RED HERRING PROSPECTUS
Dated March 23, 2016
Please read Section 32 of the Companies Act, 2013
Book Built Issue

EQUITAS HOLDINGS LIMITED

Our Company was incorporated as UPDB Micro Finance Private Limited on June 22, 2007 at Chennai as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to Equitas Micro Finance India Private Limited and the Registrar of Companies, Tamil Nadu situated at Chennai (the "**RoC**") issued a fresh certificate of incorporation on February 1, 2008. The name of our Company was subsequently changed to Equitas Holdings Private Limited and the RoC issued a fresh certificate of incorporation on February 29, 2012. Our Company was then converted into a public limited company and consequently, its name was changed to Equitas Holdings Limited and the RoC issued a fresh certificate of incorporation on June 18, 2015. For further details, see "History and Certain Corporate Matters" beginning on page 220.

Registered and Corporate Office: 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002. For further details in relation to change of Registered Office, see "History and Certain Corporate Matters" beginning on page 220.
Tel: (91 44) 4299 5000; **Fax**: (91 44) 4299 5050
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

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

PUBLIC ISSUE 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 GOODWELL 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 ("WESTBRIDGE") (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") (THE DFI SELLING SHAREHOLDERS, PE SELLING SHAREHOLDERS AND INDIVIDUAL SELLING SHAREHOLDER 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 (AS DEFINED HEREIN), 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.

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.

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

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Member.

In terms of Rule 19(2) (b) (ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), as the post Issue Capital of our Company is more than ₹ 16,000 million but less than ₹ 40,000 million, the Equity Shares issued in the Issue shall aggregate to at least such percentage of the post-Issue Equity Share Capital of our Company (calculated at the Issue Price) that it will be at least ₹ 4,000 million. The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of SEBI Regulations, wherein 50% of the Net Issue shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. **OUR COMPANY WILL ALLOCATE THE EQUITY SHARES IN THE ISSUE ONLY TO RESIDENT INDIAN BIDDERS. SUCH ALLOCATION TO RESIDENT INDIAN BIDDERS SHALL BE ACROSS ALL CATEGORIES.** . For further details, see "Terms of the Issue – No Subscription by Non-Residents" on page 734. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account which will be blocked by the SCSBs to participate in this Issue. For details, see "Issue Procedure" beginning on page 741. The RBI has, through its letter dated November 27, 2015, communicated that any investor that wishes to acquire 5% or more of the post-Issue paid up share capital of our Company, pursuant to the Issue, shall require the prior approval of the RBI. For further details, see "Other Regulatory and Statutory Disclosures – Basis of Allocation" on pages 734 and 735.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by the Majority Investors in consultation with our Company and the BRLMs as stated under "Basis for Issue Price" on page 141) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

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 this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 24.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only to the statements specifically confirmed or undertaken by such Selling Shareholders in this Red Herring Prospectus to the extent of information specifically pertaining to such Selling Shareholder and the respective proportion of the Offered Shares.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated November 10, 2015 and November 17, 2015, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be BSE. A copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC for registration in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid / Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 830.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Tel: (91 22) 4325 2183 Fax : (91 22) 4325 3000 Email: equitas@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Simran Gadh SEBI registration number: INM000012029	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Tel: (91 22) 4009 4400 Fax: (91 22) 4086 3610 E-mail: Equitas.ipo@edelweissfin.com Investor grievance e-mail: Customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Viral H. Shah SEBI Registration No.: INM0000010650	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Marg Fort, Mumbai 400 001 Tel: (91 22) 2268 5555 Fax: (91 22) 2263 1284 E-mail: equitasipo@hsbc.co.in Investor grievance e-mail: investorgrievance@hsbc.co.in Website: www.hsbc.co.in/1/2/corporate/equitiesgloablinvestmentbanking Contact Person: Mayank Jain / Shreye Mirani SEBI Registration No.: INM000010353	**ICICI Securities Limited** ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel : (91 22) 2288 2460 Fax : (91 22) 2282 6580 Email: equitas.ipo@icicisecurities.com Investor Grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Vishal Kanjani SEBI Registration No.: INM000011179	**Karvy Computershare Private Limited** Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Email: einward.ris@karvy.com Investor Grievance e-mail: equitasholdings.ipo@karvy.com Website: https://karisma.karvy.com Contact Person: M Murali Krishna SEBI Registration No. INR000000221

BID/ISSUE PROGRAMME	
BID/ISSUE OPENS ON	April 5, 2016*
BID/ISSUE CLOSES ON	April 7, 2016

** Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date, i.e. April 4, 2016.*
Our Company, may in consultation with the BRLMs offer a discount of up to [•]% (equivalent of ₹[•]) on the Issue Price to Retail Individual Bidder and Eligible Employees.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

General Terms

Term	Description
"our Company", "the Company", "the Issuer", "Equitas" or "EHL"	Equitas Holdings Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company and Selling Shareholder Related Terms

Term	Description
Aavishkaar	Aavishkaar Goodwell India Microfinance Development Company Ltd.
Aavishkaar Offered Shares	Up to 4,999,998 Equity Shares offered by Aavishkaar
Ananya Companies	Ananya Finance for Inclusive Growth Private Limited and Ananya Social Development Services
Aquarius	Aquarius Investments Ltd.
Aquarius Offered Shares	Up to 7,153,038 Equity Shares offered by Aquarius
Articles of Association / AoA	Articles of Association of our Company, as amended
Auditor / Statutory Auditor	Statutory auditor of our Company, namely, M/s Deloitte Haskins & Sells
Bellwether	Bellwether Microfinance Fund Private Limited
Board / Board of Directors	The board of directors of our Company or a duly constituted committee thereof, unless otherwise specified
CCPS	Compulsorily Convertible Preference Shares of our Company of a face value of ₹ 10 each
CDC	CDC Group plc
Caspian Funds	Collectively, IFIF and Bellwether
Corporate Office	Corporate office of our Company located at 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002
Creation	Creation Investments Equitas Holdings, LLC
Creation Offered Shares	Up to 868,125 Equity Shares offered by Creation
CreditAccess	CreditAccess Asia N.V.
DEG	DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH
Demerger Scheme	The scheme of arrangement under Sections 391-394 of the Companies Act, 1956 whereby the microfinance business undertaking of our Company was demerged into EMFL, pursuant to the scheme of arrangement approved by the Madras High Court on January 11, 2012 with effect from April 1, 2011
DFI Selling Shareholders	IFC and FMO
Director(s)	Director(s) of our Company, unless otherwise specified
EDIT	Equitas Development Initiatives Trust
EDK	Equitas Dhanyakosha India
EFL	Equitas Finance Limited, a wholly owned subsidiary of our Company, incorporated under Companies Act, 1956 and having its registered office at 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002
EHFL	Equitas Housing Finance Limited, a wholly owned subsidiary of our Company, incorporated under Companies Act, 1956 and having its registered office at 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002
EMFL	Equitas Micro Finance Limited, a wholly owned subsidiary of our

Term	Description
	Company, incorporated under Companies Act, 1956 and having its registered office at 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002
ETPL	Equitas Technologies Private Limited, a wholly owned subsidiary of our Company, incorporated under Companies Act, 2013 and having its registered office at 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002
Equitas B2B	Equitas B2B Trading Private Limited, which was a subsidiary of our Company that has been dissolved pursuant to an order passed by the RoC on May 13, 2015
Equitas Birds Nest	Pavement dwellers rehabilitation program initiated by EDIT
Equitas ESOP 2012	Equitas employee stock option scheme, 2012
Equitas ESOP 2014	Equitas employee stock option scheme, 2014
Equitas ESOP 2015	Equitas employee stock option scheme, 2015
Equitas ESOS Schemes	Collectively the UPDB ESOP 2007, Equitas ESOP 2012, Equitas ESOP 2014 and Equitas ESOP 2015
Equitas Group	Collectively our Company, its Subsidiaries and Group Companies
Equitas SHA	Shareholders agreement between our Company, SHA Investors and P. N. Vasudevan
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.
FMO Offered Shares	Up to 11,926,668 Equity Shares offered by FMO
Group Companies	Such entities as covered under the applicable accounting standards and such other entities as considered material by the Board For details of our Group Companies, see "Our Group Companies" on page 259
Helion	Helion Venture Partners II LLC
Helion Offered Shares	Up to 4,288,648 Equity Shares offered by Helion
ICEL	Indian Commodity Exchange Limited
IFC	International Finance Corporation
IFC Offered Shares	Up to 16,463,772 Equity Shares offered by IFC
IFIF	India Financial Inclusion Fund
IFIF Offered Shares	Up to 25,938,594 Equity Shares offered by IFIF
Individual Selling Shareholder	P. N. Vasudevan
Investors	Aavishkaar, IFIF, MVH, Microventures Investments, CreditAccess, Lumen, IFC, CDC Group plc, FMO, Creation, DEG and P. N. Vasudevan
Kalpathi	Kalpathi Investments Private Limited
Key Management Personnel	Key management personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013 and disclosed in "Management" from pages 255 to 258
Lumen	Lumen Investment Holdings Limited
Lumen Offered Shares	Up to 22,571,820 Equity Shares offered by Lumen
Majority Investors	Such Investors who together hold 75% of the Equity Shares held by all Investors in aggregate at the time of calculation of such percentage and includes such person or persons duly authorised by the Majority Investors to act on their behalf
Merger Scheme	The scheme of amalgamation under Sections 391-394 of the Companies Act, 1956 whereby certain of our Subsidiaries, namely EMFL and EHFL are proposed to be merged into EFL, pursuant to the scheme of amalgamation to be approved by the Madras High Court.
Microventures Asia	Microventures Asia BV
Microventures Investments	Microventures Investments SCA SICAR
MoA / Memorandum of Association	Memorandum of Association of our Company, as amended
MVH	MVH S.p.A.
MVH Offered Shares	Up to 16,975,484 Equity Shares offered by MVH

Term	Description
Offered Shares	IFC Offered Shares, FMO Offered Shares, Aavishkaar Offered Shares, Aquarius Offered Shares, Creation Offered Shares, Helion Offered Shares, IFIF Offered Shares, Lumen Offered Shares, MVH Offered Shares, Sarva Offered Shares, Sequoia Offered Shares, WestBridge Offered Shares and Equity Shares offered by P. N. Vasudevan in the Offer for Sale
PE Selling Shareholders	Aavishkaar, Aquarius, Creation, Helion, IFIF, Lumen, MVH, Sarva, Sequoia and WestBridge
Policy	Policy on Certain Operational Covenants and Certain Reporting upon Listing adopted by Board of Directors
Proposed Merger	The amalgamation of certain of our Subsidiaries, namely EMFL and EHFL with EFL to become the Proposed SFB through a court approved scheme of arrangement under applicable law
Proposed SFB	The small finance bank proposed to be set up by our Company
RBI Approval Letter	Approval dated November 27, 2015 by the RBI, according its approval for, among other things, the listing of Equity Shares on the floor of the recognised stock exchanges
Registered Office	Registered office of our Company located at 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002
Registrar of Companies /RoC	Registrar of Companies, Tamil Nadu located at Block No. 6, B Wing Second Floor Shastri Bhavan 26, Haddows Road, Chennai 600 034
Restated Financial Statements	Financial information compiled by the management of our Company from its audited financial statements (prepared in accordance with Indian GAAP) and is prepared in accordance with the requirements of (a) sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with Rules 4 and 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and (b) relevant provisions of the SEBI Regulations
SFB Application	The application dated January 30, 2015 made by our Company to the RBI for obtaining a license to to commence banking business in terms of section 22 of the Banking Regulation Act
SFB Guidelines	The guidelines issued by the RBI on November 27, 2014 for licensing of "Small Finance Banks" in the private sector
SFB In-Principle Approval	In-principle approval dated October 7, 2015 issued by RBI under reference DBR.PSBD.NBC (SFB-Equitas). No 4915/ 16.13.216/2015-16
SIDBI	Small Industries and Development Bank of India
SIDBI SHA	Supplemental shareholders agreement dated September 21, 2009, among *inter alia* our Company and SIDBI
Sarva	Sarva Capital LLC
Sarva Offered Shares	Up to 6,635,770 Equity Shares offered by Sarva
Selling Shareholders	DFI Selling Shareholders, PE Selling Shareholders and Individual Selling Shareholder
Sequoia	Sequoia Capital India Investments III
Sequoia Offered Shares	Up to 12,840,861 Equity Shares offered by Sequoia
Share Allotment Agreement	Share allotment agreement dated February 4, 2008 executed between our Company and P.N.Vasudevan
Shareholders	Shareholders of our Company from time to time
Singhivi	Singhivi Investment & Finance Private Limited
Subsidiaries	Subsidiaries of our Company, namely EMFL, EFL, EHFL and ETPL
Subsidiary Restated Financial Statements	Financial information compiled by the management of EMFL, EFL, EHFL and ETPL from its audited financial statements (prepared in accordance with Indian GAAP) and in accordance with Section 26 of Chapter III of the Companies Act, 2013 read with Rules 4 and 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and (b) relevant provisions of the SEBI Regulations
UPDB ESOP 2007	UPDB employee stock option scheme, 2007
WestBridge	WestBridge Ventures II, LLC
WestBridge Offered Shares	Up to 1,583,106 Equity Shares offered by WestBridge

