing assets, arising due to increase in business, as well as an increase in provision for proposed equity dividend.

Liquidity and Capital Resources

The purpose of the liquidity management function is to ensure that we have funds available to extend loans to our customers across our various microfinance products, to repay principal and interest on our borrowings and to fund our working capital requirements. We endeavor to diversify our sources of capital. We have funded the growth in our operations and loan portfolio through equity issuances, debt securities, loans with various maturities raised from banks and other entities and the assignment of loans. In the six months ended September 30, 2015, we received an aggregate ₹11,867.50 million from these sources, and as of September 30, 2015, we had cash and cash equivalents available for use in our operations of ₹728.35 million. In Financial Year 2015, we received an aggregate ₹28,031.94 million from these sources, and as of March 31, 2015, we had cash and cash equivalents available for use in our operations of ₹6,377.84 million. We typically invest our surplus cash reserves (cash and cash equivalents) in short term deposits. Based upon our current level of expenditures, we believe our current working capital, together with cash flows from operating activities and the proceeds from the offering contemplated herein, will be adequate to meet our anticipated cash requirements for capital expenditures and working capital for at least the next two and a half months.

We actively manage our liquidity and capital position by raising funds on a continuous basis on terms that, we believe, are favorable to us. We regularly monitor our funding levels to ensure we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided primarily by short term and long term borrowings from banks and other entities, sales of equity securities and debentures, retained earnings and proceeds from assignments of loans. All our loan agreements and debentures contain a number of covenants including financial covenants. In addition, some loans may contain provisions which allow the lender, at its discretion to call for repayment of the loan at short notice and/or require us to prepay on a *pari passu* basis if any other loan is being repaid. Such covenants, if acted upon, may have an impact on our liquidity.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

(₹ *in million*)

Particulars	Financial Year			Six months ended September 30, 2015
	2013	2014	2015	
Net cash generated from/(used in) operating activities	(4,094.62)	(4,382.85)	(15,079.72)	(8,034.43)
Net cash generated from/(used in) investing activities	27.87	6.37	(24.44)	2.89
Net cash (generated from)/ used in the financing activities	4,268.89	6,505.76	17,619.96	2,382.05
Net increase/(decrease) in cash and cash equivalents	**202.14**	**2,129.28**	**2,515.80**	**(5,649.49)**

Operating Activities

Net cash used in operating activities was ₹ 8,034.43 million for the six month period ended September 30, 2015, and our profit before tax was ₹ 1,128.77 million during this period. The difference was primarily attributable to changes in working capital on account of an increase in receivables under financing activity of ₹6,737.06 million, arising from increased business across a higher borrower base resulting in higher number of loans provided by us, as well as an increase in transaction ticket sizes and an increase in other assets of ₹1,927.68 million, arising from advances provided for financial commitments, partially offset by an increase in other current liabilities of ₹58.74 million and an increase in short term provisions of ₹102.16 million.

Net cash used in operating activities was ₹15,079.72 million in Financial Year 2015, and our profit before tax was ₹1,145.13 million during this period. The difference was primarily attributable to changes in working capital on account of an increase in receivables under financing activity of ₹12,422.80 million, arising from the increase in number of loans provided by us and higher transaction ticket sizes and an increase in other assets of ₹3,780.61 million, arising mainly from an increase in receivables under financing activities having maturity greater than 12 months, partially offset by an increase in other current liabilities of ₹ 323.40 million and an increase in short term provisions of ₹179.42 million.

Net cash used in operating activities was ₹4,382.85 million in Financial Year 2014, and our profit before tax was ₹888.42 million. The difference was primarily attributable to changes in working capital on account of an increase in receivables under financing activity of ₹4,402.17 million, arising from the increase in number of loans provided by us and higher transaction ticket sizes and an increase in other assets of ₹591.47 million, arising primarily from an increase in receivables under financing activities having maturity greater than 12 months, partially offset by an increase in other current liabilities of ₹43.95 million and an increase in short term provisions of ₹68.08 million.

Net cash used in operating activities was ₹4,094.62 million in Financial Year 2013, and our profit before tax was ₹477.00 million. The difference was primarily attributable to changes in working capital on account of an increase in receivables under financing activity of ₹ 2,562.39 million, arising from the increase in number of loans provided by us and higher transaction ticket sizes and an increase in other assets of ₹1,797.19 million, arising primarily from an increase in receivables under financing activities having maturity greater than 12 months.

Investing Activities

Net cash generated from investing activities was ₹2.89 million in the six month period ended September 30, 2015, primarily on account of gain on investments (calculated as the difference between purchase of investments and proceeds on sale of investments) and interest on fixed deposits of ₹136.20 million, which was partially offset by the purchase of fixed assets net of sale proceeds of ₹133.31 million.

Net cash used in investing activities was ₹24.44 million in Financial Year 2015, primarily on account of purchase of fixed assets net of sale proceeds amounting to ₹ 135.53 million and which was partially offset by gain on investments and interest on fixed deposits of ₹111.09 million.

Net cash generated from investing activities was ₹6.37 million in Financial Year 2014, primarily on account of gain on investments and interest on fixed deposits of ₹58.63 million, which was partially offset by purchase of fixed assets net of sale proceeds amounting to ₹52.25 million.

Net cash generated from investing activities was ₹27.87 million in Financial Year 2013, primarily on account of gain on investments and interest on fixed deposits of ₹55.52 million, which was partially offset by purchase of fixed assets net of sale proceeds amounting to ₹27.65 million.

Financing Activities

Our cash flow in relation to financing activities is determined primarily by level of our borrowings, the schedule of principal and interest payments on such borrowings and the issuance of share capital.

Net cash generated from financing activities was ₹2,382.05 million for the six month period ended September 30, 2015, primarily arising from borrowings from banks/others of ₹ 11,867.50 million, for the purpose of meeting the credit requirements of our customers. This was partly offset by repayment of borrowings from banks/others amounting to ₹9,433.62 million, in accordance with our scheduled repayment obligations and dividend and dividend tax payment of ₹51.83 million.

Net cash generated from financing activities in Financial Year 2015 was ₹17,619.96 million, primarily arising from borrowings from banks/others of ₹28,031.94 million, for the purpose of meeting the credit requirements of our customers, and proceeds from issue of share capital and securities premium (net) of ₹2,940.28 million, attributable to a round of capital infusion. This was partly offset by repayment of borrowings from banks/others amounting to ₹13,313.85 million, in accordance with our scheduled repayment obligations.

Net cash generated from financing activities in Financial Year 2014 was ₹6,505.76 million primarily arising from borrowings from banks/others of ₹13,601.77 million, for the purpose of meeting the credit requirements of our customers. This was partly offset by repayment of borrowings from banks/others amounting to ₹7,076.77 million, in accordance with our scheduled repayment obligations.

Net cash generated from financing activities in Financial Year 2013 was ₹4,268.89 million primarily arising from borrowings from banks/others of ₹7,160.02 million, for the purpose of meeting the credit requirements of our customers, and proceeds from issue of share capital and securities premium (net) of ₹466.70 million attributable to a round of capital infusion. This was partly offset by repayment of borrowings from banks/others amounting to ₹3,357.83 million, in accordance with our scheduled repayment obligations.

We had net increases in our cash and cash equivalents for the Financial Years 2013, 2014 and 2015 of ₹202.14 million, ₹ 2,129.28 million and ₹2,515.80 million, respectively. For the six month period ended September 30, 2015, we had a net decrease in cash and cash equivalents of ₹5,649.49 million. This was primarily as a result of the difference between our net cash used in operating activities, of ₹8,034.43 million, and our net cash generated from financing activities during this period, of ₹2,382.05 million. Our borrowings from banks and others during this period amounted to ₹11,867.50 million, compared to ₹28,031.94 million in the Financial Year ended March 31, 2015. This is because a substantial portion of our borrowings from banks and others are typically taken during the last quarter of each financial year.

Indebtedness

As of September 30, 2015, we had long term borrowings of ₹33,651.34 million and short term borrowings of ₹0.27 million. As of March 31, 2015, we had long term borrowings of ₹31,172.68 million and short term borrowings of ₹45.03 million. The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2015, and our repayment obligations in the periods indicated:

(*₹ in million*)

	As of September 30, 2015				
	Payment due by period				
	Total	**Not later than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
Long term borrowings					
Secured	32,593.94	19,619.08	12,374.86	600.00	-
Unsecured	1,057.40	557.40	-	500.00	-
Total long term borrowings	**33,651.34**	**20,176.48**	**12,374.86**	**1,100.00**	**-**
Short Term Borrowings					
Secured	0.27	0.27	-	-	-
Unsecured	-	-	-	-	-
Total Short Term Borrowings	**0.27**	**0.27**	**-**	**-**	**-**

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have adverse consequences for our business. Please see "*Risk Factors*" on page 14 and "*Financial Indebtedness*" on page 182 of this Draft Red Herring Prospectus for further information.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual obligations and commitments as of September 30, 2015, aggregated by type of contractual obligation:

(*₹ in million*)

Particulars	**As of September 30, 2015**				
	Payment due by period				
	Total	**Less than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
Housing loan sanctioned but not disbursed	24.30	24.30	-	-	-
Estimated amount of contracts remaining to be executed on capital	41.43	41.43	-	-	-

Particulars	As of September 30, 2015				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
account and not provided for (Net of Advances)					
Total	65.73	65.73	-	-	-

In addition, we have entered into certain lease agreements for our offices and branches. The future minimum lease payments under operating leases are as below. Most of our branches are taken on a short term lease of less than one year, which are also terminable on a short notice, and are not reflected in the table below.

(₹ *in million*)

Particulars	As of September 30, 2015			
	Payment due by period			
	Total	Less than 1 year	1-5 years	More than 5 years
Non-cancellable operating lease obligations	283.54	73.07	139.82	70.65
Total	**283.54**	**73.07**	**139.82**	**70.65**

Assignment Arrangements

As of March 31, 2013 and March 31, 2014, we had no securitized/assigned assets. During Financial Year 2015, we securitized/assigned assets worth ₹ 836.40 million, and for the six months ended September 30, 2015, we had no further securitized/ assigned assets.

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of September 30, 2015:

Particulars	Amount (₹ in millions)
Contingent Liabilities	
Disputed taxes – Service tax	4.23

Further, as of September 30, 2015, our on balance sheet exposure for first loss on account of securitization transactions, were ₹ 66.04 million.

For further information, see "*Financial Statements*" on page 162.

Except as disclosed in our Restated Financial Statements or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Historical and Planned Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for technology and branch related infrastructure networks, computers, licences for various software, systems and infrastructure. In the six months ended September 30, 2015, our capital expenditure (including advances) was ₹134.06 million. In Financial Years 2013, 2014 and 2015, our capital expenditure was ₹28.52 million, ₹53.19 million and ₹137.51 million, respectively.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include managerial remuneration and recovery of expenses. For further information relating to our related party transactions, see Annexure 21.7 to our Restated Financial Statements on page F-46.

Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Interest Rate Risk

Interest rates for borrowings are frequently changing in recent periods. Our current debt facilities may carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Liquidity risk

Liquidity risk arises from the absence of liquid resources, when funding loans, and repaying borrowings. This could be due to a decline in the expected collection, or our inability to raise adequate resources at an appropriate price. This risk may be minimized through a mix of strategies, including the maintenance of back up bank credit lines, having diversified sources for funding both long term and short term loans and following a forward-looking borrowing program based on projected loans and maturing obligations.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant Economic Changes that Materially affect or are likely to affect Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in " *- Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on page 14.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in " *– Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on page 14. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Income

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14, 99 and 163 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Publicly Announced New Products or Business Segments/Material increases in Revenue due to Increased Disbursements and Introduction of New Products

Other than as disclosed in this section, in "*Our Business*" and "*Proposed SFB Business*" on pages 99 and 114, respectively, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant Dependence on Single or Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Seasonality of Business

Our business operations and the financial services industry in general may be affected by seasonal trends in the Indian economy. Generally, the period from October to March is the peak period in India for retail economic activity. This increased, or seasonal, activity is the result of several holiday periods, improved weather conditions and crop harvests. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns may adversely affect our results of operations. In these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 99, 84 and 14, respectively for further information on our industry and competition.

Significant Developments after September 30, 2015 that May Affect our Future Results of Operations

We have initiated the process of accelerating the exercise of vested, unexercised stock options held by former employees. Presently, certain former employees hold vested, unexercised stock options, and the exercise of all such options pursuant to the proposed acceleration would result in a further issuance of Equity Shares. Such further issue of Equity Shares will have an impact on our Equity Share capital and other related financial parameters. For further details in relation to outstanding stock options held by our existing employees and former employees, see "*Capital Structure – Notes to Capital Structure*" on page 57.

Except as disclosed above, and in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of onward lending and working capital requirements. For the purpose of availing of loans from various lenders, our Company has obtained necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern, change or amendment to the constitutional documents of our Company, conversion into a public limited company etc.

Pursuant to a resolution dated December 23, 2014 passed by our Shareholders, our Company is authorised to avail loans from time to time either in foreign currency and/or in Indian Rupees, with or without security and on such terms and conditions as our Board may deem fit, provided the total amount of monies including money already borrowed by our Company (excluding temporary loans obtained from bankers of the Company in the ordinary course of business) shall not at any time exceed the limit of ₹45,000 million, irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as of December 10, 2015*:

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount (in ₹ million) as on December 10, 2015
Term loans		
Secured	47,739.50	28,987.13
Unsecured	57.40	28.69
NCDs (secured)	5,650.00	5,462.50
Sub-debt (unsecured)	500.00	500.00
Commercial Papers (unsecured)	500.00	500.00
Working Capital Facilities	310.00	26.97
Total	**54,756.90**	**35,505.29**

**As certified by V. Sridhar, Chartered Accountants, through their letter dated December 26, 2015.*

Principal terms of the borrowings availed by us:

1. ***Interest:*** In terms of the loans availed by us, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies among different loans.

Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into debenture trust deeds ("**DTDs**") and in terms of such DTDs, a specified interest or coupon rate is to be paid per annum.

The interest rate/coupon rate for the term loans availed and the NCDs issued by our Company ranges from 4% to 15% and from 12.15% to 13.65% respectively.

2. ***Tenor:*** The tenor of the term loans availed by us typically ranges from 12 months to 66 months.

The tenor of the NCDs issued by us typically ranges from 24 months to 72 months (calculated from the date of deemed allotment). Further, the tenor of the working capital limits is 12 months.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

a) Create security by way of hypothecation on our Company's present and future book-debts;

b) Create a *pari passu* or first charge on hypothecation of loan receivables under the financing activity, including all benefits and rights incidental thereto;

c) Maintain an asset cover for the loan by way of charge over the loan assets/book debts at a minimum prescribed limit; and

d) Execute a demand promissory note for a specified amount in the form approved by the relevant lender.

The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The working capital facilities are typically repayable on demand. While certain term loans are repayable on demand, the repayment period for most term loans typically range from 12 months to 66 months. Further, in terms of the NCDs, the redemption period typically ranges from 24 months to 72 months.

5. ***Prepayment:*** The loans availed by our Company typically have prepayment provisions which allows for prepayment of the outstanding loan amount at any given point in time, subject such prepayment penalties as may be decided by the lender at the time of such prepayment. The prepayment penalty typically ranges from 0.5% to 3% of the amount being prepaid.

6. ***Penalty:*** The loans availed by our Company does contain provisions prescribing penalties for prepayment as well as delayed payment or default in the repayment obligations of our Company, which typically range from 0.5% to 3% of the amounts involved.

7. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including:

   a) Change in capital structure or shareholding pattern of the borrower without prior permission of the lender;

   b) Creation of any further charge on the fixed assets of our Company without prior approval of the lender;

   c) Violation of any term of the relevant agreement or any other borrowing agreement entered into by our Company with the lender;

   d) Any change in the financial ratios of our Company beyond the prescribed limits as mentioned under various borrowing agreements;

   e) Any merger, consolidation, re-organisation, scheme of arrangement or compromise between our Company and its creditors or shareholders or if our Company effects any scheme of amalgamation or reconstruction without prior approval of the lender;

   f) Change in management or control of our Company without prior permission of the lender;

   g) If our Company causes any material change to the nature or conduct of business, ceases to carry on its business or gives notice of its intention to do so without prior approval of the lender;

   h) Non creation of the required security as required under the loan agreement entered into between our Company and lender within the stipulated time;

   i) Non-payment of installment/interest within stipulated time;

   j) Declaring dividend over and above the percentage indicated in the cash flow statements without the approval of the lender;

   k) Diversion of funds for purposes other than the sanctioned purpose;

   l) Change or amendment to the constitutional documents without the prior approval of the lender; and

   m) Down-grading of credit ratings below specified limits, as stipulated by the lender.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

Additionally our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company for the purpose of availing of loans are not triggered.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Disclosure of litigation involving our Company and Directors

We have disclosed below (i) all pending criminal litigation involving our Company, Group Companies and Directors; (ii) all outstanding actions taken by regulatory or statutory authorities against our Company, Group Companies and Directors;(iii) all outstanding tax claims involving our Company, Group Companies and Directors, in a consolidated manner;(iv) fines that have been imposed on our Company and all offences that have been compounded in the five years preceding the date of this Draft Red Herring Prospectus under the Companies Act, 1956 or Companies Act, 2013;(v) all material frauds committed against our Company in the five years preceding the date of the DRHP; (vi) details of defaults and non-payment of statutory dues by our Company;(vii) outstanding material civil litigation involving our Company, Group Companies and Directors and any other litigation involving our Company, Group Companies and Directors, whose outcome may adversely impact our Company; (viii) pending proceedings initiated against our Company for economic offences, (x) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company, and (ix) outstanding dues to material creditors and small scale understandings and other creditors.

We have also disclosed actions initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

No proceedings have been initiated against our Company for economic offences and except as disclosed no penalties have been imposed upon our Company and Directors by statutory or regulatory authorities.

The details of the outstanding litigation or proceedings involving our Company, Group Companies and Directors are described in this section in the manner as set forth below. Pursuant to SEBI ICDR Regulations, for the purposes of disclosure, all other pending litigation involving our Company, Directors and Group Companies, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending matter exceeds one per cent of the restated net profit of our Company for the last financial year. Accordingly, we have only disclosed all outstanding civil litigations involving our Company, Directors and Group Companies where the aggregate amount involved exceeds ₹7.58 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company.

Litigation involving our Company

I. ***Litigation against our Company***

A. Criminal Proceedings

1. A criminal case bearing GR. No. 10460/2011 has been filed before the Judicial Magistrate, First Class, Kamrup, Guwahati (the "**Hon'ble Court**") by Anupama Das (the "**complainant**") against Prakash Deka (the "**accused**"), an employee of the Company at its branch in Christian Basti, Guwahati, Assam. The complainant alleged that on October 13, 2011, when she visited the branch of the Company in Christian Basti, Guwahati, for the purpose of obtaining a loan, the accused prevented her from entering the manager's cabin and also used abusive language. Moreover, the accused allegedly attempted to manhandle the complainant while threatening her with dire consequences. Hence the complainant registered an FIR against the accused bearing FIR No. 71/2011 dated November 28, 2011 under the provisions of sections 298 and 506 of the Indian Penal Code, 1860. The matter was admitted by the Hon'ble Court and bail was granted to the accused in the matter. Final order in this matter is awaited.

2. A complaint bearing case no. 421/2014 has been filed by the State of Bihar (on behalf of the Department of Electricity) (the "**complainant**") against Atul Kumar (the "**accused**") for the alleged violation of the provisions of section 135 of the Electricity Act, 2003. The accused is a customer care representative at our Gandhi Maidan branch. The complainant has alleged that on November 25, 2014, pursuant to an inspection conducted by it on the premises leased by our Company and occupied by the accused, it was discovered that there was alleged unauthorised use of electricity by the accused which had resulted in losses to the complainant to the tune of ₹0.10 million. Aggrieved by the same, the accused filed an anticipatory bail petition bearing A.B.P. No. 25126/2014 before the Hon'ble Court of the Sessions Judge, Patna. Pursuant to an order dated January 07, 2015, the Court of Sessions Judge, Patna (the "**Court**") passed an order stating that the accused was ready to refund the loss amount in 10 equal instalments and allowed the prayer of the accused thereby granting him anticipatory bail. Further, the Court directed the complainant not to take any further coercive steps against the accused until the receipts of three instalments are produced before the court on April 10, 2015. The matter is pending adjudication before the Court.

3. Manish Ranjan (the "**complainant**") has filed a criminal complaint against 4 employees of our Company (together referred to as the "**accused**") before the court of Judicial Magistrate 1st Class cum Additional Munsif IV, Patna City (the "**Court**"), bearing case number 518/2013, for the alleged violation of sections 417, 418 of the IPC. In the

aforementioned complaint, it has been alleged that the accused have misappropriated funds belonging to the Company. The Court has issued summons against the accused and the matter is currently pending adjudication.

4. Naseema (the "**complainant**") has filed an FIR bearing FIR. No. 975/2014 on May 17, 2014, against some employees of our Company posted at the Parur branch (the "**accused**") with the North Parur police station of Ernakulam Rural District of Tamil Nadu (the "**police station**"), filed for violation of the provisions of section 13 of the Kerala Money Lenders Act, 1958 (the "**Kerala Act**") and sections 451 and 506, read with section 34 (the "**sections**") of the Indian Penal Code, 1860 (the "**IPC**"). Through the aforementioned FIR, the complainant has alleged that the accused had extended a monetary loan to the complainant at a high rate of interest. Further, it was alleged that upon default of repayment of the loan by the complainant, the accused visited the house of the complainant and adopted aggressive and coercive methods including threatening the daughters of the complainant to recover the money pending for repayment with the complainant. Investigation is underway and the police is yet to file the charge sheet in the matter.

B. Civil Proceedings

There is no outstanding civil litigation against our Company which involves a pecuniary repercussion of ₹7.58 million or more, nor any outstanding litigation wherein monetary liability is not quantifiable, whose outcome would have a bearing on the operations or performance of our Company.

C. Outstanding actions initiated by regulatory and statutory authorities

There are no outstanding actions initiated against our Company by any statutory or regulatory authority.

II. ***Litigation by our Company***

A. Criminal Proceedings

1. An FIR bearing FIR No. 605/2012 dated August 23, 2012 was filed by the Company (the "**complainant**") against Debdas Adhikari (the "**accused**") in relation to an alleged fraud committed by him against the Company. The accused was serving as customer relationship staff at our Chakdah branch since February 2, 2009, and his role involved depositing repayment collections at the branch offices. The accused failed to deposit ₹0.08 million collected from customers at the branch office, and has since not refunded the amount to our Company. Hence, the present FIR has been filed for the alleged violation of the provision of section 406 of the IPC. Investigation has been concluded in the matter and our Company is awaiting court summons.

2. An FIR bearing FIR No. 362/2011 dated August 17, 2011 has been filed by Gyanavendra Nath Mishra, an ex-employee of the Company (the "**complainant**") on behalf of the Company against Mukesh Dubey (the "**accused**") in relation to an alleged misappropriation of money collected from the clients of the Company, thereby resulting in the alleged violation of section 408 of the IPC. It has been stated in the FIR that the accused had misappropriated an amount of ₹0.10 million which was collected from the clients of the Company but never remitted with the Company since the accused had absconded after collecting the aforementioned amount. Hence the present FIR was filed with the Uttam Nagar police station in West Delhi. The matter is currently pending before the Tis Hazari Courts, New Delhi.

3. An FIR bearing FIR No. 244(9)/2012, dated August 06, 2012 has been filed by Gyanaranjan Rath in his capacity as the vigilance officer of the Company (the "**complainant**") with the Kumbharapada police station in Puri, Odisha, against Dusasan Dikshit (the "**accused**") in relation to an alleged violation of section 409 of the IPC. The accused was a former customer relationship officer with the Company's branch office at Puri, who had allegedly absconded after embezzling a sum of ₹0.08 million collected from the customers of the Company. Prior to the FIR, the complainant had also filed a criminal complaint bearing ICC No. 250/2012 dated July 21, 2012 before the Sub-Divisional Judicial Magistrate, Puri for taking cognizance of the offences committed by the accused where the matter is currently pending adjudication.

4. An FIR bearing FIR No. 323/2015 dated June 11, 2015 has been filed by our Company (the "**complainant**") against Prakash Roy (the "**accused**") with the Kotwali police station at Jalpaiguri, West Bengal, in relation to alleged theft, cheating, misappropriation of funds and criminal breach of trust committed by him against the Company. The accused, who was serving as customer relationship staff at the Jalpaiguri branch of the Company, absconded with ₹0.12 million collected from customers at the branch office of the Company. Subsequently, the accused was released on bail by an order passed by the Hon'ble Magistrate's court at Jalpaiguri, West Bengal dated June 11, 2015. The matter is currently pending for investigation with the police and charge sheet is yet to be filed.

5. A criminal case bearing A.C. No. 372/2010 has been filed by the Company (the "**complainant**") before the Additional Chief Judicial Magistrate, Alipore (the "**Court**") against Apurba Banik (the "**accused**") for the alleged violation of sections 381 and 408 of the IPC. The accused, who was serving as a customer relationship official at the Rajdanga Main Road, Kolkata branch of the Company, misappropriated a sum of ₹1.04 million collected from customers of the Company at its branch office and also committed theft of certain official documents. Thereafter, an FIR bearing FIR No. 67/2010 dated February 23, 2010, was filed by the complainant against the accused, subsequent to which the accused was taken into custody. Pursuant to an order dated March 12, 2010, the Court rejected the bail application of

the accused and permitted the extension of period of investigation. Thereafter, through an order dated March 17, 2010, the Court granted interim bail to the accused. The matter is currently pending before the Court.

6. An FIR dated October 03, 2010, bearing FIR No. 413/2010 was filed by Pankaj Kumar (the "**complainant**"), an employee of the Company, with the Mango police station, under the provisions of the sections 467, 468, 406, 407, 420 and 34 of the IPC, against another erstwhile employee of the Company Roshan Ara and her accomplice Aamna Khatoon (together referred to as "**accused**"). The allegations against the accused are that together they duped the Company as well as 57 customers of the Company for an amount aggregating to ₹0.53 million (the "**amount**"). Subsequently, a compromise petition bearing reference no. 2603/2010 was filed with the Hon'ble District and Sessions Judge of East Singhbhum, Jamshedpur, Jharkhand (the "**Court**"), wherein the accused agreed to repay the amount. However, since the accused have not been repaying the amount as per schedule drawn up in the compromise petition, the Company intends to appeal for the rejection of bail of the accused.

7. An FIR bearing FIR No. 492/2012 dated September 13, 2012, has been filed by Manoj Yadav, an employee of the Company (the "**complainant**") with the Modinagar police station in Ghaziabad Uttar Pradesh, against two unidentified persons (the "**accused**") for the violation of the provision of section 392 of the IPC. It was stated in the aforementioned FIR that the accused came on a motorbike and snatched a bag containing approximately ₹0.21 million belonging to the Company and fled the scene. The matter is presently pending adjudication before the court of the 5th Additional Chief Judicial Magistrate, Ghaziabad, Uttar Pradesh.

8. An FIR bearing FIR No. 292/2012 dated August 17, 2012 has been filed on behalf of our Company by Mulchand Sharma (the "**complainant**") in relation to an alleged theft of cash and a couple of computer monitors worth a total sum of ₹0.50 million resulting in violation of sections 457 and 380 of the IPC, with the Bhiwani Civil Lines police station in Haryana. Investigation in the matter has been concluded and the matter is presently pending before the Hon'ble District Court at Bhiwani, Haryana.

