

Update: 10

Ujjivan Financial Services

September 8, 2005.

MAJOR MILESTONE:

- Shareholder agreement signed with Bellwether Microfinance for an investment of Rs.7, 000,000 on 17th August.
- Completed raising the initial tranche of domestic capital of Rs.24, 310, 000 on August 26th.
- First group field staff on board - September 1st.
- Application to Reserve Bank of India to start operations - September 8th.

1. ORGANIZATION - **Recruitment of Customer Relationship Staff (CRS):**

Our initial mini batch of CRS (field staff) & one CRM are undergoing the month long induction training. This gives us an opportunity to fine-tune our training program before the full complement of CRS joins us.

2. CAPITAL:

- **Domestic Capital:** We signed the Shareholder Agreement on August 17th, 2005 with Bellwether Microfinance Fund and completed raising our initial tranche of domestic capital of Rs.2.431 Crores on August 26th, 2005. We then had to complete a plethora of legal, financial & regulatory requirements to enable us to submit our application to the Reserve Bank of India to start our operations, which was done today.
- **Foreign Direct Investment:** We will start the process of raising capital from our NRI & foreign investor at the end of this month.

3. **BUSINESS DEVELOPMENT:** The preparatory work for starting our business at our first site as soon as RBI approval is obtained, at the slums in Koramangala and garment factories, is progressing.

4. MONTH AHEAD

- Courier share certificates.
- Initiating formal discussions with financial institutions for funding.
- Recruitment of the full complement of field staff.
- Complete our operating manuals.
- Set up infrastructure of the first branch office.
- Complete the first field staff-training program.
- Complete formalities for Grameen Bank Technical Advisor.

Best Regards, Samit