



UJJIVAN FINANCIAL SERVICES LIMITED

CIN No: L65999KA2004PLC035329

Registered Office: Grape Garden, No. 27, 3rd A Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095

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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, January 17, 2017**, 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 to whom the ballot paper would be sent	Friday, December 09, 2016
2	Postal Ballot dispatch Date	Wednesday, December 14, 2016
3	Press advertisement with regard to Postal Ballot	Thursday, December 15, 2016
4	Commencement of e-voting/ Postal Ballot period	Friday, December 16, 2016
5	Conclusion of e-voting and last date for receipt of Postal Ballot Form	Monday, January 16, 2017
6	Result Date	Tuesday, January 17, 2017
7	Date on which the resolution would be considered as passed	Tuesday, January 17, 2017

SPECIAL BUSINESS:

1. Amendment of Objects Clause of the Memorandum of Association of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 and applicable rules thereunder, as amended from time to time subject to approval of Reserve Bank of India and such other statutory authorities as may be required, Part A of the objects clause of the memorandum of association of the Company presently titled ‘MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION is to be titled as **“THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION”** and the sub-clauses 1 to 5 thereunder be replaced with the following sub-clauses 1 to 2 with the aforesaid changes being **EFFECTIVE FROM THE DATE OF COMMENCEMENT OF OPERATIONS OF THE COMPANY SUBSEQUENT TO ITS CATEGORISATION AS A CORE INVESTMENT COMPANY PURSUANT TO THE RECEIPT OF NECESSARY APPROVALS FROM RESERVE BANK OF INDIA, DNBS, REGIONAL OFFICE, BANGALORE:**

THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on the business, whether in India or outside, of making investments in group companies in the form of shares, bonds, debentures, debt, loans or securities and providing guarantees, other forms of collateral, or taking on other contingent liabilities, on behalf of or for the benefit of, any group companies.
2. To carry on financial activities, whether in India or outside, in the nature of investment in bank deposits, money market instruments (including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment companies from time to time.

“RESOLVED FURTHER THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 and applicable rules thereunder, as amended from time to time and subject to approval of Reserve Bank of India and such other statutory authorities as may be required, Part B of the objects clause in the memorandum of association of the Company, presently titled ‘OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE MAIN OBJECTS ARE’ is to be titled as **“MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A)”** and the sub-clauses are altered as given below with the changes being **EFFECTIVE FROM THE DATE OF COMMENCEMENT OF OPERATIONS OF THE COMPANY SUBSEQUENT TO ITS CATEGORISATION AS A CORE INVESTMENT COMPANY PURSUANT TO THE RECEIPT OF NECESSARY APPROVALS FROM RESERVE BANK OF INDIA, DNBS, REGIONAL OFFICE, BANGALORE:**

CLAUSE-WISE AMENDMENTS PROPOSED IN THE MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:

Clause No.		Existing text of the Clause	Proposed text of the Clause	Reason for changes and comments, if any
Existing	Proposed			
2	2	To establish and maintain agencies and branches in India or elsewhere, which includes commission agency, consignment agency, representatives, depot keepers or authorized dealers, for manufacturers, wholesalers, importers or dealers, of building and construction materials of raw materials, products or accessory required for building, or civil or other engineering constructions and builders' requisites.	To establish and maintain agencies and branches in India, which includes commission agencies, consignment agencies, representatives, depot keepers or authorized dealers, for manufacturers, wholesalers, importers or dealers, of building and construction materials of raw materials, products or accessory required for building, or civil or other engineering constructions and builders' requisites.	Restricting it to India only by deleting the reference of elsewhere and word 'agency' being revised to plural form i.e. 'agencies'
5	5	To lend and advance money, or give credit to such persons, companies, corporations, or firms and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to realize, release or discharge any debt or obligation owing to the Company subject to the provisions of the Banking Regulation Act, 1949.	To lend and advance money, or give credit to its group companies on such terms as may seem expedient, and to realize, release or discharge any debt or obligation owed to the Company subject to the provisions of the Banking Regulation Act, 1949.	To make the objects consistent with the CIC's requirement/ condition
6	6	To receive money on deposit or loan, and borrow or raise money including refinance from banks & financial institutions in such manner as the Company shall think fit, and in particular by the issue of debentures, debenture-stock, perpetual or otherwise, and to secure the repayment of any monies borrowed, raised, or owing, by mortgage, charge, or lien, upon all or any of the property or assets of the Company, both present and future, including its uncalled capital, and also by similar mortgage, charges or lien, to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person as the case may be, but the Company shall not carry on the business of banking as defined in Banking Regulation Act, 1949.	To receive money on deposit or loan, and borrow or raise money including refinance from banks and financial institutions in such manner as the Company shall think fit, and in particular by the issue of debentures, debenture-stock, perpetual or otherwise, and to secure the repayment of any monies borrowed, raised, or owing, by mortgage, charge, or lien, upon all or any of the property or assets of the Company, both present and future, including its uncalled capital, and also by similar mortgage, charges or lien, to secure and guarantee the performance by the Company of any obligation undertaken by the Company or its group companies as the case may be, but the Company shall not carry on the business of banking as defined in Banking Regulation Act, 1949.	To make the objects consistent with the CIC's requirement/ condition