9. An FIR bearing FIR No. 12/2012 was filed by the Company through Ramani Pandey (the "**complainant**"), an employee of the Company, against Manish Ranjan, Alok Kumar Singh and Dina Kumar (together referred to as the "**accused**"), with the Patna City police station alleging violation of sections 406, 420, 467, 468 and 120B of the IPC as the accused had misappropriated an amount of approximately ₹2.90 million. Upon investigation, the allegations were found to be true and accordingly the bail plea of the accused was rejected by the 1st Additional Sessions Judge, Patna city and the accused were sentenced to judicial custody. Whilst the proceedings were ongoing, one of the accused, Manish Ranjan filed complaint no.482(c) of 2012 before the Additional Chief Judicial Magistrate, Patna City against Ramani Pandey and others alleging that Ramani Pandey and others had hatched a criminal conspiracy against him. The Additional Chief Judicial Magistrate forwarded the complaint to Patna City police station, which registered the matter as case no. 49 of 2012. Being aggrieved by the admission of the case no. 49 of 2012, our Company, through Ramani Pandey, filed a criminal writ petition no. 883 of 2012 before the High Court of Patna praying that during the pendency of the petition, Patna City police station be restrained from proceeding with the investigation under the case no. 49 of 2012 and from taking any coercive steps for arrest or attachment of the properties. However, the court passed an Order dismissing the contentions of the Company since the police had already concluded their investigation and filed their charge sheet in the matter. Subsequently, in furtherance of FIR No. 12/2012, the Judicial Magistrate First Class, Patna city, passed an interim order dated February 24, 2015 in G.R. No. 321/2012, thereby rejecting the discharge petition of the accused. Thereafter, Manish Ranjan filed a criminal revision petition bearing no. 212/2015 before the Additional District and Session Judge IV, Patna, which was rejected by an order dated November 5, 2015. G.R. No. 321/2012 is currently pending adjudication.

10. A criminal complaint bearing Complaint No. 170/2015 was filed with the Soolakarai police station in Virudhunagar district of Tamil Nadu against a woman named Regi who was misrepresenting herself as an employee of our Company and defrauding the customers of our Company by collecting deposits from them on behalf of the Company. The matter is currently under investigation by the police.

11. An FIR dated May 19, 2013 bearing FIR No. 126/2013, was filed by the Company through Rabindra Kumar Mishra (the "**complainant**"), an employee of the Company, against Kishore Kumar Rajawar (the "**accused**") (another erstwhile employee of the Company), with the Sadar police station of Dhanbad in Jharkhand for the alleged violation of sections 406 and 420 of the IPC. The aforementioned FIR was subsequently registered as a criminal matter bearing CP Case No. 85/2013 before the court of the Hon'ble Judicial Magistrate First Class at Dhanbad, Jharkhand (the "**Court**"). The complainant alleged that the accused had dishonestly and fraudulently misappropriated certain sums of money from various customers which were not remitted with the Company. In that regard, a legal notice dated November 25, 2012, was issued by the Company against the accused with a demand for remission of money to the tune of ₹0.02 million. Since the accused failed to remit the money to the Company, a prayer was made to the Hon'ble Court to issue summons to the accused to face trial. The matter is currently sub-judice before the Court.

12. An FIR dated July 11, 2013 bearing FIR No. 275/2013 was filed by two employees of the Company namely Yasir Iqbal and Vikash Kumar Singh, with the Purnea police station in Bihar for the alleged violation of section 392 of the IPC. In the aforesaid FIR, it was reported that an amount of ₹0.51 million, which they were carrying during the course of their

employment with the Company, was snatched on the road by three unidentified miscreants. The matter has been investigated by the police and charge sheet has been filed. The matter is presently pending adjudication before the Hon’ble court of the Judicial Magistrate First Class at Purnea, Bihar.

13. Ravindra Mishra, an employee of the Company (the “**complainant**”) has filed an intimation bearing reference no. 86/2012 dated December 03, 2012 with the Mehalgaon police station, Bihar for the alleged violation of sections 419, 420, 468, 470 and 471 of the IPC. In the aforementioned intimation, the complainant has stated that one Md. Anwar (the “**accused**”) has been fraudulently collecting money from some individuals under the garb of providing loans to them in the name of our Company. Investigation by the police has been concluded and the Company is awaiting court notice for appearance in the matter.

14. A criminal complaint bearing case No. 415/2013 dated December 23, 2013, has been filed with the Fatuah police station, Patna, Bihar by Dayanand Kumar (the “**complainant**”), an employee of the Company, in relation to an alleged incident of bag snatching. The complainant alleged that while travelling on his motorcycle with a bag containing a sum of ₹0.09 million, collected on behalf of the company, the complainant was attacked by some unidentified persons who forcibly snatched the bag and fled after hitting and injuring him at the scene of the alleged crime. Investigation by the police has been concluded and the Company is awaiting court notice for appearance in the matter.

15. An FIR bearing FIR No. 257/2011 dated August 12, 2011, has been filed on behalf of our Company by Firoz Ansari (the “**complainant**”), an employee of our Company, with the Govindpur police station in Dhanbad, Jharkhand, for the alleged violations of sections 394 and 411 of the IPC against unknown miscreants. While the complainant was returning after collecting cash from the customers of our Company, 2 unidentified miscreants attacked and injured him before disappearing with a bag containing cash to the tune of ₹0.05 million belonging to the Company. The matter has been investigated by the police and is presently pending adjudication before the Hon’ble court of the Judicial Magistrate First Class, Dhanbad, Jharkhand.

16. The Company (the “**complainant**”) has filed an FIR bearing FIR No. 493/2009 dated November 14, 2009 with the Thakurpukur police station, Kolkata, West Bengal against one Ajoy Saha, an erstwhile employee of the Company (the “**accused**”) for the alleged misappropriation of funds of the complainant to the tune of ₹0.10 million. The matter has been registered as case number 5695/2009 before the Judicial Magistrate First Class, Alipore, Kolkata, West Bengal and trial is underway.

17. The Company, through one of its employees Satya Prakash Bharati (the “**complainant**”) has filed a police complaint bearing case No. 102/2015 dated May 20, 2015 with the Dagarua police station, Bihar for the alleged violation of section 395 of the IPC. The complainant alleged that when he was returning to his office after collecting a sum of ₹0.16 million pursuant to his duty as a field collection agent, 5 unidentified persons snatched away the bag containing the cash, among other things, at gun point from him. The matter is currently under investigation by the police and charge sheet is yet to be filed.

18. The Company, through one of its employees Pandab Roy (the “**complainant**”), has filed an FIR bearing FIR No. 118/2015 dated June 18, 2015 with the Saithiya police station, Birbhum, West Bengal, for the alleged violation of section 394 of the IPC in relation to the alleged snatching of a bag containing, *inter-alia*, a sum of ₹0.08 million by three unidentified persons. The matter is currently under investigation and the police is yet to file a charge sheet.

19. The Company, through one of its employees Manoj Kumar Das (the “**complainant**”), has filed an FIR bearing FIR No. 120/2014 dated July 10, 2014, with the Koderma police station, Jharkhand for the alleged violation of section 394 of the IPC alleging that when the complainant was returning after collecting a sum of ₹0.19 million from the customers of the Company, two unidentified persons attacked him and fled with the bag containing, *inter-alia*, the aforesaid sum of money. The police has filed charge sheet post investigation and the Company is awaiting court notice in this matter.

20. An FIR bearing no. 304/15 dated July 13, 2015 has been filed with Govindpur police station, Dhansar, Dhanbad by Ravindra Kumar (the “**complainant**”), an employee of the Company, in relation to an alleged incident of bag snatching. In the aforementioned FIR, the complainant has alleged that while travelling on his motorbike with a bag containing a sum of ₹0.11 million, collected on behalf of the Company, he was attacked by a couple of unidentified miscreants who forcibly snatched the bag and fled from the scene of the alleged crime. Both the miscreants have been arrested and the matter is under investigation.

21. An FIR bearing no. 111/15 dated September 04, 2015 has been filed with Kanti police station, Muzaffarpur on behalf of the Company by Satyendra Kumar (the “**complainant**”), an employee of the Company, in relation to an alleged incident of bag snatching. In the aforementioned FIR, the complainant has mentioned that while travelling on his motorcycle with a bag containing a sum of ₹0.12 million, collected on behalf of the Company, the complainant was attacked by a couple of unidentified miscreants who forcibly snatched the bag and fled from the scene of the crime. The matter is currently under investigation and the police is yet to file charge sheet.

22. An FIR bearing FIR No. 284/2012 dated September 9, 2012 has been filed on behalf of our Company by an employee

of the Company namely Kaushal Kishore (the "**complainant**") against Kaushal Kumar Poddar (the "**accused**"), another employee of our Company, for the alleged violation of sections 406 and 420 of the IPC. It has been alleged that the accused has been fraudulently misappropriating monies belonging to the Company by collecting money from the customers of the Company without depositing these sums with the Company. The police has filed charge sheet and court notice for appearance is awaited.

23. A criminal petition bearing number 609/2012 has been filed with the court of the Special Chief Judicial Magistrate, Agra, Uttar Pradesh (the "**Court**") by our Company in the form of a criminal complaint (CA No. 25/2012) with the Naikimandi police station, Agra, Uttar Pradesh against Radheyshyam Tiwari (the "**accused**"), an ex-employee of our Company, for the alleged violation of sections 406 and 420 of the IPC. It was alleged in the complaint that the accused, who was working in the capacity of a cashier with our Company, has been absconding with ₹0.72 million belonging to the Company . The Court has taken the matter into cognizance and has issued non-bailable warrant against the accused.

24. An FIR no. 424/13 dated September 14, 2013 has been filed with Nayi Mandi police station, Bulandshahar, by Jeetendra Kumar (the "**complainant**"), an employee of the Company, in relation to an alleged incident of bag snatching. In the aforementioned FIR, the complainant has mentioned that while travelling on his motorcycle with a bag containing a sum of ₹0.12 million, collected on behalf of the Company, the complainant was attacked by a couple of unidentified miscreants who forcibly snatched the bag and fled from the scene. Investigation in this matter has been concluded and the matter is currently pending before the Hon'ble court of the Additional District Judge - II, Bulandshaher, Uttar Pradesh.

25. An FIR bearing FIR No. 242/13 dated November 22, 2013 has been filed on behalf of the Company with Janpath police station, Bulandshahar, by Rajander Prajapat Singh (the "**complainant**"), an employee of the Company, in relation to an alleged incident of bag snatching. In the aforementioned FIR, the complainant has alleged that while travelling on his motorcycle with a bag containing, inter alia, a sum of ₹0.07 million collected on behalf of the company, loan documents and receipt book, he was attacked by 4 unidentified miscreants who forcibly snatched the bag and fled from the scene. The matter is currently pending before the Hon'ble court of the Additional District Judge - II, Bulandshahar, Uttar Pradesh.

26. An FIR bearing FIR No. 278/14 dated April 22, 2014 has been filed on behalf of the Company with Kankarkheda police station, Meerut, by Vinod Sharma (the "**complainant**"), an employee of the Company, in relation to an alleged incident of bag snatching. In the aforementioned FIR, the complainant has alleged that while travelling on his motorcycle with a bag containing a sum of ₹0.16 million, collected on behalf of the company, the complainant was attacked by 3 unidentified miscreants who forcibly snatched the bag and fled from the scene. The matter is currently pending before the court of the Hon'ble Special Session Judge, Meerut, Uttar Pradesh.

27. An FIR bearing FIR No. 800/12 dated December 12, 2012 was filed with the Kankarkheda police station in Meerut by Babta (the "**complainant**") on behalf of our Company against two unidentified persons (the "**accused**") for the alleged violation of section 379 of the IPC. In the aforementioned FIR, the complainant has alleged that while she was carrying a bag containing some money, cheques and some documents belonging to our Company, 2 unidentified persons came on a motorbike and snatched the bag from her and fled the scene. The matter is currently pending before the court of the Hon'ble Special Session Judge, Meerut, Uttar Pradesh.

28. Vishal Kumar Bhati (the "**complainant**") has filed an FIR bearing FIR No. 268/14 dated October 14, 2014 on behalf of our Company with the Kotwali police station, Bulandshahar, against four unidentified miscreants. In the aforementioned FIR, it has been alleged that four unidentified miscreants snatched his bag containing cash to the tune of ₹0.13 million and some documents belonging to our Company. The matter is currently under investigation by the police.

29. A criminal complaint bearing case no. 39/2014 dated February 13, 2014, has been filed with the Lalganj police station, Uttar Pradesh, by Ashutosh Vishwas (the "**complainant**") on behalf of our Company. The complainant was carrying a bag containing ₹0.06 million and some documents belonging to our Company when a group of unidentified miscreants snatched the bag and fled the scene. The matter is currently under investigation by the police.

30. Partha Sarathi Singh, an employee of our Company (the "**complainant**") has filed an FIR No. 861/2013 dated September 24, 2013 against Rohit Kumar (the "**accused**") for the alleged violation of section 406 of the IPC. In the aforementioned FIR, it has been mentioned that the accused has misappropriated a total sum of ₹0.03 million by fraudulently collecting money from the customers of our Company. The matter is currently under investigation by the police.

31. Shashank Tipnis, an employee of our Company (the "**complainant**") has filed a criminal complaint bearing Criminal Misc. Case No. 303/2011 against Bimraj Rajendea Ganguede (the "**accused**") before the court of the Hon'ble Chief Judicial Magistrate, Nashik, Maharashtra (the "**Court**"), under section 156(3) of the Code of Criminal Procedure, 1973, for the alleged violation of sections 418, 420, 427, 465, 467, 468, 504 and 506 of the IPC. In the complaint, it has been alleged that the accused has been collecting instalment amounts to the tune of ₹0.47 million from the customers of our Company and misappropriated the same. The matter is currently sub-judice before the Court.

32. Yuvraj Mote, an ex-employee of our Company, (the "**complainant**") has filed a criminal complaint bearing Criminal Misc. Case No. 3/2014 against P Umesh Rao (the "**accused**") before the Hon'ble court of the Judicial Magistrate First Class, Pune, Maharashtra (the "**Court**") under section 156(3) of the Code of Criminal Procedure, 1973, for the alleged violation of sections 405, 408, 415, 464, 468 and 471 of the IPC. In the complaint, it has been alleged that the accused forged documents to act as an employee of our Company and collected an amount of ₹0.16 million from the customers of our Company and misappropriated the same. The matter is currently pending investigation.

33. Apart from the matters disclosed above, there are 91 matters filed by our Company against various entities across the country under the provisions of the Negotiable Instruments Act, 1881. All these matters have been filed in order to recover sums due to our Company for which cheques issued in favour of our Company have been dishonoured. The total pecuniary value involved in all these matters is ₹3.05 million.

B. Civil Proceedings

There is no outstanding civil litigation by our Company which involves a pecuniary repercussion of ₹7.58 million or more nor any outstanding litigation wherein monetary liability is not quantifiable, whose outcome would have a bearing on the operations or performance of our Company.

Litigation involving our Directors

I. ***Litigation against our Directors***

A. Criminal Proceedings

1. One of our independent Directors, K. R. Ramamoorthy, has been impleaded in five criminal complaints bearing nos. 3727/2015, 3728/2015, 3729/2015, 3730/2015 and 3731/2015 filed before the Chief Metropolitan Magistrate, Tis Hazari Courts, against a company in which he served as an independent director. The cases have been instituted for the violation of section 138 read with sections 141 and 142 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques, which were issued by the company towards payment of lease rentals. These cases are pending and are being contested by the company.

B. Civil Proceedings

1. Nil

II. ***Litigation by our Directors***

C. Criminal Proceedings

1. Nil

D. Civil Proceedings

1. Nil

Litigation involving our Group Companies

I. Litigation against Group Companies

Nil

II. Litigation by Group Companies

Nil

Tax Proceedings

We have disclosed claims relating to direct and indirect taxes involving our Company, our Directors and Group Companies in a consolidated manner giving details of number of cases and total amount involved in such claims.

Nature of case	Number of cases	Amount involved (in ₹ million)
Company		
Direct Tax	Nil	Nil
Indirect Tax	2	4.23*
Directors		
Direct Tax	1	Not quantifiable
Indirect Tax	Nil	Nil

Nature of case	Number of cases	Amount involved (in ₹ million)
Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

**Pursuant to an order dated November 30, 2015, the Principal Commissioner of Service Tax, Service Tax – II Commissionerate, Bengaluru has confirmed the service tax amount of ₹4.23 million along with appropriate interest and imposed a penalty of ₹4.23 million*.

Default or non payment of statutory dues

There are no fines that have been imposed on our Company in the past for defaults or non payment of statutory dues or compounding undertaken by our Company.

Amounts Owed To Small Scale Undertakings/Creditors

Our Board has also approved that dues owed by our Company to small scale undertakings and other creditors as on September 30, 2015 shall be disclosed in a consolidated manner, and details of outstanding dues to other creditors, being creditors to whom the outstanding amount exceeds 5% of the total trade payables as on September 30, 2015 would be considered as material dues of our Company and accordingly, consolidated information of outstanding dues owed to small scale undertakings and other creditors, and other material creditors separately, giving details of number of cases and amount for such dues shall be disclosed.

Our Company, in its ordinary course of business, has certain amounts aggregating to ₹16.06 million or more which are due towards sundry and other creditors. As of September 30, 2015, our Company owes the following small scale undertakings and other material creditors where dues to each creditor exceeded ₹0.80 million:

Particulars	Number of cases	Amount involved (in ₹ million)
Small scale undertakings and other creditors	Nil	Nil
Other Material Creditors (amount exceeding ₹0.80 million)	5	12.03

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at http://ujjivan.com/pdf/Sundry_Creditors_Sep_15.pdf. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

Material Developments

Except as disclosed in "*Management's Discussion And Analysis of Financial Condition and Results of Operations*" on page 163, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

Proceedings initiated against our Company and our Directors for economic offences

There are no proceedings initiated against our Company or our Directors for any economic offences.

Inquiries, inspections or investigations under Companies Act

There are no inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act, 2013 or any previous company law in the last five years. Further, except as disclosed above, there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences is done by our Company under the Companies Act, 2013 or any previous Companies Act in the last five years immediately preceding this Draft Red Herring Prospectus involving our Company.

Material Frauds

There are no material frauds committed against our Company during the last five years immediately preceding this Draft Red Herring Prospectus.

Outstanding litigation against any other person or companies whose outcome could have an adverse effect on our Company

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law except as disclosed in this section.

Disciplinary action taken by SEBI or stock exchanges against our Company

There are no disciplinary actions taken by SEBI or stock exchanges against our Company or its Directors.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. For further details, in connection with the applicable regulatory and legal framework, see "*Regulations and Policies*" on page 121.

The objects clause of the respective memoranda of association enables our Company to undertake its present business activities.

The approvals required to be obtained by our Company include the following:

I. Approvals in relation to the Offer

For details, see "*Other Regulatory and Statutory Disclosures*" on page 194.

II. Incorporation details of our Company

a. Incorporation details

(i) Certificate of incorporation dated December 28, 2004 issued by the RoC to our Company, in its former name, being Ujjivan Financial Services Private Limited.

(ii) Fresh certificate of incorporation dated November 26, 2015 issued by the RoC to our Company consequent upon change into a public company and upon change of name to Ujjivan Financial Services Limited.

(iii) Our Company was allotted a corporate identity number U65999KA2004PLC035329.

b. Regulatory Approvals

(i) The RBI has granted a certificate of registration dated October 31, 2005 allotting registration number N-02.00224 pursuant to which our Company was registered as a NBFC under section 45 IA of the RBI Act.

(ii) The RBI has granted a NBFC-MFI status to our Company pursuant to an endorsement dated September 5, 2013 on our certificate of registration issued by the RBI granting registration as a NBFC dated October 31, 2005.

(iii) The RBI has granted an in-principle approval for setting up a new SFB under Section 22 of the Banking Regulation Act, 1949, subject to certain conditions through a letter dated October 7, 2015.

(iv) The Insurance Regulatory and Development Authority, Hyderabad has granted a license bearing no. ABL 10236080 to act as a corporate agent under the Insurance Act, 1938.

c. Approval from Taxation Authorities

(i) The permanent account number of our Company is AAACU7330C.

(ii) The tax deduction account number of our Company is BLRU01405F.

(iii) The service tax registration number of our Company is AAACU7330CST001.

(iv) Profession tax assessment number of our Company is 308142292 for the state of Karnataka. Further, our Company has several branches in various states falling under the respective profession tax legislations. Accordingly, our Company has obtained various registrations in its normal course and has either made an application to the appropriate authorities for renewal of such registration or is in the process of making such applications.

d. Other Approvals

(i) Our Company has obtained registrations in the normal course of business for its branches across various states in India under the employees' state insurance corporation, employees' provident fund organisation and relevant shops and establishment and trade license legislations. Certain licenses may have lapsed under their normal course our Company has either made an application to the appropriate authorities for fresh registrations or renewal of existing registrations or is in the process of making such applications.

(ii) Certificate of establishment issued by Government of Karnataka, Department of Labour dated July 11, 2014 in relation to registration of Company's head office under the Karnataka Shops and Commercial Establishments Act, 1961.

(iii) Letter dated December 16, 2005 from the Employees' Provident Fund Organization, Regional Office, Bangalore, with respect to applicability of the Employees' Provident Fund & Miscellaneous Provisions Act, 1952 along with schemes framed thereunder to our Company and allotting EPF Code number KN/WF/35951 to our Company.

(iv) Letter dated August 17, 2006 issued by the Employees' State Insurance Corporation, Bangalore, bringing our Company within the purview of the Employees' State Insurance Corporation Act, 1948 and allotting the code number of KAR. Inspn. 53-23129-104 to our Company.

e. Approvals applied for but not obtained

Our Company had made an application dated November 30, 2015 to the RBI consequent to change of name upon conversion to a public company for issuance of a fresh certification of registration.

III. Intellectual Property Rights

Our Company was granted a certificate of registration bearing certificate no. 944806 by the Trade Marks Registry, Chennai on February 21, 2011. The registration has been provided for our Company logo under class 36. The registration is valid upto April 6, 2019.

Trademarks applied for

Sr. No.	Trademark	Class	Application number	Date of Application	Authority
1.	Ujjivan – Build A Better Life	41	1803281	April 6, 2009	The Registrar of Trade Marks, Chennai

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on September 29, 2015 and our Shareholders have approved the Offer pursuant to a resolution passed at the EGM held on November 3, 2015 under Section 62(1)(c) of the Companies Act, 2013.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see "*The Offer*" and "*Capital Structure*" on pages 49 and 57.

The Equity Shares being offered by the Selling Shareholders, severally and not jointly, in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer in accordance with regulation 26(6) of the SEBI ICDR Regulations. The Selling Shareholders have also confirmed that they are the respective legal and beneficial owners of the Equity Shares being offered under the Offer for Sale.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholders have, severally and not jointly, confirmed that their respective proportion of Offered Shares are free from any lien, charge, and encumbrance or, further details of which are set out in "*History and Certain Corporate Matters*" on page 126.

In terms of the Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015, our Company intends to seek RBI approval for change in shareholding of our Company beyond 26% of our paid-up capital pursuant to the Offer. Additionally, in terms of the SFB In-principle Approval, our Company intends to seek approval from the RBI for change in shareholding of our Company beyond 5% pursuant to the Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Directors and the Group Companies have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Each Selling Shareholder, severally and not jointly, confirm that they have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority in India.

The companies with which our Directors are or were associated as promoter, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except K.R. Ramamoorthy, Jayanta Basu and Anadi Charan Sahu, none of our Directors are associated with entities which are engaged in securities market related business and are registered with SEBI.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved promoters or directors.

Prohibition by RBI

Neither our Company nor our Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them. Each Selling Shareholder, severally and not jointly, specifically confirms that they have not been identified as wilful defaulters by the RBI or any other governmental authority, in India. There are no violations of securities laws committed by the respective Selling Shareholders in the past or are currently pending against them, in India.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI Regulations, and as calculated from the Restated Financial Statements prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets;

- our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated basis, during the three most profitable years out of the immediately preceding five years;

- our Company has a pre-Offer net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);

- the proposed Offer size does not exceed five times the pre-Offer net worth as our audited accounts for the year ended March 31, 2015; and

- Our Company was converted into a public limited company on November 26, 2015 and consequently, the name was changed to Ujjivan Financial Services Limited. For details of changes in the name of our Company, see "*History and Certain Corporate Matters*" on page 126. However, there has not been any corresponding change in the business activities of our Company.

Our Company's net worth, net tangible assets and average pre-tax operating profit, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at and for the five years ended Financial Year 2015, 2014, 2013, 2012 and 2011 are set forth below:

(₹ in million, except percentage values)

Particulars		**Fiscal**				
		2015	**2014**	**2013**	**2012**	**2011**
Net tangible assets, as restated (Note 1) - a		39,216.49	20,527.80	13,394.35	8,791.27	7,017.28
Monetary assets, as restated (Note 2) – b		6,377.84	3,862.04	1,732.76	1,530.62	509.13
Monetary assets, as restated as a % of net tangible assets, as restated – b/a%		16.26%	18.81%	12.94%	17.41%	7.26%
Pre-tax operating profit, as restated (Note 3)		1,145.13	888.42	477.00	(1.49)	172.59
Average pre-tax operating profit of three most profitable years out of the immediately preceding five years (Average of 2015, 2014 & 2013)	836.85					
Net worth (Note 4)		7,363.20	3,723.97	3,178.28	2,402.06	1,152.84

Note:

1. *Net tangible assets have been computed as:*
   Sum of total assets (excluding intangible assets as defined in Accounting Standard 26 as defined under Companies (Accounting Standards) Rules, 2006) net of depreciation / amortisation and provisions in respect of the assets.
2. *Monetary assets have been computed as: Restated Cash and Cash equivalents.*
3. *Pre-tax operating profit has been computed as: Profit /(Loss) before tax and extraordinary items.*
4. *Net worth has been computed as:*
   the aggregate value of paid up share capital and all reserves created out of profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.
5. *A fresh certificate of incorporation dated November 26, 2015 issued by the RoC to the Company consequent upon change into a public company and upon change of name to Ujjivan Financial Services Limited.*

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application monies shall be refunded forthwith. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay.

Neither of the Selling Shareholders shall be liable to reimburse the Company for any interest paid by it on behalf of the Selling Shareholders on account of any delay with respect to Allotment of their respective portion of their respective Offered Shares or otherwise, unless such delay is solely accountable to such Selling Shareholder.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED AND IIFL HOLDINGS LIMITED ("BRLMs"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR

RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 31, 2015 WHICH READS AS FOLLOWS:

WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE CIVIL DISPUTES, CRIMINAL DISPUTES, TAXATION PROCEEDINGS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALIZATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:

(A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956 AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013 TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS. –- NOT APPLICABLE

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. – NOT APPLICABLE

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED

COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. - NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED WITH

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS SECTION 40(3) OF THE COMPANIES ACT, 2013, AS NOTIFIED.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. – COMPLIED WITH TO THE EXTENT APPLICABLE

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ICDR) REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – NOT APPLICABLE. THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE RESTATED FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRAFT RED HERRING PROSPECTUS ARE PRIMARILY IN THE NATURE OF REMUNERATION TO THE KEY MANAGEMENT PERSONNEL AND DONATIONS TO GROUP COMPANIES, WHICH ARE NOT FOR PROFIT COMPANIES.

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.ujjivan.com or the respective websites of our Group Companies would be doing so at his or her own risk. The Selling Shareholders, their respective directors, affiliates, associates, and officers accept no responsibility for any statements made other than those specifically made by each of the Selling Shareholders in relation to such Selling Shareholder and the respective portion of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Syndicate Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, each of the Selling Shareholders and their respective subsidiaries, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, each of the Selling Shareholders and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies registered with IRDA and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India). **THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA.** This Draft Red Herring Prospectus does not constitute an invitation to purchase shares offered hereby in any jurisdiction other than India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru only.

No action has been, or will be, taken to permit a public offering in any jurisdiction other than India. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except other than India. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Group Companies or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable Indian law.

Disclaimer Clause of RBI

The RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of our Company or for the correctness of any of the statements or representation made or opinions expressed by our Company and for discharge of liability of our Company.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the office of the Registrar of Companies, Bangalore situated at "E" Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Listing applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and each of the Selling Shareholders will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus, as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. In this regard, it is clarified that, none of the Selling Shareholders shall be liable to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder in relation to their respective proportion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days from the Bid/Offer Closing Date or within such period as may be prescribed by SEBI. Further, the Selling Shareholders shall extend all reasonable support required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares (offered by the Selling Shareholders in the Offer for Sale) are proposed to be listed within 12 Working Days of the Bid/Offer Closing Date or within such period as may be prescribed by SEBI.