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to a Bidder as proof of having accepted the ASBA Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note, advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations and this Red Herring Prospectus
Anchor Investor Allocation Price	The price at which, Equity Shares will be allocated to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus which will be decided by the Majority Investors in consultation with our Company and the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Escrow Accounts	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price The Anchor Investor Issue Price will be decided by the Majority Investors in consultation with our Company and the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Axis Bank	Axis Bank Limited
Axis Capital	Axis Capital Limited
Banker(s) to the Issue /Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Anchor Investor Escrow Accounts will be opened, in this case being Axis Bank and ICICI Bank
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "Issue Procedure" beginning on page 741
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA

Term	Description
	Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidders, as the case may be, upon submission of the Bid, which shall be net of Employee Discount and Retail Discount for Eligible Employees and Retail Individual Bidders, as applicable However for Eligible Employees applying in the Employee Reservation Portion and the Retail Individual Bidders applying at the Cut-Off, the Bid Amount shall be Cap Price multiplied by the number of Equity Shares Bid for by such Eligible Employees / Retail Individual Bidders and mentioned in the Bid cum Application Form net of Employee Discount / Retail Discount, as the case may be
Bid cum Application Form	The Anchor Investor Application Form and the ASBA Form, or either such form, as the context requires
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified 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 the Registered Office is located), each with wide circulation Our Company may, in consultation with BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified 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 the Registered Office is located), each with wide circulation
Bid/Issue Period	Except in relation to the Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, and includes an Anchor Investor In order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Brokers Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
Book Running Lead Managers / BRLMs	Book running lead managers to the Issue, being Axis Capital, Edelweiss, HSBC and I-Sec

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid /Issue Period
Cap Price	Higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	Agreement dated March 23, 2016 entered into amongst our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Member, the Escrow Collection Bank(s), the Public Issue Banks, Registrar to the Issue and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE
Cut-off Price	Issue Price finalised by the Majority Investors in consultation with our Company and BRLMs which shall be any price within the Price Band Only Retail Individual Bidders and Eligible Employees are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation and bank account details
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	Date on which funds are transferred by the Escrow Collection Banks from the Anchor Investor Escrow Accounts and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of this Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after the finalisation of Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/3

Term	Description
	3/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated October 16, 2015 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Edelweiss	Edelweiss Financial Services Limited
Edelweiss Securities	Edelweiss Securities Limited
Eligible Employees	All or any of the following: (a) a permanent and full time employee of our Company or of our Subsidiaries as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be an employee of our Company, until the submission of the ASBA Form and is based, working and present in India as on the date of submission of the ASBA Form; and (b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as of the date of filing this Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the ASBA Form and is based and present in India as on the date of submission of the ASBA Form. An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a ‘permanent and a full time employee’. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 200,000 on a net basis. Eligible Employees may be given a discount at the discretion of our Company in consultation with the BRLMs in accordance with Regulation 29 of the SEBI Regulations
Employee Reservation Portion	Portion of the Issue being 250,000 Equity Shares aggregating up to ₹ [•] million available for allocation to Eligible Employees, on a proportionate basis, not exceeding 5% of our post-Issue paid-up Equity Share capital
Employee Discount	Discount of [●]% (equivalent of ₹ [●]) to the Issue Price given to Eligible Employees
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 7,200 million
HSBC	HSBC Securities and Capital Markets (India) Private Limited
General Information Document / GID	General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in “Issue Procedure” beginning on page 741
ICICI Bank	ICICI Bank Limited
I-Sec	ICICI Securities Limited
Issue	Public issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale

Term	Description
	The Issue comprises of Net Issue to the public aggregating up to ₹ [●] million and Employee Reservation Portion For details, see "The Issue" and "Capital Structure" on pages 95 and 110, respectively
Issue Agreement	Agreement dated October 16, 2015, and the amendment agreement dated March 8, 2016 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	Final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of this Red Herring Prospectus Issue Price will be decided by the Majority Investors in consultation with our Company and the BRLMs on the Pricing Date A discount of up to [•]% (equivalent of ₹ [•]) per Equity Share on the Issue Price may be offered to Retail Individual Bidders and Eligible Employees
Issue Proceeds	Proceeds of the Issue that are available to our Company and the Selling Shareholders For further information about use of Issue Proceeds, see "Objects of the Issue" on page 136
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price
Monitoring Agency	Axis Bank Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Issue	Issue less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses For further details regarding the use of the Net Proceeds and the Issue expenses, see "Objects of the Issue" on pages 136, 138 and 139
Non-Institutional Bidders/ NIBs	All resident Indian Bidders that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000
Non-Institutional Portion	Portion of the Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India as defined under FEMA and includes a non-resident Indian, FIIs, FVCIs and FPIs
Offer for Sale	Offer for sale of up to 132,425,884 Equity Shares by the Selling Shareholders at the Issue Price aggregating up to ₹ [●] million consisting of up to 16,463,772 Equity Shares by IFC, up to 11,926,668 Equity Shares by FMO, up to 4,999,998 Equity Shares by Aavishkaar, up to 7,153,038 Equity Shares by Aquarius, up to 868,125 Equity Shares by Creation, up to 4,288,648 Equity Shares by Helion, up to 25,938,594 Equity Shares by IFIF, up to 22,571,820 Equity Shares by Lumen, up to 16,975,484 Equity Shares by MVH, up to 6,635,770 Equity Shares by Sarva, up to 12,840,861 Equity Shares by Sequoia, up to 1,583,106 Equity Shares by Westbridge, and up to 180,000 Equity Shares by P. N. Vasudevan
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any

Term	Description
	revisions thereof Price Band will be decided by the Majority Investors in consultation with our Company and the BRLMs and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, 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
Pricing Date	Date on which the Majority Investors in consultation with our Company and the BRLMs, will finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI Regulations containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Accounts	Bank accounts opened under Section 40(3) of the Companies Act, 2013, to receive monies from the Anchor Investor Escrow Accounts and the ASBA Accounts on the Designated Date
Public Issue Banks	Banks which are clearing members and registered with SEBI as a banker to an issue and with whom the Public Issue Accounts will be opened, in this case being Axis Bank and ICICI Bank
QIB Category / QIB Portion	The portion of the Issue (including the Anchor Investor Portion) amounting to 50% of the Net Issue being [●] Equity Shares, which shall be allocated to QIBs including Anchor Investors
Qualified Institutional Buyers or QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus / RHP	This red herring prospectus dated March 23, 2016 issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto This red herring prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Accounts	Accounts opened with the Refund Banks, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Banks	Banks which are clearing members and registered with SEBI as bankers to an issuer and with whom the Refund Accounts will be opened, in this case being Axis Bank and ICICI Bank
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Member and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no.CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE
Registrar to the Issue / Registrar	Karvy Computershare Private Limited
Registrar Agreement	The agreement dated October 16, 2015 and the amendment agreements dated March 1, 2016 and March 7, 2016 entered into between our Company, the Selling Shareholders and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Retail Discount	Discount of [●]% (equivalent of ₹ [●]) to the Issue Price given to Retail

Term	Description
	Individual Bidders
Retail Individual Bidders/ RIBs	Resident Indian Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Retail Portion	Portion of the Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to RIBs in accordance with SEBI Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retails Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Selling Shareholders	Shall mean collectively, Aavishkaar, Aquarius, Creation, FMO, Helion, IFC, IFIF, Lumen, MVH, Sarva Capital, Sequoia, WestBridge and P. N. Vasudevan
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement namely Karvy Computershare Private Limited
Share Escrow Agreement	Agreement dated March 22, 2016 entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of the respective portion of Offered Shares by each of the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Syndicate Agreement	Agreement dated March 23, 2016 entered into amongst the BRLMs, the Syndicate Member, our Company and the Selling Shareholders in relation to collection of Bid cum Application Form by the Syndicate
Syndicate Member	Intermediary registered with SEBI who is permitted to carry out activities as an underwriter, namely, Edelweiss Securities
Syndicate	BRLMs and the Syndicate Member
Underwriters	[●]
Underwriting Agreement	Agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business, provided however with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, on which the commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms /Abbreviations

Term	Description
AFC	Asset finance company
ANBC	Adjusted Net Bank Credit
AUM	Assets Under Management

Term	Description
CAGR	Compounded Annual Growth Rate
CASA	Current account savings account ratio
CAR	Capital adequacy ratio
CDR	Corporate Debt Restructuring
CIC	Core investment company
CIC – ND – SI	Systemically important non-deposit taking core investment company
CO	Credit officer
CV	Commercial vehicles
DFI	Development finance institution
DSA	Direct sales agent
FMEA	Failure mode effect analysis
FRA	Field risk audit
FRO	Field risk officer
FTU	First time user
GEM	Grocery Entrepreneur Model
GIIRS	Global Impact Investing Rating System
GLP	Gross loan portfolio
GNPA	Gross non performing assets
HFC	Housing finance company
ICD	Inter corporate deposits
IDF-NBFC	Infrastructure debt fund – non-banking financial company
IC	Investment company
IFC	Infrastructure finance company
ISHUP	Interest Subsidy Scheme for Housing the Urban Poor
JLG	Joint liability group
LAP	Loans against property
LC	Loan company
LCV	Light commercial vehicle
LFO	Large fleet operator
LIG	Low income group
LTV	Loan-to-value
MCV	Medium commercial vehicle
MFIN	Microfinance institutions network
MFI	Microfinance institution
MHCV	Medium and heavy commercial vehicle
MFIN Code of Conduct	Code of conduct prescribed by the micro finance institutions network and adopted by our board of directors.
MSE	Micro and Small Enterprises
MSME	Micro, small and medium enterprises
Mudra Bank Yojna	Initiative launched by the GoI in 2014 to provide access to institutional finance to the MSE segment
NACH	National Automated Clearing House
NBFC	Non-banking finance company
NBFC-AFC	Non-banking finance company- asset finance company
NBFC – Factors	Non-banking finance company – factors
NBFC-MFI	Non-banking finance company- micro finance institution
NBFC – ND	Non-deposit taking non-banking finance company
NBFC-ND-SI	Systemically important non-deposit taking non-banking finance company
NHB	National Housing Bank
NPA	Non performing assets
OMR	Optimal mark recognition
PE	Private equity
PMJDY	Pradhan Mantri Jan Dhan Yojna
PSL	Priority sector lending
Policy Paper	RBI policy discussion paper on “Banking Structure in India – The Way Forward”, 2015
RAY	Rajiv Awas Yojana

Term	Description
RPN	Risk priority number
Risk Management Policy	Risk management policy adopted by our board of directors
RWA	Risk weighted asset
SENP	Self-employed non-professionals
SEP	Self-employed professionals
SFB	Small Finance Bank
SFO	Small fleet operator
SHG-BLP	Self help group – bank linkage programme
SME	Small and medium enterprises
SO	Sales officer
STO	Small transport operator
Tier I Capital	Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a systemically important non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital. To the extent the aggregate does not exceed Tier I capital

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
AIF	Alternative Investment Funds as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AP	Andhra Pradesh
AS / Accounting Standards	Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Institute of Chartered Accountants of India
ATM	Automated Teller Machine
BPLR	Benchmark Prime Lending Rate
bps	Basis points
BRICS	Brazil, Russia, India, China and South Africa
BSE	BSE Limited
Bn / bn	Billion

Term	Description
Banking Regulation Act	Banking Regulation Act, 1949
Bonus Act	Payment of Bonus Act, 1965
CARE	Credit Analysis and Research Limited
Carriage Act	Carriage by Road Act, 2007
Carriage Rules	Carriage by Road Rules, 2011
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CLB	Company Law Board
COR	Certificate of Registration
CRISIL	CRISIL Limited
CRR	Cash Reserve Ratio
CSR	Corporate Social Responsibility
Category I Foreign Portfolio Investors	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
Civil Code	Civil Procedure Code, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository participant identification
DP / Depository Participant	A depository participant as defined under the Depositories Act
DTC	Direct Taxes Code, 2013
DTD	Debenture Trust Deed
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
ECB	External Commercial Borrowings
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EMI	Equated Monthly Instalments
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESOP	Employee Stock Option Plan
Employees' Compensation Act	Employees' Compensation Act, 1923
Equity Listing Agreement	Listing Agreement to be entered into by our Company with the Stock Exchanges
FCRA	Foreign Contribution (Regulation) Act, 1976
FCRA, 2010	Foreign Contribution (Regulation) Act, 2010
FDI	Foreign direct investment

