

**This is an abridged prospectus containing salient features of the Red Herring Prospectus dated March 23, 2016 (“RHP”).**

**You are encouraged to read greater details available in the RHP.**

**THE DOCUMENT CONSISTS OF FOUR PAGES OF APPLICATION FORM ALONG WITH INSTRUCTIONS AND SIX PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

You may obtain a physical copy of the ASBA Form and the RHP from Stock Exchanges, members of the Syndicate, Registered Brokers, Collecting Depository Participants, Registrar to the Issue, Registrar and Share Transfer Agents, Underwriters, Bankers to the Issue, Investors' Associations or Self Certified Syndicate Banks. You may also download the RHP from the websites of the Securities and Exchange Board of India (“SEBI”), the Book Running Lead Managers (“BRLMs”) and the Stock Exchanges where the Equity Shares are proposed to be listed (“Stock Exchanges”) i.e. www.sebi.gov.in; www.axiscapital.co.in; www.edelweissfin.com; www.hsbc.co.in/1/2/corporate/equitiesgloablinvestmentbanking; www.icicisecurities.com; www.nseindia.com; and www.bseindia.com. All capitalized terms used herein and not specifically defined shall have the same meanings as ascribed to them in the RHP.



## **EQUITAS HOLDINGS LIMITED**

**Registered and Corporate Office:** 410A, 4<sup>th</sup> Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002.

**Contact Person:** Jayashree S. Iyer, Company Secretary and Compliance Officer

**Tel:** (91 44) 4299 5075; **Fax:** (91 44) 4299 5050; **E-mail:** corporate@equitas.in; **Website:** www.equitas.in

**Corporate Identity Number:** U65100TN2007PLC064069

### **PROMOTERS OF OUR COMPANY**

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

### **ISSUE DETAILS, LISTING AND PROCEDURE**

This is an initial public offering (“IPO”) of [●] equity shares of face value of ₹ 10 each (the “Equity Shares”) of Equitas Holdings Limited (our “Company” or the “Issuer”) for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million (“Issue”) consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 7,200 million and an Offer for Sale of up to 16,463,772 Equity Shares by International Finance Corporation (“IFC”), up to 11,926,668 Equity Shares by Nederlandse Financierings - Maatschappij Voor Ontwikkelingslanden N.V. (“FMO”) (IFC and FMO collectively referred to as the “DFI Selling Shareholders”), up to 4,999,998 Equity Shares by Aavishkaar Goodwill India Microfinance Development Company Ltd. (“Aavishkaar”), up to 7,153,038 Equity Shares by Aquarius Investments Ltd. (“Aquarius”), up to 868,125 Equity Shares by Creation Investments Equitas Holdings, LLC (“Creation”), up to 4,288,648 Equity Shares by Helion Venture Partners II LLC (“Helion”), up to 25,938,594 Equity Shares by India Financial Inclusion Fund (“IFIF”), up to 22,571,820 Equity Shares by Lumen Investment Holdings Limited (“Lumen”), up to 16,975,484 Equity Shares by MVH S.p.a. (“MVH”), up to 6,635,770 Equity Shares by Sarva Capital LLC (“Sarva”), up to 12,840,861 Equity Shares by Sequoia Capital India Investments III (“Sequoia”), up to 1,583,106 Equity Shares by WestBridge Ventures II, LLC (“West Bridge”) (Aavishkaar, Aquarius, Creation, Helion, IFIF, Lumen, MVH, Sarva, Sequoia and WestBridge collectively referred to as the “PE Selling Shareholders”), and up to 180,000 Equity Shares by P. N. Vasudevan (“Individual Selling Shareholder” and the DFI Selling Shareholders, PE Selling Shareholders and Individual Selling Shareholder are collectively the “Selling Shareholders”). The Issue comprises a Net Issue to the public of [●] Equity Shares (the “Net Issue”) and a reservation of 250,000 Equity Shares aggregating up to ₹ [●] million for subscription by Eligible Employees, not exceeding 5% of our post-Issue paid-up Equity Share capital (the “Employee Reservation Portion”). The Issue would constitute [●] % of our post-Issue paid-up Equity Share capital and the Net Issue to the public would constitute [●] % of our post-Issue paid-up Equity Share capital. These Equity Shares are proposed to be listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). BSE is the Designated Stock Exchange.