All expenses in relation to the Offer shall be paid by and shared between our Company and the Selling Shareholders in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses, upon successful completion of the Offer, in the proportion mutually agreed between the Company, the respective Selling Shareholders in accordance with applicable law.

Price information of past issues handled by the BRLMs

A. Kotak

1. Price information of past issues handled by Kotak

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on listing date (Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Dr. Lal PathLabs Limited	631.91	550	23-Dec-15	720	-	-	-
2.	S H Kelkar and Co. Ltd.	508.17	180	16-Nov-15	223.70	+21.69%[-1.35%]	-	-
3.	Interglobe aviation Limited	3,008.50	765	10-Nov-15	855.80	+32.39%[-2.20%]	-	-
4.	Coffee Day Enterprises Limited	1,150.00	328	2-Nov-15	317.00	-21.42%[-1.19%]	-	-
5.	Sadbhav Infrastructure Project Limited	491.66	103	16-Sep-15	111.00	-2.28% [+3.55%]	-5.63%[-3.15%]	-
6.	Power Mech Projects Limited	273.22	640	26-Aug-15	600.00	-9.36% [+0.98%]	-4.63%[+0.74%]	-
7.	Manpasand Beverages Limited	400.00	320	9-Jul-15	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	-
8.	Adlabs Entertainment Limited(1)	374.59	180	6-Apr-15	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	- 38.39% [-8.19%]
9.	Ortel Communications Limited	173.65	181	19-Mar-15	160.05	-3.67% [-0.33%]	-5.91% [-6.80%]	+12.21% [-8.83%]

Source: www.nseindia.com

Notes:

1. *In Adlabs Entertainment Limited the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹221 per equity share.*
2. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
3. *Nifty is considered as the benchmark index.*

2. Summary statement of disclosure of past issues handled by Kotak:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 – Nov 16, 2015	8	6838.05	-	-	4	-	1	2	-	1	-	-	-	-
2014-2015	1	173.65	-	-	1	-	-	-	-	-	-	-	-	1
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

B. Axis

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis

Sr. No.	Issue name	Issue size (Rs. millions)	Issue price(Rs.)	Listing date	Opening price on listing date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Alkem Laboratories Limited[1]	13,477.64	1050	23-Dec-15	1380.00	-	-	-
2	Coffee Day Enterprises Ltd	11,500.00	328	02-Nov-15	317.00	-21.42% [-1.19%]	-	-
3	Pennar Engineered Building Systems Limited	1561.90	178	10-Sept-15	177.95	-5.93% [+5.16%]	-11.26% [-1.11%]	-
4	Navkar Corporation Limited	6,000.00	155	9-Sept-15	152.00	+0.97% [+3.97%]	+26.00% [-0.68%]	-
5	Syngene International Limited	5,500.00	250	11-Aug-15	295.00	+36.00% [-7.61%]	+44.90% [-6.47%]	-
6	UFOMoviez India Limited	6000.00	625	14-May-15	600.00	-11.68% [-2.93%]	-3.18% [+2.90%]	-18.27% [-3.76%]
7	Inox Wind Limited[2]	10,205.30	325	9-Apr-15	400.00	+28.54% [-6.68%]	+42.42% [-3.05%]	+11.20% [-7.51%]
8	Monte Carlo Fashions Limited	3504.30	645	19-Dec-14	584.00	-26.20% [+3.96%]	-23.57% [+5.60%]	-20.88% [-2.16%]

Source: www.nseindia.com
[1]*Price for eligible employees was ₹950.00 per equity share*
[2]*Price for retail individual bidders and eligible employees was ₹310.00 per equity share*
Notes:
a. *The CNX NIFTY is considered as the Benchmark Index.*
b. *Price on NSE is considered for all of the above calculations*
c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered*
d. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available*

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2015-2016*	7	54,244.84	0	0	3	0	2	1	0	0	0	0	0	1
2014-2015	1	3504.3	0	1	0	0	0	0	0	0	1	0	0	0
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

** The information is as on the date of this Draft Red Herring Prospectus*
The information for each of the financial years is based on issues listed during such financial year
***Note:** Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

C. ICICI Securities

1. Price information of past issues handled by ICICI Securities

Sr. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Shemaroo Entertainment Limited	120.00	170.00 (1)	01-Oct-14	180.00	-5.74%, [+2.81%]	-5.88%, [+3.79%]	+5.85%, [+6.88%]

2	Wonderla Holidays Limited	181.25	125.00	09-May-14	160.00	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]
3	VRL Logistics Limited	467.88	205.00	30-Apr-15	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
4	PNC Infratech Limited	488.44	378.00	26-May-15	387.00	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%,[-5.88%]
5	Manpasand Beverages Limited	400.00	320.00	09-Jul-15	300.00	+23.20%, [+2.83%]	+36.53%, [-2.11%]	NA(2)
6	Sadbhav Infrastructure Project Limited	491.66	103.00	16-Sep-15	111.00	-2.28%, [+3.55%]	-5.63%, [-3.15%]	NA(2)

1. *Discount of ₹17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹170.00 per equity share.*
2. *180 calendar days from the date of listing have not elapsed, and hence the information is currently not available*

Notes:
1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

2. Summary statement of price information of past issues handled by ICICI Securities

Financial Year	**Total no. of IPOs**	**Total amount of funds raised (Rs. Cr.)**	**No. of IPOs trading at discount - 30th calendar days from listing**			**No. of IPOs trading at premium - 30th calendar days from listing**			**No. of IPOs trading at discount - 180th calendar days from listing**			**No. of IPOs trading at premium - 180th calendar days from listing**		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**
2015-16	4	1,847.98	-	-	1	1	-	2	-	-	-	1	1	-
2014-15	2	301.25	-	-	1	1	-	-	-	-	-	1	-	1
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-

D. IIFL

1. Price information of past issues handled by IIFL

Sr No.	**Issue Name**	**Issue Size (in Rs Cr)**	**Issue Price (₹)**	**Listing Date**	**Opening Price on Listing Date**	**+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing**	**+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing**	**+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing**
1	Manpasand Beverages Limited	400	320	July 9, 2015	300.00	+23.2%, [+2.4%]	+31.5%, [-2.2%]	NA, [NA]
2	Power Mech Projects Limited	273	640	August 26, 2015	600.00	-9.4%, [-0.2%]	-2.8%, [-0.6%]	NA, [NA]

Source: www.nseindia.com
Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

2. Summary statement of price information of past issues handled by IIFL

Financial Year	Total No. of IPO's	Total Funds Raised	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
		(in Rs Cr)	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2014-15	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	2	673	-	-	1	-	-	1	-	-	-	-	-	-

Source: www.nseindia.com
Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Kotak	http://www.investmentbank.kotak.com
2.	Axis	http://www.axiscapital.co.in
3.	ICICI Securities	http://www.icicisecurities.com
4.	IIFL	http://www.iiflcap.com

Consents

Consents in writing of: (a) Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Auditors, legal counsels, Bankers/lenders to our Company and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks, Refund Bank(s) and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, have given their written consent for inclusion of their name as an 'expert' as required under Section 26(1)(a)(v) of the Companies Act, 2013 and their reports dated December 11, 2015 on the Restated Financial Statements of our Company and the report on the statement of special tax benefits dated December 23, 2015 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI. The term "expert" and consent thereof does not represent an expert or consent within the meaning under the 1933 Securities Act of the United States of America.

Expert to the Offer

Except as stated herein, our Company has not obtained any expert opinions. Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include its name as an expert as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated December 11, 2015 on the Restated Financial Statements of our Company and the report on statement of special tax benefits dated December 23, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. The term "expert" and consent thereof does not represents an expert or consent within the meaning under the 1933 Securities Act of the United States of America.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details, of Offer expenses, see "*Objects of the Offer – Offer Expenses*" on page 78.

All expenses in relation to the Offer shall be shared between our Company and the Selling Shareholders in the proportion as mutually agreed between the Company and the respective Selling Shareholders, in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses, upon successful completion of the Offer in the proportion as mutually agreed between the Company and the respective Selling Shareholders, in accordance with applicable law. Further, all expenses incurred by the Company on behalf of the respective Selling Shareholder, in relation to appointment of any intermediary, shall be pre-authorized by the respective Selling Shareholder and shall be reimbursed by such respective Selling Shareholder in the proportion mutually agreed between the Company, the respective Selling Shareholders, in accordance with applicable law.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the engagement letters between our Company, Selling Shareholders and the BRLMs, a copy of which is available for inspection at the Registered Office.

For details of the Offer expenses, see "*Objects of the Offer*" on page 77.

Commission payable to SCSBs and Registered Brokers

For details of the commission payable to SCSBs and Registered Brokers, see "*Objects of the Offer*" on page 77.

Fees Payable to the Registrar to the Offer

The fees payable by our Company to the Registrar to the Offer will be as per the Registrar agreement dated December 30, 2015 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office. Any expense incurred by the Company on behalf of the Selling Shareholders on account of payment to the Registrar to the Offer, shall be paid by the Company in the first instance and reimbursed by the Selling Shareholders upon successful completion of the Offer, in the proportion mutually agreed between the Company and the Selling Shareholders, in accordance with applicable law.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting. In this regard, it is clarified that expenses incurred by the Company on behalf of the Selling Shareholder, if any, will be reimbursed by such Selling Shareholder to the Company, upon successful completion of the Offer in the proportion mutually agreed between the Company, the respective Selling Shareholders as per applicable law.

The Selling Shareholders will reimburse our Company for the expenses incurred on their behalf proportionately.

IPO grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the "*Capital Structure*" on page 57, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Companies and subsidiaries/associates of our Company

None of our Group Companies are listed and our Company does not have any subsidiary/ associate company.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies and subsidiaries of our Company

Our Company and our Group Companies have not undertaken any public or rights issue in the past. Our Company does not have any subsidiary as on the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

Other than as mentioned in "*Financial Indebtedness*" on page 182, our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders will provide for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

All other grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the member of the Syndicate or the Registered Broker where the Bid cum Application Form was submitted.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Sunil Patel, Samit Ghosh and K.R.Ramamoorthy as members. For details, see "*Our Management*" on page 133.

Our Company has also appointed Sanjeev Barnwal, Company Secretary and Compliance Officer of our Company for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Ujjivan Financial Services Limited
Grape Garden, No. 27, 3rd A Cross
18th Main, 6th Block, Koramangala
Bengaluru 560 09
Karnataka, India
Tel: +91 80 4071 2121
Fax: +91 80 4146 8700
E-mail: compliance@ujjivan.com

Our Company does not have any company under same management within the meaning of section 370(1B) of the Companies Act.

Changes in Auditors

There has been no change in the auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" on page 57.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things, governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Offer for Sale

The Offer comprises of a Fresh Issue and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable law. For further details, see "*Main Provisions of Articles of Association*" on page 257.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, 2013, the Memorandum and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 154 and 257, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the Kannada newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" on page 257.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 3, 2015 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated December 9, 2010 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Subject to our AoA, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Bengaluru.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures), Rules, 2014, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale. If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) for at least such percentage of the post-Offer Equity Share capital of our Company that will be equivalent to a value of atleast ₹4,000 million calculated at the Offer Price, in terms of Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any, our Company shall forthwith refund the entire subscription money received, within 60 days from the date of Bid/Offer Closing Date. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

In case of any under-subscription in the Offer, after meeting the minimum subscription of 90% of the Fresh Issue, the balance subscription in the Offer will be first met through the Equity Shares offered pursuant to the Offer for Sale and then the balance part of Fresh Issue shares.

It is clarified that, subject to applicable law, none of the Selling Shareholders shall be liable to pay any amounts as refunds or interest for any delay, unless such default or delay has been caused solely by such Selling Shareholder in relation to their respective proportion of the Offered Shares.

Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays etc. for the Equity Shares being offered in the Offer will be reimbursed by the Selling Shareholders in relation to their respective proportion of the Offered Shares to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Offer.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 57 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. For details, see "*Main Provisions of the Articles of Association*" on page 257.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Initial public offer of up to [●] Equity Shares for cash at price of ₹[●] (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹6,500 million by our Company and Offer of Sale aggregating up to ₹[●] million, comprising of offer for sale of up to 2,935,213 Equity Shares by Sarva Capital, up to 2,523,725 Equity Shares by MUC, up to 3,495,626 Equity shares by Elevar, up to 1,754,386 Equity Shares by IFIF, up to 3,093,869 Euity Shares by WCP, up to 2,698,163 Equity Shares by FMO, up to 3,060,722 Equity Shares by IFC and up to 5,406,628 Equity Shares by WWB. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of up to 22,000,000 Equity Shares for cash consideration aggregating up to ₹4,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) being offered to the public.

The Offer is being made through the Book Building Process.

Particulars	**QIBs(1)**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment/ allocation* (2)	[●] Equity Shares or Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	50% of the Offer Size being available for allocation to QIBs. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows: (a) up to [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/ Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RIB Allottees**"). The allocation/ Allotment to Retail Individual Bidders will then be made in the following manner: (iii) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated/Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
			Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot) (iv) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis For details, see "*Offer Procedure*" on page 214
Mode of Bidding	ASBA only	ASBA only	ASBA and non-ASBA
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the retail portion
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply[(3) (4)] **THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA**	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, or VCFs which and AIFs which are not owned or controlled by Non-Residents, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts	Resident Indian individuals and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors)[(4)(5)]	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form[(5)]	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form[(5)]

**Assuming full subscription in the Offer*

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. For details, see "Offer Structure" on page 210

(2) The Offer is being in made in terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), wherein a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹4,000 million (calculated at the Offer Price) will be offered to the public. The Offer is being made through the Book Building Process wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. ***THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA.***

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders

(4) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the Anchor Investor Pay-in date.

(5) In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form

Under subscription, if any, in any category except the Net QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, severally and not jointly, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Offer Programme

BID/OFFER OPENS ON	[●](1)
BID/OFFER CLOSES ON	**[●]**(2)

(1) Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative other than the Bid/Offer Opening Date and the Bid Offer Closing Date and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the

Bid/Offer Closing Date or such other period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (**"IST"**) during the Bid/Offer Period (except the Bid/Offer Closing Date) at the bidding centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only on Working Days i.e. Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of such revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other Members of the Syndicate.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Investors. However, there is a common Bid cum Application Form for ASBA Investors (submitted to SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres) as well as for non-ASBA Investors. Investors applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Investors are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Investors, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

ASBA Investors may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI (www.sebi.gov.in) or to the Syndicate at the Specified Locations, a list of which is available at the website of the SEBI (www.sebi.gov.in) and updated from time to time or to the Registered Brokers at the Broker Centres. Non-ASBA Investors are required to submit Bids to the Syndicate, only on a Bid cum Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Investors are advised not to submit Bid cum Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.

All Investors are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

*SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 ("**2011 Circular**") has made it mandatory for the non retail Bidders i.e., QIBs (other than Anchor Investors) and Non Institutional Bidders to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Members to procure Bid cum Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/CFD/14/2012) dated October 4, 2012 ("**2012 Circular**"), has introduced an additional mechanism for prospective Bidders to submit Bid cum Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Members in the Issue. The 2012 Circular envisages enabling this facility to submit the Bid cum Application Forms in more than 1,000 locations which are part of the nationwide broker network of the Stock Exchanges and where there is a presence of the brokers' terminals, by March 1, 2013. Further, SEBI by its circular (CIR/CFD/DIL/4/2013) dated January 23, 2013 ("**2013 Circular**"), in partial modification of the 2011 Circular, mandates that in order to facilitate Syndicate/sub-Syndicate/non-Syndicate Members to accept Bid cum Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centres, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/sub-Syndicate/non-Syndicate Members can submit such Bid cum Application Forms.*

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA process mandatory for all investors (except for Anchor Investors), allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016. We shall make appropriate changes to the "Offer Procedure" section and other sections of this Draft Red Herring Prospectus and the Red Herring Prospectus prior to filing with SEBI and RoC, respectively.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein 50% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the Net QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers at the Broker Centres, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the SCSBs, the NSE (www.nseindia.com), the BSE (www.bseindia.com) and the terminals of the Registered Brokers. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a Syndicate Member or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Kindly note that the Members of the Syndicate/sub-Syndicate or the Registered Broker at the Bidding centres or the Brokers Centres, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

Upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank, and are liable for any failure in this regard.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians	White
Resident Anchor Investors**	White

* *Excluding electronic Bid cum Application Form*
** *Bid cum Application forms from Anchor Investors will be made available at the office of the BRLMs*

Who can Bid?

In addition to the category of Bidders set forth under "***General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Offer***" on page 228, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs and Syndicate Members (other than mutual funds sponsored by entities related to the BRLMs) cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only Resident Indian QIBs and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

(i) Bid cum Application Forms for Anchor Investor will be made available at the offices of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and be completed on the same day.

(v) Our Company and the Selling Shareholder, in consultation with the BRLMs, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

(a) maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million;

(b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and

(c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within Anchor Investor Pay-in Ddate. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) The BRLMs (other than mutual funds sponsored by entities related to the BRLMs), Group Companies or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see "*Offer Procedure - Part B: General Information Document for Investing in Public Issues - section 7*: *Allotment Procedure and Basis of Allotment - Allotment to Anchor Investor*" on page 249.

(xiii) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

Bids by SEBI registered VCFs and AIFs

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or sheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulation.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Notwithstanding as prescribed under the general information document, AIFs that are owned or controlled by Non-Resident investors, VCFs and Non-Resident investors, including multilateral and bilateral financial institutions and any other QIB that is a Non-Resident and/or owned or controlled by Non-Residents/persons resident outside India, as defined under FEMA are not eligible to participate in this Offer. Any application received from such category of investor(s) or application wherein a foreign address is provided by the depositories would be rejected.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum

Application Form. Failing this, our Company and the Selling Shareholders, severally and jointly, will reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, severally and not jointly, reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

Our Company and the Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and Selling Shareholders in consultation with the BRLMs may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders, severally and not jointly, reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of the Syndicate Member (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres;

6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer;

7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. QIBs (other than Anchor Investors) and the Non-Institutional Investors should submit their Bids through the ASBA process only;

9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form and a Transaction Registration Slip for all your Bid options;

11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);

12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;

13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;

14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;

15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised Transaction Registration Slip;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

21. Ensure that the category and sub-category is indicated;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

23. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;

24. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate Members, the SCSBs or the Registered Brokers, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

25. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;

26. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/or the Designated Branch and/or the Registered Broker at the Broker Centres (except in case of electronic forms);

27. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

28. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a Member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised-Intermediaries). ASBA Bidders Bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;

29. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

30. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;

31. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form; and

32. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not bid if you are a NRI, FII, FPI, FVCI or any other foreign investor. Any bid from foreign investors will be rejected;

2. Do not Bid for lower than the minimum Bid size;

3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;

5. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

6. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;

8. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Offer;

9. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

12. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

14. Do not submit the General Index Register number instead of the PAN;

15. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;

16. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account;

17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

19. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

20. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date for QIBs;

21. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

22. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

24. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;

25. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;

26. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries); and

27. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in a separate clearing session. This separate clearing session operates once a week from. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit MICR code are liable to be rejected.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Retail Individual Investors: "[●]"

Our Company and the Selling Shareholders, in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of Kannada newspaper [●], each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Members of the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company and/or the Selling Shareholders subsequently decides to proceed with the Offer;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Offer Closing Date;

- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- the Allotment letters will be issued or the application money will be refunded within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Bidders forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- except any allotment of Equity Shares pursuant to the ESOP Schemes and the Pre-IPO Placement, no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms by ASBA Bidders and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

Undertakings by the Selling Shareholders

The Selling Shareholders undertake severally and not jointly that:

- the portion of the Offered Shares offered by each of the Selling Shareholders by way of Offer for Sale in the Offer, have been held by it for a period of at least one year prior to the date of filing this Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;

- it is the legal and beneficial owner of, and has full title to their respective portion of the Offered Shares in the Offer;

- the Equity Shares being sold by it pursuant to the Offer are free and clear of any encumbrances and shall be transferred to the Bidders within the time specified under applicable law;

- it has authorised the Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;

- The Selling Shareholders have authorised the Compliance Officer and Registrar to the Offer to redress such investor grievances. They shall provide reasonable support as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the respective portion of the Offered Shares in the Offer.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

The Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Offer at any time after the Bid Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid Closing Date of the Offer or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall instruct the SCSBs to unblock the ASBA Accounts within one Working Day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

PART B

THIS OFFER IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS OFFER WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO PERSONS IN ANY JURISDICTION OUTSIDE INDIA. THE BIDDERS/APPLICANTS SHALL CONSTRUE THE CONTENTS OF THIS GENERAL INFORMATION DOCUMENT ACCORDINGLY.

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

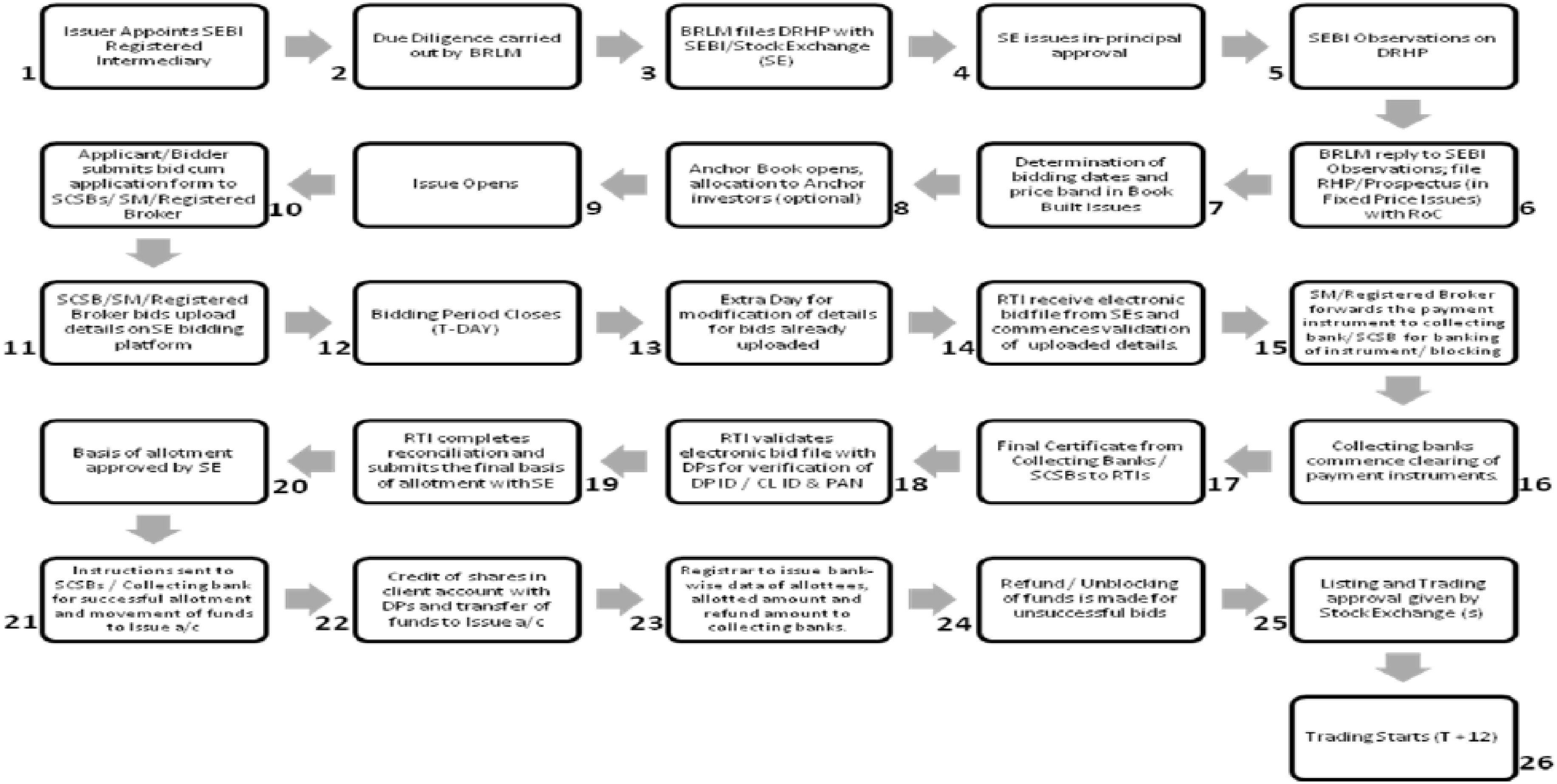
  i. Step 7 : Determination of Offer Date and Price

  ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.

  iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform

  iv. Step 12: Offer period closes

  v. Step 15: Not Applicable


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchange (SE)
4 SE issues in-principal approval
5 SEBI Observations on DRHP
6 BRLM reply to SEBI Observations; file RHP/Prospectus (in Fixed Price Issues) with RoC
7 Determination of bidding dates and price band in Book Built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to SCSBs/ SM/Registered Broker
11 SCSB/SM/Registered Broker bids upload details on SE bidding platform
12 Bidding Period Closes (T-DAY)
13 Extra Day for modification of details for bids already uploaded
14 RTI receive electronic bid file from SEs and commences validation of uploaded details.
15 SM/Registered Broker forwards the payment instrument to collecting bank/SCSB for banking of instrument/ blocking
16 Collecting banks commence clearing of payment instruments.
17 Final Certificate from Collecting Banks / SCSBs to RTIs
18 RTI validates electronic bid file with DPs for verification of DP ID / CL ID & PAN
19 RTI completes reconciliation and submits the final basis of allotment with SE
20 Basis of allotment approved by SE
21 Instructions sent to SCSBs / Collecting bank for successful allotment and movement of funds to Issue a/c
22 Credit of shares in client account with DPs and transfer of funds to Issue a/c
23 Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks.
24 Refund / Unblocking of funds is made for unsuccessful bids
25 Listing and Trading approval given by Stock Exchange (s)
26 Trading Starts (T + 12)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs are not allowed to Bid/Apply in the Offer. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors ("**NIIs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the Registered Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
IN

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK/SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 | 6 | 5 | 4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual
☐ Non-Institutional
☐ QIB

6. Investor Status

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VC
☐ Others (Please specify) - OTH

** HUF should apply only through Karta (Application by HUF would be treated on par with Individual)*

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ (B) ASBA

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT

Date : ________, 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - NR

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

6. Investor Status

NRI	Non-Resident Indian (Repatriation basis)
FII	Foreign Institutional Investor
FVCI	Foreign Venture Capital Investor
FIISA	FII Sub Account Corporate / Individual
OTH	Others (Please Specify)

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	7 6 5 4 3 2 1	Bid Price 4 3 2 1	Discount, if any 4 3 2 1	Net Price 4 3 2 1	"Cut-off" (Please tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

5. Category

Retail Individual

Non-Institutional

QIB

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS Full Payment Part Payment

Amount Paid (₹ in figures) (₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

(B) ASBA

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT

Date : ____________, 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Offer. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

(b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.

(e) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.

(f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(h) A Bid cannot be submitted for more than the Offer size.

(i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) QIBs and NIIs can participate in the Offer only through the ASBA mechanism.

(d) RIIs and/or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for non-ASBA Bidders:**

(a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.

(b) **For Bids made through a member of the Syndicate**: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.

(c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.

(d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

(e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.

(g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) ASBA Bidders may submit the Bid cum Application Form either

i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or

ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

iii. in physical mode to a member of the Syndicate at the Specified Locations, or

iv. Registered Brokers of the Stock Exchange

(b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

(f) **ASBA Bidders Bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified Locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(g) **ASBA Bidders Bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

(h) **ASBA Bidders Bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs Bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Offer Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.

(b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.

(c) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Sshares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.

ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker

v. Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.

