



UJJIVAN FINANCIAL SERVICES LIMITED

CIN No: U65999KA2004PLC035329

Registered Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095
Phone: +91 80 4071 2121; Email: compliance@ujjivan.com; Website: www.ujjivan.com

POSTAL BALLOT NOTICE (“NOTICE”)

[Notice Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies(Management and Administration) Rules, 2014]

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re enactment thereof for the time being in force), that the resolutions appended below are proposed to be passed through postal ballot/electronic voting.

The explanatory statement pursuant to Section 102 of the Companies Act, 2013, pertaining to the resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto with a Postal Ballot Form for your consideration.

In accordance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the provisions of Sections 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration Rules, 2014 (including any amendments thereto), the Company is pleased to provide electronic voting (“e-voting”) facility as an alternative, to enable the Members to cast their votes electronically instead of casting votes through the Form.

The Board of Directors of the Company has appointed Mr. S. Kannan, Consultant Company Secretary (FCS 6261, holding CP No. 13016), as the Scrutinizer for conducting the postal ballot or e-voting process in a fair and transparent manner.

The Company has availed electronic voting platform of Karvy Computershare Private Limited (Karvy) to provide e-voting facility to its members. Members having shares in demat form or in physical form may vote either by way of Postal Ballot Form or by way of e-voting. In case the member has exercised the vote in physical as well as electronic mode, the vote by electronic mode only will be considered.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section ‘Voting through Electronic Means’. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his report to the Chairman of the Board of Directors after the completion of the scrutiny of the postal ballots and e-voting. The result of the Postal Ballot shall be announced on **Tuesday, September 13, 2016**, at the Registered Office of the Company and communicated to the stock exchanges, depositories, and registrar and share transfer agents. The result would be declared and displayed at the Registered Office of the Company, intimated to NSDL/CDSL and Stock Exchanges where the Company’s securities are listed and displayed along with the Scrutinizer’s report on the Company’s website www.ujjivan.com

Calendar of Events for postal ballot are as under:

| Sr. No. | Event | Date |
|---------|---|------------------------------|
| 1. | Postal Ballot Cut-off Date for determining the Members entitled to vote in relation to this Notice and their shareholding | Friday, July 29, 2016 |
| 2. | Postal Ballot dispatch Date | Monday, August 08, 2016 |
| 3. | Press advertisement with regard to Postal Ballot | Tuesday, August 09, 2016 |
| 4. | Commencement of e-voting/ Postal Ballot period | Thursday, August 11, 2016 |
| 5. | Conclusion of e-voting and last date for receipt of Postal Ballot Form | Saturday, September 10, 2016 |
| 6. | Result Date | Tuesday, September 13, 2016 |

SPECIAL BUSINESS:

1. AUTHORIZATION TO TRANSFER BUSINESS TO UJJIVAN SMALL FINANCE BANK LIMITED

To consider, and if thought fit, to give assent or dissent to the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 180(1)(a) and Section 186 read with Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and/or the rules thereof, consent of the members be and is hereby accorded for the sale of the business undertaking (“Business”) as a going concern, by way of a slump sale by the Company to Ujjivan Small Finance Bank Limited (“Buyer”), under a Business Transfer Agreement, for a consideration as may be mutually agreed by the Company and the Buyer keeping in mind the value of the Business without values being assigned to the individual assets and liabilities, and which shall be

discharged in a mutually agreed manner. The exact consideration shall be decided as stated above, based on the review of the latest financial statements available at the time of actual transfer of the Business under the Business Transfer Agreement. The Company and the Buyer shall execute an agreement/ addendum to the Business Transfer Agreement which shall capture the terms of the discharge of the consideration.

The consent of the members be and is hereby accorded to authorise the Board to inter alia make such acquisition of shares and/or securities of the Buyer to the extent of the consideration (in whole or in part) determined in this transaction.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the execution, entry and delivery of the business transfer agreement ("Business Transfer Agreement"), setting out the terms and conditions on which the Business shall be transferred by the Company to the Buyer and such other documents as may be required to give effect to these resolutions.

RESOLVED FURTHER THAT any of the Directors be and is hereby authorised to finalize, sign and execute the Business Transfer Agreement on behalf of the Company, and to do all such acts, deeds and things, and execute such other documents, as may be necessary and /or expedient in the interest of the Company to give effect to these resolutions."