Term	Description
FIR	First information report
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2015-FC-1 dated May 12, 2015, effective from May 12, 2015
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations
FPI(s)	A foreign portfolio investor as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Financial Year / FY/ Fiscal Year	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
GAAP	Generally Accepted Accounting Principles
GAAR	General Anti Avoidance Rules
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government or Central Government	Government of India
GRT	Group Recognition Test
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IPC	Indian Penal Code, 1860
IT Act	The Income Tax Act, 1961
Ind AS	IFRS converged Indian Accounting Standards, notified pursuant to the Companies (Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015 which has come into effect from April 1, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
LC	Letter of Credit
LLP	Limited Liability Partnership under the Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
Mn	Million
MOHUPA	Ministry of Housing and Urban Poverty Alleviation
MUDRA	Micro Unit Development and Refinance Agency
Madras High Court	High Court of Judicature at Madras
N.A. / NA	Not Applicable
NABARD	National Bank for Agriculture and Rural Development
NAV	Net Asset Value
NCD	Non-Convertible Debenture
NCT	National Capital Territory
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NGO	Non Governmental Organisation
NHB Act	National Housing Bank Act, 1987
NRI	An individual resident outside India, who is a citizen of India or is an

Term	Description
	'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
Partnership Act	Indian Partnership Act,1932
PML Act	Prevention of Money Laundering Act, 2002
PML Rules	Prevention of Money Laundering Rules, 2005
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
₹/Rs./Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
Regulation S	Regulation S under the U.S Securities Act
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCB	Scheduled Commercial Bank
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
SHG	Self help group
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SMS	Short messaging service
SLR	Statutory liquidity ratio
STT	Securities Transaction Tax
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
TDS	Tax deducted at source
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UIDAI	Unique Identification Authority of India
UK	United Kingdom
U.S. / USA / United States	United States of America
USD / US$	United States Dollars
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S Securities Act	U.S Securities Act, 1933
VAT	Value added tax

Term	Description
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WBFI Database	World Bank Financial Inclusion Database
Wealth Tax Act	Wealth Tax Act, 1957

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Definitions

For definitions, see “Definitions and Abbreviations” on page 3. In “Main Provisions of Articles of Association” on page 790, defined terms have the meaning given to such terms in the Articles of Association. In “Statement of Tax Benefits” on page 145, defined terms have the meaning given to such terms in the Statement of Tax Benefits. In “Financial Statements” on page 293, defined terms have the meaning given to such terms in the Financial Statements.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" in this Red Herring Prospectus are to the Republic of India and all references to the "U.S.", "USA" or "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Red Herring Prospectus is derived from our consolidated and unconsolidated Restated Financial Statements as of and for the Financial Years ended March 31, 2011, 2012, 2013, 2014, 2015 and nine months ended December 31, 2015. The financial information pertaining to our Subsidiaries, namely EMFL, EHFL, EFL and ETPL, is derived from the Subsidiary Restated Financial Statements.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Red Herring Prospectus.

Our Company's financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and we urge investors to consult their own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Indian GAAP and IFRS, see "Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessment of our financial condition. Our failure to successfully adopt IND (AS) may have an adverse effect on the price of the Equity Shares" on pages 60 to 61. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI Regulations and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 24, 187 and 663 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the consolidated and unconsolidated Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and

- "USD" or "US$" are to United States Dollar, the official currency of the United States.

Except otherwise specified, our Company has presented certain numerical information in this Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

(in ₹)

Currency	As of March 31, 2011	As on March 31, 2012	As on March 31, 2013	As on March 31, 2014	As of March 31, 2015	As of December 31, 2015
1 USD	44.65	51.16(1)	54.39(2)	60.10(3)	62.59	66.32

Source: RBI Reference Rate, except otherwise specified

(1) *Exchange rate as on March 30, 2012, as RBI Reference Rate is not available for March 31, 2012 being a Saturday.*

(2) *Exchange rate as on March 28, 2013, as RBI Reference Rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, a Saturday and a public holiday, respectively.*

(3) *Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us or any of the Selling Shareholders or the BRLMs or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors including those discussed in “Risk Factors” on page 24. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of CRISIL

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the report (Report) based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Rating Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Rating Division / CRIS. No part of the Report may be published / reproduced in any form without CRISIL’s prior written approval.

Disclaimer for MFI Grading

CRISIL’s MFI Grading reflects CRISIL’s current opinion on the ability of an MFI to conduct its operations in a scalable and sustainable manner. The MFI Grading does not constitute an audit of the graded MFI by CRISIL. In the case of NGO-MFIs and entities with multiple businesses, CRISIL’s MFI gradings apply only to their microfinance programmes, CRISIL MFI Gradings are based on the information provided by the Institution or obtained by CRISIL from sources its considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the MFI Grading is based. CRISIL MFI Grading is not a recommendation to purchase, sell, or hold any financial instrument issued by the graded MFI, or to make loans and donations/ grants to the Institution.

The MFI Grading cannot be used for mobilizing deposits/savings/thrift/insurance fund/other funds (including equity) from their members/clients or general public and should not be used in its external communication, promotional material or member/client passbooks for this purpose. The MFI Gradings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of its MFI Gradings.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans, prospects or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company's exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in completion in its industry. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Ability to set up an SFB within the timelines prescribed or at all;
- Ability to implement the SFB model successfully in India;
- Ability to implement our SFB growth strategies;
- Ability to continue to access the source of funds that our microfinance, vehicle finance and housing finance businesses currently access and ability to replace such sources of funds with deposits from customers immediately or at all;
- Ability to reduce holding in the Proposed SFB to 40% within five years of commencement of SFB;
- Ability to manage out interest rate risk;
- Ability to control or reduce the level of NPAs in our portfolio;
- Microfinance loans being unsecured and being susceptible to certain operational and credit risks resulting in increased levels of NPAs; and
- Increasing competition from a variety of competitors in the organized and unorganized sector across our various financing products.

For further discussion on factors that could cause the actual results to differ from the expectations, see "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 24, 187 and 663, respectively. By their nature, certain market risk related disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn and based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs, the Syndicate nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Regulations, our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders, severally and not jointly, will ensure that investors are informed of material developments in relation to statements and undertakings made by the respective Selling Shareholder in this Red Herring Prospectus in relation to itself and the respective portion of the Offered Shares until the time of grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares, the industry in which we currently operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations and financial condition. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 187 and 663, respectively, as well as the other financial and statistical information included in this Red Herring Prospectus. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, prospects, financial condition and results of operations could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You are advised to consult your tax, financial and legal advisors about the particular consequences of an investment in this Issue.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Statements included in "Financial Statements" on page 355. Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Equitas Holdings Limited, its Subsidiaries on a consolidated basis, and any reference to our "Company" refers to Equitas Holdings Limited on a standalone basis. This section should be read along with "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

INTERNAL RISK FACTORS

Risks Relating to Proposed SFB Business

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.***

   The RBI granted us the SFB In-Principle Approval, subject to certain conditions. The SFB In-Principle Approval is valid for a period of 18 months from the date of its grant i.e. until April 6, 2017, to enable the applicants to comply with the SFB Guidelines and fulfill the conditions in the SFB In-Principle Approval and any other conditions that may be stipulated by the RBI. For further details in relation to our proposed SFB business, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank*"* on page 203.

   The SFB Guidelines and the SFB In-Principle Approval issued to us contain certain requirements which we have to satisfy in order to set up a new SFB. In order to satisfy such requirements and ensure compliance with the SFB Guidelines and the SFB In-Principle Approval, we intend to undertake certain actions including the following:

   - Reduce the foreign shareholding in our Company which is currently 92.64% to 49% or less to ensure that our Company is owned and controlled by residents of India subject to the prior approval from the RBI; and

   - Amalgamate EMFL and EHFL with EFL to form the Proposed SFB before the commencement of the business as an SFB. The Merger Scheme has been approved by the RBI and by the NHB, subject to certain conditions, pursuant to letters dated January 22, 2016 and January 20, 2016, respectively. For further details, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank – Our Proposed SFB Corporate Structure", on pages 204 and 205.

Further, as the SFB In-Principle Approval lapses automatically on April 6, 2017, the Proposed SFB is required to receive final banking license from the RBI for commencement of business as an SFB by April 6, 2017. Bidders should note that to meet the requirements of reducing foreign shareholding to 49% or less, our Company has made an application to the RBI to cap its non-resident shareholding at 49% and prescribe cut-off points that are two percentage points lower than actual ceiling limits. If the RBI does not grant its approval, non-residents may acquire further Equity Shares after listing of the Equity Shares on the stock exchanges even if the non-resident shareholding of our Company exceeds 49%, which may prevent us from complying with the terms of the SFB In-Principle Approval in a timely manner or at all. If we are unable to reduce the foreign shareholding in our Company to 49% or less on or prior to April 6, 2017 and ensure that our Company is owned and controlled by residents of India by such date, we may not be able to commence operations as an SFB.Further, in the event we are unable to undertake any proposed corporate reorganization, or such corporate reorganization is significantly delayed for any reason, including, without limitation, due to delay or difficulty in obtaining any requisite lender or corporate approvals, court sanction, approvals from the relevant registrar of companies, or approval from the Stock Exchanges, RBI or SEBI within 18 months from the date of the SFB In-Principle Approval or on terms acceptable to and viable for us or at all, our proposed commencement of business as an SFB may be delayed or affected.

In addition, the RBI may impose additional conditions on us and may also withdraw the SFB In-Principle Approval, if any adverse matters are noticed by the RBI or in view of any development which the RBI believes may prejudice efficient functioning of the Proposed SFB.

If there is any delay or difficulty in obtaining requisite approvals for commencing business as a SFB from our lenders, the board of directors, shareholders or the relevant authorities, it may adversely affect our reputation and business prospects and the price of our Equity Shares.

We may for any of the reasons set forth in this section or otherwise not be able to commence operations as an SFB within the period available to us pursuant to the SFB In-Principle Approval or at all, which may, adversely affect our prospects, reputation and financial condition.

For further details, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

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.***

The RBI issued the SFB Guidelines on November 27, 2014 to license SFBs in the private sector to, *inter-alia*, supply credit to micro and small enterprises and agriculture and provide banking services in unbanked and underbanked areas in India. The RBI granted us SFB In-Principle Approval through a letter dated October 7, 2015. As on the date of this Red Herring Prospectus, no SFB has been set up or commenced business in India.

We cannot assure you that such SFBs will be able to provide credit and banking services to the unbanked or underbanked populations in a profitable manner or at all or that the products and services offered by such SFBs will achieve market acceptability. In addition, as the SFB model is in the nascent stages, there is a limited amount of knowledge or market practice with respect to the appropriate business policies and processes to be adopted by such SFBs. While we intend to rely on our experiences in the microfinance, vehicle finance and housing finance businesses to develop and implement certain processes and policies for the Proposed SFB, there can be no assurance that such policies and processes will be effective.

Further, the regulatory framework applicable to SFBs is new and untested and could be subject to varying interpretations. We cannot currently determine the full impact and applicability of the SFB Guidelines and other banking regulations to the Proposed SFB. Uncertainty in the applicability, interpretation or implementation of the governing law, specifically due to the absence of administrative or judicial precedent may be time consuming as well as costly for us to resolve. To ensure compliance with the regulatory framework applicable to SFBs, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. We may also be subject to fines or other penalties if we are unable to comply with such requirements, which may adversely affect our business, results of operations, cash flows and financial condition.

Accordingly, as the business model and regulatory framework governing SFBs in India is untested, investments in the Equity Shares may be subject to a high degree of risk, which may be greater than investing in public or private sector banks or NBFCs with established regulatory framework and demonstrated financial performances.

3. ***We may not be successful in implementing our SFB growth strategies.***

As a part of our SFB growth strategy, we intend to leverage our existing network and customer base to implement our SFB operations. There can be no assurance that we will succeed in implementing such strategies as such implementation is subject to many factors which are beyond our control, including our ability to successfully replace our secured borrowings from banks and financial institutions with deposits from our existing customers, who may not choose to place deposits with the Proposed SFB.

Our ability to successfully convert into and grow as an SFB also depends upon our ability to manage key operational issues such as selecting and retaining skilled personnel (including with respect to operations in which we have no prior experience), developing profitable products and services to cater to the needs of our existing and potential customers, our success in cross-selling such products and services, maintaining and, in a timely manner, upgrading our technology platform, and successfully converting our existing branches into SFB branches.

Our inability to effectively implement our strategies as a SFB may adversely affect our businesses, prospects, financial condition and results of operations.