(d) The following details (as applicable) should be quoted while making any queries -

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;

ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted; or

iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof;

iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

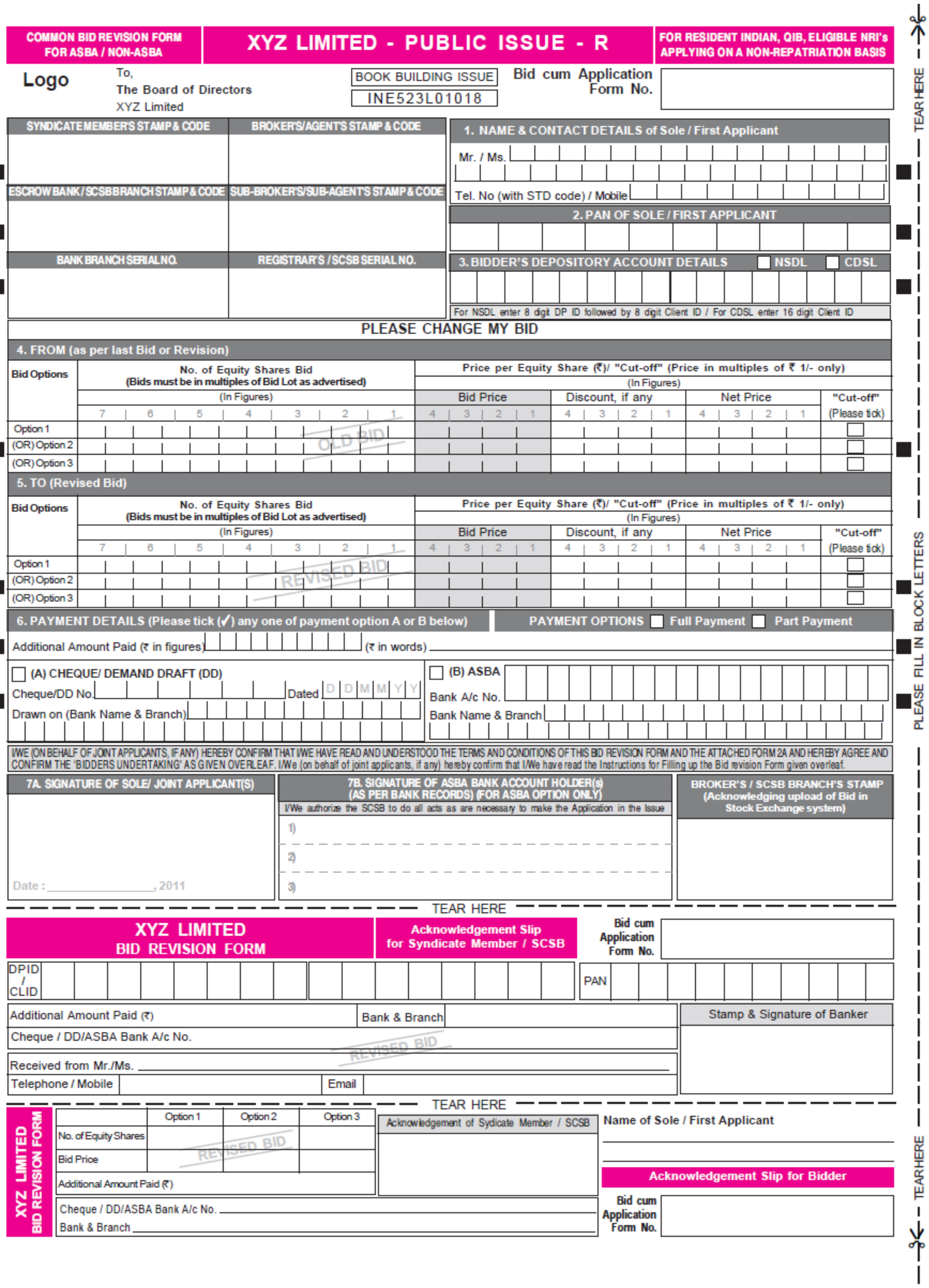
(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant
Mr. / Ms.
Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (as per last Bid or Revision)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

5. TO (Revised Bid)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)
PAYMENT OPTIONS Full Payment Part Payment

Additional Amount Paid (₹ in figures) (₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD)
Cheque/DD No. Dated D D M M Y Y
Drawn on (Bank Name & Branch)

(B) ASBA
Bank A/c No.
Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.

7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)
Date : ____________, 2011

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)
I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue
1)
2)
3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED
BID REVISION FORM

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Additional Amount Paid (₹) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

REVISED BID

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED BID REVISION FORM

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

REVISED BID

Cheque / DD/ASBA Bank A/c No.
Bank & Branch

Acknowledgement of Sydicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.

(b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate/Registered Broker to whom the original Bid was submitted.

(e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

(b) RIIs and/or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Instructions for non-ASBA Applicants:**

(a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).

(b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the Escrow Collection Bank(s).

(c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.

(d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.

(f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 **Payment instructions for ASBA Applicants**

(a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.

(b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) ASBA Applicants Bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Offer Closing Date.

4.3.5.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form 2) To Registered Brokers

Mode of Application	Submission of Bid cum Application Form
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should not submit the bid cum application forms/Revision Form directly to the Escrow Collection Banks. Bid cum Application Form/Revision Form submitted to the Escrow Collection Banks are liable for rejection.

(b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.

(b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) Bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/any of the Registered Brokers to register their Bid.

(c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) In case a RII wishes to withdraw the Bid after the Bid/Offer Period, the same can be done by submitting a withdrawal request to the Registrar to the Offer until finalization of Basis of Allotment. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,

ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,

iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or

iv. with respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs; and

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Red Herring Prospectus);

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(l) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(m) Bids/Applications at Cut-off Price by NIIs and QIBs;

(n) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(p) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(q) Bids/Applications for a Bid/Application Amount of more than ₹200,000 by RIIs by applying through non-ASBA process;

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(v) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

(w) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;

(x) Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied with cheque(s) or demand draft(s);

(y) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Portion is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Offer or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer and the Selling Shareholder, in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest refund the entire subscription amount received within 15 days of the Bid/Offer Closing Date. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

(b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/Allotment to Bidders/Applicants.

(c) In case of non-ASBA Bidders/Applicants, the Registrar to the Offer may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Offer.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Red Herring Prospectus, the description as ascribed to such term in the Red Herring Prospectus shall prevail.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue

Term	Description
Application Supported by Blocked Amount/(ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Offer who Bid/apply through ASBA
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid/Offer Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange

Term	Description
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Offer cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)

Term	Description
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable

Term	Description
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Offer (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Offer Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013
AND
THE COMPANIES ACT, 1956 (AS APPLICABLE)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

UJJIVAN FINANCIAL SERVICES LIMITED

The Articles of Association of the Company has been amended and restated vide special resolution passed by the members of the Company in the Extra-ordinary General meeting held on November 03, 2015.

The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of the Company without any further action by the Company or by the shareholders.

PART I

1. CONSTITUTION OF THE COMPANY

a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
b) *The regulations for the management of the company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS
In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. "**Act**" means the Companies Act, 2013 in force and any statutory amendment thereto or replacement thereof and applicable provisions of the Companies Act, 1956, if any, along with the relevant Rules made there under.

b. "**ADRs**" shall mean American Depository Receipts representing ADSs.

c. "**Annual General Meeting**" shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.

d. **"ADR Facility"** shall mean an ADR facility established by the company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.

e. **"ADSs"** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.

f. **"Articles"** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

g. **"Auditors"** shall mean and include those persons appointed as such for the time being by the company.

h. **"Board"** shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.

i. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

j. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.

k. **“Capital” or “share capital”** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

l. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.

m. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

n. **“Company” or “this company”** shall mean **UJJIVAN FINANACIAL SERVICES LIMITED**.

o. **“Committees”** shall have mean a committee constituted in accordance with Article 74.

p. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.

q. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

r. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

s. **“Director”** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.

t. **“Dividend”** shall include interim dividends.

u. “**Equity Share Capital**” shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.

v. “**Equity Shares**” shall mean fully paid-up equity shares of the Company having a par value of INR 10.00 (Indian Rupees Ten Only) per equity share, and 1 (One) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.

w. **“Executor”** or **“Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

x. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;

y. “**Financial Year**” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

z. “**Fully Diluted Basis**” shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.

aa. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.

bb. **“GDSs**” shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

cc. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.

dd. “**Independent Director**” shall mean an independent director as defined under the Act and under clause 49 of the

Listing Agreement.

ee. **“India”** shall mean the Republic of India.

ff. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.

gg. “**Listing Agreement**” means the agreement entered into with the stock exchanges in India, on which a company’s shares are listed.

hh. “**Managing Director**” shall have the meaning assigned to it under the Act.

ii. “**MCA**” shall mean the Ministry of Corporate Affairs, Government of India.

jj. “**Memorandum**” shall mean the memorandum of association of the Company, as amended from time to time.

kk. **“Office”** shall mean the registered office for the time being of the Company.

ll. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.

mm. **“Ordinary Resolution**” shall have the meaning assigned thereto by Section 114 of the Act.

nn. “**Paid up**” shall include the amount credited as paid up.

oo. “**Person**” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

pp. “**Register of Members**” shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.

qq. “**Registrar**” shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

rr. “**Rules**” shall mean the rules made under the Act and notified from time to time.

ss. “**Seal**” shall mean the common seal(s) for the time being of the Company.

tt. “**SEBI**” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

uu. **“Secretary”** shall mean a company secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act and any other administrative duties.

vv. “**Securities**” shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

ww. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

xx. “**Shareholder**” shall mean any shareholder of the Company, from time to time.

yy. “**Shareholders’ Meeting**” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

aaa. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.

bbb. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

ccc. "**Tribunal**" shall mean the National Company Law Tribunal constitutes under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

(i) References to a Party shall, where the context permits, include such Party's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

(a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(b) The Paid up Share Capital shall be at all times a minimum of Rs. 5,00,000 (Rupees Five Lakhs only) or such higher amount as may be required under the Act.

(c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.

(d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

(g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

(h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(j) All of the provisions of these Articles shall apply to the Shareholders.

(k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

(a) **Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) **Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

(a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) No such shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;

(d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

(g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act

(i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(ii) A register of Debenture holders; and

(iii) A register of any other security holders.

(b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of shares may be issued, if such certificate:

i. is proved to have been lost or destroyed; or

ii. has been defaced, mutilated or torn and is surrendered to the Company.

(c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

(f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

(k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

(n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

(b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:

(i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

(ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.

(iii) the Board may, at their absolute discretion, subject to applicable law, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the

Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

(a) The Company shall have a first and paramount lien:

(i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

(ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

(ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the

Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General

Meeting.

(d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the

Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) There shall be a common form of transfer in accordance with the Act and Rules.

(s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.

(d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept registers and indices of members, debenture-holders and other security-holders, with details of shares, debentures or other securities held by such persons, respectively, held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the corresponding register and index for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a branch register members, debenture-holders and other security-holders resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

(a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(b) (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.

(ii) Not more than one person shall be recognised as depositor of the share warrant.

(iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.

(c) (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

(ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.

(d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

(e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

(a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(b) Auditor or Auditors of the Company, and

(c) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -

a) the names of the Directors and Alternate Directors present at each General Meeting;

b) all Resolutions and proceedings of General Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Agreement or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and

Qualification of Directors) Rules, 2014 and the provisions of the Listing Agreement. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42**.** Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Clause 49 of the Listing Agreement.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Agreement, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

(b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

(c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:

(i) he is found to be of unsound mind by a court of competent jurisdiction; or

(ii) he applies to be adjudicated an insolvent; or

(iii) he is adjudged an insolvent; or

(iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

(v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or

(vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or

(viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(ix) he acts in contravention of Section 184 of the Act; or

(x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or

(xi) he is removed in pursuance of Section 169 of the Act; or

(xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :

i. sale, purchase or supply of any goods or materials;

ii. selling or otherwise disposing of, or buying, property of any kind;

iii. leasing of property of any kind;

iv. availing or rendering of any services;

v. appointment of any agent for purchase or sale of goods, materials, services or property;

vi. such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

vii. underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.

(b) no Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

(f) The term 'related party' shall have the same meaning as ascribed to it under the Act.

(g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

(i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

1. in his being –

I. a director of such company, and

II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

(d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board , expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

(a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

(a) to make calls on Shareholders in respect of money unpaid on their shares;

(b) to authorise buy-back of securities under Section 68 of the Act;

(c) to issue securities, including debentures, whether in or outside India;

(d) to borrow money(ies);

(e) to invest the funds of the Company;

(f) to grant loans or give guarantee or provide security in respect of loans;

(g) to approve financial statements and the Board's report;

(h) to diversify the business of the Company;

(i) to approve amalgamation, merger or reconstruction;

(j) to take over a company or acquire a controlling or substantial stake in another company;

(k) fees/ compensation payable to non-executive directors including independent directors of the Company; and

(l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Agreement.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(b) to borrow money; and

(c) any such other matter as may be prescribed under the Act, the Listing Agreement and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held in Bengaluru, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Company Secretary shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

(a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

(b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

(a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term ‘undertaking’ and the expression ‘substantially the whole of the undertaking’ shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

ii. Remit, or give time for repayment of, any debt due by a Director;

iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

74. COMMITTEES AND DELEGATION BY THE BOARD

(a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Agreement. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

(d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Agreement, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

(a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

(b) The Company shall circulate the minutes of the meeting to each Director within 15 (fifteen) Days after the Board Meeting.

(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

(i) all appointments of Officers;

(ii) the names of the Directors present at each meeting of the Board;

(iii) all resolutions and proceedings of the meetings of the Board;

(iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

(f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

(i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard - 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

(a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

(b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

(d) for a coverage for claims of an amount not less than the Rupee equivalent of Rs. 20,00,00,000 (Indian Rupees Twenty Crores Only) in the aggregate or as may be decided by the Board, from time to time.

85. SEAL

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

(b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.

(c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by (i) 2 (two) Directors or (ii) by 1 (one) Director and the Secretary or (iii) by 1 (one) Director and any other person as may be authorised by the Board for that purpose.

86. ACCOUNTS

(a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the

Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

(f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

i. the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;

ii. number of meetings of the Board;

iii. Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;

iv. a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;

v. in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;

vi. explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

1. by the auditor in his report; and

2. by the company secretary in practice in his secretarial audit report;

vii. particulars of loans, guarantees or investments under Section 186 of the Act;

viii. particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;

ix. the state of the company's affairs;

x. the amounts, if any, which it proposes to carry to any reserves;

xi. the amount, if any, which it recommends should be paid by way of Dividends;

xii. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

xiii. the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

xiv. a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

xv. the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

xvi. in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the

Board of its own performance and that of its committees and individual directors; and

xvii. such other matters as may be prescribed under the Law, from time to time.

(g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

87. AUDIT AND AUDITORS

(a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.

(b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

(c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

(e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

(f) The Company shall within 7 (seven) days of the Central Government’s power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

(j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.

(d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the Shareholders of the Company as provided by these Articles.

(ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Actor out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and

2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Actor against both.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest in accordance with the Act and other applicable laws, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of Ujjivan Financial Services Public Limited Account”.

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund”.

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

98. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the Company’s profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power:

i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

(a) If the company shall be wound up , the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part , or for any other loss ,damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

103. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

104. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

(a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

(b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(c) The Articles of the company shall not be amended unless the votes cast in favour of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled to do so, vote in person or by proxy or by postal ballot, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting

105. SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

106. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

107. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

Part II

Part II of these Articles includes the rights and obligations of the Parties to Shareholders Agreement (defined hereinafter).

In the event of any inconsistency between Part I and Part II of these Articles, the provisions of Part II of these Articles shall prevail over Part I of these Articles. Part II of these Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing and trading of the Equity Shares on a stock exchange in India, subsequent to an initial public offering of the Equity Shares of the Company without any further action by the Company or its shareholders.

Table 'F' to apply

Subject as provided hereunder, the regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall apply to this Company in so far as they are applicable to a Public Company limited by Shares. The proviso to Regulation 13(i), Regulation 20(a) and Regulation 65 contained in Table F shall not apply to the Company.

1A. Definitions

In these Articles unless there be something in the subject or context inconsistent therewith, the following words or expressions shall have the following meanings

i. **AAJV** shall mean AAJV Investment Trust a trust incorporated under the Indian Trust Act, 1882 having its registered office at No. 9, Mathura Road, Jangpura B, New Delhi 110 014;

ii. **Act** means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof from time to time;

iii. **Acceptable Stock Exchange** means National Stock Exchange Limited or Bombay Stock Exchange Limited or any other recognized stock exchange as agreed to by the Institutional Investors in accordance with the terms of these Articles;

iv. **Affiliate** means in general, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person. For the purpose of this definition, a holding or subsidiary company of any entity designated as Affiliates in Shareholders Agreement shall be deemed to be an Affiliate of that entity and in particular;

In relation to **Elevar**, all corporations, companies, partnerships, joint venture or other entities which Control, are Controlled by or are under common control with Elevar Equity Mauritius shall be considered as Affiliates;

In relation to **Unitus**, all corporations, companies, partnerships, joint venture or other entities which Control, are Controlled by or are under common control with Mauritius Unitus Corporation shall be considered as Affiliates;

In relation to **IFIF**, the following entities shall also be considered as Affiliates:

Any funds promoted or managed or advised by Caspian Impact Investment Adviser Private Limited or Caspian Capital Partners (Collectively referred to as “Caspian”) or any funds, all corporations, companies, partnerships, joint venture or other entities which Control, are Controlled by or is under Common control with Caspian or its Affiliated or its funds, including IFIF and CDC shall not be considered as an Affiliate of IFIF;

In relation to Sarva Capital LLC (formerly known as Lok Capital II LLC), the following entities shall also be considered as Affiliates:

Any funds promoted or managed by Sarva Capital LLC, Lok Advisory Services, Lok Foundation or corporations, companies, partnerships, joint venture or other entities which Control, are Controlled by or is under common Control with Sarva Capital LLC or their Affiliates or their funds including Sarva Capital LLC. CDC, IFC and FMO shall not be considered as an Affiliate of Sarva Capital LLC;

In relation to **WCP**, the following entities shall also be considered as Affiliates:

Any funds promoted or managed by the WCP, WCP foundation or corporations, companies, partnerships, joint venture (excluding the other Investing Company/ies of such joint venture) or other entities which Control, are Controlled by or is under common control with WCP or their Affiliates or their funds;

In relation to **FMO**, the following entities shall also be considered as Affiliates:

Any funds promoted or managed by the FMO, FMO foundation or corporations, companies, partnerships, joint venture (excluding the other Investing Company/ies of such joint venture) or other entities which Control, are Controlled by or is under common control with FMO or their Affiliates or their funds;

In relation to **WWB**, the following entities shall also be considered as Affiliates:

Any funds promoted or managed by the Stichting to Promote Women’s World Banking or any corporations, companies, partnerships, joint venture (excluding the other Investing Company/ies of such joint ventures) or other entities which Control, are Controlled by or is under common control with WWB or their Affiliates or their funds;

In relation to **CX**, any funds managed or advised by CX Capital Management Limited or any of its Affiliates, any special purpose vehicle, companies, partnerships or joint ventures which are Affiliates of the funds mentioned above and investors in such funds shall also be considered as Affiliates;

In relation to **AAJV**, all corporations, companies, partnerships, joint venture or other entities which Control, are

Controlled by or are under common Control with AAVJ shall be considered as Affiliates;

In relation to **NewQuest**, the following entities shall also be considered as Affiliates:

Any funds promoted or managed by NewQuest Capital Management (Cayman) Limited, NewQuest Asia Fund I (G.P.) Ltd., NewQuest Asia Fund II GP Ltd., or corporations, companies, partnerships, joint venture or other entities which Control, are Controlled by or is under common Control with NewQuest or their Affiliates or their funds;

In relation to **Bajaj**, the following entities shall also be considered as Affiliates:

- Bajaj Finserv Ltd. and /or its Subsidiaries/Associate Company;
- Bajaj Auto Ltd. and / or its Subsidiaries/Associate Company ;
- Bajaj Auto Holdings Ltd.; and
- Bajaj Finance Ltd. and/ or its Subsidiaries/Associate Company.

In relation to **Alena**, any funds managed or advised by CX Capital Management Limited or any of its Affiliates, any special purpose vehicle, companies, partnerships or joint ventures which are Affiliates of the funds mentioned above and investors in such funds shall also be considered as Affiliates. Alena is an Affiliate of CX and the shareholding of Alena shall be aggregated with that of CX for the purpose of determination of the availability of any rights under these Articles or under the Shareholders Agreement to CX and/or Alena;

In relation to **CDC**, any funds managed or advised by CDC or any of its Affiliates, any special purpose vehicle, companies, partnerships or joint ventures which are Affiliates of the funds mentioned above. For the avoidance of doubt, the definition does not include funds which are not managed by CDC or its Affiliates and in which CDC's or its Affiliate's only interest is as a limited partner.

It is hereby clarified that the investee companies for all the Institutional Investors are excluded from being considered as their respective Affiliates.

v. **Alena** shall mean Alena Private Limited, a company incorporated under the laws of Mauritius having its registered office at 22 Saint Georges Port Louis Mauritius;

vi. **AML/CFT** means anti-money laundering and combating the financing of terrorism;

vii. **AML/CFT Officer** means a senior officer of the Company whose duties include oversight or supervision of the implementation and operation of, and compliance with, the Company's AML/CFT policies, procedures and controls;

viii. **Annual Plan** means the plan of the Company for a Financial Year, prepared annually;

ix. **Applicable S&E Law** means all applicable statutes, laws, ordinances, rules and regulations, including, without limitation, all Authorizations (as defined in the IFC First Subscription Agreement) setting standards concerning environmental, social, labor, health and safety or security risks of the type contemplated by the Performance Standards or imposing liability for the breach thereof;

x. **Articles** mean these Articles of Association of the Company as altered from time to time (in accordance with the provisions of these Articles) or applied in pursuance of Companies Act, 1956 or Companies Act, 2013;

xi. **Associate Company** shall mean as defined the Act;

xii. **Auditor** shall mean the statutory auditors of the Company;

xiii. **Authority** shall mean any governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity;

xiv. **Bajaj** shall mean Bajaj Holdings & Investment Limited, a company incorporated under the provisions of the Companies Act, 1913 and having its registered office at Bajaj Auto Limited Complex, Mumbai Pune Road, Akurdi, Pune 411 035;

xv. **Big Four Audit Firm** shall mean any one of the following (i) Ernst & Young, (ii) Price Waterhouse Coopers, (iii) KPMG and (iv) Deloitte Haskins and Sells or any of their affiliates in India;

xvi. **Board of Directors** or **Board** shall mean the collective body of the directors of the Company;

xvii. **Business Day** shall mean a calendar day on which banks are generally open in Bangalore, India for the transaction of normal banking business;

xviii. **Business Plan** means the plan of the Company prepared annually for a period of 3 (three) Financial Years as contemplated in these Articles;

xix. **Chief Executive Officer** means an officer of the Company, who has been designated as such by the Company;

xx. **Chief Financial Officer** means a person appointed as the Chief Financial Officer of the Company;

xxi. **Closing Date** shall mean the Closing Date as defined in the Shareholders' Agreement;

xxii. **CAO** means the Compliance Advisor Ombudsman, the independent accountability mechanism for IFC that responds to environmental and social concerns of affected communities and aims to enhance outcomes;

xxiii. **CDC** shall mean **CDC Group plc,** incorporated in England and having its registered office at 123 Victoria Street, London;

xxiv. **Company** means "**UJJIVAN FINANCIAL SERVICES LIMITED**" a company incorporated under the provisions of the Act and having its registered office at Grape garden, No. 27, 3rd A Cross, 18th Main, Koramangala 6th Block, Bengaluru 560 095;

xxv. **Company Operations** means the existing and future financing operations, activities and facilities of the Company and its Key Subsidiaries in the Country;

xxvi. **Competitor** means any Person engaged directly or indirectly (through an Affiliate) in the business of (i) micro finance (NBFC-MFI), and/or (ii) upon the Company obtaining a license from the Reserve Bank of India to set up a 'small finance bank' and commencing its operations as a small finance bank, small finance bank; and shall exclude (a) Persons engaged in the business of making financial investments in aforesaid businesses, and (b) Bajaj and its Affiliates, other than Bajaj's Affiliate who procures a license from the Reserve Bank of India to operate as a 'small finance bank' or is engaged in the business of micro finance (NBFC-MFI);

xxvii. **Controlling, Controlled by or Control with respect to any Person** means:

(a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by agreement or otherwise, or the power to elect more than one-half of the directors, partners or other individuals exercising similar authority with respect to such Person; or
(b) the possession, directly or indirectly, of a majority voting interest in such Person; or
(c) ownership of more than 26% of the Share Capital in such Person;

xxviii. **CX** shall mean CX Partners Fund 1 Limited, a company incorporated under the laws of Mauritius and having its registered office at No. 22, Saint Georges, Port Louis, Mauritius;

xxix. **Deed of Adherence** shall mean the deed of adherence as per the form agreed in the Shareholders Agreement;

xxx. **DIG or the Domestic Investor Group** means and refers to the following individuals and corporate entities including the shareholder having acquired shareholding pursuant to the Employees Stock Option Scheme of the Company:

1	Ravindra Bahl & Jayasree Bahl
2	Jaitirth Rao
3	Jayamani Ramachander
4	Abhay Aima
5	Samit Ghosh
6	Shrikant Krishnan and Yasmin Javeri Krishnan
7	Grace Arati Davis
8	M.G. Industries Private Limited
9	Harshdeep Singh Munjal
10	Nucleus Software Exports Limited
11	Joaquim Mascarenhas & Lorraine Mascarenhas
12	Dharini Srinivasan
13	Madhu Kapur

14	K.R. Ramamoorthy and Vasantha Ramamoorthy
15	Sunaina Sharma
16	S. Venkatachalam
17	Dhruvi Securities Private Limited
18	Dipika Som
19	Almas Nazim Manekia
20	Brinda J Menon and Jai Shanker Menon
21	Nalini Sood
22	Srikrishna K. R.
23	Madhavi Soman
24	T. M. Viswanathan
25	Ashok Valiram Vaswani

xxxi. **Dilution Instrument** means any Equity Shares, or any rights issue/preferential allotment, options, warrants, appreciation rights or instruments entitling the holder to receive any Equity Shares of the Company or any options to purchase rights to subscribe for securities by their terms convertible into or exchangeable for Equity Shares;

xxxii. **Dispute** has the meaning assigned to such term in the Shareholders Agreement;

xxxiii. **Director** means a director appointed to the Board of the Company;

xxxiv. **Elevar** means Elevar Equity Mauritius, a corporation organized under the laws of Mauritius and having its Registered Office at IFS Court, Twenty Eight, Cyber city, Ebene, Mauritius;

xxxv. **Eligible Investors** has the meaning assigned to the term in Article 8A(a);

xxxvi. **Equity Shares** or **Shares** means equity shares of the Company of the face value of INR 10.00 (Indian Rupees Ten only) each in the Share Capital of the Company;

xxxvii. **ESOP** means the employee stock option plan formulated, adopted and implemented by the Company to give its employees the benefit or right to purchase, or to subscribe for, the Shares of the Company at a future date at a pre-determined price;

xxxviii. **Event of Default** means any misappropriation of funds or fraud or money laundering by the Founder vis-a-vis the Company or the Shareholders, as may be determined by an independent expert body appointed by the Institutional Investors and the Independent Directors of the Company;

xxxix. **Excluded Person** has the meaning assigned to it in Schedule VII of the Shareholders Agreement;

xl. **Executive Director** shall mean a Director in whole time employment of the Company;

xli. **Existing Shareholders** shall mean all the Shareholders of the Company other than IFC;

xlii. **Exit Committee** has the meaning assigned to it in Article 10A(b);

xliii. **Exit Acceptance Shares** has the same meaning assigned to it in Article 25 (b);

xliv. **Exit Notice** has the same meaning assigned to it in Article 25 (a);

xlv. **Exit Offered Shares** has the meaning assigned to it in Article 25(a);

xlvi. **Financial Year** shall mean the accounting year of the Company commencing each year on 1st April and ending on 31st March of the immediately succeeding year, being the period in respect of which the accounts and other financial statements of the Company are presented to its shareholders in general meeting;

xlvii. **FMO** shall mean Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V., a company limited by shares incorporated and existing under the laws of Netherlands and having its principal offices at Anna van Saksenlaan 71, 2593 HW, The Hague, The Netherlands;

xlviii. **FIG** or **Foreign Investors Group** means and refers to the following individuals:

1. Rajeev W Sawhney

2. Steven Angelo Pinto & Asha Marie Pinto
3. Cidambi Ramesh and Alpana Ramesh Cidambi
4. Amirapu Somasekhar
5. Rajeev Budhiraja
6. Venkatachalam Krishnakumar & Aditi Krishnakumar
7. Fazal M. K Ali Manekia

xlix. **IFIF** shall mean India Financial Inclusion Fund, a company organized under the laws of Mauritius and having its registered office at Les Cascades, Edith Cavell Street, Port Louis, Mauritius;

l. **IFC** shall mean International Finance Corporation, an international organization established by Articles of Agreement amongst its member countries, including the Republic of India;

li. **IFC First Subscription Agreement** shall mean the agreement dated 26th June 2012 executed between the Company, Mr. Samit Ghosh and IFC;

lii. **IFC Second Subscription Agreement** shall mean the agreement dated 28th January 2015 executed between the Company, Mr. Samit Ghosh and IFC;

liii. **Independent Director** shall mean as defined under the Act;

liv. **Indicative Price Band** has the meaning assigned to the term in Article 10B (b);

lv. **Institutional Investors** shall mean Sarva Capital LLC, Sequoia, Unitus, Elevar, IFIF, WCP, FMO, IFC, WWB, CX, NewQuest, Bajaj, CDC, Alena and AAJV;

lvi. **Institutional Investor Directors** has the meaning assigned to it in Article 8A (b);

lvii. **IPO** means the initial public offering of the Equity Shares of the Company pursuant to a prospectus filed with the appropriate Authority in accordance with the applicable Law;

lviii. **Key Subsidiary** means, at the relevant time or times, each company, which is an Affiliate and which is under the Control of the Company or any other company (ies); as may be agreed to by the Company and Institutional Investors;

lix. **Law** includes all statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory Authority, tribunal, board, court or recognised stock exchange in India;

lx. **Lien** means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy or any preference of one creditor over another arising by operation of law;

lxi. **Managing Director** means a Director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed at a General Meeting or by the Board of Directors is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of managing director, by whatever name called;

lxii. **Managerial Person** in relation to the Company, means

a. the Chief Executive Officer (CEO) and/or the managing director;
b. the chief financial officer (CFO), and Regional Heads appointed for regional offices of the Company; and
c. Any member of the national leadership team in the Company;

lxiii. **Material Adverse Event** shall mean any event, change, development, occurrence or condition that may have a material adverse effect on;

(i) the assets, business, properties liabilities, financial conditions, results or operations of the Company; or
(ii) the ability of the Company to perform its obligations under the Shareholders Agreement or
(iii) the ability of the Company to carry on its business; or
(iv) the validity or enforceability of any of the rights or remedies of any of the Shareholders;

lxiv. **Member** in relation to a company, means -

(*i*) the subscriber to the memorandum of the Company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;
(*ii*) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;

(*iii*) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;

lxv. **Memorandum** means the memorandum of association of a company as originally framed or as altered from time to time in pursuance of any Previous Company Law or of this Act;

lxvi. **Month** means a calendar month;

lxvii. **MOU** means the memorandum of understanding between the Company and Parinaam Foundation subject to Article 11A (Reserved Matters) and Article 24F (Donations/Support to Parinaam Foundation);

lxviii. **NewQuest** shall mean NewQuest Asia Investments II Limited, a company organized under the laws of Mauritius and having its registered office at 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius;

lxix. **Notice** has the meaning assigned to it in Article 25(b);
lxx. **Offered Shares** has the meaning assigned to it in Article 6A (a);
lxxi. **Offer For Sale** has the meaning assigned to the term in Article 10C (a);

lxxii. **Ordinary Resolution** and **Special Resolution** shall have the meaning assigned thereto respectively in Section 114 of the Companies Act, 2013;

lxxiii. **Paid-up Share Capital** or **Share Capital Paid-up** means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;

lxxiv. **Party/ies** shall refer to Company, Sarva Capital LLC, Sequoia, Unitus, Elevar, IFIF, DIG, WCP, FMO, FIG, IFC, WWB, CX, NewQuest, Bajaj AAJV, Alena, CDC and any other Person (except an Affiliate) which acquires Equity Shares of the Company either by way of subscription or by purchase, and becomes a party to the Shareholders Agreement pursuant to the execution of the Deed of Adherence in terms of the Shareholders Agreement;

lxxv. **Performance Standards** means IFCs' Performance Standards on Social & Environmental Sustainability dated January 1, 2012, copies of which are available at:

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes#2012;

lxxvi. **Person** shall include any individual, partnership, corporation, company, unincorporated organization, association, trust, limited liability partnership or other entity;

lxxvii. **Previous Company Law** means the Companies Act, 1956;

lxxviii. **Founder** shall refer to Mr. Samit Ghosh son of Late Mr. Sailendra Kumar Ghosh, residing at Pairi Daeza, # 550/49, Borewell Road, Whitefield, Bangalore 560 066;

lxxix. **QIPO** shall mean an initial public offering of the Equity Shares or Share Equivalents of the Company that complies with the following:

(i) the initial public offering is by way of fresh issue of Shares or Share Equivalents by the Company, or a combination of fresh issue of Shares or Share Equivalents by the Company and by sale of the existing Shares or Share Equivalents held by Shareholders;
ii) the initial public offering is conducted at an equity valuation of at least INR 20,00,00,00,000.00 (Indian Rupees Two Thousand Crores only) on a pre-money basis; and
(iii) the Equity Shares or Share Equivalents of the Company are listed on an Acceptable Stock Exchange, subject to the provisions of applicable Law;

lxxx. **QIPO/IPO Date** shall mean December 31, 2017, and in case the Company has procured a license/registration from the Reserve Bank of India to set up a "small finance bank" and has commenced operations as a small finance bank and Shareholders holding more than 75% of the total Paid-up Share Capital of the Company consent to the extension of QIPO/IPO Date, then the QIPO/IPO Date shall be extended upto December 31, 2018;

lxxxi. **Related Party** means any Person with respect to the Company: (a) that holds a material interest in the Company or any Key Subsidiary; (b) in which the Company or any Key Subsidiary holds a material interest; (c) that is otherwise an Affiliate of the Company; (d) who serves (or has with in the past twelve (12) months served) as a director, officer or employee of the Company; (e) the Founder, (f) who is a Relative of any individual included in any of the foregoing, (g) any Person in which any of the foregoing holds any material interest, or (h) is a 'related party' as defined under the Act. For the purpose of this definition, "material interest" shall mean a direct or indirect ownership of shares representing at least five percent (5%) of the outstanding voting power or equity of a Person;

lxxxii. **Relative** means immediate family limited to the spouse, parents and children and any other individuals as defined in Section 2(77) of Companies Act, 2013;

lxxxiii. **Remaining Offered Shares** has the meaning assigned to it in Article 25 (c) hereof;

lxxxiv. **Reserved Matters** has the meaning assigned to it in Article 11A;

lxxxv. **Sanctionable Practice** means any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, or Obstructive Practice, as those terms are defined herein and interpreted in accordance with the Anti-Corruption Guidelines set forth in Annexure A of Schedule III of the Shareholders' Agreement;

lxxxvi. **Sarva Capital LLC** shall mean Sarva Capital LLC, a Category I Global Business Company organized under the laws of the State of Mauritius, having its offices at Les Cascades, Edith Cavell Street, Port Louis, Mauritius;

lxxxvii. **S&E Performance Report** means the S&E Performance Report, in form and substance satisfactory to IFC, evaluating the social and environmental performance of the clients of the Company during the previous Financial Year, describing in reasonable detail: (a) implementation and operation of the S&E Management System; and (b) the environmental and social performance of the clients;

lxxxviii. **S&E Management System** means the Company's social and environmental management system, as implemented or in effect from time to time, enabling the Company to identify, assess and manage the social and environmental risks in respect of the Company Operations on an ongoing basis in accordance with the S&E Requirements;

lxxxix. **S&E Requirements** means the social and environmental obligations to be undertaken by the Company to ensure compliance with: (a) Exclusion List appended as Schedule IV to the Shareholders Agreement; (b) Applicable S&E Laws and (c) any other requirements established by the S&E Management System;

xc. **Seal** means the common seal for the time being of the Company;

xci. **SEMS Plan** means the plan or plans developed by the Company, a copy of which is attached as Schedule III of the Shareholders' Agreement, setting out the specific measures, modifications and enhancements to be undertaken by the Company in respect of the S&E Management System;

xcii. **Sequoia** shall mean Sequoia Capital India Investments III, a corporation organized under the laws of Mauritius, having its principal office at 5th Floor, Ebene Esplanade, 24 Cyber City, Ebene, Mauritius;

xciii. **Shareholder** shall refer to Sarva Capital LLC, Sequoia, Unitus, Elevar, IFIF, WCP, FMO, the Domestic Investor Group, the Foreign Investors Group, IFC, WWB, CX, NewQuest, Bajaj, AAJV, Alena, CDC and any other Person that acquires Equity Shares of the Company either by way of subscription or by purchase;

xciv. **Shareholders Agreement** means the agreement executed on March 13, 2015 amongst the Company, Sarva Capital LLC, a Category I Global Business Company incorporated under the laws of the State of Mauritius, having its offices at Les Cascades, Edith Cavell Street, Port Louis, Mauritius, ,Sarva Capital LLC, Sequoia, Unitus, Elevar, IFC, IFIF, DIG, WCP, FMO FIG, WWB, CX, NewQuest, Bajaj, AAJV, Alena and CDC and as amended by an Amendment Agreement to the Shareholders Agreement dated 28th July, 2015 executed amongst the Company,Sarva Capital LLC, Sequoia, Unitus, Elevar, IFC, IFIF, DIG, WCP, FMO, FIG, WWB, CX, NewQuest, Bajaj, AAJV, Alena and CDC;

xcv. **Share Equivalents** means preferred shares, bonds, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, Equity Shares of the Company or any instrument or certificate representing a beneficial ownership interest in the Equity Shares of the Company, including global depositary receipts or American depositary receipts;

xcvi. **Share Subscription Agreement** shall means the Share Subscription Agreement -I, Share Subscription Agreement-II, Share Subscription Agreement-III and Share Subscription Agreement-IV as defined under the Shareholders

Agreement;

xcvii. **Shell Bank** means a bank that is incorporated in a jurisdiction in which it has no physical presence and which is not an Affiliate of a regulated (i) bank or (ii) financial institution/ financial group;

xcviii. Subscription Shares shall mean Equity Shares subscribed pursuant to Share Subscription Agreement.

xcix. **Subsidiary** shall mean as defined under the Act;

c. **Third Party Purchase** has the meaning assigned to it in Article 25 (c) hereof;

ci. **These Presents** means the Memorandum of Association and these Articles of Association as originally framed or the regulations of the Company for the time being in force;]

cii. **Trade Sale** shall mean sale of more than 50% of the shareholding of the Company as a part of a single or a series of related transactions;

ciii. **Trigger Date** has the meaning assigned to the term in Article 10A (a) hereof;

civ. **Unitus** means Mauritius Unitus Corporation, a corporation organized under the laws of the State of Mauritius, and having its registered office at , IFS Court, Twenty Eight, Cybercity, Ebene, Republic of Mauritius;

cv. **Valid Quorum** has the meaning assigned to the term in Article 8A(u) hereof;

cvi. **Warranties** means the representation and warranties provided by each of the Parties to the Shareholders Agreement and as set out in Clause 12 of the Shareholders Agreement;

cvii. **WCP** shall mean WCP Holdings III, a Category 1 Global Business Company, incorporated under the laws of Mauritius and having its principal offices at Temple Court, 2 Labour donnais Street, Port Louis, Mauritius;

cviii. **WWB** shall mean Women's World Banking Capital Partners, L.P., a limited partnership incorporated under the provisions of the laws of Delaware, and having its registered office at No. 122 East 42nd Street, 42nd Floor, New York, New York 10168; and

cix. **Year** means a calendar year.

1B. Interpretation

(a) The words imparting the singular number shall include the plural numbers and vice versa.

(b) The words imparting the masculine gender shall include the feminine gender and vice versa.

(c) The word "Debenture" includes debenture stock and bonds.

(d) The word person shall include a company or corporation.

(e) All rights awarded or granted to the Institutional Investors under these Articles over and above the rights available to the other Shareholders of the Company shall be considered to be entrenched for the purpose of Section 5(3) of the Act and such entrenched rights may be modified or abrogated only by a Special Resolution and with the consent of each of the affected the Institutional Investors, whose rights are sought to be modified or abrogated. Therefore, in accordance with the provisions of Sections 5(3) and 5(4) of the Act, the Articles affecting the rights of any Institutional Investor are entrenched and shall not be amended without the prior written consent of such Institutional Investor.

Subject as aforesaid and except where the subject or context otherwise requires, words or expressions contained in these regulations shall bear the same meaning.

1C. In replacement of the shareholders agreement dated January 28, 2015 and an amendment to the shareholders agreement dated February 19, 2015, the Shareholders Agreement shall be adopted by the members and the terms and conditions of the Shareholders Agreement or of the modifications thereof if any, for which the Company herby accords full powers to the Parties to the Shareholders Agreement, shall be given effect to and implemented.

1D. If there is any inconsistency or conflict between the provisions of the Articles and the Shareholders Agreement (as amended in accordance with the terms hereof through the date when such conflict or inconsistency arises or is deemed to arise), the Parties shall promptly take all such actions and steps as are necessary to amend these Articles to eliminate such inconsistency or conflicting provision or term from the Articles and to replace it with a provision or term that is consistent with the provisions of the Shareholders Agreement.

1E. Each Shareholder agrees to cooperate with the other Shareholders and with the Company and endeavour to promote and encourage the success of the business objectives of the Company.

1F. The Company hereby agrees and undertakes to the Shareholders to perform and observe all of these Articles.

1G. For the purpose of exercise of any of the rights under these Articles and the fulfillment of any of the obligations herein, the shareholding of the Affiliates of a Shareholder shall be aggregated with the Shares held by the said Shareholder. It is hereby clarified that the Affiliates shall not be independently entitled to exercise any of the rights provided to the relevant Shareholders under these Articles other than rights contained in Article 5A(b), Article 5A(c), (d), (e) and (f) (Pre-emptive Rights and Right to Participate in Further Capital Expansion) Article 6A (Right of First Offer), Article 6B and Article 6D (Right of Sale Under Preferential Allotment) of These Presents, unless all Shares held by a Shareholder are transferred to the Affiliate, in which case such Affiliate shall be independently entitled to all rights as are available to the transferring Shareholder.

1H. Each Shareholder agrees, at all times, to exercise the voting rights in respect of its Equity Shares to fulfill the provisions of the Shareholders Agreement. Without prejudice to the foregoing, each Shareholder shall, at all times, exercise the voting rights in respect of its Equity Shares (i) act in accordance with the Shareholders Agreement, and (ii) amend these Articles, as and when necessary, to conform to the Shareholders Agreement and cause the Company, to the extent permissible under Law, to adopt the amended Articles through the adoption of appropriate Board and Shareholder's resolutions and take other actions as required under Law in this regard.

2A. Capital and Shares

As of the Closing Date, the authorized Equity Share Capital of the Company shall be INR 100,00,00,000.00 (Indian Rupees One Hundred Crores only), comprising 10,00,00,000 (Ten Crores) Equity Shares. The Paid-up Equity Share Capital of the Company as on March 13, 2015 and when all Equity Shares have been issued pursuant to the Share Subscription Agreements and all Equity Shares have been purchased pursuant to the Share Purchase Agreements (as defined in the Shareholders Agreement) not including the Equity Shares issuable under the ESOP as set out in clause 3.1.2(b) of the Shareholders Agreement shall be as set out in Schedule VI of the Shareholders Agreement. The Company shall have power from time to time to increase or reduce its capital and divide the Shares in the capital for the time being into several classes and to attach thereto respectively such as preferential, deferred, shares with qualified, differential or special rights, and ESOP and to attach thereto respectively privileges or conditions as may be determined by or in accordance with the provisions of the Act, the Shareholders Agreement and These Presents and also buy back any of the Shares on such terms and in such manner as the Company may determine and in accordance with the Act, the Shareholders' Agreement and These Presents.

2B. ESOP

(a) As on March 13, 2015, the Company had an allocated pool of 47,27,479 (Forty Seven Lakhs Twenty Seven Thousand, Four Hundred and Seventy Nine) Equity Shares under the existing ESOP for its employees. Out of the above mentioned allocated pool, as on 30th September 2014, the Company has granted employee stock options for 39,82,778 (Thirty Nine Lakhs Eighty Two Thousand, Seven Hundred and Seventy Eight) Equity Shares and employee stock options for the remaining 7,44,701 (Seven Lakhs and Forty Four Thousand, Seven Hundred and One) Equity Shares are yet to be granted.

(b) From the Closing Date and till the QIPO/IPO Date the Company shall be entitled to issue further Equity Shares to its employees under the ESOP up to an aggregate number of 47,82,129 (Forty Seven Lakhs Eighty Two Thousand, One Hundred and Twenty Nine) Equity Shares (which are in addition to the number of Equity Shares mentioned under Article 2B(a) above), consistent with past practice, at a price not less than the price at which Shares have been issued by the Company in the then last round of capital raise by the Company. Further, the number of Equity Shares that may be issued in every Financial Year by the Company to its employees under the ESOP shall be determined by the compensation committee comprising of at least 3 (three) Institutional Investors Directors.

(c) The employees who are issued and allotted Equity Shares under the ESOP shall execute a Deed of Adherence and be bound by the terms of these Articles as a Shareholder.

3. Control of Shares

Subject to provisions of these Articles and the Shareholders Agreement the un-issued Shares shall be under the control of the Board who may allot or dispose of the same or any of them, to such persons who apply for it in writing, upon such terms and conditions and at such times, as the Board may think fit.

4. Nomination

(a) Subject to the provisions in the Act, every individual holder of Shares, or of debentures of the Company may, at any time, nominate, in the manner prescribed by the Board from time to time, a person to whom his Shares in or debentures of the Company shall rest in the event of his death.

(b) Where the Shares or debentures of the Company are held jointly, the joint holders may in the manner that may be prescribed, together nominate a person to whom all the rights in the Shares or debentures of the Company shall rest in the event of death of any of the joint holders.

(c) Where a nomination made purports to confer on any person the right to Shares in or debentures of the Company, the nominee shall, on the death of the Shareholder or debenture holder of the Company or on the death of all the joint holders become entitled to all the rights in the Shares or debentures of the Company.

(d) Where the nominee is a minor it shall be lawful for the holder of Shares or debentures, to make the nomination and to appoint in the manner that may be prescribed for any person to become entitled to Shares in or debentures of the Company in the event of his death during minority.

(e) Any person who is a nominee in respect of Shares or debentures of the Company, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either:

(i) To be registered himself as holder of the Shares or debentures as the case may be or to make such transfer of the Shares or debentures as the case may be, as the deceased Shareholder or debenture holder, as the case may be, could have made.

(ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the Company a Notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased Shareholder or debenture holder as the ease may be.

(f) All the limitations, restrictions and provisions of the Act and These Presents, relating to the right to transfer and registration of transfers of Shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice of transfer where a transfer signed by that Shareholder or debenture holder, as the case may be.

(g) A Person being a nominee, becoming entitled to a Share by reason of the death of the Shareholder shall be entitled to dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of such Share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(h) The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share and if such requirement is not complied with within 90 days, the Board may withhold payments of dividends, bonus, or other monies payable in respect of the Share, until the requirements of the notice have been complied with

5A. Issue of Shares or Dilution Instruments

(a) The Company may issue either Equity Shares of the Company on a rights basis to the existing Shareholders and/or by way of preferential allotment and/or by way of private placement and/or in any manner in accordance with Law for the time being in force and in accordance with the terms of these Articles. The Company shall ensure that such issue of Equity Shares shall not result in the Company being in breach of the regulations relating to foreign direct investment in India, assuming all Shareholders of the Company who are non-residents participate in such issue.

(b) In the event the Company proposes to issue any Equity Shares or Dilution Instruments at any time, Institutional Investors, DIG and FIG shall be entitled to participate in such issue pro-rata to their respective shareholding in the Company subject to Article 5 A(c) and (d), on the same terms and conditions in which the Company proposes to issue Dilution Instruments to any other Person. The Company shall not issue any Dilution Instrument in contravention of the provisions of this Article. The pricing of such further issuance shall be in accordance with the provisions of the Act and the rules made thereunder and shall not be less than the minimum price determined as per applicable Indian foreign exchange laws for subscription to Equity Shares or Dilution Instruments of the Company by non-resident entities under the Indian foreign exchange and foreign direct investment Laws. Provided however the Institutional Investors, DIG and FIG shall not be entitled to exercise the aforesaid right in case of to any Dilution Instrument issued by the Company in accordance with ESOP as stated under Article 2B or any similar plan/s as may be established by the Company from time to time. In case any Shareholder relinquishes its rights to any such issue of Dilution instrument by the Company, then such Dilution instrument may be subscribed by other Shareholders on a pro rata basis. The Company shall ensure that the issue of any Dilution Instrument does not result in the Company being in breach of the regulations relating to foreign direct investment in India.

(c) The Institutional Investors may also exercise their right to subscribe to Dilution Instruments under Article 5 A (b) through their Affiliates, provided such Affiliate agrees to be bound by the terms of the Shareholders Agreement by executing a Deed of Adherence.

(d) The Company shall not issue Shares or Share Equivalents to any Person for a period of 15 (fifteen) months from the Closing Date at a subscription price that is less than INR 146.35 per Share (as adjusted for stock splits, reverse stock splits, re-capitalisations, bonus issue and transactions of like nature) without obtaining prior written consent of CX, Bajaj, NewQuest, AAJV, IFC, CDC, Alena and Elevar.

(e) Subject to IFC's, Sarva Capital LLC's, Sequoia's, Unitus', Elevar's, IFIF's, WCP's, FMO's, WWB's, CX's, NewQuest's, Bajaj's, AAJV's, Alena's, CDC's, DIG's, and FIG's, pre-emptive rights provided in Article 5 A (b) above and subject to IFC's,Sarva Capital LLC's, Sequoia's, Unitus', Elevar's, IFIF's, WCP's, FMO's, WWB's, CX's, NewQuest's, Bajaj's, AAJV's, Alena's, CDC's, DIG's, and FIG's, right to maintain its then existing shareholding percentage in the Company, IFC, Sarva Capital LLC, Sequoia, Unitus, Elevar, IFIF, WCP, FMO, WWB, CX, NewQuest, Bajaj, AAJV, DIG, Alena, CDC and FIG, shall have the right but not the obligation to participate in the next round of capital expansion that may be undertaken by the Company after the Closing Date.

(f) Any Affiliate who has acquired Equity Shares/Share Equivalents from a Party shall, upon ceasing to be an Affiliate of such Party, transfer the Equity Shares/Share Equivalents held by it to the Party from whom it acquired the Equity Shares/Share Equivalents or to a Person who is an Affiliate of such Party.

5B. Allotment of Shares

Subject to the provisions of the Act and Articles the Board may issue and allot any classes of Shares.

6A. Right of First Offer

(a) Subject to Article 6 A(h) and Article 6B(a), if any Existing Shareholder ("**Offering Party**") desires to transfer any Equity Shares or any Dilution Instruments ("**Offered Shares**"), it shall first offer them to the other Existing Shareholders , ("**Offered Parties**") by serving a notice in writing ("**Transfer Notice**") to the Offered Parties offering the Offered Shares.

(b) Each of the Offered Parties shall have the right, within a period of fifteen (15) days of receipt of the Transfer Notice ("**Offer Period**"), to make an offer for the entire Offered Shares to the Offering Party, in writing ("**Offer Notice**") stating the price and such other terms ("**Offer Terms**") on which it proposes to purchase the Offered Shares. In the event that more than one Offer Notice is received by the Offering Party (with different Offer Terms), within a period of five (5) days of expiry of the Offer Period, the Offering Party shall communicate in writing ("**Matching Offer Notice**") the most favourable Offer Terms (as decided by the Offering Party at its discretion, which could be a lower price but more favourable terms) received by the Offering Party to the other Offered Parties. The Offered Parties receiving a Matching Offer Notice shall have the right to match the most favourable Offer Terms as identified by the Offering Party and deliver another Offer Notice for all the Offered Shares at the most favourable Offer Terms, within a period of five (5) days of receipt of the Matching Offer Notice.

For the purposes of the below provisions of this Article 6A (a), the Offer Terms shall be the most favourable Offer Terms (as decided by the Offering Party at its discretion, which could be a lower price but more favourable terms) received by the Offering Party from any Offered Party.

(c) In the event more than one Offered Party is desirous of accepting the Offered Shares at the Offer Terms, the Offering Party shall sell the Offered Shares to the Offered Parties in proportion to their respective then existing shareholding in the Company.

(d) In the event the Offering Party rejects the Offer Terms received by it from the Offered Parties or the Offered Parties upon providing such Offer Notice do not proceed to purchase the Offered Shares in accordance with Article 6A (f) below, the Offering Party shall have the right but not the obligation to transfer all (but not less than all) of the Offered Shares to a third party buyer subject to such third party buyer agreeing to execute a Deed of Adherence and discharge all obligations of the Offering Party, at better Offer Terms with respect to the Offering Party than those offered by the Offered Parties.

In the event none of the Offered Parties provide an Offer Notice to the Offering Party to purchase all of the Offered Shares, the Offering Party shall have the right but not the obligation to transfer all (but not less than all) of the Offered Shares to any third party buyer, subject to such third party buyer agreeing to execute a Deed of Adherence and discharge all obligations of the Offering Party, at price and terms as agreed between the Offering Party and the third party buyer.

(e) In the event that the Offering Party is able to find a third party buyer for the Offered Shares referred to in Article 6A(d) above then the Offering Party shall forthwith notify the Offered Parties of the identity ('**Notice of Identity**') of such third party.

(f) In the event the Offering Party accepts the Offer Notice delivered by one or more Offered Parties, completion of the sale and purchase of the Offered Shares and payment for the same shall take place within 45 (forty five) days from the date of such acceptance by the Offering Party; In the event the Offering Party is unable to find a third party buyer for the Offered Shares referred to in Article 6A(a) above, or is unable to complete the sale and purchase of the Offered Shares within 250 (Two Hundred and Fifty) days from the date of receipt of Transfer Notice by the Offered Parties, the procedure set forth in this Article 6A shall be complied with afresh.

(g) Nothing in this Article 6A shall apply to the transfer of Equity Shares by any Shareholder to its Affiliates.

(h) The Articles 6A (a) to (g) shall not be applicable to IFC. IFC shall neither have the obligation to offer its Equity Shares to the other Shareholders nor shall it have the right to be offered any Equity Shares by the other Shareholders under Article 6A (a) to (g) above.

6B.

(a) Nothing in Article 6A shall apply from the earlier of (i) the QIPO/IPO Date, (ii) the occurrence of an Event of Default, (iii) receipt by the Company of a license from the Reserve Bank of India to set up a "small finance bank" and the Company having received required consent from the Shareholders to commence its operations as a small finance bank pursuant to the Shareholders Agreement, or (iv) a breach of Clause 16.19 or Clause 16.20 of the Shareholders Agreement by the Founder and/or the Company as may be determined by an independent expert body appointed by the Institutional Investors and the Independent Directors of the Company.

6C.