2. AUTHORISATION TO ENTER RELATED PARTY TRANSACTION WITH UJJIVAN SMALL FINANCE BANK LIMITED

To consider, and if thought fit, to give assent or dissent to the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including all statutory modifications and/or re-enactments thereof) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to enter the slump sale transaction (which is a related party transaction) with Ujjivan Small Finance Bank Limited for such consideration as may be mutually agreed between the Company and the Buyer keeping in mind the value of the Business without values being assigned to the individual assets and liabilities, and which shall be discharged in a mutually agreed manner.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded for the execution, entry and delivery of the Business Transfer Agreement, and execute such other documents, setting out the terms and conditions of the said related party transaction.

RESOLVED FURTHER THAT any of the Directors be and are hereby authorised to sign and execute the Business Transfer Agreement on behalf of the Company, and to do all such acts, deeds and things, and execute such other documents as may be necessary and /or expedient in the interest of the Company to give effect to these resolutions."

3. ALTERATION OF OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider, and if thought fit, to give assent or dissent to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the Companies (Incorporation) Rules, 2014 and subject to all the applicable laws and regulations, including but not limited to Listing Agreement entered with Stock Exchanges, the approval of the Members be and is hereby granted for alteration of the Object Clause of the Memorandum of Association of the Company by inserting Clause no. 1A after the existing Clause no. 1 under "OBJECTS INCIDENTAL AND ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS" as follows:

Clause 1A

To promote one or more company(ies) directly or through its subsidiary(ies), from time to time, which can engage in all the activities related to Small Finance Bank Business pursuant to the Guidelines for Licensing of "Small Finance Banks" in the Private Sector issued by the Reserve Bank of India (RBI) on November 27, 2014 to be read along with the "Clarifications to Queries on Guidelines for Licensing of Small Finance Banks in the Private Sector" issued by the RBI and in accordance with such other applicable Acts / Guidelines/ Regulations / Directions as prescribed by the RBI and / or any other statutory / regulatory authorities, from time to time.

"RESOLVED FURTHER THAT Mr. Samit Ghosh, Managing Director, Mr. Sunil Patel, Director, Ms. Sudha Suresh, Chief Financial Officer and Mr. Sanjeev Barnwal, Company Secretary of the Company be and are hereby severally authorised to sign all such forms and returns and other documents and to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

4. ISSUE OF SECURED OR UNSECURED RATED, LISTED AND REDEEMABLE NON-CONVERTIBLE DEBENTURES (THE DEBENTURES) ON A PRIVATE PLACEMENT BASIS

To consider, and if thought fit, to give assent or dissent to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules notified under the Act, and in accordance with the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (ii) the SEBI (Issue & Listing of Debt Securities) Regulations, 2008 and other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI"); (iii) the Foreign Exchange Management Act, 1999 and rules and regulations framed there under; (iv) the Securities Contracts (Regulation) Act, 1956; (v) Guidelines on Raising Money

through Private Placement by NBFCs – Debentures etc. and other applicable rules, regulations and guidelines of the Reserve Bank of India (“RBI”); (vi) the enabling provisions of the Memorandum and Articles of Association of the Company and (vii) the Depositories Act, 1996 and subject to the consent of (a) the relevant stock exchange and all other concerned statutory and regulatory authorities (if and to the extent necessary); and (b) such other approvals, permissions and sanctions as may be necessary and such other conditions and modifications as may be prescribed in granting of such approvals, permissions and sanctions by any of the aforesaid authorities which may be agreed to by the Board of Directors of the Company (the “Board”, which term shall be deemed to include any committee so authorized by the Board thereof), the Board be and is hereby authorized to issue secured or unsecured rated, listed and redeemable non-convertible debentures (the “Debentures”) on a private placement basis in dematerialized form (“Debenture Issue”). These Debentures are proposed to be issued on, inter alia, the following terms and conditions:

- (i) there can be more than one Debenture Issue in the financial year 2016-17;
- (ii) each Debenture Issue may be made to such number of subscribers as may be decided by the Board;
- (iii) the aggregate amount of Debenture Issues during the financial year 2016-17 shall not exceed Rs. 1,000 Crores;
- (iv) the Yield for each Debenture Issue during the financial year 2016-17 will be decided by Board depending on financial market conditions. “Yield” herein includes coupon and redemption premium, but excludes processing fees, make whole amounts, costs and expenses which will be payable additionally;
- (v) the full amount of the face value of Debentures shall be payable along with the application for such Debentures in the prescribed application form of the Company or in such manner as may be determined by the Board; and
- (vi) the offer for the Debentures shall be limited to the subscribers to whom it is made and whose names have been recorded by the Company prior to such invitation.