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.***

Pursuant to the SFB Guidelines, SFBs are precluded from creating floating charges on their assets. Further, any floating charges on assets for secured borrowings on the balance sheet of EMFL, EFL or EHFL on the date of the conversion into an SFB will have to be grandfathered, and may be subject to the imposition of any additional capital charge by the RBI. Further, the sources of funds that our microfinance, vehicle finance and housing finance business currently access may not be able available to the Proposed SFB, as such loans availed by the Proposed SFB may not be categorized as PSL. As a result, the Proposed SFB may be forced to avail of unsecured loans, at higher interest rates as compared to secured loans.

While we intend to replace bank borrowings with, *inter-alia*, deposits from customers after conversion into the Proposed SFB, we may not be able to attract sufficient deposits from customers, due to various factors beyond our control. Our failure to successfully replace our borrowings from banks and financial institutions with deposits from our customers may materially adversely affect our growth, businesses, prospects, financial condition and results of operations.

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.***

We have no operating history or experience in the banking business. Accordingly, our inability to manage the business risks and uncertainties associated with setting up any new business venture, in particular, risks in relation to the banking business, including as set forth below may adversely affect our business, results of operations, financial condition and prospects:

- Our ability to successfully develop and institutionalize our procedures and policies for our banking business (including with respect to compliance with KYC requirements and prudent risk management) and to manage increased volume of transactions;
- Our ability to successfully maintain our asset quality;

- Our ability to manage our new product offerings including liability products such as savings accounts, current accounts, term deposits, recurring deposits, remittances and transfers and foreign exchange dealings, agricultural loans, corporate loans, multi channel access to customers to their accounts;

- Our ability to create value propositions to attract and retain customers and cross-sell our products to them; and

- Our ability to meet our branch expansion targets, including with respect to our branches located in Unbanked Rural Centres, including identifying suitable premises in the appropriate locations, negotiating and entering into leases for such premises on commercially viable terms, transfer of lease agreements and leave and license agreements, as applicable, for such premises on commercially viable terms and establishing the requisite physical and technological infrastructure.

Further, attracting and retaining talented professionals, specifically, as we seek to expand our banking operations to smaller cities and towns as well as in Unbanked Rural Centres, is a key element of our strategy. We may not be able to attract talented professionals as we may face competition in doing so from other SFBs and payment banks. An inability to attract and retain talented professionals or loss or resignation of key management personnel may have an adverse impact on our business and our future financial performance.

Further, our financial statements for historic periods should not be considered indicative of our financial position for any future periods, subsequent to the proposed commencement of business as an SFB. Accordingly, investing in our Equity Shares is subject to higher degree of risk compared to banks with established operational histories and with demonstrated financial performance.

6. ***Market acceptance of Equitas brand is critical to our banking business.***

Our ability to attract and retain our customers depends in part on the public recognition of Equitas brand and its associated reputation. If the Equitas brand is not recognized in the market segments where the SFB intends to operate or if we are unable to attract customers of the Proposed SFB, it may adversely affect our business, financial condition and results of operation.

7. ***After commencement of our banking operations, if we are unable to manage our growth effectively, our business and results of operations, financial condition and prospects may be adversely affected.***

We have experienced rapid growth in our existing business since we began operations, including a Compounded Annual Growth Rate of about 60% over the preceding three years. Our growth plans may place significant demands on our operational, credit, financial and other internal risk controls, and on our management. Our growth strategies as an SFB, may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important. Further, in the short term, our focus will be on developing and embedding key systems and processes, building our team, setting up the branch architecture and creation of a liability franchise, in a phased manner. Our overall results of operations and particularly our profitability may be materially affected during the initial phase of our banking business.

Further, banking operations may pose new business and financial challenges, including setting up of a treasury strategy, a risk management framework and adopting an asset liability management system, which may entail substantial senior level management time and resources and would put significant demands on our management team and other resources post commencement of our banking operations. As we grow and diversify, we may not be able to implement, manage or execute our strategy efficiently in a timely manner or at all. We cannot assure you that we will be able to sustain growth or financial performance post commencement of our banking operations which may adversely affect our business, results of operations, financial condition and prospects and our reputation.

8. ***Our Company will be statutorily required to reduce its holding in the Proposed SFB to 40% within five years of the commencement of the SFB operations, and may not continue to control the Proposed SFB.***

Pursuant to the SFB Guidelines, the shareholding of the promoters in the Proposed SFB is required to be a minimum of 40% of its paid-up voting equity capital. Such minimum contribution of 40% is required to be locked in for a period of five years from the date of commencement of business of the SFB. In the event that the initial shareholding of the promoter of the SFB is greater than 40%, such shareholding should be brought down to 40% within a period of five years. The shareholding of the promoters in the Proposed SFB is required to be reduced in a phased manner thereafter, i.e., to 30% of the paid up capital of the SFB within a period of 10 years of the commencement of the business of the SFB, and to 26% of the paid up capital of the SFB within a period of 12 years of the commencement of the business of the SFB. Accordingly, we will be required to dilute our shareholding in the Proposed SFB and there can be no assurance that our Company will continue to control the Proposed SFB.

We cannot assure you that we will realise adequate returns on our investments as the aforementioned dilution would have to be undertaken independent of market conditions.

Further, the Banking Regulation Act limits our flexibility in many ways, including by way of specifying certain matters for which a banking company would require RBI approval. For instance, pursuant to the Banking Regulation Act, no shareholder in a banking company can exercise voting rights on poll in excess of 10% of the total voting rights of all its shareholders, notwithstanding such shareholder's actual shareholding, which may be in excess of 10% of the total shareholding of such company. Further, under the SFB Guidelines, any acquisition of 5% or more of the paid-up capital of the SFB is not permitted without the prior approval of the RBI. The Banking Regulation Act also confers on the RBI the power to supersede any decision of the board of directors of a bank and to appoint an administrator to manage the bank for a period up to 12 months. Such regulations impose restrictions on the Proposed SFB which may adversely affect the efficient management and operation of the Proposed SFB.

9. ***We may have to explore various options for listing the Proposed SFB within a period of three years from the date of grant of the SFB In-Principle Approval i.e. October 7, 2015.***

The SFB In-Principle approval also requires the Proposed SFB to be listed on a stock exchange within three years of the date of grant of the SFB In-Principle Approval. Although we currently envisage a merger of the Proposed SFB with our Company to comply with such requirement, if we are unable to merge the Proposed SFB with our Company, we will be forced to list the Proposed SFB separately which may result in an adverse effect on the price of our Equity Shares.

Further, pursuant to the SFB Guidelines, the Proposed SFB can only undertake certain specifically permitted activities. If the Proposed SFB is merged into our Company to comply with the requirement to list on a stock exchange, we may have to consider divesting or winding-up any other financial and non-financial activities that are undertaken by us, including our proposed freight aggregation business. Further, in the event the Proposed SFB merges with our Company, we may have to apply to the RBI for exemption from certain requirements prescribed under the SFB Guidelines, such as minimum promoter's contribution as our Company does not have any promoter. In addition, all transfer restrictions, foreign investment restrictions and any other restrictions applicable to the SFB will be applicable to our Company as well.

10. ***The banking sector in India is highly regulated, which may limit the operational flexibility of the Proposed SFB, on the commencement of our banking operations. Any failure to comply with such requirements or future increase in these regulatory requirements could adversely affect our proposed banking business.***

As a banking company, the Proposed SFB will be regulated under the Banking Regulation Act, the SFB Guidelines as well as various circulars and directives issued by the RBI. SFBs are required to comply with prudential norms specified by the RBI from time to time with respect to market discipline, the classification, valuation and operation of its investment portfolio, income recognition, asset classification and provisioning pertaining to advances, and RBI directives on permissible loans and advances, permissible exposures, requisite disclosures in financial statements, fraud classification and reporting, and periodic disclosure requirements.

In addition, the maximum loan size and investment limit exposure to a single and group obligor is to be restricted to 10% and 15% of its capital size, respectively. The SFB is required to ensure that at least 50% of its loan portfolio constitutes loans and advances of up to ₹ 2.5 million.

If we fail to comply with regular reporting requirements and directives applicable to an SFB, the RBI may charge penal interest for the period of default, or restrict our banking activities, or otherwise enforce increased scrutiny and control over our banking operations including by way of withholding approvals, or issuing conditional approvals, in respect of any proposed actions for which we may seek RBI approval in the future, or even cancelling our SFB license in view of any major and/or sustained non-compliance. Any such actions or events may adversely affect our business, results of operations, financial condition and prospects.

Further, any change in laws and regulations governing small finance banks, including the state government and RBI, may have an adverse effect on our business, results of operations, financial condition and prospects.

11. ***We are subject to capital adequacy norms and are required to maintain CAR at a minimum level. There can be no assurance that we will be able to access capital as and when we need it for growth.***

In terms of the SFB Guidelines, the Proposed SFB will be required to maintain a minimum CAR of 15% of its RWA on a continuous basis, subject to any higher percentage as may be prescribed by RBI from time to time. Further, the Tier I capital should be at least 7.5% of RWAs and Tier II capital should be limited to a maximum of 100% of total Tier I capital.

Our ability to support and grow our business could be limited by a declining CAR if we are unable to or have difficulty in raising adequate capital in the future.

12. ***The Proposed SFB will be required to extend a minimum level of advances to certain sectors which is significantly higher than the PSL limits applicable to scheduled commercial banks. These may subject us to higher delinquency rates. Our inability to comply with the sectoral lending requirements may require us to invest in funds with a lower return that we would otherwise obtain in the market.***

The Proposed SFB will be required to extend 75% of its ANBC to the sectors eligible for classification as PSL by RBI. Further, while 40% of its ANBC is required to be allocated to different sub-sectors under PSL as per the extant PSL prescriptions, the SFB can allocate the balance 35% to any one or more sub-sectors under the PSL where it has competitive advantage. The PSL requirements applicable to the Proposed SFB are significantly higher than the PSL limits applicable to scheduled commercial banks, which could be subject to higher delinquency rate. In case of any shortfall by the Proposed SFB in meeting the PSL requirements, we would be subsequently be required to place the difference between the required lending level and the actual PSL targets in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other institutions specified by the RBI, from which we would earn lower levels of interest compared to advances made to the priority sector. Accordingly, our results of operations could be adversely affected if we do not meet our PSL requirements.

13. ***We are required to maintain CRR and SLR and any increase in these requirements could adversely affect our business, financial conditions and results of operations.***

The Proposed SFB would be required to meet all the liquidity reserve requirements prescribed by the RBI from time to time in the form of SLR and CRR on the date of commencement of the banking business. The Proposed SFB would be required to mobilise fairly large amount of money to meet these investment requirements which may have a corresponding impact on the growth of the loan book of the SFB. The Proposed SFB may fail to raise adequate resources to meet these investment requirements within time or at all which may have material impact on the financial performance or future results of operations of our Company.

In the event that the CRR or SLR requirements applicable to us are increased in the future, our assets available for making loans and advances to our borrowers would be correspondingly further reduced. Moreover, if we fail to meet prescribed prudential norms in our banking operations applicable to a banking company, the RBI may charge penal interest for the period of default, or restrict our banking activities, or otherwise enforce increased scrutiny and control over our banking operations including by way of withholding approvals, or issuing conditional approvals, in respect of any proposed actions for which we may seek RBI approval in the future, or even cancelling our banking license in view of any major and/or sustained non-compliance. Any such actions or events may adversely affect our business, results of operations, financial condition and prospects. Our inability to comply with such conditions may result in imposition of fines or penalties by the RBI.

14. ***The banking sector in India is fiercely competitive, particularly vis-a-vis public sector banks, established private sector banks that already have an extensive physical network as well as NBFCs, other small finance banks, payment banks and other financial services companies and we may not be able to compete with these financial entities which may have an adverse impact on our results of operations.***

The banking sector in India is fiercely competitive. We will face competition from Indian and foreign commercial banks in the private sector, as well as public sector banks in India due to statutory requirements in relation to priority sector lending. Further, we will also face competition from NBFCs, other financial services companies, other small finance banks and payment banks in India. In addition, the government has issued schemes such as Pradhan Mantri Jan-DhanYojana to ensure access to financial services in an affordable manner. Further, public sector banks as well as existing private sector banks, have an extensive customer and depositor base, larger branch networks, and in case of public sector banks, Government support for capital augmentation, due to which they may enjoy corresponding economies of scale and greater access to low-cost capital, and accordingly, we as a new SFB, may not be able to compete with them.

Due to intense competition in the banking sector in India, we may also face challenges in hiring and retaining adequate numbers of sufficiently qualified and experienced personnel for the Proposed SFB. Moreover, the requirement to anticipate and appropriately react to such competitive pressures and related industry trends may strain our management and other resources. Such competitive pressures and their incidental effects on us may adversely affect our business, results of operations, financial condition and prospects.