(a) Notwithstanding anything under the Shareholders Agreement but subject to Article 6C (b) below, (i) no Shareholder (*save and except IFC)* shall be entitled to transfer any Equity Shares or any Share Equivalents held by it to any Competitor of the Company; (ii) unless approved by Shareholders holding 75% of the total Paid-up Share Capital of the Company, no Shareholder shall (A) transfer any Equity Shares or Share Equivalents held by it to any third party or other Shareholders and/or their Affiliates which results in such third party or other Shareholder (together with their Affiliates) holding more than 24.5% of the shareholding of the Company, or (B) subscribe to any Equity Share or Share Equivalent which results in such Shareholder (together with their Affiliates) holding more than 24.5% of the shareholding of the Company; (iii) subject to Article 27, if any Shareholder or its Affiliate commences the business of microfinance (NBFC-MFI), and/or upon the Company obtaining a license from the Reserve Bank of India to set up a 'small finance bank' and commencing its operations as a small finance bank, the business of small finance bank, then such Shareholder shall be termed as a Competitor of the Company and shall have to sell its entire shareholding in the Company in accordance with Article 6A (if applicable), and (iv) no Shareholder shall transfer any Equity Shares or other securities of the Company held by it in contravention to Article 7B herein below.

For the purposes of Article 6C (a) (iii) above, it is agreed that (I) a Shareholder shall not be considered as a Competitor if such Shareholder is engaged in the business of making financial investments in entities engaged in micro finance (NBFC-MFI) or small finance bank, and (II) Bajaj and its Affiliates (other than Bajaj's Affiliate who procures a license from the Reserve Bank of India to operate as a 'small finance bank' or is engaged in the business of micro finance (NBFC-MFI)) shall not be considered as Competitors.

(b) Subject to the restrictions on sale to Competitors contained in these Articles, it is clarified that any Shareholder shall be entitled to sell its Equity Shares or Share Equivalents in the Company to any Person engaged in the business of making financial investments in entities engaged in micro finance (NBFC-MFI) and/or the business of small finance bank.

(c) Upon the earlier of (I) QIPO/IPO Date, (II) the occurrence of an Event of Default, (III) receipt by the Company of a license from the Reserve Bank of India to set up a "small finance bank" and the Company having received consent from the Shareholders to commence its operations as small finance bank pursuant to the Shareholders Agreement, or (IV) a breach of Clause 16.19 or Clause 16.20 of the Shareholders Agreement by the Founder and/or the Company as may be determined by an independent expert body appointed by the Institutional Investors and the Independent Directors of the Company, the Institutional Investors shall be free to sell the Equity Shares or the Share Equivalents held by them without being subject to the restrictions contained in Article 6 C (a) (i), (ii) and (iii).

6D.

(i) During any capital expansion that takes place in the Company hereinafter through the issue of Equity Shares or Share Equivalents to any third party (**"Preferential Allotment"**), each Institutional Investor shall have the right, but not the obligation, to divest all or part of its Equity Shares or Share Equivalents in the Company to such third party. The sale/transfer of Institutional Investor's Equity Shares or Share Equivalents shall be carried out in favour of an individual or institutional subscriber, whether domestic or foreign, who has committed to subscribing to Equity Shares or Share Equivalents in the Company, and the sale shall be duly arranged by the Company subject to the willingness of such third party to purchase any of Institutional Investor's Equity Shares or Share Equivalents. The Institutional Investor desiring to exercise the right under this Article 6D (i) shall need to comply with the process set out in this Article 6 D (ii) below.

(ii) The procedure to be followed for exercise of rights under Article 6D (i) shall be as follows:

a. Upon the receipt of commitment/s from subscriber/s to subscribe to the Equity Shares or Share Equivalents to be issued by the Company, the Company shall, deliver a written notice ("**Issue Notice**") to the Institutional Investors ("**Right Holders**") within 15 (fifteen) days of receipt of a written commitment to subscribe to the Company's Equity Shares or Share Equivalents, to inform the Right Holders of the terms of the proposed issue of Equity Shares or Share Equivalents, including the name/s of the third party/s to whom the Equity Shares or Share Equivalents are to be issued ("**Subscriber/s**"), the proposed issue price ("**Issue Price**"), the date of the proposed issue and the number of Equity Shares or Share Equivalents proposed to be issued.

b. The Right Holder, in order to exercise the right of sale as contained in this Article 6 D (i) above, shall forthwith, through a written Notice ("**Sale Notice**") issued to the Company within 15 (fifteen) days of receipt of the Issue Notice, inform it of its intention to divest all or part of its Equity Shares or Share Equivalents in favour of the Subscriber/s together with the exact number of Equity Shares or Share Equivalents proposed to be sold by the Right Holder ("**Sale Securities**") subject to the limit laid down in the Article 6D (ii) (d) herein below. The Company shall identify the intending purchaser ("**Purchasing Investor/s**") from amongst the Subscribers and shall arrange the purchase of the Sale Securities by the Purchasing Investor/s on the terms specified herein subject to the Purchasing Investor's willingness to purchase the Sale Securities, within sixty (60) calendar days of the Sale Notice being received by the Company. If the Purchasing Investor/s is not willing to purchase the Sale Securities offered by the Right Holder, the Company shall notify the Shareholder of the same before proceeding with the allotment of Equity Shares or Share Equivalents as the case may be. If the Purchasing Investor/s is willing to purchase the Sale Securities offered by the Right Holder, the transfer of Sale Securities shall be completed within the sixty (60) days time period as mentioned above.

c. The sale price of the Sale Securities shall be the same as the Issue Price determined by the Company for the Preferential Allotment.

d. In the event the Equity Shares or Share Equivalents that the Purchasing Investor/s is willing to purchase is *less than* the aggregate number of Sale Securities offered by the Right Holders, then the Purchasing Investor/s may purchase such Sale Securities on a *pro rata basis* from amongst the Right Holders who have proposed to sell their Equity Shares or Share Equivalents.

e. The Company shall apply for all necessary governmental and regulatory approvals, as may be applicable, in order to give effect to such sale of Sale Securities by the Right Holder to the Purchasing Investor/s. All costs including reasonable attorney fees relating to such sale shall be borne by the Purchasing Investor.

f. If any Right Holder does not exercise the right of sale under Preferential Allotment and does not serve a written notice upon the Company within the time period specified in Article 6 D (ii) (b) above, the Company may proceed with the Preferential Allotment at the Issue Price as mentioned in the Issue Notice.

g. Notwithstanding the provisions of Article 6 D (i) and (ii) above, each Shareholder shall have the right to sell the Sale Shares to any independent third party/ies, subject to the terms of the Shareholders Agreement.

6E. The Directors may refuse to register any transfer of Shares.

A. When the Share is not fully paid up; or
B. When the Company has lien on the Share;

6F.

(a) The Tag Along Rights as detailed under Article 6F (b) to (g) shall be available to the Shareholders if more than 50% of the Paid-up Share Capital of the Company is being sold to one or more third party purchaser (including its Affiliate/s) in a single or a series of related transactions ("**Proposed Buyer**").

(b) Subject to Article 6A, 6B and 6C above (to the extent applicable to any Shareholder), and Article 7A, if any one or more Shareholder/s of the Company wish to sell their Shares ("**Selling Shareholders**") to a Proposed Buyer, then such Selling Shareholders shall be entitled to sell their Shares to such Proposed Buyer subject to compliance with the provisions of this Article 6F. The Selling Shareholder shall, within two (2) Business Days of identifying a Proposed Buyer, give a written notice ("**Tag Offer Notice**"), to all the other Shareholders of the Company ("**Non Selling Shareholder**") which notice shall state (i) the name of the Proposed Buyer, (ii) the name, address and beneficial owner(s) of the Shares proposed to be sold ("**Sale Shares**"), (iii) the number of Sale Shares proposed to be sold, (iv) the proposed consideration of the Sale Shares ("**Sale Price**"), (v) other material terms and conditions of the proposed sale, and (vi) a confirmation that the Sale Shares are free from any Encumbrances and that the Selling Shareholder is the beneficial and recorded owner of the Sale Shares.

(c) Subject to the shareholding restrictions in Article 6 C (a) each Non Selling Shareholder shall have the right (the "**Tag-Along Right**") but not the obligation to require the Proposed Buyer to purchase from it, upto all Equity Shares held by such Non Selling Shareholder, for at least the Sale Price per Equity Share, and upon the same terms and conditions as to be paid and given to the Selling Shareholder(s) by the Proposed Buyer; Provided however, if the Proposed Buyer is unwilling to purchase all Sale Shares and the Shares for which the Non Selling Shareholders have exercised their Tag-Along Right, then the Proposed Buyer shall be permitted to purchase the maximum number of Shares which it is willing to purchase on a pro rata basis from the Selling Shareholder(s) and the Non Selling Shareholders who have exercised their Tag-Along Right. Provided further that if all Sale Shares offered by the Selling Shareholder(s) are not purchased by the Proposed Buyer due to the exercise of Tag-Along Right by the Non Selling Shareholders, then the Selling Shareholder(s) may at its sole discretion decide to not sell any Shares to the Proposed Buyer.

(d) In the event that the Non Selling Shareholder elects to exercise its Tag-Along Right, it shall deliver a written notice of such election to the Selling Shareholder ("**Tag Acceptance Notice**"), within thirty (30) Business Days from the receipt of the Tag Offer Notice ("**Tag Offer Period**"). Such Tag Acceptance Notice shall be irrevocable and shall constitute a binding agreement by the Non Selling Shareholder to sell its Shares on the terms and conditions set forth in the Tag Offer Notice.

(e) Where the Non Selling Shareholder/s have properly elected to exercise its Tag-Along Right and the Proposed Buyer refuses to purchase the Shares of such Non Selling Shareholder on a pro rata basis in accordance with Article 6 F (c)then the Selling Shareholder shall not make the sale to such Proposed Buyer.

(f) The sale and purchase of the Shares of such Non Selling Shareholder pursuant to the exercise the Tag-Along Right shall be completed within a period of thirty (30) Business Days from the date of receipt of the Tag Acceptance Notice by the Selling Shareholder. If there is a regulatory approval required for the sale, then the above period shall be extended to the extent that is required for obtaining such regulatory approval.

(g) Notwithstanding anything in this Article 6F this Article 6F (b) to (f) shall not apply to the transfer of Shares by the Institutional Investors pursuant to a Trade Sale, and (ii) the Non Selling Shareholder shall not include the Founder and the Founder shall not have the Tag-Along Right.

6G. Transferability of the Equity Shares

Subject to the restrictions in These Presents, Shareholders Agreement and applicable Laws, all Equity Shares (including the Subscription Shares) of the Company shall be freely transferable.

7A. Transfer of Equity Shares by the Founder

(a) The Founder shall not sell or transfer his Equity Shares or any Share Equivalents held by him prior to the expiry of twelve (12) months from the Closing Date. Further after the expiry of twelve (12) months from the Closing Date and till the completion of the QIPO/IPO of the Company, the Founder shall not sell or transfer more than 50% of his Equity Shares or any Share Equivalents held by him as on the date of the Shareholders Agreement. Provided however that the Founder may, with the prior written consent of the Institutional Investors (which shall not be unreasonably withheld), transfer Equity Shares or Share Equivalents not exceeding 50% of his Equity Shares or any Share Equivalents held by him as on the date of the Shareholders Agreement solely for the purpose of funding his or his immediate family's medical treatment. It is agreed that, in the event of Trade Sale, the aforesaid restrictions on the Founder shall not apply.

(b) The restrictions contained in this Article 7(A) (a) above shall not apply to a transfer of Equity Shares or Share Equivalents to the Founder's immediate family members for tax planning purposes, subject to (i) the Founder giving reasonable prior notice of such transfer to the Institutional Investors; and (ii)(where applicable) such family members executing a Deed of Adherence *inter alia* undertaking not to further transfer the Equity Shares or Share Equivalents to any third parties save and except within the family members *inter se*.

(c) Any transfer or attempt to transfer any Equity Shares or Share Equivalents in violation of this Article 7A (a) shall be null and void ab initio and the Company shall (i) not register such transfer, and (ii) reject and reverse such erroneous Transfer made or attempted, suo moto, without necessity of a Board decision and may institute proceedings for this purpose, if required by Law.

7B. Restricted Transfers

(a) The Shareholders shall not Transfer any Equity Shares in the Company or Share Equivalents to any of the individuals or entities named on (A) lists promulgated by the United Nations Security Council or its committees pursuant to resolutions issued under Chapter VII of the United Nations Charter; or (B) the World Bank Listing of Ineligible Firms (see www.worldbank.org/debarr).

(b) The Shareholders shall not transfer any Equity Shares or Share Equivalents in the Company to an Excluded Person.

(c) The Shareholders shall cause the Company to, and the Company shall, refuse to recognize any purported Transfer of Equity Shares in the Company or Share Equivalents in violation of this Article 7B, or record or register any such

Transfer of Shares in the Company or Share Equivalents in its Share Registry. Any Transfer made in breach of this Article 7B shall be null and void.

(d) This Article 7B shall not apply in the case of sale of Equity Shares of the Company or Share Equivalents on an Acceptable Stock Exchange by any of the remaining Shareholders after the consummation of a Listing of the Company.

7C. Any Person, other than a Shareholder, who acquires any Equity Shares in accordance with these Articles, shall execute a Deed of Adherence prior to becoming a shareholder in the Company.

8A. Board Structure and Composition

(a) The Board of Directors of the Company shall comprise of maximum number of twelve (12) directors, which shall include 1 (one) nominee Director each of the top six (6) Institutional Investors holding highest percentage of the paid-up Equity Share Capital of the Company ("**Eligible Investors**"), four (4) Independent Directors, one (1) nominee Director of any lending bank of the Company and the Managing Director of the Company.

(b) The Eligible Investors, at their option, shall each have the right to nominate one (1) Director on the Board of the Company (the Directors so appointed by such Institutional Investors shall be collectively referred to as the "**Institutional Investors Directors**"). The Company shall appoint the individual nominated by the Eligible Investors to act as the Institutional Investors Director. The Company agrees and acknowledges that the Institutional Investor Director(s) and their alternate Directors shall be non-executive Directors of the Company. The Founder and the Company expressly agree that the Institutional Investor Director(s) and their alternate Director(s) shall not be identified by the Company as officers in charge/default of the Company or occupiers of any premises used by the Company or an employer of the employees by the Company. Further, the Founder and the Company undertake to ensure that the other Directors or suitable persons are nominated as officers in charge/ default and for the purpose of statutory compliances, occupiers or employers, as the case may be, in order to ensure that no act of the Company or the Founder causes or will cause the Institutional Investor Director(s) and their alternate Director(s) to incur any liability, whether actual or contingent, present or future, quantified or un-quantified.

(c) It is hereby clarified that in the event any of the Eligible Investors who have the right to nominate one (1) Institutional Investor Director as stated in Article 8A(b) above purchases Equity Shares from any other Eligible Investors (who also have a right to nominate one (1) Institutional Investor Director on the Board), then by virtue of such purchase the purchasing Institutional Investor shall not have the right to nominate an additional Institutional Investor Director on the Board of the Company. In such event, the immediate next Institutional Investor holding the highest percentage of the paid-up Equity Share Capital of the Company shall form part of the top six (6) Institutional Investors referred in Article 8A(b) above and shall have the right to nominate one (1) Institutional Investor Director as an Eligible Investor.

(d) It is clarified that for the purposes of computing the Eligible Investor status either for the Board or for any committee of the Board or for appointment of an observer on the Board, Elevar and Unitus will be considered as a single entity, and their representative/nominee shall be appointed by Elevar.

The Shareholders of the Company may from time to time appoint Director/s on the Board of Directors of the Company in accordance with these Articles and the procedure as laid down under the Act.

(e) The First Directors of the Company are:

1. Mr. KR Ramamoorthy
2. Mr. Samit Ghosh

(f) The Company shall have minimum of three (3) directors and a maximum of Twelve (12) Directors and Directors are liable to retire by rotation.

(g) The Board may appoint one among themselves as a Chairman of the Board. The Chairman shall, however, not be entitled to a second or casting vote.

(h) None of the Directors shall be required to hold any qualification Equity Shares of the Company.

(i) Unless waived in writing by the relevant Eligible Investors, each of the Institutional Investors Directors shall be entitled to all the rights and privileges of other Directors including the payment of sitting fees and reimbursement of expenses (including international travel and stay), and no other fees, commission, monies or remuneration in any form shall be payable to the Institutional Investors Directors. Further, any expenditure incurred by any Institutional Investors Directors in connection with discharge of any duty or performance of any action as a Director of the Company shall also be borne by the Company. The liability of the Company to reimburse any Institutional Investors Director for any expenses of travel, stay and related expenses shall be limited to an amount not exceeding INR 2,00,000.00 (Rupees Two Hundred Thousand only) in any Financial Year or such amounts as the Company may decide from time to time.

(j) The sitting fee payable by the Company to the Directors shall, subject to the provisions of the Act, be determined by the Board from time to time.

(k) The right of the Eligible Investors to appoint their respective Institutional Investors Directors shall include the right to remove from office any such person appointed by them and appoint another Person instead. In the event the office of an Institutional Investor Directors becomes vacant due to the removal, resignation, death, termination of employment of such Institutional Investor Directors or for any other reason, the Eligible Investors appointing such outgoing Institutional Investor Director shall be entitled to nominate a replacement. The Company and the Board shall, if requested by any Eligible Investors appoint any individual to act as an alternate to the Institutional Investors Directors nominated by it during the absence of such Director. The Eligible Investors in respect of whose nominee such alternate Director is to be appointed shall recommend the alternate Director to the Board and the Board shall undertake all necessary compliances in this regard at the earliest.

(l) The Parties shall procure that each appointment, removal or replacement of the Institutional Investors Directors or an alternate Director in accordance with the Shareholders Agreement is done without delay and where necessary, meetings of Shareholders of the Company or a meeting of the Board, as applicable, is convened for this purpose. The Shareholders agree to vote in favor of any such appointment, removal or replacement at any meeting of the Shareholders of the Company. Other than strictly in accordance with the provisions of this Article 8A, the Board shall not have the authority to appoint any alternate Director to any of the Institutional Investors Directors.

(m) Till such time any Institutional Investors (*save and except the Eligible Investors*) hold at least 2 (Two) per cent of the issued and Paid-up Equity Share Capital of the Company, such Institutional Investors shall have the right to appoint an observer on the Board (including any committees of the Board). Any such observers appointed by such Institutional Investors, shall be entitled to attend the Board (or committee) meetings. However, such observers shall not be entitled to participate in the discussions at the Board (or committee) meetings and also shall not be entitled to any sitting fees or reimbursements. It is hereby clarified that the Eligible Investors having the right to nominate an Institutional Investor Director shall not be entitled to nominate an observer on the Board.

(n) The Institutional Investors Directors and observers, shall be entitled to receive all notices, agenda, and other correspondences for the meetings of the Board and committees as applicable. The Board shall meet a minimum of four (4) times in a year, at least once in each quarter in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and notice of the meetings and detailed agenda along with the supporting documents for the same shall be provided at least a week in advance or on a shorter notice subject to the consent of each Institutional Investors Director. Every Director of a Company needs to attend mandatorily at least One Board Meeting held within a period of twelve months.

(o) The Company shall procure suitable and adequate Directors' and Officers' liability insurance to cover all Directors of the Company for a minimum amount of INR 20,00,00,000 (Indian Rupees Twenty Crores Only) and on such terms as the Board may approve, in accordance with Law.

(p) The Board shall constitute an Audit Committee and a Compensation & Governance Committee and such other committees as it may deem fit from time to time, in relation to the operations of the Company. The composition of any committee constituted by the Board shall be as determined by the Board provided that each of the top three (3) Eligible Investors by shareholding shall be entitled to nominate their nominee Director as members of the Audit Committee and the Compensation & Governance Committee and for any other committee constituted by the Board from time to time, the Eligible Investors shall be entitled to nominate their respective Institutional Investors Directors as a member of any committee of the Board.

(q) The Company shall indemnify all non-executive Directors of the Company against:

(i) any act, omission or conduct of or by any of the Company, its employees or agents as a result of which, in whole or in part, any Director except Executive Directors is made a party to, or otherwise incurs any loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or

(ii) any action undertaken or failure to act by any Director except Executive Directors at the request of or with the consent of the Company or the Domestic Investor Group or the Foreign Investors Group; or

(iii) contravention of any Law including, without limiting the generality of the foregoing, the Reserve Bank of India Act, 1934, and any guidelines or regulations issued by the Reserve Bank of India thereunder, the Foreign Exchange Management Act 1999 and Laws relating to provident fund, gratuity, labour, environment and pollution; and any action or proceedings taken against the Institutional Investors Directors in connection with any such contravention or alleged contravention.

(r) Unless otherwise required by Law, and /or otherwise agreed under the Shareholders Agreement, all decisions of the Board shall be taken by simple majority.

(s) The Institutional Investors' Directors and any other Director shall be allowed to participate in a meeting of the Board or any committee thereof either in person or through video conferencing or through any other audio visual means in accordance with the procedure as laid under the Act and the rules made thereunder and such participation of the Directors shall be counted for the purpose of quorum. All Directors including alternate Directors (when present for the absent Director) shall have only (1) one vote.

(t) The Board shall only transact the business set out in the agenda accompanying the notice to the Directors, provided however that, subject to Article 11A *(Reserved Matters*), the Board may transact business, which is not set out in the agenda and which may be considered as necessary and urgent to be dealt with, with the consent of a majority of the Directors, including the consent of each of the Institutional Investors Directors present at such meeting.

(u) The quorum required for Board Meetings shall be four (4) Directors, present in person or through their alternates and shall mandatorily include either in Person or through video conferencing at least two (2) Institutional Investors Directors, One (1) Founder representative and One (1) Independent Director ("**Valid Quorum**"). No quorum for a meeting of the Board shall be validly constituted unless the number of Directors constituting such quorum as mentioned hereinabove is present at the commencement of the meeting of the Board and throughout the duration of such meeting of the Board.

(v) Subject to Article 8A (u), if a Valid Quorum is not present within 1 (one) hour of the scheduled time for any meeting of the Board or ceases to exist at any time during such meeting ("**Non Quorate Board**"), then such meeting shall automatically stand adjourned ("**Adjourned Meeting**") to the same day, place and time in the following week having the same agenda as the Non Quorate Board Meeting. Notice of the Adjourned Meeting shall be given to directors by facsimile with receipt acknowledged or email. If at the commencement and throughout the duration of the Adjourned Meeting no valid quorum is present then, the Directors present at such Adjourned Meeting (provided that they constitute a quorum under the Act) shall be deemed to constitute such Valid Quorum and the Board may proceed to discuss and decide on the matters on the same agenda as the Non Quorate Board Meeting.

(w) Notwithstanding anything contained herein no decision on any matters set out under Article 11A (*Reserved Matter*) shall be taken by the Board except with the prior consent of the Shareholders as set out in Article 11A (*Reserved Matter*).

(x) Save as required by Law a resolution passed by circulation in accordance with Section 175 of the Act shall be as valid and effectual as a resolution duly passed at a meeting of the Board called and held in accordance with the provisions of Law and the Articles, provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors for signing and has been approved and signed by the majority of the Directors that constitute a Valid Quorum. In respect of Directors residing outside India, the resolution shall be circulated to their then current address outside India as is provided to the Company.

(y) Subject to the provisions of Section 188(1)(f) of the Act, and Rules made there under, if any Director shall be appointed to advise the Company as an expert or be called upon to perform extra service or to make special exertion for any purpose, the Company may pay to such Director with special remuneration as they think fit which remuneration may be in the form of either salary, commission or a lump sum fee.

9. General Meetings

(a) The Company shall comply with the provisions of Section 101, 102, 103, 105, 106, 107, 109 and 110 of the Act with regard to conducting of General Meetings.

(b) No meeting of the Shareholders shall be validly quorate, unless Shareholders representing at least 51% of the total Paid-up Share Capital of the Company are present at the commencement of the said meeting of the Shareholders and throughout the duration of such meeting of the Shareholders. However, if within 1 (one) hour of the scheduled time for any meeting of the Shareholders there is no quorum or the quorum ceases to exist at any time during such meeting ("**Non Quorate General Meeting**"), then such meeting shall automatically stand adjourned ("**Adjourned General Meeting**") to the same day, place and time in the following week having the same agenda as the Non Quorate General Meeting. Notice of such Adjourned General Meeting shall be given to (a) all the Shareholders (except IFC) by facsimile or courier with receipt acknowledged or email, and (b) IFC in accordance with Clause 16.2 of the Shareholders Agreement. If at the commencement and throughout the duration of the Adjourned General Meeting no valid quorum is present then, the Shareholders present at such Adjourned General Meeting (provided that they constitute a quorum under the Act) shall be deemed to constitute valid quorum and the Shareholders may proceed to discuss and decide on the matters on the same agenda as the Non Quorate General Meeting.

(c) The instrument appointing a proxy and every power of attorney or other authority (if any) under which it is signed or notarized certified copy of that power or authority shall be deposited in accordance with the process detailed in the notice, at the registered office of the Company not less than 48 hours before the time of holding the meeting at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

(d) A body corporate, whether a company within the meaning of the Act, or not which is a member of the Company may, by a resolution of its directors authorise such person as it think fits to act as its representative at any Shareholders meeting of the Company and a person so authorised shall be entitled to exercise the same power on behalf of the body corporate which he represents as if he is an individual shareholder of the Company.

(e) The Chairman of the Board shall be entitled to take the Chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as chairman. If no Director be present or if all Directors present decline to take the Chair, then the members present shall on a show of hands or on a poll if properly demanded, elect one of the members to be the Chairman.

(f) Subject to the provisions of Article 11A every question submitted to a meeting shall be decided in the first instance by a show of hands. In the case of an equality of votes, whether on a show of hands or on poll, the Chairman of the meeting shall, however, not have a casting vote in addition to the vote which he may be entitled to as a member.

(g) The Shareholders agree that their authorised representatives shall exercise their right to vote and they shall cause such representatives to exercise their right to vote together to fully and effectually implement the spirit, intent and specific provisions of the Shareholders Agreement and these Articles, at any and all general meetings of the Shareholders of the Company.

(h) The Shareholders shall have the right to participate in all general meetings of the Company and vote on any matter, including any Reserved Matter, at such general meeting, through a proxy duly designated in accordance with the requirements of the Act.

(i) Notwithstanding anything contained herein, any decision on any matters set out under Article 11A (Reserved Matter) shall be taken by the Shareholders subject to the requirements of Article 11A (Reserved Matter).

10. QIPO/IPO

(a) The Company shall make best efforts to undertake a QIPO *no later* than the QIPO/IPO Date in accordance with applicable Law. However, in no event shall the Company undertake a QIPO/ IPO within a period of one (1) year from the Closing Date.

(b) Notwithstanding anything contained in this Article 10, the QIPO/IPO shall be subject to the approval by the Shareholders in accordance with the provisions of Article 11A. It is clarified that nothing contained in this Article 10 shall oblige a Shareholder to vote in favor of conducting an IPO, including one that conforms to the conditions as set out in the definition of 'QIPO'.

(c) The Company shall in consultation with the Institutional Investors appoint an investment banker for the QIPO/IPO at least nine (9) months prior to the QIPO/IPO Date and shall take all steps to facilitate the same by way of passing appropriate resolutions as may be required in accordance with Law. The Founder and the Company hereby agree to do all acts and deeds necessary for giving effect to the QIPO/IPO.

(d) In the event the Company undertakes a QIPO/ IPO, subject to the applicable Law, the Company shall seek to list its Equity Shares or Share Equivalents on an Acceptable Stock Exchange. The quantum of the primary issue and/or secondary sale of the Equity Shares or Share Equivalents in the QIPO/IPO shall be as discussed and agreed between the Institutional Investors, the Company and the investment banker, subject to which the Institutional Investors shall have a right to sell their Equity Shares/Share Equivalents as part of the QIPO/IPO. In the event the quantum of Equity Shares/Share Equivalents that are to be offered as part of the QIPO/IPO are less than the Equity Shares/Share Equivalents that the Institutional Investors wish to sell, then the Institutional Investors shall at their option be entitled to sell the Equity Shares or Share Equivalents held by them on a *pro rata* basis. However, in the event such right to sell Equity Shares or Share Equivalents as part of the QIPO/IPO is relinquished by any Institutional Investor, then upto the same number of Equity Shares or Share Equivalents that have been so relinquished may be sold by the other Institutional Investors on a *pro rata* basis.