RESOLVED FURTHER THAT Mr. Samit Ghosh, Managing Director, Mr. Sunil Patel, Director, Ms. Sudha Suresh, Chief Financial Officer and Mr. Sanjeev Barnwal, Company Secretary, of the Company (Authorised Signatories) be and are hereby authorised severally to approve and finalize, sign, execute and deliver documents and do all acts in relation to any Debenture Issue including but not limited to the following:

- (i) approving and deciding terms and conditions applicable to the Debentures and varying any of the specified terms;
- (ii) finalizing the appointment of registrars, debenture trustees, bankers to the Debenture Issue and such other intermediaries as may be required to be appointed and the terms and conditions of their appointment and their agents;
- (iii) entering into tripartite agreements with the depositories for dematerialization of Debentures;
- (iv) finalizing the date of opening and closing of a Debenture Issue and the period for which such issue will remain open;
- (v) finalizing the date of allotment of the Debentures to the subscribers;
- (vi) executing, filing and delivering all necessary documents and instruments and performing all acts necessary in relation to issuance of the Debentures, including obtaining in principle listing approvals and final listing approvals and executing listing agreement for the listing of the Debentures on any recognized stock exchange in India and making all requisite filings that may be necessary under the applicable Act;
- (vii) interacting with the appropriate regulatory authorities in connection with any Debenture Issue. These authorities include SEBI, RBI, Ministry of Corporate Affairs, the relevant stock exchange, National Securities Depository Limited, Central Depository Services (India) Limited, etc.;
- (viii) negotiating, executing, filing, amending and supplementing all documents, instruments, papers, applications and notices in relation to the Debenture Issue;
- (ix) performing all acts necessary for the purpose of compliance with the Act, Companies (Share Capital and Debenture) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules notified under the Act, and the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015; and
- (x) creating security for each secured Debenture Issue, executing relevant security documents and making relevant regulatory filings with the relevant authority.

RESOLVED FURTHER THAT the common seal of the Company be affixed in accordance with the Articles of Association of the Company on any of the said agreements and documents relevant thereto, and any further documents and agreements as may be required.

RESOLVED FURTHER THAT Stakeholders Relationship Committee of the Board be and is hereby authorized to allot the Debentures and to do all such acts, deeds and things incidental to the allotment.”

5. APPOINTMENT OF MR. ABHIJIT SEN, NON-EXECUTIVE DIRECTOR AS THE INDEPENDENT DIRECTOR OF THE COMPANY

To consider, and if thought fit, to give assent or dissent to the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to recommendation of the Governance, Nomination and Remuneration Committee ((Nomination Committee) and the Board and in compliance with the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, each as amended, (the “Companies Act”) and pursuant to the provisions of the Articles of Association of the Company, Mr. Abhijit Sen, holding DIN: 00002583 (from whom the Company has received a notice in writing of his candidature for the office of Independent Director along with the requisite deposit) who has signified his consent to act as an independent director of the Company, if appointed, and has submitted a declaration that he meets the criteria for independence provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years from September 13, 2016 to September 12, 2021, and whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the shareholders of the Company do note the consent letter received from Mr. Abhijit Sen providing his consent to act as an independent director of the Company.”

“RESOLVED FURTHER THAT Mr. Samit Ghosh, Managing Director, Mr. Sunil Patel, Director, Ms. Sudha Suresh, Chief Financial Officer and Mr. Sanjeev Barnwal, Company Secretary of the Company be and are hereby authorized severally to do all such acts and deeds as are required for ensuring regulatory & legal compliance including filing of relevant forms with the Registrar of Companies for giving effect to the above resolutions.”