Clause No.		Existing text of the Clause	Proposed text of the Clause	Reason for changes and comments, if any
Existing	Proposed			
9	9	To procure the Company to be registered, incorporated, or recognized in or under the laws of any place outside India and to do all acts necessary for carrying on in any foreign country any business or profession of the Company, subject to such approval and permission as may be required by law and in compliance with the laws in force relating thereto.	To procure the Company, its wholly owned subsidiary or any joint venture to be registered, incorporated, or recognized in or under the laws of any place outside India and to do all acts necessary for carrying on in any foreign country any business or profession of the Company, its wholly owned subsidiary or any joint venture subject to such approval and permission as may be required by law and in compliance with the laws in force relating thereto.	In order to widen the scope of this object
10	10	To establish, or promote, or concur in establishing or promoting any companies or company for the purpose of acquiring all or any of the property, rights, and liabilities of the Company and to place or guarantee, the placing of, underwrite, subscribe for, or otherwise acquire, all or any part of the shares, debentures, or other securities of any such other Company	To establish, or promote, or concur in establishing or promoting any group companies or group company for the purpose of acquiring all or any of the property, rights, and liabilities of the group company and to place or guarantee, the placing of, underwrite, subscribe for, or otherwise acquire, all or any part of the shares, debentures, or other securities of any such group company.	In order to widen the scope of this object
13	13	Subject to the provisions of the Companies Act, 1956 to subscribe, contribute, gift, or donate, any monies, rights, or assets, for any national, educational, religious, charitable, scientific, public, general or useful objects or to make gifts or donations of money or other assets of any institutions, clubs, societies, associations, trusts, scientific research associations, funds, universities, colleges or any individual or bodies of individuals or bodies corporate.	Subject to the provisions of the Companies Act, 2013, and the Companies Act, 1956 (to the extent applicable) to subscribe, contribute, gift, or donate, any monies, rights, or assets, for any national, educational, religious, charitable, scientific, public, general or useful objects or to make gifts or donations of money or other assets of any institutions, clubs, societies, associations, trusts, scientific research associations, funds, universities, colleges or any individual or bodies of individuals or bodies corporate.	Reference to the old Act has been replaced with new Act
19	19	To amalgamate, enter into any partnership or arrangements, for sharing profits, union of interests, cooperation, joint venture of reciprocal concession; with any person, firm or corporation, or company, carrying on, or engaged in, or about to carry on or be	To amalgamate, enter into any arrangements for sharing profits, union of interests, cooperation, joint venture of reciprocal concession; with any person corporation, or company, carrying on, or engaged in, or about to carry on or be engaged	To make the objects consistent with the CIC's requirement/ condition