(e) The Company shall apply for all necessary governmental and regulatory approvals in order to give effect to such sale of Equity Shares or Share Equivalents by the Institutional Investors, and the Company shall bear the costs and expenses relating to obtaining such governmental and regulatory approvals. Further, the Company shall keep the Institutional Investors fully informed of all material activities undertaken in connection with the listing of the Equity Shares or Share Equivalents of the Company.

(f) Subject to applicable Laws, the Institutional Investors, DIG (save and except the Founder) and the FIG shall not be considered promoters of the Company, and the Institutional Investors', DIG's (save and except the Founder) and FIG's shareholding in the Company shall not be offered for any lock-in requirements related to a QIPO/ IPO other than for non-promoter lock-in requirements required by applicable Law.

Where any Shares are required by any Acceptable Stock Exchange, SEBI or any other authority under Law to be subjected to a promoter lock-in or other similar restriction for the purpose of facilitating or enabling the QIPO/IPO, the Founder shall be obliged to offer his shareholding for such promoter lock-in and/or restriction so as to ensure that Institutional Investors', DIGs' (*save and except* the Founder) and FIGs' shareholdings are subject to only non-promoter lock-in and/or restriction, as may be required under the applicable Law.

10A. Other Exit Mechanisms

(a) If the Company has not filed draft red herring prospectus with the SEBI (or any other applicable Authority) at least 2 (two) months prior to the QIPO/IPO Date or in the event of the QIPO/IPO not taking place by the QIPO/IPO Date despite filing a draft red herring prospectus with the SEBI (or any other applicable Authority) (the date of the earlier occurrence of the above mentioned two events is referred as the "**Trigger Date**"), the Institutional Investors shall have a right to undertake the following:

(i) Trade Sale in accordance with Article 10B;
(i) Offer For Sale in accordance with Article 10C;
(ii) Merger or amalgamation of the Company in accordance with Article 10D; and/or
(iii) Sale of all or substantially all of the assets of the Company in accordance with Article 10E;

(b) Within 15 (fifteen) days of the Trigger Date, a committee shall be set up to evaluate various exit options for the Institutional Investors. This committee shall comprise of nominees of the 3 (three) largest (by shareholding) Institutional Investors who have expressed a willingness to evaluate the exit options available at that stage ("**Exit Committee**"). The Exit Committee shall appoint an investment banker to help with the evaluation of the various exit options listed in sub article (a) above. Pursuant to consultations with the investment bank and other Institutional Investors, the Exit Committee shall propose 3 (three) potential exit options in order of priority for the Institutional Investors to consider within a period of 60 (sixty) days from the Trigger Date.

Pursuant to the recommendations of the Exit Committee the Institutional Investors shall meet to consider the options in the order of priority as suggested by the Exit Committee. Based on the election/consent of the relevant percentage of Institutional Investors (as required for *Trade Sale* (in accordance with Article 10B), *Offer For Sale* (in accordance with Article 10C), *Merger or Amalgamation* (in accordance with Article 10D) or *Sale of Assets* (in accordance with Article 10E), as the case may be) the Parties will commence the process to facilitate the relevant exit option elected by the Institutional Investors.

(c) Notwithstanding anything contained in Article 10A (b) or any recommendation of the Exit Committee, any Trade Sale, Offer for Sale, merger/amalgamation of the Company or sale of assets of the Company shall be undertaken only if consent of relevant Institutional Investors as required in terms Article 10B (*Trade Sale*), 10C (*Offer For Sale*), 10D (*Merger or Amalgamation*) or 10E (*Sale of Assets*) and 11A (*Reserved Matters*) has been obtained.

(d) For the purposes of formation of Exit Committee, Elevar and Unitus will be considered as a single entity, and their representative shall be appointed by Elevar.

10B. Trade Sale

Subject to Article 10A (a) and the election by at least 51% (fifty one percent) of the Institutional Investors by shareholding, the following procedure for a Trade Sale shall be followed and the Company and the Founder shall facilitate this process:

(a) The Exit Committee shall appoint an investment banker to manage the process of sale of Share/Share Equivalents through the Trade Sale. The investment banker, the Exit Committee and all the Institutional Investors shall mutually discuss the quantum of Shares/Share Equivalents that the Institutional Investors are willing to sell and the price range within which the Institutional Investors propose to sell their Shares/Shares Equivalents as part of the Trade Sale.

(b) Pursuant to the above discussion, the investment banker shall advise the Exit Committee on the price band for the sale of Shares/Share Equivalent through the Trade Sale, wherein the upper end of the price band shall not be more than twenty percent (20%) higher than the lower end of the price band ("**Indicative Price Band**"). The Exit Committee shall communicate the Indicative Price Band to the Institutional Investors by way of a written notice ("**Price Indication Notice**"), based on which each of the Institutional Investors shall intimate the Exit Committee in writing within 15 (fifteen) Business Days of the receipt of the Price Indication Notice by them (a) whether or not such Institutional Investor proposes to sell its Shares/Share Equivalent (all or part) as part of the Trade Sale and (b) the quantum of Shares/Share Equivalent that such Institutional Investor proposes to sell within the specified Indicative Price Band. The Institutional Investors proposing to sell all or part of their Shares/Share Equivalents are herein referred to as the "**Participating Investors**" and the Institutional Investors who have not proposed to sell their Shares/Share Equivalents are herein referred to as the "**Non Participating Investors**". If an Institutional Investor does not respond within 15 (fifteen) Business Days of the receipt of the Price Indication Notice as set out above, it shall be considered to be a Non Participating Investor. The receipt of the aforesaid responses from the Institutional Investors by the Exit Committee, or deemed response by way of lapse of time, is referred to as "**Book Finalization**". It is clarified that if an Institutional Investor who is a member of the Exit Committee chooses not to sell its Shares/Share Equivalent herein, then such Institutional Investor shall no longer be a part of the Exit Committee and next largest Institutional Investor by shareholding who is also a Participating Investor shall become a member of the Exit Committee, provided the total number of members in the Exit Committee shall remain 3 (three).

(c) During this process, the Institutional Investors shall have the right to provide the Exit Committee with a list of Persons to whom such Institutional Investor shall not sell its Shares/Share Equivalents ("**Restricted Buyers**"). It is clarified that with respect to FMO, an Excluded Person shall be a 'Restricted Buyer'. In addition, the Exit Committee shall apprise each Participating Investor of the potential buyers identified by the investment banker from time to time. The Institutional Investors may request the Exit Committee for additional information about the potential buyer within 7 (seven) Business Days of being informed about such potential buyer. Each Participating Investor shall within 7 (seven) Business Days of being informed about the potential buyer or from the receipt of the additional information about such potential buyer as requested by the Institutional Investor, whichever is later, specify whether such potential buyer is acceptable to such Participating Investor. In the event any Participating Investor intimates that it shall not sell its Shares to a specific potential buyer, then such buyer shall also be considered as a "Restricted Buyer" in respect of such Participating Investor.

(d) The Exit Committee shall from time to time (at least on a fortnightly basis) keep the Institutional Investors fully informed of all material activities undertaken in connection with the Trade Sale. The Exit Committee and the investment banker shall endeavor to obtain a final offer from potential buyers for the Trade Sale within 150 (one hundred and fifty) days from the date of the Book Finalisation ("**Final Offer**").

(e) In the event the Final Offer for the Trade Sale is at a price that is within the Indicative Price Band for all the Shares/Share Equivalents offered by the Participating Investors, then the Participating Investors shall be obligated to sell all Shares/Share Equivalents offered by them in the Book Finalisation to the proposed buyer, provided that a Participating Investor shall not be obliged to sell its Shares/Share Equivalents to a Restricted Buyer that is indicated by such Participating Investor pursuant to Article 10B (c). Provided further that, if the proposed buyer gives a Final Offer to buy less than all of the Shares/Share Equivalents offered by the Participating Investors in the Book Finalisation, then the Participating Investors shall have the option (but not be obligated) to sell their Shares/Share Equivalents to the proposed buyer on a pro-rata basis to the Shares/Share Equivalents offered in the Book Finalisation. Provided further that, if a Participating Investor does not propose to sell its Shares/Share Equivalents in part to the proposed buyer, then the other Participating Investors shall have the right to sell additional Shares/Share Equivalents to such proposed buyer on a pro rata basis. Provided further that, if the proposed buyer proposes to purchase additional Shares/Share Equivalents *i.e.* over and above the Shares/Share Equivalents offered by the Participating Investors in the Book Finalisation, at a price that is within the Indicative Price Band, then the Participating Investors may sell their remaining Shares/Share Equivalents not offered by them earlier as part of the Book Finalisation on a pro rata basis, and thereafter for any remaining additional Shares/Share Equivalents offered to be purchased by the proposed buyer, the Non Participating Investors may participate to sell their Shares/Share Equivalents on a pro-rata basis.

(f) If the Final Offer for the Trade Sale is at a price higher than the Indicative Price Band, then all Participating Investors and all interested Non-Participating Investors shall have the right (but not the obligation) to participate in the Trade Sale on a pro-rata basis.

(g) If the Shareholders holding 90% of the Paid-up Share Capital of the Company (excluding IFC's shareholding in the Company) proposes/consents to sell their Shares/Share Equivalents in a Trade Sale to a proposed buyer, and if such proposed buyer is willing to purchase all the Shares/Share Equivalents of the Company, then the remaining Shareholders (*save and except* IFC) shall be obligated to sell their Shares/Share Equivalents to such proposed buyer on the same terms as the consenting Shareholders. Once such a transaction has been agreed upon, the Company and the Founder shall co-operate in consummating such a transaction.

(h) The cost and expenses relating to the appointment of the investment banker shall be borne by the Shareholders participating in the Trade Sale on a pro rata basis.

(i) If the transfer of Shares/Share Equivalents pursuant to the Trade Sale is not completed within 225 (two hundred and twenty five) days from the date of Book Finalization, the Parties agree to re-initiate the entire procedure as set out in this Article 10B for undertaking a sale of Shares/Share Equivalents as the Trade Sale in accordance with the Shareholders Agreement.

(j) The Participating Investors will provide only customary representations and warranties on title, capacity and authority and will not provide any business related representations, warranties or any indemnities.

10C. Offer For Sale

(a) Subject to Article 10A (a) and (b) and the election by at least 51% of the Institutional Investors by shareholding, the Institutional Investors may sell all or part of the Shares held by them by way of offer for sale in a public offering and listing of the Company on an Acceptable Stock Exchange ("**Offer For Sale**"). For this purpose, the procedure set forth in Article 10A (b) and Article 10B (a) and (b) relating to the formation of an Exit Committee, appointment of investment banker, ascertainment of the Indicative Price Band, determination of Participating and Non-Participating Investors and Book Finalization shall apply *mutatis mutandis* to the Offer For Sale.

(b) The Parties herein agree that, subject to applicable Law, the Company shall continue to be bound by the provisions of Article 24A, 24B, 24C notwithstanding the Offer For Sale and listing of the Company on the Acceptable Stock Exchange.

(c) The Company and the Founder shall make best efforts and shall co-operate with the Institutional Investors to undertake the Offer For Sale in accordance with the provisions of applicable Law.

(d) All the Parties, including the Company, Founder and the Shareholders, agree that they will cooperate and facilitate the process for the Offer For Sale in case at least 51% of the Institutional Investors by shareholding have elected to conduct such Offer For Sale.

10D. Merger or Amalgamation

Subject to the applicable Laws and the approval of the Shareholders in accordance with Article 11A (*Reserved Matters*), the Company may take steps to facilitate a merger or amalgamation of the Company with any other entity. Further, if provided by the scheme of merger or amalgamation of the Company, the Institutional Investors shall have an option to receive either cash or shares of the resultant entity in consideration for the transfer of their Shares in such merger or amalgamation of the Company.

10E. Sale of Assets

Subject to approval of the Shareholders in accordance with Article 11A (*Reserved Matters*), the Company and/or the Institutional Investors may conduct a sale of all or substantially all of the assets of the Company. In such a case, the proceeds shall be distributed by the Company in accordance with applicable Law amongst the Shareholders on a pro rata basis.

10F. Event of Default

On the occurrence of an Event of Default at any time (including even before the QIPO/IPO Date), 51% or more of the Institutional Investors by shareholding shall have a right to cause a Trade Sale of the Shares in accordance with the process set out in Article 10B.

10G. Conversion to Public Company

The Parties agree that immediately prior to occurrence of a QIPO/IPO/Offer for Sale/Trade Sale/ sale of assets ("**Liquidity Event**"), the Company shall convert into a public limited company in accordance with the applicable Laws, upon receipt of any written notice from any of the Institutional Investors. Provided that, the conversion of the Company into a public limited company should not result in dilution or fall away of any rights available to the Parties in the Shareholders Agreement.

11A. Reserved Matters

Notwithstanding anything contained in these Articles, the Company shall not take any decision or action in relation to the matters set out below ("**Reserved Matters**") at the meeting of the Board or its committee, meeting of the Shareholders or otherwise unless a prior written consent of the Shareholders holding at least 66.67% of the total Paid-up Share Capital of the Company (and in case of matter listed in sub-clause (o) below, prior written consent of at least 51% of the Institutional Investors by shareholding) has been obtained.

(a) changes to the Articles and/or the Memorandum affecting rights of the Parties under the Shareholders Agreement and or/ these Articles, other than for (i) changes required to undertake an Offer For Sale in accordance with Article 10C (*Offer For Sale*), and/or (ii) changes required to undertake a Trade Sale in accordance with Article 10B (*Trade Sale*) provided that the rights of the Institutional Investors who are continuing to hold Equity Shares/Share Equivalents after such Trade Sale as stated in the Shareholders Agreement shall not be adversely affected;

(b) change in the nature of Company's business or any of its Key Subsidiaries business and/or commencement by the Company or any of its Key Subsidiaries of any business that is not envisaged under the Company's Business Plan;

(c) approving or amending the Company's Business Plan and / or Annual Plan;

(d) changes in the number of Directors except in accordance with Article 8A;

(e) passing a resolution that the Company be liquidated and/or wound up or dissolved;

(f) encumbering or disposing of all or a substantial part of its assets (including intellectual property rights) or disposal of Shares or any other investments relating to the business of the Company or any of its Key Subsidiaries, other than, in case of any encumbrance created in the ordinary course of business or in accordance with the Annual Plan;

(g) any transaction which results in any merger, reorganization, restructuring and amalgamation of or with the Company or any of its Key Subsidiaries;

(h) creation of a new subsidiary or participation in any incorporated joint venture;

(i) subscribing to or purchasing Equity Shares or any securities convertible into Equity Shares of any other company;

(j) changes to the Company's issued Equity Share Capital or fresh issuance of any Equity Shares, Share Equivalents, equity linked securities or securities capable of being converted into Shares, or grant of a right or an option to subscribe for Shares;

(k) buyback of the Equity Shares or Share Equivalents by the Company or redemption of preference Shares, if any;

(l) variation of any rights, privileges or preference attached to any Equity Shares or Share Equivalents of the Company, or any change of Shareholders' rights, whether directly or indirectly;

(m) declaration of dividend by the Company;

(n) seeking listing of Company's securities or delisting of any listed securities of the Company, including pricing, timing, size, identifying Acceptable Stock Exchange, etc. for the QIPO/IPO, other than for undertaking an Offer For Sale in accordance with Article 10C (*Offer For Sale*);

(o) an Offer For Sale in accordance with Article 10C (*Offer For Sale*), and the pricing, timing, size, identifying Acceptable Stock Exchange, etc. for such Offer For Sale and any amendment to the Articles required to undertake an Offer For Sale;

(p) employee stock option scheme(s) or plan(s) and the terms of any such scheme(s) or plan(s) of the Company and the issue of any Equity Shares pursuant thereto and/or issuance of any sweat Equity Shares other than issue of Equity Shares allocated for ESOP as stated in Article 2A and Article 2B;

(q) approval or adoption of the annual financial statements of the Company;

(r) appointment or change in the appointment of the Auditor;

(s) entering into or amendment of any agreement or contract by the Company with any Related Party of the Company or the Founder or Parinaam Foundation (unless as per the term of the MoU that has been approved pursuant to sub-article (aa) below), including making any loan to any such Related Party in excess of Rs. 10,000,000.00 (Rupees One Crore only) in aggregate;

(t) Assumption of debt which exceeds 10% (in aggregate) of the approved Annual Plan for such debt;

(u) Guaranteeing debt or providing indemnifications exceeding Rs. 20,00,00,000.00 (Rupees Twenty Crores only) in aggregate;

(v) Capital expenditure or investment of more than 20% (in aggregate) in excess of the approved budget for such capital expenditure in the Annual Plan; and

(w) Material changes to accounting or tax policies of the Company;

(x) Authorizing or entering into any obligation outside the normal course of business of the Company or any of its Key Subsidiaries which would involve the payment of amounts in excess of Rs. 50,00,000.00 (Rupees Fifty lakhs) per annum, whether in a single or series of transactions;

(y) Creation of Lien on the Equity Shares of the Company held by the Founder;

(z) authorize or undertake any reduction of the capital or share repurchase, other than any repurchase of Equity Shares of the Company or Share Equivalents issued to or held by employees, officers, directors or consultants of the Company or any of its Key Subsidiaries pursuant to an employee stock plan upon termination of their employment;

(aa) entering into the MOU, or amendment or modification to the terms of the MOU;

(bb) appointment or removal of any Managerial Person upon the Founder ceasing to be the managing director of the Company;

(cc) entering new lines of business, including small finance banking; and

(dd) amending or approving a change in the remuneration of the Founder.

11B. Specific Approval

Notwithstanding anything contained in these Articles or in the Shareholders Agreement, no resolution in respect of the matters listed below, shall be passed unless the specific *prior* written approval of each of the respective Institutional Investors has been obtained in each of such matters ("**Specific Approval**").

(i) any change in the constitutional documents of the Company or any Key Subsidiary in any way that may alter or change the rights, privileges or preferences of the Equity Shares or Share Equivalents held by the respective Institutional Investor, provided that a dilution of shareholding or provision of rights to a new investor/shareholder will not in itself be considered as affecting the rights of any Party under the Shareholders Agreement;

(ii) any alteration or change in the rights, privileges or preferences of the Equity Shares of the Company and Share Equivalents held by the respective Institutional Investor, provided that a dilution of shareholding or provision of rights to a new investor/shareholder will not in itself be considered as affecting the rights of any Party under the Shareholders Agreement; and

(iii) creating, authorizing or issuing any equity security having a preference/ranking senior to, with, the Equity Shares of the Company and Share Equivalents held by the respective Institutional Investor;

Provided that, no Specific Approval shall be required for (i) any capital expansion of the Company issuing and allotting Shares carrying rights pari passu with all other Equity Shares of the Company, or (ii) any alteration or change in the rights, privileges or preferences of the Equity Shares for undertaking QIPO/IPO or Offer For Sale in accordance with the terms of the Shareholders Agreement where such alteration or change is applicable on a pari passu basis on all Equity Shares held by the Institutional Investors, or (iii) any alteration or change in the rights, privileges or preferences of the Equity Shares or Share Equivalents that are required to undertake a Trade Sale in accordance with Article 10B (Trade Sale) provided that the rights of the Institutional Investors who are continuing to hold Equity Shares/ Share Equivalents after such Trade Sale shall not be adversely affected.

12. Borrowing Powers

(a) Subject to the provisions of the Act and These Presents, the Board may from time to time raise or borrow any sum of money for and on behalf of the Company from (a) the members, companies and banks or financial institutions or from any one or more directors or their relatives and (b) on terms and conditions determined by the Board.

(b) Subject to the provisions of the Act and These Presents the Board may from time to time secure such borrowings in such manner and upon such terms and conditions in all respects as deemed fit including by issue of debentures or bonds of the Company or by mortgage or charge on all or any part of the property of the Company.

13. Accounts

The Board shall cause proper books of account to be kept showing receipts and expenses, sales and purchases and the assets and liabilities of the Company and otherwise comply with the provisions of the Act.

14. Books of Account where to be kept

The books of account shall be kept at the registered office of the Company and the Board may determine whether and to what extent and at what time and place and under what conditions and restrictions the accounts and books of the Company or any of them shall be open to the inspection of members.

15. Audit

The provisions of the Act and Article 11A (r) in regard to audit and the appointment of Auditors shall be observed.

16. Interim Dividend

Subject to the provisions of the Act and These Presents the Board may, at their discretion declare and pay interim dividend.

17. Dividend

No larger dividend shall be declared than is recommended by the Board.

18. Bonus Shares

Subject to the provisions of Section 63 of the Act and These Presents, the Company in General Meeting , resolve to capitalise any part of the amount for the time being standing to the credit of Company's reserve account, or to the credit of the profit and loss account or Securities Premium Account, Capital redemption reserve account or otherwise available for distribution by issue as fully paid bonus Shares or in paying up any unissued Shares of the Company to be allotted to and amongst the Shareholders who are entitled thereto, if distributed by way of dividend in the same proportion.

19. Seal

Subject to the provisions of the Act, the common seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid who shall sign every instrument to which the seal of the Company is so affixed in their presence.

20. Secrecy

Subject to the Institutional Investors' rights under Article 24 (A), Article 24 (B), Article 24(C), no member shall be entitled to inspect the Company's books without the permission of the Managing Director or require discovery of any information with respect to any details of the Company's trading or any matter which is or may be in the nature of trade secret, secret process or trade mystery, which may relate to the conduct of the business of the Company and which in the opinion of Managing Director, it will not be expedient in the interest of the member of the Company to disclose or communicate to the public.

21. Winding up

If the Company shall be wound up, whether subject to Article 11 A (e) voluntarily or other-wise, the liquidator, unless otherwise provided by these Articles, may with the sanction and directions of a Special Resolution and other sanction required by the Previous Company Law, these Articles and the Shareholders Agreement, divide amongst the members, in specie or kind the whole or any part of the assets of the Company and the liquidator may with the like sanction vest the whole or any part of such assets on trustees of such trust for the benefit of the Contributories or any of these as the liquidator with the like sanction shall think fit, but no member shall be compelled to accept any asset or property where on there is any liability. The Company by a Special Resolution passed in general meeting shall be competent to give directions regarding procedure to distribute subject to any sanction required by the Previous Company Law, all or any of the assets of the Company amongst its members in specie or kind as will be thought fit.

22. Indemnity

Subject to the provisions of the Act, every Director, Secretary, Managing Director, Manager or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Officer or Auditor in defending himself against any proceedings whether civil or criminal in which judgment given in his favour or on which he is acquitted in which relief is granted to him by the court or the Tribunal.

Subject to Representations and Warranties made by the Institutional Investors in the Shareholders Agreement, the Company agrees to irrevocably and unconditionally indemnify and hold the Institutional Investors and their employees, agents, nominees and Affiliates ("**Indemnified Parties**"), harmless from and against any and all liabilities losses, claims, damages, actions, proceedings, judgments, settlements, expenses or the like, (collectively, "**Losses**") which may be suffered or incurred directly by the Indemnified Parties as a result of any misrepresentation or breach of any covenant or warranty made by the Company and/or the Domestic Investor Group herein, provided that the Company shall not be liable to indemnify the Indemnified Parties for any consequential or indirect losses under this Article 22.

23. General Authority

Where in the Act or any other law for the time being in force, it has been provided, whether explicitly or implicitly, that the Company shall have any right, privilege or authority or that the Company cannot carry out any transactions unless the Company is so authorised by its Articles, then and in that case, this Article hereby authorises and empowers the

Company to have such right, privilege or authority and subject to what is contained in These Presents and the Shareholders Agreement relating to Reserved Matters to carry out such transactions as have been permitted by the Act or such other law.

24A. Special Obligations of the Company towards Institutional Investors

(a) The Company shall furnish, or cause to be furnished, to Institutional Investors, the following reports & certifications:

(i) within one hundred twenty (120) days after the end of each Financial Year of the Company during which Institutional Investors hold any Share Equivalents, a report, signed by the Chief Executive Officer of the Company, (i) describing the use of the proceeds from the investment by the Institutional Investors during the preceding year, and (ii) evaluating the progress of the Company toward achieving the purposes as set forth in its Annual Plan and the contribution of the Institutional Investors' investment thereto;

(ii) within one hundred twenty (120) days after the end of each Financial Year of the Company during which the Institutional Investors hold any Share Equivalents, a report, signed by the President or Chief Executive Officer of the Company, certifying that the requirements of the investment made by Institutional Investors were met during the immediately preceding year;

(iii) within one hundred twenty (120) days after the end of the Financial Year during which the Institutional Investor ceases to hold any Share Equivalents for any reason, a narrative report, signed by the President or Chief Executive Officer of the Company, (i) describing the use of the proceeds from the investment made by such Institutional Investor during the period in which the Institutional Investor held the Share Equivalents, and (ii) evaluating the progress of the Company toward achieving the purposes as set forth in its Annual Plan and the contribution of the investment made by such Institutional Investor thereto;

(iv) within one hundred twenty (120) days after the end of the Financial Year in which any of the Institutional Investors ceases to hold any Equity Shares for any reason, a report, signed by the President or Chief Executive Officer of the Company, certifying that the requirements of the investment were met during the term of the investment made by such Institutional Investor;

(v) within thirty (30) days after the end of each fiscal quarter, un-audited balance sheet and profit and loss account of the Company on a consolidated basis and unconsolidated basis and for each of its Key Subsidiaries, prepared in accordance with Indian GAAP;

(vi) prior to the commencement of each Financial Year, the proposed Business Plan of the Company;

(vii) Compliance certificate from the CEO, CFO and Company Secretary as to compliance with the Shareholders Agreement, on a quarterly and annual basis as per the agreed format;

(viii) Any other information respecting the operations, activities and financial condition of the Company, if available, as the Institutional Investors may from time to time request to discharge any expenditure responsibility, within the meaning of Sections 4945(d)(4) and 4945(h) of the Internal Revenue Code, of the United States of America, Institutional Investors' with respect to the investment made by them; and

(ix) At least once in each Financial Year, the Company shall furnish or cause to be furnished, to Institutional Investors, for itself and all of its Key Subsidiaries, within ninety (90) days after the end of each Financial Year of the Company during which Institutional Investors hold any Equity Shares, a balance sheet as of the end of the Financial Year and the related statements of income and cash flow of the Company for the Financial Year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the prior fiscal year, audited by independent chartered accountants selected by the Company, and as to which the accountants shall have expressed a written opinion that the financial statements fairly present the financial position of the Company for the period then ended and have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application in which the accountants concur);

(x) Any other information/ documents, *namely*, monthly, quarterly, half yearly and annual financial statements of the Company, certified true copies of the minutes of meetings of the board and its committees and shareholders' meetings, details of material adverse changes affecting the business of the Company, business plans, monthly Management Information System ("**MIS**"), as may be requested within a reasonable time.

(b) In addition to the reporting requirements mentioned in Article 24 (A) (a) (i) to (x), the Company shall provide to Institutional Investors quarterly reports on social indicators. Institutional Investors shall have the right to approve any changes to be made to the set of social indicators that are to be tracked by the Company and the Company commits to make all reasonable effort to collect this data concerning social indicators accurately and store it systematically. The Company shall not have any right to bring about any change to the set of social indicators as specified. Furthermore, Institutional Investors reserve the right to conduct a social impact assessment of the Company at any time as per its discretion and requirement so long as Institutional Investor holds any Shares in the Company. The Institutional Investors agree to bear the cost of the assessment and the Company shall provide all the data, information and required assistance in the assessment process.

(c) The Company shall promptly inform the Institutional Investors if it has received notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act, or any other notice under any other applicable Laws or otherwise of any material suit or legal process initiated against the Company or if a receiver or administrator is appointed over any of its properties or business or undertaking.