By Order of the Board
For **Ujjivan Financial Services Limited**

Date : July 29, 2016
Place : Bangalore

Sanjeev Barnwal
Company Secretary and Compliance Officer

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 stating all material facts and the reasons for the proposal is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on **Friday, July 29, 2016**. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on **July 29, 2016** will be considered for the purpose of voting. A person who is not a Member as on the relevant date should treat this notice for information purposes only.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
6. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on **July 29, 2016**. The postal ballot period commences on **August 11, 2016 (9:00 Hours IST)** and ends on **September 10, 2016 (17:00 Hours IST)**.
7. In case a Member wishes to obtain a printed Postal Ballot Form or a duplicate, he or she may send an email to compliance@ujjivan.com or mohsin.mohd@karvy.com. The registrar and transfer agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
8. In compliance with Sections 108, 110 of the Act and the Rules made there under, and pursuant to Regulation 44 of the Listing Regulations the Company has provided the facility to the Shareholders to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by Karvy. The instructions for electronic voting are annexed to this Notice.

The procedure and instructions for remote E-Voting facility are as follows:

A. In case of shareholders receiving email from Karvy:

- i. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and password mentioned in the email/postal ballot form). Your Folio No./DP ID – Client ID will be your User ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- iii. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- iv. You need to login again with the new credentials.
- v. On successful login, the system will prompt you to select the E-Voting Event Number for Postal Ballot.
- vi. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. **Friday, July 29, 2016** under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- viii. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- xi. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- xii. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xiii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: cs.skannan@gmail.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- xiv. **The e-voting period commences on August 11, 2016 (9:00 Hours IST) and ends on September 10, 2016 (17:00 Hours IST).**

B. In case of shareholders receiving Notice by post:

- i. Initial password is provided along with this Notice.
- ii. Please follow all steps from Sl. No. (i) to Sl. No. (xiii) above, to cast vote.

- C.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Mohd. Mohsin of Karvy Computershare Private Limited at the following address

Mr. Mohd MohsinUddin

Senior Manager
Karvy Computershare Pvt. Ltd.
Karvy Selenium, Tower B, Plot number 31 & 32, Financial District
Gachibowli, Hyderabad 500 032, India
Phone : +91 040 6716 1562 | M : +91 91774 01094
mohsin.mohd@karvy.com www.karvycomputershare.com

- D.** The Scrutinizer's decision on the validity of the vote shall be final.
- E.** Once the vote on a resolution stated in this notice is cast by a Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final.

ANNEXURE TO NOTICE:**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Items No. 1 and 2: Authorization to Transfer Business to Ujjivan Small Finance Bank Limited**

The Company wishes to transfer its business undertaking ("Business"), as a going concern, to its wholly owned subsidiary, Ujjivan Small Finance Bank Limited ("Buyer") on a slump sale basis. In this regard, it is required to execute a business transfer agreement setting out the terms and conditions on which the proposed transfer of the Business shall take place.

The Buyer is a related party of the Company; the following are the disclosures as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:

| Sr. No. | Particulars | Remarks |
|----------------|---|--|
| 1. | The name of the related party and nature of relationship | Ujjivan Small Finance Bank Limited (Ujjivan SFB), which is a wholly owned subsidiary of the Company. |
| 2. | The nature, duration of the contract and particulars of the contract or arrangement | The contract proposed to be executed is a Business Transfer Agreement (BTA) envisaging a transfer of the business of the Company as a going concern on a slump sale basis to Ujjivan SFB. |
| 3. | The material terms of the contract or arrangement including the value, if any | Under the BTA, the Company is to transfer, convey and assign and deliver all rights, title and interest in the Business undertaking to Ujjivan Small Finance Bank Limited. The Board has authorised the Managing Director to finalise the material terms and consideration under the BTA and other documents to be executed by the Company and Ujjivan Small Finance Bank Limited to give effect to the transfer of the Business. |
| 4. | Any advance paid or received for the contract or arrangement, if any | None |
| 5. | The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract | The Business shall be sold and transferred to the Buyer as a as a going concern by way of a slump sale, within the meaning of Section 2 (42C) of the Income Tax Act, 1961 for a consideration to be mutually agreed between the Company and the Buyer, keeping in mind the value of the business, without values being assigned to the individual assets and liabilities, and which shall be discharged in a mutually agreed manner. The exact consideration shall be decided as stated above, based on the review of the latest financial statements available at the time of actual transfer of the Business under the BTA. The Company and the Buyer shall execute an agreement/ addendum to the BTA which shall capture the terms of the discharge of the consideration. The Board has authorised the Managing Director to finalise the material terms and consideration under the Business Transfer Agreement and the related documents. |
| 6. | Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors | All factors are being considered |
| 7. | Any other information relevant or important for the Board to take a decision on the proposed transaction | In line with the Company's restructuring plans submitted to the to the RBI and as disclosed by the Company in the prospectus filed for its IPO. |