15. ***On the commencement of operations by the Proposed SFB, we will remain a holding company with no direct operations and will be dependent on dividends and other distributions from the Proposed SFB, whose ability to declare and pay dividends is restricted by Indian law.***

On the commencement of operations by the Proposed SFB, our Company will remain a holding company and we will be dependent on dividends and other distributions from the Proposed SFB, for our cash requirements, including funds to pay dividends and other cash distributions to our shareholders.

Pursuant to the SFB Guidelines, EMFL, EFL and EHFL will be required to merge our existing financing business into the Proposed SFB. Should we decide to pay dividends to our shareholders in the future, our ability and decision to pay dividends will depend on, among other things, the availability of dividends received from the Proposed SFB. Pursuant to Section 17 of the Banking Regulation Act, every banking company will be required to create a reserve fund and transfer thereto a sum not less than 20% of its profit every year before declaring any dividend and pursuant to Section 15 of the Banking Regulation Act, no banking company shall pay any dividend until all its capitalized expenses have been completely written off. Accordingly, the amount of our future dividend payments will be impacted by such restrictions. Additionally, in the future, our Company and the Proposed SFB, may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

16. ***Significant security breaches, fraud or system failures could adversely impact our new banking business.***

Upon the commencement of operations by the Proposed SFB, we will be heavily reliant on our systems technology in connection with financial controls, risk management and transaction processing. We will also be dependent on third party service providers for security systems and our technology infrastructure. In addition, our delivery channels will include ATMs, call centres, mobile and the internet. Any failure in any of our systems or any failure by such third party service providers, may result in business interruption, loss of customers, damaged reputation and weakening of our competitive position and may have an adverse effect on our financial condition and results of operations.

In addition, we may face delays or difficulties in establishing and implementing the technology and physical infrastructure required for our proposed banking operations, for instance, for the launch of solutions such as internet banking, telephone banking or mobile banking, which we believe would be convenient banking solutions. In any such event, our proposed banking operations may not grow as we presently anticipate, we may not successfully recover our investments in setting up our banking operations or our profitability may be negatively impacted.

Further, we will need to develop our infrastructure and establish operational procedures to protect our security systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems for safe and secure banking service offerings. There can be no assurance that any of our proposed security measures will be successful. A significant failure in security measures may have an adverse effect on our business and our future financial performance. The Proposed SFB may have a high volume of transactions and although we propose to take adequate measures to safeguard against system-related and other failures, there can be no assurance that we will be able to prevent frauds. Further, our reputation could be adversely affected by significant frauds committed by any employees, customers or other third parties.

Other Risks Relating to Business and Operations

17. ***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.***

Our results of operations, including our net interest income are dependent on our ability to manage our interest rate risk. Our various financing products provide a range of loans at fixed or floating rates of interest. Our funding arrangements also include both fixed and floating rate borrowings. Our interest expense on term loans was ₹ 891.06 million, ₹ 1,576.86 million, ₹ 2,415.51 million and ₹ 2,170.06 million in fiscal 2013, 2014, 2015 and nine months ended December 31, 2015, respectively. Since our financing products involve both floating and fixed rates, an inability to match our borrowing profile with our loan product portfolio may lead to various risks. In case of increase in interest rate, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Additional risks arising from increasing interest rates, among others, include:

- increases in the rates of interest charged (where floating rates are typically used) on certain financing products in our product portfolio, which could result in the extension of loan maturities and higher monthly installments due from borrowers which, in turn, could result in higher rates of default;

- reductions in the volume of loan disbursements as a result of customer’s inability to service high interest rate payments; and

- inability to raise low cost funds as compared to some of our competitors, who may have access to lower cost deposits;

- inability to collect anticipated interest amount in case of prepayment of loans by our customers.

Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Difficult conditions in the global and Indian economy resulting from economic dislocations and liquidity disruptions of the credit crisis since 2008, adversely affected the availability of credit. While credit availability has eased, interest rates in India have been volatile in the past.There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our net interest margin, thereby adversely affecting our business and future financial performance.

18. ***Our business could be adversely affected if we are unable to control or reduce the level of NPAs in our portfolio.***

In our microfinance business, as of March 31, 2013, 2014, 2015 and as of December 31, 2015, gross NPAs as a percentage of On-Book AUM was 0.03%, 0.10%,0.08% and 0.17%, respectively, while net NPAs as a percentage of On-Book AUM was 0.01%, 0.02%, 0.02% and 0.05%, respectively. Similarly, in our vehicle finance business, as of such dates, gross NPAs as a percentage of On-Book AUM was 1.02%, 1.82%, 2.80% and 3.80% respectively, while net NPAs as a percentage of On-Book AUM was 0.69%, 1.61%, 2.10% and 2.84%, respectively. In our MSE business (including our mortgage finance business), as of March 31, 2014, 2015 and as of December 31, 2015, our gross NPAs as a percentage of On-Book AUM was nil, 0.17% and 0.31%, while net NPAs as a percentage of On-Book AUM was nil, 0.15% and 0.28%. In our housing finance business, gross NPAs as a percentage of On-Book AUM was nil, 0.57%, 1.66% and 3.02% respectively as of March 31, 2013, 2014, 2015 and as of December 31, 2015, while net NPAs as a percentage of On-Book AUM was nil, 0.49%, 1.38% and 2.51% respectively. We may not be successful in our efforts to improve collections and/or foreclose. In addition, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are unable to control or reduce our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. Moreover, there also can be no assurance that there will be no deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be an adverse impact on our financial condition. In addition, any adverse regulatory developments relating to the assessment and recognition of NPAs and provisioning therefore may have an adverse effect on our financial performance. For example, the regulatory framework applicable to NBFCs in India has been recently amended to require NBFCs such as us to follow more stringent NPA evaluation criteria. As per the RBI notification on 'Revised Regulatory Framework for NBFC' dated November 10, 2014 and the "Systematically Important Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 dated March 27, 2015, the asset classification norms require us to advance the classifications of certain overdue assets as NPAs. For example, assets other than lease rental and hire purchase assets will be required to be classified as NPAs if they remain overdue for five months in the financial year ending March 31, 2016, four months in the financial year ending March 31, 2017 and three months in the financial year ending March 31, 2018. For further information, see "Regulations and Policies" on page 210. In such circumstances, our gross NPAs and net NPAs in such periods are likely to increase significantly, disproportionate to the growth of our business and total loan assets.

19. ***Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of term loans from banks and financial institutions, issuance of redeemable non-convertible debentures, the issue of subordinated bonds and commercial paper, as well as through securitization/assignment of certain of our loan portfolio as well as equity contribution. Our business therefore depends and will continue to depend on our ability to access diversified low cost funding sources. Expanding our geographical network and extending new proprietary and distributed product and service offerings to our members will have an impact on our long-term capital requirements. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

With the growth of our business, we may be increasingly reliant on funding from the debt capital markets and commercial borrowings. While our borrowing costs have been competitive in the past due to our ability to structure debt products, credit ratings and the quality of our asset portfolio, if we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business, our future financial performance and the price of our Equity Shares.

The capital and lending markets is a highly volatile market and our access to liquidity is adversely affected by the prevailing economic conditions. These conditions may result in increased borrowing costs and difficulty in accessing funds in a cost-effective manner. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As a financial services company, we also face certain restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates. If we are unable to obtain adequate financing or financing on terms satisfactory to us, as and when we require it, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

20. ***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.***

The RBI requires domestic commercial banks operating in India to maintain a minimum of 40.0% of their adjusted net bank credit, or a credit equivalent amount of off-balance sheet exposure, whichever is higher, as lending to specific sectors (known as priority sectors) such as agriculture, micro, small and medium enterprises, export credit, education, housing, social infrastructure and renewable energy. PSL funds received as a result of these commercial bank requirements are a significant source of funding for the MFI industry in India but certain eligibility conditions are required to be satisfied by MFIs, including our subsidiary, EMFL, to avail such funds. To the extent that changes in regulations impose any further conditions or requirements for PSL funds or in the event that loans to MFIs or any part of our loan portfolio are no longer classified as PSL, our access to, and the cost of, debt financing may be adversely affected. In such event, our access to funds and the cost of our capital would be negatively impacted, and our business, future financial performance and results of operations would be materially and adversely affected.

In the event that any part of our loan portfolio is no longer classified as a priority sector advance by the RBI, our ability to raise funds at current cost levels from banks will be affected, which in turn will also affect our cost of capital, which may adversely affect our financial condition and results of operations.

21. ***Microfinance loans are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of NPAs.***

As of December 31, 2015, our microfinance AUM was ₹ 29,347.99 million, representing 53.31% of our aggregate AUM as of such date. In the microfinance business, gross NPAs as a percentage of on-book AUM were 0.03%, 0.10%, 0.08% and 0.17% as on March 31, 2013, 2014, 2015 and as of December 31, 2015, respectively, while net NPAs as a percentage of on-book AUM were 0.01%, 0.02%, 0.02% and 0.05% as on March 31, 2013, 2014, 2015 and December 31, 2015 respectively.

Our microfinance customers typically belong to the economically weaker sections, with limited sources of income, savings and credit records, and are therefore unable to provide us with any collateral or security for their loans. Such customers are at times unable to or may not provide us with accurate information about themselves which is required by us in connection with loans. Further, in case of emergencies like death or major illness, our microfinance customers may be given a holiday period of up to two months instalments which they can pay in future installments or at the end of the transaction for which they are not charged any additional interest or fee. In our microfinance business, we rely on non-traditional guarantee mechanisms rather than any tangible assets as security collateral. Our microfinance business involves a joint liability mechanism whereby borrowers form a joint liability group and provide guarantees for loans obtained by each member of such group. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the joint liability group in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities and forced migration. As a result, our micro finance customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. In addition, repayment of microfinance loans are susceptible to various political and social risks, including any adverse publicity relating to the microfinance sector accessing capital markets, public criticism of the microfinance sector, the introduction of a stringent regulatory regime, and/or religious beliefs relating to loans and interest payments, which adversely affect repayment by our customers and may have a material and adverse effect on our business prospects and future financial performance.

In addition, it is difficult to accurately predict credit losses, and there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting such losses or that our loan loss reserves will be sufficient to cover any such actual losses. As a result of the uncertain financial and social circumstances of our microfinance customers and the higher risks associated with lending to such customers, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that could have a material and adverse effect on our business prospects and financial performance.

22. ***We face increasing competition from a variety of competitors in the organized and unorganized sector across our various financing products, which could adversely affect our business prospects and financial performance.***

In our microfinance business, we face competition from other microfinance companies, NBFCs, as well as banks. In addition, the RBI has set out guidelines applicable to microfinance institutions which restrict the number of microfinance institutions that can extend loans to the same borrower and also limit the maximum amount of loan that can be extended. The presence of microfinance institutions in India is not uniform and certain regions have a concentration of a large number of microfinance institutions while there are regions which have very few and even no microfinance institution presence. In any particular region, the level of competition depends on the number of microfinance institutions that operate in such area. In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest. In our used commercial vehicle finance business, we primarily face competition from other NBFCs. In addition to such NBFCs, the market is also driven by unorganized players such as local money lenders. In our MSE finance business, which is primarily a cross sell product to our microfinance customers, we face competition from other similar institutions. In relation to our housing finance business, we focus on self-employed category of customers purchasing houses in the affordable segment as well as our microfinance customers as a result, we primarily face competition from other housing finance companies. In relation to our mortgage finance business, we primarily face competition from banks and other NBFCs.

Our ability to compete effectively will depend, to an extent, on our ability to raise low-cost funding in the future as well as our ability to maintain or decrease our operating expenses by increasing operational efficiencies and managing credit costs. As a result of increased competition in the various sectors we operate in, products in our industry have become increasingly standardized and variable interest rate and payment terms and lower processing fees are becoming increasingly common across our products. There can be no assurance that we will be able to effectively address these or other finance industry trends or compete effectively with new and existing commercial banks, NBFCs, payment banks, other SFBs and other financial intermediaries that operate across our various financing products, as well as the various additional products and services we intend to introduce following our proposed conversion into a Small Finance Bank. An inability to effectively address such competition may adversely affect our market share, business prospects, results of operations and financial condition.

23. ***Our business operations involve transactions with relatively high risk borrowers that typically do not have access to formal banking channels, and high levels of customer defaults could adversely affect our business, results of operations and financial condition.***

Our business involves lending money to smaller, relatively low income entrepreneurs and individuals who have limited access or no access to formal banking channels, and therefore may not have any credit history and as a result we are more vulnerable to customer default risks including default or delay in repayment of principal or interest on our loans.