The face value of Equity Shares is ₹ 10 each. The Price Band will be decided by the Majority Investors in consultation with our Company and the BRLMs. The minimum Bid Lot and Rupee amount of the discount, if any, to the Retail Individual Bidders and Eligible Employees, will be decided by our Company in consultation with the BRLMs. The Price Band, the minimum Bid Lot and the discount to the Retail Individual Bidders and Eligible Employees will be advertised in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta and Chennai edition of the Tamil Newspaper Makkal Kural (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date. Details about the basis for the Issue Price will be available on the websites of BSE and NSE.

*Discount of ₹ [●] to the Issue Price may be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion.*

#### **Procedure:**

If you wish to know about processes and procedures applicable to public issues, you may request for a copy of the General Information Document from the BRLMs or download it from the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, and the BRLMs at www.axiscapital.co.in, www.edelweissfin.com, www.hsbc.co.in/1/2/corporate/equitiesgloablinvestmentbanking and www.icicisecurities.com. The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933, as amended, (the “U.S. Securities Act”), or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.

### **ELIGIBILITY FOR THE ISSUE – Regulation 26(1) of SEBI ICDR Regulations, 2009**

Whether the Company is compulsorily required to allot at least 75% of the net issue to public, to Qualified Institutional Buyers - **No**

### **INDICATIVE TIMELINE**

Bid / Issue Opening Date	April 5, 2016	Initiation of Refunds (if any, for Anchor Investors) / Unblocking of Funds from ASBA Accounts	On or about April 18, 2016
Bid / Issue Closing Date	April 7, 2016	Credit of Equity Shares to demat accounts of Allottees	On or about April 20, 2016
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about April 13, 2016	Commencement of trading of Equity Shares on the Stock Exchanges	On or about April 21, 2016

\* The Company may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bid / Issue Period i.e., one Working Day prior to the Bid / Issue Opening Date i.e. April 4, 2016.

**GENERAL RISKS**

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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 the RHP. Specific attention of the investors is invited to "Risk Factors" beginning on page 24 of the RHP and on page 7 of this Abridged Prospectus.

**PRICE INFORMATION OF PAST ISSUES HANDLED BY BRLMs**

Issue Name	Name of Merchant Banker	+/- % 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
Narayana Hrudayalaya Limited	Axis	+28.76% [-4.35%]	-	-
Alkem Laboratories Limited <sup>(1)</sup>	Axis, Edelweiss	+30.34% [-7.49%]	+28.60% [-2.06%]	-
Coffee Day Enterprises Ltd	Axis, Edelweiss	-21.42% [-1.19%]	-20.76% [-6.15%]	-
Pennar Engineered Building Systems Limited	Axis	-5.93% [+5.16%]	-11.26% [-1.11%]	-17.39% [-3.89%]
Navkar Corporation Limited	Axis, Edelweiss	+0.97% [+3.97%]	+26.00% [-0.68%]	+6.29% [-4.26%]
Syngene International Limited	Axis	+36.00% [-7.61%]	+44.90% [-6.47%]	+57.20% [-12.70%]
UFO Moviez India Limited	Axis	-11.68% [-2.93%]	-3.18% [+2.90%]	-18.27% [-3.76%]
Inox Wind Limited <sup>(2)</sup>	Edelweiss, Axis	+28.54% [-6.68%]	+42.42% [-3.05%]	+11.20% [-7.51%]
Monte Carlo Fashions Limited	Edelweiss, Axis	-26.20% [+3.96%]	-23.57% [+5.60%]	-20.88% [-2.16%]
Prabhat Dairy Limited <sup>(3)</sup>	Edelweiss	+11.78% [+3.57%]	30.83% [-1.79%]	-5.48% [-4.67%]
Sadhav Infra Projects Limited	Edelweiss, I-Sec	-2.28% [+3.55%]	-5.63% [-3.15%]	-14.56% [-4.56%]
VRL Logistics Limited	HSBC, I-Sec	+50.90% [+3.08%]	+85.49% [+1.90%]	+100.90% [+0.97%]
Quick Heal Technologies Limited	I-Sec	-31.56% [+5.74%]	-	-
Teamlease Services Limited	I-Sec	+15.34 [+7.99%]	-	-
Manpasand Beverages Limited	I-Sec	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
PNC Infratech Limited	I-Sec	+0.32% [+0.26%]	+14.66% [-6.36%]	+42.72% [-5.88%]
Wonderla Holidays Limited	Edelweiss, I-Sec	+72.92% [+11.60%]	+78.96% [+11.86%]	+162.32% [+21.57%]
Sharda Cropchem Limited	Edelweiss	+61.06% [-0.27%]	+63.56% [+3.82%]	+91.35% [+6.65%]
Shemaroo Entertainment Limited <sup>(4)</sup>	I-Sec	-5.74% [+2.81%]	-5.88% [+3.79%]	+5.85% [+6.88%]

