

Update: 11

Ujjivan Financial Services

October 4, 2005.

MAJOR MILESTONE:

- Application with the Reserve Bank Of India has now been cleared in Bangalore & forwarded to the Central Office.
- Our first field staff team has completed training & started work in a large slum in Bangalore.
- We will raise the second tranche of capital primarily from NRIs, foreign individuals & institutions and some domestic investors.

1. ORGANIZATION:

- Our first field team have completed their training & started work. The second batch will start their training from October 10th, 2005.
- We have a new Head of Technology who has joined us after a career at WIPRO and a short stint with HP.

2. CAPITAL & FUNDING:

- Foreign Direct Investment: We will start the process of raising capital from our NRI, foreign individual & institutional investors this month.
- We initiated discussion with number of banks for cash management services & funding of our portfolio, which we will require in the middle next year.

3. BUSINESS DEVELOPMENT:

- We are developing three different channels of business: 1. Working directly with the customers in slums using the Grameen methodology. 2. Working at the factories where we will be adapting the Grameen methods. 3. We are exploring working with the Self Help Groups who form the largest segment of the micro finance organizations in India.
- We have entered into discussions with insurance companies to offer life & health insurance programs to our customers.

4. MONTH AHEAD

- Prepare to launch our business post RBI approval.

Best Regards,

Samit