Some lines of our business like MSE financing are new and we do not have past data on the borrower's behavior. Similarly, our vehicle financing business principally focuses on first time users with limited access to capital through formal banking channels. Our housing finance segment is also focused on small ticket loans and the affordable housing segment, and a significant majority of our customers belongs to the low income group. Some of our customers may not have any credit history supported by tax returns or other related documents, may have limited formal education, and are able to furnish very limited information for us to be able to assess their creditworthiness accurately. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. It is therefore difficult to carry out credit risk analyses on our clients. Although we believe that our risk management controls are stringently applied, there can be no assurance that they will be sufficient or that additional risk management strategies for our customers will not be required.

Further, our customers may default on their obligations as a result of various factors including bankruptcy, lack of liquidity and / or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Although our microfinance business operates through a system of joint liability, and our vehicle finance, MSE finance and housing finance businesses involve certain collateral, we may still be exposed to defaults in payment, which we may not be able to recover in full. For further information see " Risk Factor - We may be exposed to potential losses due to a decline in the value of collateral obtained in asset backed finance businesses, and due to delays in the enforcement of such security upon default by our borrowers. In addition, we may be exposed to losses due to wrongful assessment of the credit worthiness of our borrowers" in this section. If our borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

24. ***Our indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.***

As of December 31, 2015, our long term borrowing was ₹ 38,198.22 million and short term borrowing was ₹ 3,350.57 million, and we will continue to incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards servicing of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- vulnerability to economic downturns may limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business, regulatory and economic conditions.

Some of the financing arrangements entered into by our Subsidiaries also include conditions that require them and in certain cases our Company to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of these covenants include (i) altering the capital structure of us and our Subsidiaries, (ii) changing ownership / control of us and our Subsidiaries (iii) formulating a scheme of amalgamation, compromise or reconstruction, (iv) material change in management, (v) implementing a scheme of expansion, (vi) undertaking guarantee obligations, (vii) declaration of dividend, (viii) amendment to constitutional documents, (ix) undertaking fresh exposure in Andhra Pradesh, (x) change in our Company's stake in the Subsidiaries and (xi) change in constitution and change in shareholding pattern. Further, under certain financing agreements, we are required to maintain specific credit ratings, failure of which would result in an event of default. Our Subsidiaries are also required to maintain certain financial ratios and ensure compliance with regulatory requirements such as maintenance of capital adequacy ratios, qualifying asset norms and ensure positive net worth. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

Further, our lenders may recall or accelerate all or part of amounts borrowed by us. Such recalls may be contingent on happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls. For example, owing to external factors affecting the microfinance industry at large such as the Andhra Pradesh financial crisis, we received a recall notice from one of our lenders in the year 2010. While we reached an amicable settlement, we cannot assure you that external factors affecting our business will not result in acceleration notices or recall of loan facilities by our lenders. We cannot further assure you that we will be able to repay the loans at all, and such recall notices may trigger events of default under such loan agreements.

In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances could adversely affect our business operations, future financial performance, credit rating and the price of the Equity Shares.

25. ***We require certain statutory and regulatory approvals and licenses for conducting our business and an inability to obtain or maintain such approvals and licenses in a timely manner, or at all, may adversely affect our operations.***

We require various approvals, licenses, registrations and permissions for operating our business, including registration with the RBI as a NBFC, a core investment company and the NHB as a HFC. In particular, two of our Subsidiaries are required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. Pursuant to the SFB – In Principle Approval, our Company, as the promoter of the Proposed SFB was required to register with the RBI as a core investment company. Accordingly, our Company is in the process of making an application to the RBI to be registered as a core investment company. In addition, our housing finance operations are governed by regulations and guidelines issued by the NHB. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner, or at all, and/or on favorable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have a material adverse effect on our business operations, future financial performance and price of our Equity Shares. Further, we may need additional approvals from regulators to introduce new products to our customers.

Further as our Company and both EMFL and EFL is regulated by the RBI and EHFL is regulated by the NHB, in terms of the applicable norms regulating such companies, each of these companies is required to comply with the prescribed requirements including in relation to exposure limits, classification of NPAs, KYC requirements and other internal control mechanisms. In the event that any of our subsidiaries are unable to comply with the requirements within the specified time limit, or at all, such company may be subject to regulatory actions by the RBI or the NHB including the levy of fines or penalties and/or the cancellation of registration as an NBFC - MFI, NBFC- AFC or HFC, as the case may be. However we cannot assure you that we will be able to comply with such requirements in the future. Any levy of fines or penalties or the cancellation of our registration as an NBFC - MFI, NBFC- AFC or HFC by the RBI or the NHB, may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares.

Further our Subsidiaries EMFL and EFL are subject to periodic reporting and inspection by the RBI and EHFL is subject to inspection by the NHB. The RBI and NHB made certain observations in their inspection reports in the past, which our Subsidiaries have responded to in the past. For instance, certain securitization transactions undertaken by EMFL, in the past have been found to be non-compliant with the RBI guidelines, such as EMFL and its 'par turbo structure' as observed by RBI and have not entered into any similar fresh transactions. We cannot assure that our future transactions will not be considered non-compliant with the RBI guidelines.

In addition, the RBI and the NHB have in the past made observations in connection with, *inter-alia*, our levels of compliance with the guidelines on the fair practices code, know your customer and anti-money laundering norms, and maintaining arms' length distance in transactions among our Company and our Subsidiaries. While we have responded to such observations and addressed them, we cannot assure you that the RBI or any other regulatory authority will not make similar or other observations in the future and that we will be able to respond satisfactorily to all such queries.

Also, branches of our Subsidiaries are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave, minimum wages and overtime compensation. Some of our branches have not applied for such registration while other branches still have applications for registration pending. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, the certificates of registration may be suspended or cancelled and we shall not be able to carry on such activities.

For further information, see "Government and other Approvals" beginning on page 706.

26. ***There are inherent risks relating to setting up of a freight aggregator platform, and an inability to manage such expansion plans may adversely affect our business growth and future financial performance.***

We have recently incorporated a subsidiary, ETPL, which proposes to be involved inter alia, in the development of a technology platform for freight aggregation connecting cargo providers with transporters. We will accordingly be required to make substantial investment in technology, develop a business model and revenue stream to suit such business, develop effective partnerships with local commercial vehicle owners and other service providers, understand the digital marketplace in our target jurisdictions, and adapt to business practices, regulatory regimes, customer habits, languages and preferences. Developing our operations and business models effectively for such new areas of business where we have no prior experience may divert management attention and resources, or increase regulatory compliance issues. There can be no assurance that we will be able to effectively manage the growth of such expansion where we are subject to various inherent risks, including: our ability to recruit and retain personnel with relevant skillset and experience, differences in and unexpected changes in regulatory requirements; availability of requisite infrastructure; differences in customer requirements in target markets; increased risk to and limits on our ability to enforce our intellectual property rights; competition from any other logistics service providers in such jurisdictions; seasonal reduction in business activity; higher internet or technology service provider costs; difficulty in integrating various other services like payment gateway, languages, logistic providers, etc.; different arrangement in certain jurisdictions with logistics providers and customers, and contractual arrangements relating to transactions; and regulatory issues such as different taxation, intellectual property and information technology laws. Further, we intend to leverage our existing vehicle finance customers for our freight aggregation platform and any impact on used commercial vehicle financing industry will have a direct impact on this business.

Further such expansion may not generate the financial results we expect and we may not be able to recover our investment and suffer losses. We may also have to obtain approvals and licenses from the relevant government authorities for the approval of such platform and to comply with any applicable laws and regulations, which could result in increased costs and delay. As on the date of RHP, we have not applied for any such licenses or approvals and we cannot assure you that we will be able to achieve the strategic objective for such an expansion. Furthermore, if we are unable to manage our expanded business operations efficiently, our results of operations could be materially and adversely affected and our reputation may suffer. An inability to effectively manage such risks may adversely affect our operations, growth plans and future financial performance.

In the event our Company is merged with the proposed SFB, we may not be able to continue to undertake non-financial business and may be required to divest from such operations. For further information, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

27. ***If we do not generate sufficient amount of cash from operations, our liquidity and our ability to service our indebtedness and fund our operations would be adversely affected.***

While we believe that our cash flow from operations, available cash and borrowings will be adequate to meet our future liquidity needs, we also have substantial debt service obligations, working capital requirements and contractual commitments. We cannot assure you that our businesses will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. If we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected which will have a significant adverse effect on our results of operations and financial condition.

Further, when we face potential asset liability mismatches they create liquidity surplus or liquidity crunch situations and depending upon the interest rate movement, such situations may adversely affect our net interest income. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as working capital demand loans, cash credit and commercial papers. We also face interest rate risks as microfinance and vehicle finance loans are typically given at a fixed rate of interest whereas the term loans and working capital loans from banks taken by us are typically based on a floating rate of interest.

Consequently, our inability to obtain and/or maintain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers. Such factors may have an adverse effect on our results of operations and financial condition.

28. ***The microfinance sector in India was subject of certain adverse publicity in the past resulting in the implementation of a stringent regulatory regime. There can be no assurance that the applicable regulatory regime will not become further stringent and onerous in the future which may adversely affect our business prospects and financial performance.***

In 2010, adverse financial conditions in certain states in India, particularly in the then state of Andhra Pradesh, debt related suicides by farmers led to certain adverse publicity for the microfinance sector in India. In the aftermath of such crisis, the Malegam Committee was established to review the state of the microfinance sector in India, which highlighted in its report several concerns relating to the microfinance sector in India. These concerns included the high rates of interest charged by microfinance organizations, the lack of transparency in fixing of interest rates and other charges, multiple lending, upfront collection of security deposit, over-borrowing, ghost borrowers and coercive methods of recovery. The Malegam Committee report resulted in the introduction of the NBFC – MFI guidelines which lay down a stringent regulatory regime for the microfinance industry in India, resulting in extensive regulation, and increased cost of funding.

Our microfinance business is regulated principally by, and has reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws applicable to us in India. The regulatory and legal framework governing us may differ in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector. In addition, the RBI may increase the minimum capital adequacy requirements for non-deposit taking NBFCs. In addition, we may also face stricter regulations in relation to NPA recognition which may have an adverse impact on our results of operations and financial condition as discussed in "Our business could be adversely affected if we are unable to control or reduce the level of non-performing assets in our portfolio or if we are unable to maintain our provisioning percentage for such higher NPAs".

Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business and operations could be adversely affected. There can be no assurance that changes in these regulations and the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business and future financial performance. Also, we cannot assure you that we will continue to be in compliance with these requirements in a timely manner or at all. There can therefore be no assurance that the applicable regulatory regime will not become further stringent and onerous in the future which may adversely affect our business prospects and financial performance.

29. ***We have experienced significant growth in recent years and an inability to maintain our track record of growth or successfully manage our expanded operations, additional financing products or different business verticals may have a material adverse effect on our business, results of operations and financial condition.***

Our aggregate AUM as of December 31, 2015 was ₹ 55,051.85 million. As of December 31, 2015, our micro finance business AUM, vehicle finance business AUM, MSE finance business AUM and housing finance business AUM was ₹ 29,347.99 million, ₹ 14,056.25 million, ₹ 9,355.17 million and ₹ 2,292.46 million, respectively, representing 53.31%, 25.53%, 16.99% and 4.16% of our aggregate AUM as of such date.As part of our growth strategy, we have added additional products to our portfolio such as vehicle finance, housing finance and MSE finance (including loan against property) products. Our current strategy is to gain market share in strategically-selected target businesses, customer segments and geographies while improving our productivity, profitability and efficiency parameters. Although our growth initiatives have contributed to our financial results in recent years, there can be no assurance that we will be able to continue to successfully implement this strategy.

Our ability to sustain and manage growth depends primarily upon our ability to manage key issues such as selecting and retaining skilled personnel, developing products to cater to the needs of our existing and potential customers, our success in cross-selling such products across our customer base by gaining market share in select businesses and geographies, maintaining and, in a timely manner, upgrading our technology platform to be effective, introducing and successfully implementing new and improved technology initiatives and customer-friendly innovative products, ensuring a high standard of customer service and successfully integrating and managing any acquired businesses. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations, as well as the market price of our Equity Shares.

We also intend to continue to increase and diversify our customer base and delivery channels. In recent years, we have significantly increased the scope of our branch network and we intend to continue to add new branches over the next few years. While historically most of our operations were focused in Tamil Nadu, we intend to further increase our penetration in the western and northern states of India as well as certain regions in India where we historically had no operations, such as the eastern parts of India. Such further expansion will increase the size of our business and the scope and complexity of our operations and will involve significant start-up costs to establish such branches. We may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all and may not be able to reflect improvement in other indicators of financial performance from the expansion. In addition, the growth and contribution to our revenue from new branches may be slower or smaller compared to the rest of our business. We may not be able to identify real estate to lease for new branches in a cost-effective manner or without delays or relocate branches that do not meet our standards of success, including profitability, to desirable locations. We cannot assure you that we will be successful in achieving our target benchmark level of efficiency and productivity in our new branches and our success will depend on various internal and external factors, some of which are not under our control.