Furthermore, since transfer of the Business undertaking by the Company would constitute a sale of undertaking by the Company; and the Company may acquire shares and/or other securities of the Buyer to the extent (whole or part) of the consideration determined in the transaction (as may be mutually agreed by the Company and the Buyer), approval of the members vide special resolution would be required for such transfer and the acquisition of shares and/or other securities (pursuant to Sections 180(1)(a) and 186(3) of the Companies Act, 2013).

The Board of Directors recommends passing of the resolutions as contained in the Notice

None of the Directors, Managers and other Key Managerial Personnel or their relatives is in any way deemed to be interested or concerned in the resolution, except to the extent of their shareholding in the Company and Common Directorship and Common Key Managerial Positions in both the Companies.

Item No. 3 - Alteration of the Object Clause of Memorandum of Association of the Company

The Company made an application with the Reserve Bank of India ("RBI") on February 02, 2015 for setting up a Small Finance Bank (SFB) in terms of the SFB Guidelines. Subsequently, on October 07, 2015, the Company was amongst 10 companies in India to receive an in-principle approval from the RBI to set up an SFB.

In order to satisfy the criteria for corporate structure, ownership and control prescribed under the SFB Guidelines, the Company has floated a wholly owned subsidiary in the name of "UJJIVAN SMALL FINANCE BANK LIMITED" and intends to transfer the business undertaking of the Company to the subsidiary, namely the SFB.

The existing Memorandum of Association ("MoA") of the Company, being an NBFC, does not contain a specific clause to enable its subsidiary to carry out banking business. It is proposed to insert a specific clause in this regard in the MoA of the Company. The Members are therefore requested to approve, by passing a special resolution, alteration in the Object Clause of MoA of the Company under "OBJECTS INCIDENTAL AND ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS".

The Board of Directors recommend passing of the Special Resolution as contained in the Notice.

None of the Directors, Key Managerial Personnel and Relatives of the Directors / Key Managerial Personnel of the Company is interested in the proposed Resolutions except to the extent of their shareholding in the Company. A copy of the existing and the proposed amended Memorandum of Association is available for inspection by the Members at the Registered Office of the Company between 11:00 a.m to 1:00 p.m on all working days upto the last date for receipt of votes by postal ballot/ remote e-voting.

Item No. 4 – Offer and Issue of Secured or Unsecured Rated, Listed and Redeemable Non-Convertible Debentures (The Debentures) on a Private Placement Basis

The Company has been raising money through issue of Secured Redeemable Non-Convertible Debentures ("NCDs") on a Private Placement basis, from time to time.

Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, lays down the provisions subject to which a company is allowed to issue Securities on a Private Placement basis. Every proposed offer of Securities or invitation to subscribe to Securities on a private placement basis requires prior approval of members of the company by way of Special Resolution. However, in case of offer / issuance of NCDs, passing of a Special Resolution by the Members for all such offers / invitation for such debentures, once in a year is sufficient.

In view of the aforesaid provisions and in order to augment the business of the Company, it is proposed to take the approval of the Members for borrowing, from time to time, by issuance of Non-Convertible Debentures, on a private placement basis, up to an amount not exceeding Rs. 1,000 Crores (Rupees One Thousand Crores only) during the FY 2016-17. The said limit of Rs. 1,000 Crores (Rupees One Thousand Crores only) shall be within the overall borrowing limit of Rs. 6,000 Crores (Rupees Six Thousand Crores) as approved by the shareholders, in their EGM held on February 09, 2016, under Section 180(1)(c) of the Companies Act, 2013.

There can be more than one Debenture Issue in the FY2016-17; each Debenture Issue may be made to such number of subscribers as may be decided by the Board; the aggregate amount of Debenture Issues during the FY 2016-17 shall not exceed Rs. 1,000 Crores.