(d) The Company shall promptly inform the Institutional Investors of the occurrence of any labor strike, lockout, layoff, shutdown, fire or any event likely to have a Material Adverse Effect on the Company's profits or business or a material adverse change in the Company's loan portfolio with an explanation of the reasons therefor.

(e) The Company and the Shareholders recognize that there will be need for marketing materials or collateral (whether in hard copy or online) that will need to be prepared detailing the investment, the goals of the investment and the role of the Institutional Investors (individually and jointly) in supporting the growth of the Company. Such marketing collateral could include the name, logo, marks, photographs, videotapes or other recordings and borrower success stories as may be generated from time to time by the Institutional Investors, or any one of them and the Company. In addition, the Company and the Shareholders will cooperate with each other in press releases that may be necessary. The Company shall also identify all Institutional Investors on its websites and annual reports.

(f) Each Shareholder shall exercise its voting rights and cause its nominee on the Board of the Company to exercise his voting rights to ensure that the Company complies with its obligations under this Article 24 A (a) and Article 24A (b).

(g) The Company undertakes not to finance any activities mentioned in the Exclusion List as set out in Schedule IV appended to the Shareholders Agreement.

(h) The Company shall promptly notify all Institutional Investors upon becoming aware of any:

(i) litigation or investigations or proceedings which have or may reasonably be expected to cause a Material Adverse Event as defined in Article 1(lx);

(ii) any criminal investigations or proceedings against the Company, and any such notifications shall specify the nature of the action or proceeding and any steps that the Company proposes to take in response to the same.

24B. Additional Special Obligations of the Company towards Institutional Investors

(a) Upon the request of IFC, and with reasonable prior notice to the Company, the Company shall permit a representative of IFC (duly authorized in writing) and the CAO, during normal office hours, to:

(i) visit any of the sites and premises where the business of the Company or its Key Subsidiaries is conducted;

(ii) inspect any of the sites, facilities, plants and equipment of the Company or its Key Subsidiaries;

(iii) have access to the books of account and all records of the Company and its Key Subsidiaries; and

(iv) have access to employees, agents, contractors and sub-contractors of the Company and its Key Subsidiaries who have or may have knowledge of matters with respect to which IFC or the CAO seeks information;

Provided that: (A) no such reasonable prior notice shall be necessary if special circumstances so require; and (B) in the case of the CAO, such access shall be for the purpose of carrying out the CAO's role.

(b) Upon the request of an Institutional Investor and with reasonable prior notice to the Company, the Company shall permit a representative of Institutional Investor, duly authorized in writing and duly notified to the Company, during normal office hours, to:

(i) visit any of the sites and premises where the business of the Company or its Key Subsidiaries is conducted;

(ii) inspect any of the sites, facilities, plants and equipment of the Company or its Key Subsidiaries;

(iii) have access to the books of account and all records of the Company and its Key Subsidiaries; and

(iv) have access to employees, agents, contractors and sub-contractors of the Company and its Key Subsidiaries who have or may have knowledge of matters with respect to which the Institutional Investor *save* and *except* IFC seeks information;

provided that no such reasonable prior notice shall be necessary if special circumstances so require.

(c) The Company shall:

(i) within ninety (90) days after the end of each Financial Year, deliver to all Institutional Investors, the S&E Performance Report consistent with the requirements of These Presents confirming compliance with the SEMS Plan, the social and environmental covenants of this Article and Applicable S&E Law or, as the case may be, identifying any non-compliance or failure, and the actions being taken to remedy any such deficiency;

(ii) within three (3) days after its occurrence, notify all Institutional Investors of any social, labor, health and safety, security or environmental incident, accident or circumstance having, or which could reasonably be expected to have, any material adverse social and/or environmental impact or any material adverse impact on the implementation or operation of the Company's business in compliance with the Performance Standards, specifying in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise there from, and the measures the Company is taking or plans to take to address them and to prevent any future similar event; and keep the Institutional Investors informed of the on-going implementation of those measures;

(iii) within ninety (90) days after the end of each Financial Year furnish to all Institutional Investors a report by the AML/CFT Officer on the implementation and compliance with, the Company's AML/CFT policies, procedures and controls;

(iv) within ninety (90) days after the end of the expiry of any of the insurance policies referred to in Schedule V of the Shareholders Agreement, furnish a certificate from an Authorized Representative confirming that, as of the date of such certificate, the Company maintains the insurance policies required to be maintained pursuant to Schedule V of the Shareholders Agreement and providing a detailed explanation of any material changes, if any, in such insurance policies;

(v) within ninety (90) days after the end of each Financial Year, development outcome report including *inter alia* number of total and new members and borrowers reached, new geographical areas covered, number of total and new female members and borrowers, number of employees, number of female employees and number of new loans disbursed by product and by loan size in a format to be discussed and agreed between the Company and all Institutional Investors;

(vi) appoint a Big Four Audit Firm to conduct statutory audit of the financial statements of the Company.

(d) Following a listing of the shares of the Company, any Institutional Investors may, by notice to the Company, elect not to receive any of the information described in Article 24 (A), and Article 24 (B). In this case, the Company shall provide all Institutional Investors with copies of all information publicly disclosed and/or filed, in compliance with the rules and regulations of the relevant market on which any of the Company's shares are listed and any Law.

24C Policy Covenants

(a) Sanctionable Practices.

(i) Each of the Parties shall not engage in (nor authorize or permit any Affiliate or any other Person acting on its behalf to engage in) any Sanctionable Practice with respect to any shareholding in the Company or any business;

(ii) Each of the Parties further covenants that should it become aware of any violation of this Article 24C, it shall promptly notify all Institutional Investors; and

(iii) If any Institutional Investor notifies the Company and/or any other Party of its concern that there has been a violation of this Article 24C, the Company and any other such Party shall cooperate in good faith with such Shareholder and its representatives in determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from any Institutional Investors, and shall furnish documentary support for such response upon any Institutional Investor's request.

(iv) the Company shall maintain in force at all times policies and procedures designed to ensure compliance with the foregoing provisions of this Article 24C (a).

(b) Affirmative Environmental Covenants.

The Company shall ensure that each of its Key Subsidiaries shall:

(i) use reasonable efforts to ensure the continued operation of the Company’s social and environmental management system and assess the compliance of the Company's operations with the applicable social and environmental requirements;

(ii) ensure that a social and environmental officer, acceptable to all Institutional Investors, is appointed at all times;

(iii) promptly notify all Institutional Investors if the Company intends to provide funding to a proposed client that conducts activities that are likely to have significant adverse environmental impacts;

(iv) advise and consult with all Institutional Investors regarding any change in the scope of the Company’s operations that may have a material social or environmental risk, and amend the Company’s social and environmental management system if requested by any Institutional Investors to identify, assess and manage such risks;

(v) if the Company becomes aware that a client has undertaken operations that are not in accordance with the social and environmental requirements, require the client to undertake corrective measures or terminate the financing to the client;

(vi) undertake and implement the social and environmental management system plan;

(vii) obtain, review and investigate public information regarding any adverse social or environmental performance or incidents associated with any client operations and ensure that the relevant client resolves such incidents in accordance with the applicable IFC social and environmental requirements;

(viii) not amend or restrict the scope of the social and environmental management system; and

(ix) not provide loans, funding or other support to clients engaged in any of the activities set forth in the Exclusion List appended as Schedule IV of the Shareholders Agreement.

(c) UN Security Council Resolutions. The Company shall not and shall ensure that each of its Key Subsidiaries shall not enter into any transaction or engage in any activity prohibited by any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter.

(d) Shell Banks. The Company shall not and shall ensure that each of its Key Subsidiaries shall not conduct business or enter into any transaction with, or transmit any funds through, a Shell Bank.

(e) Insurance. The Company and its Key Subsidiaries shall, at all times, insure and keep insured, at a minimum level equivalent to the requirements set forth in Schedule V of the Shareholders Agreement, with a financially sound and reputable insurer or insurers, all of its assets and business which can be insured, against insurable losses, and maintain any other insurance required by Applicable Law.

(f) Anti-Money Laundering and Countering the Financing of Terrorism. The Company shall and shall ensure that its Key Subsidiaries shall institute, maintain and comply with internal policies, procedures and controls for AML/CFT consistent with the business and customer profile, in compliance with national laws and regulations, and in furtherance of international AML/CFT best practices.

24D. Adherence to Client Protection and Responsible Finance Principles

The Company shall adopt and enforce a code of conduct that shall, at a minimum, ensure compliance with the Client Protection and Responsible Finance Principles mentioned in Annexure B of Schedule III of the Shareholders Agreement.

24E. Corporate Governance Improvement Plan

The Board shall within a period of twelve (12) months from the Closing Date adopt a formal succession plan in accordance with the corporate governance improvement plan adopted by the Company pursuant to the shareholders agreement dated 27th August 2012.

24F. Donations/Support to Parinaam Foundation

Any donation or contributions by the Company in cash or in kind to Parinaam Foundation shall be strictly in accordance with the provisions of Section 181 of the Act and the MOU. Without limiting the generality of the foregoing, (a) the Company shall only make donations or contributions to the Parinaam Foundation on such plans and programs as are specifically enumerated in the MOU; and (b) no donation or contribution shall be made by Company to Parinaam Foundation to be applied in any manner (whether directly or indirectly) to any activity mentioned in the Exclusion List appended as Schedule IV to the Shareholders Agreement or towards any activity or contribution of a political nature.

24G. Exclusion List

The Company undertakes not to finance any activities mentioned in the Exclusion List as set out in Schedule IV of the Shareholders' Agreement.

25. Exit Rights

(a) Notwithstanding anything contained in these Articles, in the event the Company fails to comply with Articles 5A(b), 5A(c), 5A(e), 5A(f), 6A, 6B, 6C, 6D, 6F, 6G, 7B, 11A,11B, 24A, 24B, 24C, 24D and 25, each of IFC and CDC shall have the option to offer the shares held by it ("**Exit Offered Shares**") to the Existing Shareholders at a sale price per share determined by IFC or CDC (as applicable) in accordance with Law, by delivering a written notice ("**Exit Notice**") to the Existing Shareholders.

(b) The Existing Shareholders shall promptly, but in any case not later than forty five (45) days from the date of receipt of the Exit Notice communicate their decision on whether or not to purchase the Exit Offered Shares. The Existing Shareholders shall have the option to acquire a pro-rata proportion of the Exit Offered Shares, based on the proportion that their respective shareholding in the Company bears to the aggregate shareholding in the Company ("**Exit Acceptance Shares**") by delivering a written notice ("**Notice**") to IFC or CDC (as applicable) either stating (i) the number of Exit Acceptance Shares it is willing to purchase; or (ii) its refusal to purchase the Exit Acceptance Shares. In the event any of the Existing Shareholders do not exercise their right to acquire all of the Exit Acceptance Shares that such Existing Shareholder is eligible to acquire, the remaining Existing Shareholders shall have the right to acquire such additional Equity Shares or Share Equivalents of the Company not acquired by the first mentioned Existing Shareholder by issuing a separate Notice to IFC or CDC (as applicable), stating its intention to purchase such additional Equity Shares or Share Equivalents. Each Notice shall be irrevocable and the purchase of the Exit Acceptance Shares shall be completed within 90 (ninety) days from the date on which IFC or CDC (as applicable) receives such Notice.

(c) In the event that the Existing Shareholders elect not to purchase all and not less than all of the Exit Offered Shares, with respect to such number of Exit Offered Shares which have not been purchased ("**Remaining Offered Shares**"), the Company and the Founder shall on a best efforts basis facilitate IFC's or CDC's (as applicable) exit by arranging for another party ("**Third Party Purchaser**") to purchase the Remaining Offered Shares within two hundred and fifty (250) days from the date of dispatch of the Exit Notice. The Exit Offered Shares shall be purchased by the Third Party Purchaser at a price which subject to Law shall be higher than the sale price offered by IFC or CDC (as applicable) in the Exit Notice to the Existing Shareholders.

26. Step in Rights

(a) Subject to rights of the Shareholders of assignment and enurement contained in the Shareholders Agreement and subject to the maximum shareholding limits set out in Article 6C (a), if any of the Institutional Investors transfer any or all of its shareholding in accordance with the terms of these Articles to a third party investor(s), all the rights of the Institutional Investors under these Articles including pre-emptive rights under Articles 5A(b) and 5A(d) and Right of First Offer under article 6A shall be available to such third party investor(s) provided however such third party investor(s) shall not be entitled to nominate or appoint more than one Director on the Board upon purchase of Shares from any other Institutional Investor.

(b) If IFC transfers any or all of its shareholding in accordance with the terms of the Shareholders Agreement to any Existing Shareholder(s) or a third party investor(s), such investor shall assume and discharge all obligations and enjoy all rights of IFC save and except special rights of IFC as detailed out in Clause 3.5.3 (g), 6.1.1, 9.5(h), 9.6(a), 10B.2, 11.8, 16.10 (f) and (g) and 16.15.3 of the Shareholders Agreement which shall not pass on to such investor(s). Further, any such investor shall be subject to Article 6A, 6B and 6C in the same manner as such provision is applicable to the other Institutional Investors.

(c) If CDC transfers any or all of its shareholding in accordance with the terms of the Shareholders Agreement to any Shareholders or a third party investor(s), such investor shall assume and discharge all obligations and enjoy all rights of CDC under the Shareholders Agreement *save and except* special rights of CDC detailed in Article 25, which shall not pass on to such investor(s).

27. Further investments by Institutional Investors

Nothing in the Shareholders Agreement or hereunder shall be deemed to prohibit or restrict any Institutional Investors' (or its Affiliates') ability to make an investment in or provide financing or technical assistance or collaboration or support to a Person that is engaged in microfinance activities (including not-for-profit entities) or non-bank financing activities or any other business being carried out by the Company even if such Person is engaged in activities in India which are similar to or competitive with the activities of the Company. The Company and the Domestic Investor Group shall have no objection to any Institutional Investor making investment or providing financial or technical assistance or support to a Person that is engaged in microfinance activities (including not-for-profit entities) or in non-banking financial activities, including microfinance or similar activities or any other business being carried out by the Company.

28. Alteration of Capital

(A) The Company may, subject to the provisions of Section 61 of the Act, These Presents and the Shareholders Agreement, from time to time;

(a) Increase the share capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution;

(b) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

(c) Sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of the Act;

(d) Cancel any Shares, which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

(B) The Company may, subject to the provisions of the Act and These Presents and the Shareholders Agreement, by Special Resolution and after following the due process prescribed by the Act and any other law as may be applicable (including the Shareholders Agreement), reduce in any manner —

(a) its security capital;
(b) any capital redemption reserve account; or
(c) any security premium account.

Such resolution may also authorize the Company to refund any amount to the shareholders upon such resolution or result in diminution of liability in respect of any unpaid security capital or security premium

29. Buy-Back of Shares

The Company shall, on such terms as it may deem fit, and subject to the provisions of Section 68, Section 69 and Section 70 of the Act and other applicable provisions**.** These Presents the Shareholders Agreement any other law for the time being in force and any resolutions that have been passed in General Meeting, be entitled to or cause buy-back of Shares.

30. Rights attached to the Equity Shares

(a) Unless otherwise agreed among the Company and the Shareholders and except as otherwise set forth in these Articles, during the term of the Shareholders Agreement, all Equity Shares of the Company shall rank *pari passu* with each other. The Company shall ensure that each Shareholder shall be fully entitled to all the rights granted to them under these Articles in respect of the Equity Shares that each of them may hold from time to time.

(b) the Company and the Founder shall not in connection with any fresh issuance of Shares or Share Equivalents of the Company without the prior written consent of all Institutional Investors, grant any person/s with rights, that are more favorable than those provided to the Institutional Investors. If the Institutional Investors consent to such fresh issuance of Shares or Share Equivalents then the same rights shall be provided to each Institutional Investor.

31. Arbitration

Any Dispute, controversy or claim between the Company and the Parties to the Shareholders' Agreement, shall be resolved and governed by the procedure as agreed in Clause 16.10 of the Shareholders Agreement.

32. OFAC Regulations

The Company shall not at any time (i) become a Person with whom U.S. Persons are restricted from doing business under the regulations of the Office of Foreign Asset Management ("**OFAC**") of the U.S. Department of Treasury (including those named on OFAC's Specialty Designated Blocked Persons List) or under any statute, executive order (including the Executive Order Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit or Support Terrorism, dated September 24, 2001), or (ii) engage in any dealings or transactions with or otherwise be associated with such Person.

33. Foreign Corrupt Practices Act

The Company will not and will ensure that its officers and directors, employees, agents and Affiliates, acting on its behalf, do not, for a corrupt purpose, offer, directly or indirectly, promise to pay, pay, promise to give or give, anything of material value to any official representative of any governmental agency or authority or any political party or officer thereof or any candidate for office in any jurisdiction and the Company shall maintain in force policies and procedures designed to ensure compliance with this Article 33.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated December 31, 2015 between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated December 30, 2015 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] between the Selling Shareholders, our Company and the Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated December 28, 2004.
3. Fresh certificate of incorporation dated November 26, 2015 issued by RoC at the time of conversion from a private limited company into a public limited company.
4. Resolutions of the Board of Directors dated September 29, 2015, in relation to the Offer and other related matters.
5. Shareholders' resolution dated November 3, 2015, in relation to this Offer and other related matters.
6. Authorisation letter dated December 28, 2015 issued by Elevar.
7. Authorisation letter dated November 27, 2015 issued by IFC.
8. Authorisation letter dated December 29, issued by IFIF.
9. Authorisation letter dated November 27, 2015 issued by FMO.
10. Authorisation letter dated November 27, 2015 issued by MUC.
11. Authorisation letter dated November 27, 2015 issued by Sarva Capital.
12. Authorisation letter dated November 27, 2015 issued by WCP Holdings.
13. Authorisation letter dated November 27, 2015 issued by WWB.
14. Copies of the annual reports of our Company for the Financial Years 2015, 2014, 2013, 2012 and 2011.
15. CRISIL Research consent letter dated December 17, 2015.
16. The examination reports of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
17. The statement of special tax benefits dated December 23, 2015, from the Statutory Auditors.

18. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the BRLMs, Indian Legal Counsel to Selling Shareholders, Registrar to the Offer, Escrow Collection Bank(s), Monitoring Agency, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

19. Due Diligence Certificate dated December 31, 2015, addressed to SEBI from the BRLMs.

20. Share subscription agreement dated November 14, 2008 entered into amongst AW Holding Private Limited, Bellwether Microfinance Fund Private Limited, Domestic Investor Group (comprising of Samit Ghosh, Y. Krishan, Grace Arati Davis, Vikram Limaye, Dipika Som, Srikrishna and Joaquim Mascarenhas & Lorraine Mascarenhas), Elevar, IFIF, Individual Foreign Investor Group (comprising of Rajeev W. Sawhne, Cidambi Ramesh & Alpana Ramesh Cidambi, Rajeev Budhiraja and Dipankar Datta), Lok, MUC, MSDF and Sequoia.

21. Share purchase agreement dated February 17, 2012 entered into between Bellwether Microfinance Fund Private Limited, Sarva Capital and our Company.

22. Share subscription agreement dated June 26, 2012 entered into amongst IFC, Samit Ghosh and our Company.

23. Share purchase agreement dated July 6, 2012 entered into amongst MSDF, WWB and our Company.

24. Share subscription agreement dated August 29, 2012 entered into amongst FMO, Samit Ghosh and our Company.

25. Share Purchase Agreement dated August 11, 2014, entered into amongst Lok, WWB and our Company.

26. Share Purchase Agreement dated January 28, 2015, entered into amongst Anant Koppar, Vikram Limaye, Grace Arati Davis, our Company and Aprajita Jethy as the trustee of AAJV.

27. Share Purchase Agreement dated January 28, 2015, entered into amongst AW Holding Private Limited, CX Partners, Aprajita Jethy as the trustee of AAJV and our Company.

28. Share subscription agreement dated January 28, 2015 entered into amongst Samit Ghosh, IFC and our Company.

29. Share subscription agreement dated January 28, 2015 entered into amongst Samit Ghosh, Bajaj and our Company.

30. Share subscription agreement dated January 28, 2015 entered into amongst Samit Ghosh, Elevar, CX Partners and our Company.

31. Share Purchase Agreement dated February 3, 2015, entered into amongst FMO, Alena, Samit Ghosh and our Company.

32. Share Purchase Agreement dated February 3, 2015, entered into amongst Sequoia, Alena, Samit Ghosh and our Company.

33. Share Purchase Agreement dated February 3, 2015, entered into amongst MUC, Alena, Samit Ghosh and our Company.

34. Share Purchase Agreement dated February 3, 2015 entered into amongst WCP Holdings, Alena, Samit Ghosh and our Company.

35. Share Purchase Agreement dated February 3, 2015, entered into amongst FMO, NewQuest, Samit Ghosh and our Company.

36. Share Purchase Agreement dated February 3, 2015, entered into amongst Sequoia, NewQuest, Samit Ghosh and our Company.

37. Share Purchase Agreement dated February 3, 2015, entered into amongst MUC, NewQuest, Samit Ghosh and our Company.

38. Share Purchase Agreement dated February 3, 2015, entered into amongst WCP Holdings, NewQuest, Samit Ghosh and our Company.

39. Share Purchase Agreement dated February 5, 2015, entered into amongst Lok, Alena, Samit Ghosh and our Company.

40. Share Purchase Agreement dated February 9, 2015, entered into amongst IFIF, Alena, Samit Ghosh and our Company.

41. Share Purchase Agreement dated February 9, 2015, entered into amongst IFIF, NewQuest, Samit Ghosh and our Company.

42. Share subscription agreement dated March 13, 2015 entered into amongst CDC, Samit Ghosh and our Company

43. Shareholders agreement dated March 13, 2015 and amendment agreement dated July 28, 2015 entered into by and amongst our Company, Lok, Sarva Capital, Sequoia, MUC, Elevar, WCP Holdings, IFIF, FMO, Domestic Investor Group (*comprising of K R Ramamoorthy, Jaithirth Rao, Joaquim Mascarenhas Lorriane Mascarenhas, Ravindra Bahl Jayasree Bahl, Grace Arati Davis, Jayamani Ramachander, Nalini Sood, S Venkatachalam, Dipika Som, Ashok Valiram Vaswani, Srikrishna K R, Sunaina Sharma, T M Viswanathan, Almas Nazim Manekia Dharani Srinivasan, Ashok Kapur (deceased) Madhu Kapur, Brinda J Menon Jai Shankar Menon, Madhavi Soman, Abhay Aima, Harshdeep Singh Munjal, Shrikant Krishnan Yasmin Javeri Krishnan, Samit Ghosh, Nucleus Software Exports Limited, Mg Industries Private Limited and Dhruvi Securities Private Limited*), Foriegn Investor Group (*comprising of Steven Angelo Pinto Asha Marie Pinto, Cidambi Ramesh Alpana Ramesh Cidambi, Amirapu Somasekhar, Rajeev Budhiraja, Venkatachalam Krishnakumar Aditi Krishnakumar, Fazal M K Ali Manekia Salma Manekia And Rajeev W Sawhney*) IFC, WWB, CX Partners, NewQuest, Bajaj, AAJV, Alena and CDC.

44. Amendment Agreement to the Shareholders Agreement dated July 28, 2015, entered into amongst our Company and Lok II, Sequoia, MUC, Elevar, WCP Holdings, FMO, Domestic Investor Group (*comprising of members as mentioned above*), Foreign Investor Group (*comprising of members as mentioned above*), IFC, WWB, CX Partners, NewQuest, Bajaj, AAJV, Alena and CDC.

45. MoU dated July 1, 2015 entered into amongst Parinaam Foundation and our Company

46. Termination agreement dated December 31, 2015, entered into amongst our Company, Lok, Sarva Capital, Sequoia, MUC, Elevar, WCP Holdings, IFIF, FMO, Domestic Investor Group (*comprising of K R Ramamoorthy, Jaithirth Rao, Joaquim Mascarenhas Lorriane Mascarenhas, Ravindra Bahl Jayasree Bahl, Grace Arati Davis, Jayamani Ramachander, Nalini Sood, S Venkatachalam, Dipika Som, Ashok Valiram Vaswani, Srikrishna K R, Sunaina Sharma, T M Viswanathan, Almas Nazim Manekia Dharani Srinivasan, Ashok Kapur (since deceased) Madhu Kapur, Brinda J Menon Jai Shankar Menon, Madhavi Soman, Abhay Aima, Harshdeep Singh Munjal, Shrikant Krishnan Yasmin Javeri Krishnan, Samit Ghosh, Nucleus Software Exports Limited, Mg Industries Private Limited and Dhruvi Securities Private Limited*), Foreign Investor Group *(comprising of Steven Angelo Pinto Asha Marie Pinto, Cidambi Ramesh Alpana Ramesh Cidambi, Amirapu Somasekhar, Rajeev Budhiraja, Venkatachalam Krishnakumar Aditi Krishnakumar, Fazal M K Ali Manekia Salma Manekia And Rajeev W Sawhney)*, IFC, WWB, CX Partners, NewQuest, Bajaj, AAJV, Alena and CDC.

47. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

48. Tripartite agreement dated February 3, 2015, between our Company, NSDL and the Registrar to the Offer.

49. Tripartite agreement dated December 9, 2010, between our Company, CDSL and the Registrar to the Offer.

50. SEBI final observation letter dated [•].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, SCRR, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

K.R. Ramamoorthy
(Non-Executive Chairman and Independent Director) ______________________________

Samit Ghosh
(Managing Director and Chief Executive Officer) ______________________________

Venkatesh Natarajan
(Non-Executive, Nominee Director) ______________________________

Abhijit Sen
(Non-Executive, Nominee Director) ______________________________

Jayanta Basu
(Non-Executive, Nominee Director) ______________________________

Amit Gupta
(Non-Executive, Nominee Director) ______________________________

Anadi Charan Sahu
(Non-Executive, Nominee Director) ______________________________

Sunil Patel
(Non-Executive and Independent Director) ______________________________

Vandana Viswanathan
(Non-Executive and Independent Director) ______________________________

Nandlal Sarda
(Non-Executive and Independent Director) ______________________________

SIGNED BY CHIEF FINANCIAL OFFICER

____
Sudha Suresh

Place: Bengaluru
Date: December 31, 2015

DECLARATION

We, Elevar Equity Mauritius, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the Elevar Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF ELEVAR EQUITY MAURITIUS

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Name: Sangeeta Bissessur

Designation: Director

Date: December 31, 2015

DECLARATION

We, International Finance Corporation (IFC), hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the IFC Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF INTERNATIONAL FINANCE CORPORATION

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Name: Nilesh Shrivastava

Designation: Portfolio Manager, Financial Institutions Group, South Asia

Date: December 31, 2015

DECLARATION

We, India Financial Inclusion Fund, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the IFIF Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF INDIA FINANCIAL INCLUSION FUND

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Name: Praveen Beeharry

Designation: Director

Date: December 31, 2015

DECLARATION

We, Mauritius Unitus Corporation, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the Mauritius Unitus Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF MAURITIUS UNITUS CORPORATION

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Name: Sangeeta Bissessur

Designation: Director

Date: December 31, 2015

DECLARATION

We, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the FMO Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.

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Name: M.C. Monsfort	**Name:** M. E .M Rocker
Designation: Manager – Financial Institutions	**Designation:** Manager – Compliance

Date: December 31, 2015

DECLARATION

We, Sarva Capital LLC, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the Sarva Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF SARVA CAPITAL LLC

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Name: R S K Hazareesing

Designation: Director

Date: December 31, 2015

DECLARATION

We, WCP Holdings III, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the WCP Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF WCP HOLDINGS III

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Name: Adam Wolfensohn

Designation: Director, WCP Holdings III

Date: December 31, 2015

DECLARATION

We, Women's World Banking Capital Partners, L.P, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the WWB Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF WOMEN'S WORLD BANKING CAPITAL PARTNERS, L.P

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Name: Christina S. Juhasz

Designation: Authorized Signatory

Date: December 31, 2015