Clause No.		Existing text of the Clause	Proposed text of the Clause	Reason for changes and comments, if any
Existing	Proposed			
		engaged in or which, can be carried on in conjunction therewith, or which is capable of being conducted so as directly or indirectly to benefit the Company and to subsidise or otherwise assist any such company, firm or person.	in or which, can be carried on in conjunction therewith, or which is capable of being conducted so as directly or indirectly to benefit the Company and to subsidise or otherwise assist any such company, corporation or person.	
21		To provide services to customers and other institutions and entities related to credit cards, debit cards, ATM cards, smart cards and other electronic self-service financial products and other related activities such as transaction processing and acquiring, maintaining, manufacturing, leasing, hiring of equipments such as ATM's, POS terminals, kiosks and software such as EFT switches, card processing software, communications software etc.	To be deleted	On conversion to CIC, Company will not be able to provide these services
Clause 22 to 25 re-numbered as Clause 21 to 27 (on deletion of Clause 21 and addition of new clauses 26 & 27)				
23	22	To borrow or take deposit of money at interest or otherwise from any person or persons, local authority or government and advance, lend or deposit any such money or other monies if the Company on such security and on such terms as the Company may deem expedient and to give guarantees, counter-guarantees and indemnities on such performance and obligations that may result beneficial to the Company and/ or to such persons as it thinks fit without doing the business of banking as defined in the Banking Regulations Act, 1949.	To borrow or take deposit of money at interest or otherwise from any person or persons, local authority or government and advance, lend or deposit any such money or other monies to its group companies on such security and on such terms as the Company may deem expedient; and to give guarantees, counter-guarantees and indemnities on behalf of its group companies without doing the business of banking as defined in the Banking Regulations Act, 1949.	In order to cover the scope of the object for group companies.
	25		To set up joint venture companies for undertaking insurance business with risk participation, subject to the conditions and safeguards prescribed by the relevant regulatory authorities in this regard, and subject to applicable law.	New Clause
	26		To set up representative offices overseas for the purpose of liaison work, undertaking market	New Clause

Clause No.		Existing text of the Clause	Proposed text of the Clause	Reason for changes and comments, if any
Existing	Proposed			
			study and research, subject to the approval of the Reserve Bank of India and the regulations stipulated in this regard by the relevant authorities in the host country.	
	27		To carry on the business of providing a complete range of consultancy, business and financial services like investment planning, tax planning, business counseling and advisory services, project appraisal, project feasibility study, business processes and systems study, management study and implementation, risk assessment and management, information systems consultants, and liasoning services.	New Clause

“RESOLVED FURTHER THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 and applicable rules thereunder, as amended from time to time and subject to approval of Reserve Bank of India and such other statutory authorities as may be required, **Part C of the** objects clause of the memorandum of association of the Company titled ‘OTHER OBJECTS OF THE COMPANY NOT INCLUDED IN ‘A’ AND ‘B’ ABOVE’ is to be deleted **FROM THE DATE OF COMMENCEMENT OF OPERATIONS OF THE COMPANY SUBSEQUENT TO ITS CATEGORISATION AS A CORE INVESTMENT COMPANY PURSUANT TO THE RECEIPT OF NECESSARY APPROVALS FROM RESERVE BANK OF INDIA, DNBS, REGIONAL OFFICE, BANGALORE.**

2. Increasing the borrowing powers of the Company from the present outstanding borrowing limit of Rs. 6,000 Crores to Rs. 7,000 Crores

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of resolution passed at the Extra Ordinary General Meeting of the Company held on February 09, 2016 consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof constituted and authorised in this regard) under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, rules and regulations, guidelines etc., if any, to borrow money through one or more debt instruments, including Non-Convertible Debentures for the purposes of the business of the Company as may be required from time to time either in foreign currency and / or in Indian rupees, as may be deemed necessary, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the money already borrowed by the Company and outstanding (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) at any point of time shall not exceed in the aggregate Rs. 7,000 Crores (Rupees Seven Thousand Crores Only) 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.

“RESOLVED FURTHER THAT the above outstanding borrowing limit of the Company of Rs. 7,000 Crores is with respect to borrowings outstanding at any given date and not w.r.t. sanctioned limits from the banks / financial institutions which may exceed the limit of Rs. 7,000 Crores.”