Source: www.nseindia.com

Notes:

- The CNX NIFTY is considered as the Benchmark Index.
  - Price on NSE is considered for all of the above calculations.
  - In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.
  - Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for a few of the above issues, data for same is not available.
- Price for eligible employees was ₹ 950.00 per equity share.
  - Price for retail individual bidders and eligible employees was ₹ 310.00 per equity share.
  - Discount of ₹ 5 per equity share offered to retail investors. All calculations are based on Issue Price of ₹ 115.00 per equity share.
  - Discount of ₹ 17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹ 170.00 per equity share.

**Book Running Lead Managers**

<b>Axis Capital Limited</b> <b>Tel:</b> (91 22) 4325 2183 <b>E-mail:</b> equitas@axiscap.in <b>Investor grievance e-mail:</b> complaints@axiscap.in	<b>Edelweiss Financial Services Limited</b> <b>Tel:</b> (91 22) 4009 4400 <b>E-mail:</b> Equitas.ipo@edelweissfin.com <b>Investor grievance e-mail:</b> Customerservice.mb@edelweissfin.com
<b>HSBC Securities and Capital Markets (India) Private Limited</b> <b>Tel:</b> (91 22) 2268 5555 <b>E-mail:</b> equitasipo@hsbc.co.in <b>Investor grievance e-mail:</b> investorgrievance@hsbc.co.in	<b>ICICI Securities Limited</b> <b>Tel:</b> (91 22) 2288 2460 <b>E-mail:</b> equitas.ipo@icicisecurities.com <b>Investor grievance e-mail:</b> customercare@icicisecurities.com
<b>Syndicate Member</b>	Edelweiss Securities Limited
<b>Registrar to the Issue: Karvy Computershare Private Limited: Tel:</b> (91 40) 6716 2222; <b>E-mail:</b> einward.ris@karvy.com; <b>Investor grievance e-mail:</b> equitasholdings.ipo@karvy.com	
<b>Name of Statutory Auditor</b>	Deloitte Haskins & Sells
<b>Self Certified Syndicate Banks:</b> The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> . For list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.	
<b>CDPs/ Registrar to an Issue/ RTAs:</b> You can submit Bid cum Application Forms to Registered Brokers at Broker Centres, CDPs at the Designated CDP Locations, RTAs at the Designated RTA Locations. For further details, please refer "Issue Procedure" on page 741 of the RHP.	

**Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable):** The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations and the list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

## **PROMOTERS OF OUR COMPANY**

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations and Companies Act, 2013. None of our Group Companies are listed.

## **BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

We are a diversified financial services provider focused on individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels. Our focus customer segment includes low income groups and economically weaker individuals operating small businesses, as well as MSEs with limited access to formal financing channels. We offer a range of financial products and services that address the specific requirements of these customers.