We may also not be able to recover initial start-up costs from branches that do not perform successfully and we may have to continue incurring costs to operate such branches if our management considers that closing such branches may adversely affect our reputation or positioning in an area or may affect our compliance with applicable financial inclusion obligations. Any of the above may adversely affect our business growth, prospects and financial results and other indicators of financial performance.

As a consequence of a larger branch network, we may also be exposed to certain additional risks, including: difficulties arising from operating a larger and more complex organization; the failure to manage a geographically-diverse branch presence and to efficiently and optimally allocate management, technology and other resources across our branch network; the failure to manage third-party service providers in relation to any outsourced services; difficulties in the integration of new branches with our existing branch network; difficulties in supervising local operations from our centralized locations; difficulties in hiring skilled personnel in sufficient numbers to operate the new branches locally and management to supervise such operations from centralized locations; the failure to compete effectively with competitors; the failure to maintain the level of customer service in the new branches, which may adversely affect our brand and reputation; the triggering of obligations to open new rural branches (including, unbanked rural centres) along with our branch network expansion, and associated risks, including higher technology support services cost and operational risks; difficulties arising from coordinating and consolidating corporate and administrative functions, including integration of internal controls and procedures; and unforeseen legal, regulatory, property, labour or other issues.

We have introduced two other financing products relevant to such customer segment including loan against gold jewellery and two-wheeler loans, the launch of which was approved by our Board in the third quarter of fiscal 2016. We have relatively limited or no experience in some of these additional products and business verticals which are partly targeted at a slightly different customer segment. We may accordingly encounter additional risks by entering into such new lines of business. Further our fragmented shareholding may lead to delay in receipt of approvals for expansion or other business plans. There can be no assurance that we will be able to successfully implement our growth strategy or that we will be able to further expand or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have an adverse effect on the quality of our assets and our financial condition.

New businesses will require significant capital investments and commitments of time from our senior management, there also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business opportunities. Our inability to effectively manage any of these issues could materially and adversely affect our business and impact our future financial performance.

30. ***Some of our subsidiaries have not been in compliance with certain covenants (not including payment or financial covenants) under their respective financing agreements which have also triggered cross-defaults under certain other financing agreements, such non-compliances have been waived by the respective lenders. Any future defaults that are not waived could lead to acceleration of repayment obligations or termination of one or more financing agreements which may adversely affect our business.***

Some of our subsidiaries, namely, EMFL, EFL and EHFL, have failed to comply with certain covenants (not including payment or financial covenants) under their respective financing agreements some of which constituted events of default under the respective financing arrangements and also triggered cross default provisions under certain other financial agreements. While the Subsidiaries have received waivers from the respective lenders for such breaches including cross-defaults, we cannot assure you that we will be in compliance with all the covenants under the respective loan agreements in the future or that if we breach covenants in the future, will receive waivers from our lenders for such non-compliance. In the event we are unable to receive waivers from any of our lenders for breach of covenants including for cross defaults, which will enable our lenders to accelerate their loans or enforce the security or terminate the financing agreements which will adversely affect our financial position and business. Since our Company is a guarantor to a significant number of loans by the Subsidiaries, lenders may also have direct recourse to our Company in the event of default under the financing agreement.

31. ***System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is significantly dependent on our ability to process, on a daily basis, a large number of transactions. We use information technology as a strategic tool in our business operations for various functions including loan origination and monitoring as well as to improve our overall productivity, such as table based registration, pre-printed stickers, etc. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We are also dependent on third parties for our IT setup and may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base, range of products and customer expectation on service levels.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

32. ***We have made certain delayed statutory filings in the past with regulators including RoC and not filed the return of allotment for conversion of CCPS into Equity Shares on March 31, 2009, which may result in penalties being imposed on our Company or our Subsidiaries if the same are delayed or not duly filed in future as well.***

We had in the past delayed in filing certain statutory forms with and obtaining the approval of, the Registrar of Companies as mandated under the Companies Act, 1956. We had not filed the statutory Form-2 with the RoC for conversion of CCPS into Equity Shares on March 31, 2009 as we believed that return of allotment is not required to be filed upon conversion into equity shares. We have also filed certain statutory forms with the RoC which had inadvertent factual inaccuracies, which have since been rectified and amended statutory forms have been filed with the RoC. We cannot assure you that all statutory filings shall be carried out by us in a timely manner or at all. We have also in the past approached the CLB with a petition under Section 43 of the Companies Act, 1956 for inadvertently not complying with the provisions of Section 3(1)(iii) requiring a private company to have a maximum of fifty members. The CLB vide its order dated December 3, 2013 condoned such non-compliance. We cannot assure you that in the future all statutory filings shall be carried out by us in a timely manner or that we will be in compliance with the Companies Act, 2013 or SEBI corporate governance guidelines which will have an impact on our compliance costs and may have an adverse effect on our business and results of operations.

33. ***The interests of our Shareholders and Directors may cause conflicts of interest in the ordinary course of our business.***

Our Company is a professionally managed company. As of the date of this Red Herring Prospectus, no Shareholder of our Company holds more than 15% of the total issued capital of our Company. Our Shareholders comprise of various DFIs, private equity funds, current and former employees and strategic investors. Our Board is primarily constituted by professionals and independent directors. We have an employment agreement with our Managing Director for a period of five years starting from May 2012. Given that no single shareholder constitutes a majority, our shareholders conflicts may arise in the ordinary course of decision-making. Some of our Directors may also be on the board of certain companies engaged in businesses similar to the business of our Company. Further there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

34. ***Our vehicle financing business is focused on used commercial vehicle financing and any adverse development in this industry may adversely affect our business prospects and future financial performance.***

Our vehicle financing business focused on financing of used commercial vehicles may be susceptible to higher risks and NPA portfolios compared to that relating to financing of new commercial vehicles. Our customer base in the vehicle financing business has, and will likely continue in the future to have, a high concentration of small road transport operators. Our business is dependent on various factors that impact this segment, such as the demand for transportation services in India, changes in Indian regulations and policies affecting used commercial vehicles, natural disasters and calamities, and macroeconomic environment in India and globally. Sometimes, individual borrowers, first time users and small road transport operators may be less financially resilient. As a result, they may be disproportionately and adversely affected by any decline in economic conditions. Correspondingly, the demand for finance of used commercial vehicles may decline, which in turn may adversely affect our cash flows, results of operations and financial condition. In addition, the ability of commercial vehicle owners and/or operators to perform their obligations under existing financing agreements may be adversely affected if their businesses suffer as a result of such factors, thereby adversely affecting our vehicle financing business, future financial performance and results of operations.

35. ***Our business is heavily dependent on our operations in the southern states of India, particularly the state of Tamil Nadu, and any adverse changes in the conditions affecting these markets can adversely impact our business, financial condition and results of operations.***

Our business is heavily dependent on the performance of the southern states of India and particularly Tamil Nadu. While we have expanded our operations to other states such as Maharashtra, Madhya Pradesh, Karnataka, Rajasthan, our branches and products continue to be concentrated in the state of Tamil Nadu. In the event of a regional slowdown in the economic activity in Tamil Nadu or factors such as a slowdown in sectors such as MSE, or any other developments that make our products in Tamil Nadu less economically beneficial, we may experience more pronounced effects on our financial condition and results of operations. Our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, the economy in Tamil Nadu. The market for our products in Tamil Nadu may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. We cannot assure you that the demand for our products will grow, or will not decrease, in the future, in this region and such factors may have an adverse effect on our results of operations and financial condition. For further information in relation to our geographical spread of loan accounts, see subsidiary wise information in "Selected Statistical Information".

36. ***The Government of India ("GoI") has in the past and may in the future direct financial institutions to implement certain waiver schemes that are aimed at serving the interest of a cross section of the public. Such schemes may not necessarily be profitable and may adversely affect our business, financial condition and results of operations.***

The Government of India may from time to time direct financial institutions to implement certain schemes or waivers. We also provide special schemes under which credit facilities and loans are extended to persons belonging to weaker sections, which is aimed at facilitating the GoI's initiative to empower them. Such schemes and credit facilities provided to members of the weaker sections may not be as profitable as compared to lending in the non-priority sector. This is because historically, NPAs are higher in the priority sector lending compared with non-priority sector lending and as a result our results of operations and financial condition may be adversely affected.

37. ***The success of our business operations is dependent on our senior management team and key management personnel as well as our ability to attract, train and retain other employees.***

We are a professionally managed company and the continued success of our business operations and our ability to sustain our historical growth rates depends upon our ability to attract and retain key management and other senior management personnel, developing managerial experience to address emerging business and operating challenges and ensuring a high standard of customer service. Hiring and retaining qualified and skilled personnel is critical to our future, as our business model depends on our communication and service orientation skills, which are personnel-driven operations.

In addition, hiring and retaining personnel qualified and experienced in credit-appraisal and asset valuation, in the used commercial vehicle sector and micro finance sector, is particularly difficult. In addition, personnel with adequate experience in the affordable housing segment are also difficult to attract given the growing demand in this industry. We may also face attrition of our existing workforce as a result of increased competition or other factors relating to our businesses. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. While we have an incentive structure including employee stock option schemes designed to encourage employee retention, any inability to attract and retain talented employees, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and the price of our Equity Shares.

38. ***We may be exposed to potential losses due to a decline in the value of collateral obtained in asset backed finance businesses, and due to delays in the enforcement of such security upon default by our borrowers. In addition, we may be exposed to losses due to wrongful assessment of the credit worthiness of our borrowers.***

We obtain collateral as security for loans provided under our used vehicle finance, housing finance and MSE finance business. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions (both global and domestic).

In our housing finance and MSE finance businesses, the value of the collateral may not be adequate to cover amounts under default. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Further, in our used commercial vehicle finance, the vehicles for which loans are disbursed are hypothecated in our favor. The value of such vehicle or other applicable collateral is subject to depreciation, deterioration, and/or reduction in value on account of other extraneous reasons, over the course of time. Consequently, the realizable value of the collateral, when liquidated, may be lower than the outstanding loan from such customers if there is a sharp deterioration in the value of the collateral. In the case of movable property accepted as security, we may face difficulty in locating or seizing the property in the event of any default by our customers. Further a failure to recover the expected value from sale of such collateral security could expose us to potential losses. Any such losses could adversely affect our financial condition and results of operations. Furthermore, enforcing our legal rights through legal proceedings against defaulting customers is a slow and potentially expensive process. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

In addition, we also depend on the accuracy and completeness of information provided by our potential borrowers. For ascertaining the creditworthiness and encumbrances on collateral we may depend on registrar and sub-registrar of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

39. ***Some of our subsidiaries are subject to regulations in relation to minimum capital adequacy requirements and a decline in our CAR will require us to raise fresh capital which may not be available on favourable terms, or at all, which may affect our business, results of operations and financial condition. A decline in our capital adequacy ratio could also restrict our future business growth.***

We are required under applicable laws and regulations to maintain certain minimum capital adequacy ratios. As of March 31, 2015, the CAR of EMFL and EFL was 21.15% and 38.63%, respectively, compared to the RBI mandated CAR requirement of 15.00%. As of December 31, 2015, the CAR of EMFL and EFL was 21.02 % and 31.45%, respectively. As of March 31, 2015 and December 31, 2015, the CAR of EHFL (which operates our housing finance business) was 32.58% and 32.11%, respectively, as compared to the applicable regulatory requirement of 12.00%.

If we continue to grow our loan portfolio and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favorable to us or at all, and this may adversely affect the growth of our business.

40. ***The RBI has in the past observed that we have not computed CAR as per regulations prescribed by the RBI. Any failure to compute the CAR in the manner prescribed by the RBI would lead to violation of RBI regulations and may subject us to penalties.***

The RBI has, in the annual inspection reports for the Financial Year 2014 and 2015, observed that one of our Subsidiaries, EMFL has not computed CAR as per paragraph 13.2 of Securitization Guidelines dated February 1, 2006 and paragraph 16 of (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. While, EMFL has replied to the observations made by the RBI, we cannot assure you that the RBI will agree with our reasoning. Further, we cannot assure you that we would be able to give reasonable explanations for any such observations by the RBI in the future.

41. ***We do not have documentary evidence for the educational qualification of one of our Directors included in "Management" section.***

Certain supporting documentation for details required to be stated under brief profiles of one of our Directors in "Management" on page 240 with respect to his educational qualifications is not available. Such details are supported by certificate executed by him certifying the authenticity of information provided. Further, for some of these details, we have carried out independent search of certain indirect sources and other public sources, but we cannot assure you that such details are true and correct.