“RESOLVED FURTHER THAT in supersession to the resolution passed by the shareholders at the Extra Ordinary General Meeting held on September 13, 2016 (result date of postal ballot), the aggregate amount of debenture issues during the Financial Year 2016-17 be hereby increased from Rs. 1,000 Crores to Rs. 1,500 Crores with the overall outstanding borrowing limit of the Company (including the further increase in NCD limit by Rs. 500 Crores) be still capped at Rs. 7,000 Crores.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT Mr. Samit Ghosh, Managing Director, Mr. Sunil Patel, Director, Ms. Sudha Suresh, Chief Financial Officer or 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 regulatory & legal compliance including filing of relevant forms with the Registrar of Companies.”

3. Creation of charge over the receivables of the Company for a value not exceeding Rs. 7,500 Crores

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other provisions of applicable law, if any, the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof constituted and authorised in this regard) for the creation of such charges, assignment, sale of portfolio and hypothecations, and mortgages if applicable in addition to the charges and hypothecation by the Company as may be necessary on such of the assets of the Company not limited to moveable or immovable, tangible or intangible both present and future, in such manner as the Board may direct, to or in favour of the financial institutions, non-banking finance companies, co-operative banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate (hereinafter referred to as the “Lending Agencies”) or trustees for the holders of debentures/bonds and/or other instruments or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an equivalent aggregate value not exceeding Rs. 7,500 (Rupees Seven Thousand Five Hundred Crores only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company and/or any other person or entity to the trustees under the trust deed and/or to the Lending Agencies under their respective agreements/facility agreements/debenture trust deeds to be entered into by the Company and/or any other person or entity in respect of the said borrowings.”

“RESOLVED FURTHER THAT Mr. Samit Ghosh, Managing Director, Mr. Sunil Patel, Director, Ms. Sudha Suresh, Chief Financial Officer or 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 regulatory & legal compliance including filing of relevant forms with the Registrar of Companies.”

By Order of the Board

For Ujjivan Financial Services Limited

Sanjeev Barnwal

Company Secretary and Compliance Officer

Date: December 08, 2016

Place: Bangalore

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, December 09, 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 December 09, 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 December 09, 2016. **The postal ballot period commences on December 16, 2016 (9:00 Hours IST) and ends on January 16, 2017 (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, December 09, 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 December 16, 2016 (9:00 Hours IST) and ends on January 16, 2017 (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 Mohsin Uddin

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 casted 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1: Amendment of Objects Clause of Memorandum of Association of the Company

In terms of the “final licence” granted by Reserve Bank of India (“RBI”) to the Company to set up a small finance bank, the promoting entity, i.e., the Company is required to be registered as a Core Investment Company before the date of commencement of business of the said small finance bank.

Accordingly, the Board of the Directors in their Meeting held on November 09, 2016 had approved the application to be made to Department of Non-Banking Supervision (“DNBS”), RBI, Bangalore for getting the Company registered as a Core Investment Company (“CIC”). Pursuant to the authority of the Board, the Company on December 01, 2016 has made the application to the DNBS, RBI, Bangalore for its registration as a CIC.

To comply with RBI Regulations relating to NBFC-CIC and to bring the objects clause of the Company in line with that of a CIC, **the objects clause of memorandum of association of the Company is proposed to be amended EFFECTIVE FROM THE DATE OF COMMENCEMENT OF OPERATIONS OF THE COMPANY SUBSEQUENT TO ITS CATEGORISATION AS A CORE INVESTMENT COMPANY PURSUANT TO THE RECEIPT OF NECESSARY APPROVALS FROM RESERVE BANK OF INDIA, DNBS, REGIONAL OFFICE, BANGALORE.**

The revised memorandum of association after giving effect to the above changes was considered and approved by the Board in its meeting held on December 08, 2016. In compliance with applicable provisions of the Companies Act, 2013, the Special Resolution as set out in the accompanying notice is now being placed before the members for their approval.

The Board of Directors of the Company in its Board Meeting held on December 08, 2016 has approved the above proposal and recommended passing of the proposed Special Resolution as contained in Item no. 1 of the Notice, by members of the Company.