*Micro Finance.* Our micro finance business provides loans ranging approximately between ₹ 2,000 and ₹ 35,000 to our customers. Our micro finance business is conducted through our wholly-owned subsidiary EMFL. As of December 31, 2015, there were 2.78 million loan accounts in our micro finance business.

*Vehicle Finance.* Our used commercial vehicle finance customers are typically first-time formal financial channel borrowers purchasing commercial vehicles. Our customers also include small fleet operators. We are among a few NBFCs in India operating in the used commercial vehicle finance business. The Average Loan Account Size in our vehicle finance business in fiscal 2015 and nine months ended December 31, 2015 was ₹ 0.38 million and ₹ 0.38 million, respectively. As of December 31, 2015, there were 52,274 loan accounts in our vehicle finance business.

*Micro and Small Enterprise (MSE) Finance.* We provide asset backed financing primarily focused on self-employed individuals operating micro enterprises and small enterprises, typically in urban and semi-urban locations. The Average Loan Account Size for MSEs was ₹ 0.23 million and ₹ 0.21 million, respectively, in fiscal 2015 and the nine months ended December 31, 2015. As of December 31, 2015, there were 45,992 loan accounts in our MSE finance business. In nine months ended December 31, 2015, 87.38% of our MSE finance business represents cross-sales to eligible higher income micro finance business customers with a satisfactory track record.

*Housing Finance.* We focus on providing micro-housing and affordable-housing loans to self-employed individuals who have limited access to loans from banks and larger housing finance companies. The Average Loan Account Size for micro-housing loans and affordable-housing loans was ₹ 0.26 million and ₹ 1.19 million, respectively, in fiscal 2015 while it was ₹ 0.24 million and ₹ 1.06 million, respectively, in the nine months ended December 31, 2015. Our housing finance business includes housing loans as well as non-housing loans within specified limits permitted by the National Housing Bank. As of December 31, 2015, there were 4,022 loan accounts in our housing finance business.

On October 27, 2015, we incorporated a subsidiary, ETPL, involved, *inter-alia*, in the development of a technology platform for freight, logistics, carriers and related services which matches demand with supply and wherein, various such vendors and customers can be brought together for fulfilment of sales and service between them.

**Our Business Strategies:** 1. Leverage our existing network and customer base to develop our proposed SFB operations 2. Further expand our operational network and strengthen marketing and sourcing partnerships 3. Leverage our large customer base, operational network and industry experience to offer additional products and services 4. Continue to reduce operating costs and improve operational efficiencies.

## **BOARD OF DIRECTORS**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Experience including current / past position held in other firms</b>
1	N Rangachary	Non-executive Chairman and Independent Director	Served as Chairman of CBDT, IRDAI, Advisor to Andhra Pradesh Government on Finance, member of Expert Committee on General Anti-Avoidance Rules and headed Committee to Review Taxation of Development Centres and IT Sector. Currently holds directorships in various companies.
2	Arun Ramanathan	Independent Director	A former IAS officer who retired as Union Finance Secretary. Held board positions in several flagship companies in the past. Currently Independent Director of L&T Infra Debt Fund Limited, Religare Enterprises Limited, Equitas Micro Finance Limited and L&T FinCorp Limited
3	Jayshree Ashwinkumar Vyas	Independent Director	Managing Director of Shri Mahila Sewa Sahakari Bank Limited since 1986. Currently holds directorships in various public and private limited companies.
4	P T Kuppuswamy	Independent Director	Served as managing director and chief executive officer of Karur Vysya Bank till May 31, 2011. He has extensive experience in the banking sector having worked with Canara Bank for over three decades. Currently holds directorships in various companies.
5	Y.C. Nanda	Independent Director	Served as Managing Director and was appointed Chairman of NABARD in 2000. Was a Member of National Commission of Farmers. Was part of the Working Group on Outreach of Institutional and Finance Corporation and Risk Management for 11 <sup>th</sup> and 12 <sup>th</sup> Five Year Plan. Currently holds directorships in various public and private companies.
6	P.V. Rajaraman	Independent Director	Over 30 years of experience in Indian Administrative Service including Secretary to TN Govt in Commercial Taxes, Home and Finance departments. Held board positions in several companies including India Cements, Tamil Nadu Housing board, Tamil Nadu Industrial Investment Corporation.