The Board of Directors recommend passing of the Special Resolution as contained in the Notice.

None of the Directors, Key Managerial Personnel and Relatives of the Directors / Key Managerial Personnel of the Company is interested in the proposed Resolutions except to the extent of their shareholding in the Company.

Item No. 5 – Appointment of Mr. Abhijit Sen, Non-Executive Director as the Independent Director of the Company

Mr. Abhijit Sen, our existing Non-Executive Director has been associated with our Company as a Board member since June 04, 2015 wherein he was appointed as a Non-Executive, Nominee Director representing CDC Group Plc. Post the listing of equity shares of the Company, the rights of the shareholders to appoint their nominees ceased to have effect and the Board in its meeting held on May 25, 2016 approved the change in his categorization from Non-Executive, Nominee Director to Non-Executive Director.

Further, the Board in its meeting held on July 29, 2016 based on the recommendation of the Governance, Nomination and Remuneration Committee (Nomination Committee) had a consensus that Mr. Abhijit Sen would add further value by being appointed as an Independent Director and his two decade experience in the banking industry would give tremendous prominence in our future business plans earmarking in the banking space.

Mr. Abhijit Sen 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 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.

The Company has received from Mr. Abhijit Sen a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has also received a notice in writing of his candidature for the office of Independent Director along with the requisite deposit in accordance with Section 160 of the Companies Act, 2013.

In the opinion of the Board and the Nomination Committee, Mr. Abhijit Sen fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as Independent Director of the Company, and he is independent of the Management. A copy of the draft letter of offer for his appointment as an Independent Director setting out the terms & conditions would be available for inspection without any fee by the Members at the registered office of the Company during normal working hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Abhijit Sen as the Independent Director of the Company. Accordingly, the Board recommends the resolution of appointment of Mr. Abhijit Sen as an Independent Director, for the approval by the Members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are interested except Mr. Abhijit Sen to the extent of his proposed appointment as Independent Director.

For Ujjivan Financial Services Limited

Date : July 29, 2016
Place : Bangalore

Sanjeev Barnwal
Company Secretary and Compliance Officer

Enclosures: Postal Ballot Form



UJJIVAN FINANCIAL SERVICES LIMITED

CIN No: U65999KA2004PLC035329

Registered and Corporate Office: 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;

POSTAL BALLOT FORM

(Kindly refer to the instructions given in the postal ballot notice dated July 29, 2016 before filling the form)

Serial No. _____

(1) Name and Registered Address of the :
Sole/First named Member

(2) Name of the Joint Member(s), if any :

(3) Registered Folio No. / Client ID No. /
DP ID No. (Applicable for investors
holding shares in dematerialized form)

(4) No. of shares held

(5) I/ We hereby exercise my / our vote in respect of the resolutions to be passed through postal ballot for the
business stated in the notice dated July 29, 2016 of the Company by sending my / our consent or dissent
to the said resolutions by placing (✓) at the appropriate box below:

| Sr. No. | Resolution | No. of shares for which votes cast | I/We assent to the resolution (FOR) | I/We assent to the resolution (FOR) | I/We assent to the resolution (ABSTAIN) |
|-----------------------------|---|------------------------------------|-------------------------------------|-------------------------------------|---|
| Special Resolutions | | | | | |
| 1. | Authorization to Transfer Business to Ujjivan Small Finance Bank Limited | | | | |
| 2. | Alteration of the Object Clause of Memorandum of Association of the Company | | | | |
| 3. | Issue of Secured or Unsecured Rated, Listed and Redeemable Non-Convertible Debentures (The Debentures) on a Private Placement Basis | | | | |
| Ordinary Resolutions | | | | | |
| 1. | Authorization to enter into the related party transaction with Ujjivan Small Finance Bank Limited | | | | |
| 2. | Appointment of Mr. Abhijit Sen, present Non-Executive Director, as the Independent Director of the Company | | | | |

Place

Date

Signature of the Equity Shareholder must be as per specimen signature registered with the Company /RTA/Depository

ELECTRONIC VOTING PARTICULARS

| EVEN (E Voting Event Number) | USER ID | PASSWORD |
|------------------------------|---------|----------|
| | | |