A copy of the existing set of memorandum of association and the revised memorandum of association will be made available at the registered office of the Company during the working hours of the Company on any working day up to the last date for receipt of votes by postal ballot / remote e-voting

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. 2:

The Company needs to raise further funds for its lending business and ensuring adequate liquidity at the time of transition to Small Finance Bank.

The Company intends to raise these funds from various sources including Banks, Financial Institutions, Mutual Funds etc. through term borrowings, refinance, Commercial Papers, NCD's and any other permissible debt instruments.

In terms of Section 180(1)(c) of the Companies Act, 2013, approval of members by Special Resolution is required, if the proposed borrowing together with the monies already borrowed exceeds the aggregate of its paid up capital and free reserves.

In the Extra Ordinary General Meeting held on February 09, 2016, the Board of Directors was authorized by the shareholders to borrow money which at any time shall not exceed in the aggregate Rs. 6,000 (Rupees Six Thousands Crores). As per Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company shall not, except with the consent of the Company by passing a Special Resolution, borrow money, together with the money already borrowed by the Company, in excess of the paid-up capital and free reserves of the Company. The

borrowing outstanding of the Company will be over Rs. 6,000 Crores in January 2017 and keeping in view the additional funding requirements, it is proposed to enhance the current limit of Rs. 6,000 Crores to Rs. 7,000 Crores.

The Company in view of the above is also proposing to raise current limit of NCD's from Rs. 1,000 Crores to Rs. 1,500 Crores which shall be subject to the overall outstanding borrowing proposed at Rs. 7,000 Crores.

In view of the above, approval of the Shareholders of the Company is being sought by way of Special Resolution(s), for authorizing the Board of Directors to borrow money from time to time, exceeding the paid up share capital of the Company and its free reserves provided that total outstanding borrowings at any given time shall not exceed Rs. 7,000 Crores.

The Board of Directors of the Company in its Board Meeting held on December 08, 2016 has approved the above proposal and recommended passing of the proposed Special Resolution as contained in Item no. 2 of the Notice, by members of the Company.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

Item No. 3:

In terms of Section 180(1)(a) of the Companies Act, 2013, approval of the members Special Resolution is required to create charge on the movable, tangible, intangible assets, properties of the Company both present and future and/or the whole or any part of the undertaking(s) of the Company in favor of the lender(s) and trustee(s) for purpose of borrowing monies by way of loan(s) (in foreign currency and/or rupee currency) and securities (issued/to be issued by the Company), from time to time, subject to the limits approved by members under Section 180(1) (a) of the Act.

Creation of Charge on the assets of the Company, sale of portfolio and hypothecations, and mortgages if applicable in addition to the charges and hypothecation by the Company as may be necessary on such of the assets of the Company not limited to moveable or immovable, tangible or intangible both present and future, in such manner as the Board may direct, to or in favour of the financial institutions, non-banking finance companies, co-operative banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate (or trustees for the holders of debentures/bonds and/or other instruments or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an equivalent aggregate value not exceeding Rs. 7,500 (Rupees Seven Thousand Five Hundred Crores only)

The Board of Directors of the Company in its Board Meeting held on December 08, 2016 has approved the above proposal and recommended passing of the proposed Special Resolution as contained in Item no. 3 of the Notice, by members of the Company.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

For Ujjivan Financial Services Limited

Sanjeev Barnwal
Company Secretary and Compliance Officer

Date: December 08, 2016

Place: Bangalore

Enclosures: Postal Ballot Form



UJJIVAN FINANCIAL SERVICES LIMITED

CIN No: L65999KA2004PLC035329

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 December 08, 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. Number of shares held	:	

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 December 08, 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 dissent to the resolution (AGAINST)	I/We do not intend to vote on the resolution (ABSTAIN)
Special Resolutions					
1.	Amendment of objects clause of memorandum of association of the Company				
2.	Increasing the borrowing powers of the Company from the present outstanding borrowing limit of Rs. 6,000 Crores to Rs. 7,000 Crores				
3.	Creation of charge over the receivables of the Company for a value not exceeding Rs. 7,500 Crores				

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
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