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS (RHP)**

Sr. No.	Name of Director	Designation	Experience including current / past position held in other firms
7	Vinod Kumar Sharma	Independent Director	Served as an executive director of the RBI and has chaired the Working Group on Interest Rate Futures and Working Group on Common Clearing for Commodity Exchanges. He is on the boards of various public limited companies.
8	N. Srinivasan	Independent Director	Served as chief general manager at NABARD. He is on the boards of five other companies. Also authored a book on micro finance.
9	Paolo Brichetti	Non-executive and non-Independent Director	Founder and Managing Director of Credit Access Asia N.V., formerly named MicroVentures. In the past served as the Chief Executive Officer of CTM Altrromercato Soc. Coop. for nine years. He is on the boards of various private and foreign companies.
10	S. Ramakrishnan	Non-executive and non-Independent Director	More than 30 years of experience in various public sector institutions, such as nationalized banks, Export Credit Guarantee Corporation of India Ltd., IDBI, and SIDBI. He is on the boards of various companies.
11	Nagarajan Srinivasan	Non-executive and non-Independent Director	Head-South Asia for CDC India Advisors, a subsidiary of CDC Group PLC, London. Advises CDC Group on equity and debt financing transactions in South Asia. Served as a Director with Actis. He is on the boards of various companies.
12	Viswanatha Prasad Subbaraman	Non-executive and non-Independent Director	First director, promoter and Managing Director of Caspian Impact Investment Adviser Private Limited. He was Managing Director of Bhartiya Samruddhi Finance Limited (BASIX) for five years. He is on the boards of various public and private companies.
13	P. N. Vasudevan	Managing Director	Director of Equitas Holdings Limited since inception and Managing Director since July 26, 2007. Served as Head-Consumer Banking Group in Development Credit Bank Limited for one and half years. Worked for two decades in Cholamandalam Investment and Finance Co. Limited.

**OBJECTS OF THE ISSUE**

The Issue comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

The fund requirements for each of the objects of the Issue are stated as below:

Sr. No	Objects of the Issue	Amount (in ₹ million)	Amount proposed to be funded from the Net Proceeds to be utilized in the Financial Year 2017
1.	Investment in certain of our Subsidiaries, namely, EFL, EMFL and EHFL, to augment their capital base to meet their future capital requirements arising out of growth in our business	6,160.00	6,160.00
2.	General corporate purposes*	[●]	[●]
	<b>Total</b>	[●]	[●]

\*To be finalised upon determination of the Issue Price.

**Name of the Monitoring Agency:** Axis Bank Limited

**Shareholding Pattern:**

Sr. No	Particulars	Pre - Issue Number of shares	Pre-Issue Shareholding (%)
1	Promoter & Promoter Group	Nil	Nil
2	Public	269,920,367	100
3	Non Promoter- Non Public	Nil	Nil
4	Shares underlying DRs	Nil	Nil
5	Shares held by Employee Trusts	Nil	Nil
	<b>Total</b>	<b>269,920,367</b>	<b>100.00</b>

**Number of Equity Shares proposed to be sold by Selling Shareholders:**

Sr. No	Name of Shareholder	Number of Equity Shares being offered pursuant to the Offer for Sale
1.	P.N. Vasudevan	Up to 180,000 Equity Shares
2.	International Finance Corporation	Up to 16,463,772 Equity Shares
3.	Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V	Up to 11,926,668 Equity Shares
4.	Aavishkaar Goodwill India Microfinance Development Company Ltd.	Up to 4,999,998 Equity Shares
5.	Aquarius Investments Ltd.	Up to 7,153,038 Equity Shares
6.	Creation Investments Equitas Holdings LLC	Up to 868,125 Equity Shares
7.	Helion Venture Partners II LLC	Up to 4,288,648 Equity Shares
8.	India Financial Inclusion Fund	Up to 25,938,594 Equity Shares
9.	Lumen Investment Holdings Limited	Up to 22,571,820 Equity Shares
10.	MVH S.p.A	Up to 16,975,484 Equity Shares
11.	Sarva Capital LLC	Up to 6,635,770 Equity Shares
12.	Sequoia Capital India Investments III	Up to 12,840,861 Equity Shares
13.	WestBridge Ventures II, LLC	Up to 1,583,106 Equity Shares
	<b>Total</b>	<b>Up to 132,425,884 Equity Shares</b>



**RESTATED AUDITED FINANCIALS**

(Rs. In Million)

<b>Unconsolidated</b>	<b>Nine Months Ended December 31, 2015</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>
Total Income	66.49	89.17	28.84	26.85	15.45	2,381.47
Net Profit/Loss before tax and extraordinary items	32.15	38.12	12.80	17.37	(11.29)	455.02
Net Profit/Loss after tax and extraordinary items	18.09	16.86	4.74	10.57	(63.53)	300.91
Equity Share Capital	2,694.57	2,688.74	726.22	577.64	444.29	444.25
Reserves and Surplus	6,900.29	6,869.22	5,591.50	3,781.47	2,526.35	2,589.82
Net Worth	9,594.86	9,557.96	6,317.72	4,359.11	2,970.64	3,034.07
Basic earnings per share (₹)	0.07	0.07	0.03	0.07	(0.48)	2.30
Diluted earnings per share (₹)	0.07	0.07	0.02	0.07	-*	2.15
Return on Net Worth (%)	0.19%	0.18%	0.08%	0.24%	-2.14%	9.92%
Net asset value per share (₹)	35.61	35.55	86.99	75.46	66.86	68.30

\* In the financial year 2011-12 the effect of ESOP warrants has resulted in anti dilutive effect due to losses.

<b>Consolidated</b>	<b>Nine Months Ended December 31, 2015</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>
Total Income	7,947.02	7,559.26	4,835.17	2,831.73	1,986.49	2,392.03
Net Profit/Loss before tax and extraordinary items	1,872.16	1,635.56	1,138.11	397.64	116.61	440.40
Net Profit/Loss after tax and extraordinary items	1,203.66	1,066.26	743.37	319.00	(34.74)	285.16
Equity Share Capital	2,694.57	2,688.74	726.22	577.64	444.29	444.25
Reserves and Surplus	10,234.20	9,017.56	6,690.43	4,141.78	2,578.23	2,573.72
Net Worth	12,928.77	11,706.30	7,416.65	4,719.42	3,022.52	3,017.97
Basic earnings per share (₹)	4.47	4.48	3.99	2.10	(0.26)	2.18
Diluted earnings per share (₹)	4.46	4.47	3.88	2.03	-*	2.04
Return on Net Worth (%)	9.31%	9.11%	10.02%	6.76%	(1.15%)	9.45%
Net asset value per share (₹)	47.98	43.54	102.13	81.70	68.03	67.93

\* In the financial year 2011-12 the effect of ESOP warrants has resulted in anti dilutive effect due to losses.

**INTERNAL RISK FACTORS**

*Below are the top 5 Risk Factors relating to Proposed SFB Business as per the RHP*

1. Although we have been granted an SFB In-Principle Approval, we may not be able to set up an SFB within the timelines prescribed or at all which may have an adverse effect on our prospects, reputation and financial condition.
2. The business model and regulatory framework governing SFBs are untested in India. There can be no assurance that we will be able to implement the SFB model successfully in India.
3. We may not be successful in implementing our SFB growth strategies.
4. As an SFB, we may not be able to continue to access the sources of funds that our microfinance, vehicle finance and housing finance businesses currently access, and we may be unable to replace such sources of funds with deposits from customers immediately or at all.
5. We have no operating history in the banking business and we are subject to all of the business risks and uncertainties associated with setting up a new business in general, and with banking operations in particular.

*Below are the top 5 Risk Factors relating to our Business and Operations as per the RHP*

1. Our financial performance is vulnerable to interest rate risk, and an inability to manage our interest rate risk may have a material adverse effect on our net interest income, thereby adversely affecting our business prospects and financial performance.
2. Our business could be adversely affected if we are unable to control or reduce the level of NPAs in our portfolio.
3. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.
4. Our loan portfolio may no longer continue to be classified as a priority sector advance by the RBI and this may have an adverse effect on our results of operations and financial condition.
5. Microfinance loans are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of NPAs.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

- A. Total number of outstanding litigations against the company and amount involved: There are three direct tax proceedings pending against the Company and the aggregate amount involved is ₹ 6.07 million (to the extent quantifiable). For further information, please see "Outstanding Litigation and Material Developments" on page 698 of the RHP.
- B. Brief details of the top 5 material outstanding litigations against the Company and the amount involved: Not Applicable. Given the nature and extent of operations of our Company, our Board has considered the outstanding civil litigation involving our Company which exceeds one per cent of the consolidated net profit of our Company in the last audited financial year as being material for our Company. The consolidated net profit of our Company for the Financial Year 2015 was ₹ 1,066.26 million. Accordingly, there is no outstanding litigation involving our Company where the aggregate amount involved exceeds ₹ 10.70 million.

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS (RHP)**

- C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any  
Promoters: Not Applicable. Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations and the Companies Act, 2013.  
Group Companies: There is no disciplinary action taken by SEBI or the Stock Exchanges against the Group Companies in last five financial years.
- D. Brief details of outstanding criminal litigation against Promoters: Not Applicable Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations and the Companies Act, 2013.

**ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY - NIL****DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act and the 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 the RHP is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the disclosures and statements in the RHP are true and correct.

**DECLARATION BY THE SELLING SHAREHOLDERS**

International Finance Corporation confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the IFC Offered Shares, are true and correct. International Finance Corporation assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V. confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the FMO Offered Shares, are true and correct. Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V. assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Aavishkaar Goodwell India Microfinance Development Company Ltd. confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the Aavishkaar Offered Shares, are true and correct. Aavishkaar Goodwell India Microfinance Development Company Ltd. assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Aquarius Investments Ltd. confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the Aquarius Offered Shares, are true and correct. Aquarius Investments Ltd. assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Creation Investments Equitas Holdings, LLC confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the Creation Offered Shares, are true and correct. Creation Investments Equitas Holdings, LLC assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Helion Venture Partners II LLC confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the Helion Offered Shares, are true and correct. Helion Venture Partners II LLC assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

India Financial Inclusion Fund confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the IFIF Offered Shares, are true and correct. India Financial Inclusion Fund assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Lumen Investment Holdings Limited confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the Lumen Offered Shares, are true and correct. Lumen Investment Holdings Limited assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

MVH S.p.A. confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the MVH Offered Shares, are true and correct. MVH S.p.A. assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Sarva Capital LLC confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the Sarva Offered Shares, are true and correct. Sarva Capital LLC assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

Sequoia Capital India Investments III confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the Sequoia Offered Shares, are true and correct. Sequoia Capital India Investments III assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

WestBridge Ventures II, LLC confirms that all statements and undertakings specifically made or confirmed by it in the RHP in relation to itself as a Selling Shareholder and the WestBridge Offered Shares, are true and correct. WestBridge Ventures II, LLC assumes no responsibility for any other statements including statements made by the Company or any other person(s) in the RHP.

P. N. Vasudevan confirms that all statements and undertakings specifically made or confirmed by him in the RHP in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale are true and correct. P.N. Vasudevan assumes no responsibility for any other statements including statements made by our Company or any other person(s) in the RHP.