42. ***Our housing finance business is subject to certain tax and fiscal benefits which may be discontinued in the future by the GoI or state governments relating to financing of purchase or construction of property.***

The rapid growth in the housing finance industry in India in recent periods has in part been due to tax and related fiscal benefits extended to homeowners by the GoI or state governments. Interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the Government will continue to offer such tax benefits to borrowers at the current levels or at all, which may adversely affect the demand for housing and consequently housing finance. The GoI has also provided incentives to the housing finance industry by extending priority sector status to certain housing loans and making funds available to housing finance companies at lower rates. In addition, certain other tax benefits under the Income Tax Act also enable us to reduce our effective tax rates. There can be no assurance that the GoI will continue to make such tax and/or fiscal benefits available to housing finance companies such as us or that it will continue to offer us low cost funding on the same terms or at all. If such low cost funding is not made available to us, there will be an adverse effect on our cost of funds and consequently our operating margins and net interest margin.

43. ***Our lending operations involve significant amounts of cash collection which may be susceptible to loss or misappropriation or fraud by our employees. Specifically, employees in our microfinance and vehicle finance business segment operating in remote areas may be susceptible to criminal elements which may adversely affect our business, operations and ability to recruit and retain employees.***

Our lending and collection operations involve handling of significant amounts of cash, including collections of instalment repayments in cash especially in microfinance and vehicle finance business. Large amounts of cash collection expose us to the risk of loss, fraud, misappropriation or unauthorized transactions by our employees responsible for dealing with such cash collections. While we obtain insurance coverage including fidelity coverage and coverage for cash in safes and in transit, and undertake various measures to detect and prevent any unauthorized transactions, fraud or misappropriation by our employees, these measures may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our business operations and financial condition. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. In addition, given the high volume of transactions involving cash processed by us, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are identified and corrective actions are taken. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. While we have internal controls in place to minimize the likelihood of such frauds, there can be no assurance that these are sufficient and will be so in the future.

For example, the CARO report of our Company for fiscal 2011, the CARO reports of EMFL for fiscals 2015, 2014, 2013 and 2012 as well as CARO reports of EFL for fiscal 2015 note minor instances of fraudulent embezzlement of cash by employees.

In addition to the above, our employees operating in remote areas may be particularly susceptible to criminal elements as they are involved in cash collection and transportation due to lack of local banking facilities. In the event of any such adverse incident our ability to continue our operations in such areas will be adversely affected and our employee recruitment and retention efforts may be affected, thereby affecting our expansion plans. In addition, if we determine that certain areas of India pose a significantly higher risk of crime or political strife and instability, our ability to operate in such areas will be adversely affected.

44. ***We may acquire in the future, portfolios relating to various credit and financing facilities from banks and other institutions on a non-recourse basis. If the performance of such portfolios deteriorates, our business, financial condition and results of operations may be adversely affected.***

We may in the future acquire, portfolios relating to various credit and financing facilities from various originators including banks and other institutions, in the ordinary course of our business. There can be no assurance that we will not experience any deterioration in the performance of any loan portfolio that may be acquired by us in the future. Any deterioration in such loan portfolios acquired by us, and an inability to seek recourse against such loan portfolio originators, or otherwise recover the investments made in connection with the acquisition of such loan portfolios, would adversely impact our earnings realised from such loan portfolios and may adversely affect our business, financial condition and results of operations, as well as the market price of the Equity Shares.

45. ***All our premises are on lease. Non-renewal or dispute with lessor may lead to disruption of business and cost associated with shifting of branch office.***

We have entered into lease agreements for all our premises including the registered office of our Company and our Subsidiaries. There can be no assurance that we will be able to renew these leasing arrangements at commercially favorable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause to disruptions in our business and we may incur substantial costs associated with shifting of our offices, all of which may adversely affect our operations and financial condition.

46. ***We have been making contributions to EDIT which may not be in compliance with the foreign contribution laws in India.***

EDIT had obtained an FCRA registration in 2012. In accordance with the FCRA, contribution from foreign source is subject to various restrictions including prior registration. Our Company which has a majority foreign shareholding and its subsidiaries have been making certain contribution as CSR to EDIT. Further, our Company had leased out land on long term leases to EDIT at nominal rates, which is now provided free of cost, for operation of schools. Therefore, we had written to the relevant authority seeking clarification on whether our contribution to EDIT is to be treated as foreign contribution and in anticipation of the response had filed returns indicating past contributions to EDIT. Pursuant to an order of the Ministry of Home Affairs ("MHA"), EDIT was found to have contravened certain provisions of the FCRA with respect to contribution of ₹ 4.00 Crore. On December 29, 2015, EDIT made an application for compounding to the MHA and deposited a penalty of ₹ 2,078,741. MHA, through an order dated January 12, 2016, compounded the offence and instructed EDIT not to accept foreign contribution till it receives registration under FCRA, 2010 or to obtain prior permission from the Central Government, whichever is earlier. EDIT has clarified that it has already obtained registration on November 19, 2012 which is valid for five years due to which registration would not be required. EDIT has sought fresh orders / instructions from the MHA in this regard. For further details, see "Outstanding Litigation and Material Developments" on page 702.

47. ***Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and loan markets and, as a result, may adversely affect our net interest margin and our results of operations.***

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations.

Any downgrade of our credit ratings may result in default under certain financing agreements, an increase in our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. Any such adverse development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

48. ***Our company and some of our subsidiaries as well as group companies have incurred losses in the past and one of our Group Companies has negative net worth.***

We have incurred losses in the past and some of our subsidiaries including our erstwhile subsidiary, Equitas B2B Trading Private Limited, had incurred losses in the past. Equitas B2B has been struck off from the Register of Companies – Tamil Nadu by an order dated May 13, 2015. Similarly, our Group Companies have also incurred losses in the past. There can be no assurance that we will not continue to incur losses in the future. In addition, our operating expenses, including employee costs and interest expenses, may increase in the future due to various factors including the expansion of our branches and operations, increased cost of funding, addition of human resources, expansion of product offerings, our technology infrastructure, marketing initiatives and upgradation of operational and financial systems. As a result, any decrease or delay in generating additional revenue could result in substantial operating losses which would have an adverse effect on our results of operations and financial condition. There can be no assurance that we will continue to be profitable in the future or that the price of our Equity Shares will not be significantly and adversely affected.

Details of our Company, loss making subsidiaries and group companies for the past five fiscals has been summarized below:

(₹ in million)

Company	Fiscal					Nine months ended December 31, 2015
	2011	2012	2013	2014	2015	
EHL	300.91	(63.53)	10.57	4.74	16.86	18.09
EFL	(2.32)	(122.96)	31.88	157.95	342.26	593.62
EHFL	(3.91)	(46.65)	7.09	14.92	22.07	11.97
ETPL*	-	-	-	-	-	(5.96)
Equitas B2B	(8.73)	(7.80)	(0.03)	0.17	(3.61)	-
EDK	(9.99)	(13.82)	(12.49)	(1.75)	2.28	(0.05)
EDIT	1.22	(12.84)	(5.54)	5.35	3.78	25.64

* Indicates profit / (loss) after tax from October 27, 2015

EDK, one of our Group Companies has had negative net worth during the last three financial years. We cannot assure you that any of our Subsidiaries or Group Companies will not incur losses or have negative net worth which may affect our Company's reputation or business.

49. ***Our ability to assess, monitor and manage risks inherent in our business may differ from standards followed by other companies in India and in other jurisdictions.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established stringent policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC, microfinance, vehicle finance, housing finance, SME and mortgage loan sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

50. ***Our ability to pay dividends will depend upon our cash flow from Subsidiaries, future earnings, financial condition, working capital requirements, capital commitments and lender consents and there can be no assurance that we will be able to pay dividends in the future.***

Our operations are conducted through our Subsidiaries, which are separate and distinct legal entities. As a result, our cash flow including funds to pay dividends and other cash distributions to the shareholders of our Company depends upon the revenues of our Subsidiaries. The amount of our future dividend payments, if any, will depend upon the future earnings, financial condition, working capital requirements and capital commitments of our Subsidiaries. The ability of our Subsidiaries to provide us with funds is limited by other obligations, such as the terms and conditions of certain current indebtedness which restricts the ability of some of our Subsidiaries to distribute earnings to us through dividends. These factors will therefore limit our Subsidiaries' ability to make dividend payments to our Company and, in turn, our Company's ability to make dividend payments to its shareholders.

51. ***We have entered into certain transactions with related parties in the past and any such transactions or any future related party transactions may potentially involve conflicts of interest.***

We have entered into certain transactions with related parties, including our affiliate companies and may continue to do so in future. While we believe that all such transactions are in compliance with applicable laws and contain commercial terms, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflict of interests. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For further information, see Annexure 33 of our Restated Consolidated Financial Statements on pages 430 and 431.

The RBI and NHB have in the past made observations including with respect to transactions with EDIT and EDK and with respect to the policy on sharing of common expenses, sharing/transfer of employees between EMFL and EHFL, the conducting of activities from the same premises and the sharing of back-up functions. Further, NHB also noted that certain functions in relation to products of EHFL were handled by EMFL employees, although the portfolio was reflected in the books of EHFL. The NHB also noted that personnel of EMFL were being used for recovery of loans by EHFL. While we have responded to such observations and addressed them, we cannot assure you that the RBI, the NHB, or any other regulatory authority will not make similar or other observations in the future and that we will be able to respond satisfactorily to all such queries. There have also been observations in relation to past loans that were offered to EDIT and EDK that were not in line with the loan products offered by us without performing required credit appraisal procedures. While we have recalled and closed the loans sanctioned to the Group Companies there can be no assurance that there will not be similar observations in the future that we will be able to respond satisfactorily to. Further, we have also given fixed deposits as lien to certain banks as security for overdraft facilities sanctioned by such banks to EDK. Such overdraft facility is outstanding and payable by EDK to such banks as at March 31, 2015. We cannot assure you that EDK will be able to successfully pay off such outstanding loan and our fixed deposit kept as lien will not be executed as security.

52. ***Our results of operations could be adversely affected by any disputes with our employees.***

As of December 31, 2015, we employed 8,067 full-time employees. Although our employees are not members of any labor union, and we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to any disputes or other problems with our staff, which may adversely affect our business and results of operations.

Any significant employee attrition at our branches could hamper our operations as we are dependent on our branch-level employees given their continuous interaction with our customers. If we face attrition at one or more of our branches, our results of operations and financial results could be adversely affected.

53. ***We have certain contingent liabilities which have not been provided for, which may adversely affect our financial condition.***

The following table sets forth certain information relating to our contingent liabilities which have not been provided for as of December 31, 2015:

Particulars	**Amount (₹ in million)**
Contingent Liabilities	
Income tax Demands	6.04
Provident Fund demand appeals	18.75
Service Tax	36.40
Value added tax	0.05
Total	**61.24**

For further information on such contingent liabilities, see our Restated Consolidated Financial Statements starting on page 355. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

54. ***As part of our business strategy we may assign/securitise a substantial portion of our loans primarily to banks and NBFCs. Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our financial performance.***

We may assign/securitise a portion of the receivables from our loan portfolio to banks and NBFCs. Such assignment/securitisation transactions may be conducted on the basis of our internal estimates of our funding requirements, and may vary from time to time. As of March 31, 2013, 2014 and 2015, we had securitized/assigned assets worth ₹ 2,703.34 million, ₹ 3,624.85 million and ₹ 5,452.56 million, respectively and as of December 31, 2015 we had securitized/assigned assets worth ₹ 3,460.54 million. Any change in RBI or other government regulations in relation to assignments/securitisations by NBFCs could have an adverse impact on our assignment/securitisation program. Certain securitization transactions undertaken by EMFL, in the past have been found to be non-compliant with the RBI guidelines during inspection, such as the 'par turbo structure' and have not entered into any similar fresh transactions. Further, we cannot assure that our future transactions will not be considered non-compliant with the RBI guidelines.

In our financial statements, we make a general provision for all loans, including loans that have been securitized / assigned. However, in the event the bank or NBFC does not realise the receivables due under loans that have been securitized/assigned, the relevant bank or NBFC can enforce the underlying credit enhancements assured by our Company. Should a substantial portion of our securitized/assigned loans be put back to us, it could have a material adverse effect on our operating results and financial condition. We have received a show cause notice in relation to service tax payable under our securitization/assignment agreements between fiscal 2009 and fiscal 2015. For further information, please see "Outstanding Litigation and Material Development-Litigations against our Subsidiaries" on page 704.

55. ***We have applied for registration of certain trademarks. Further, the trademark 'Equitas' is used by EDIT and EquitasDhanyakosha India. Any negative publicity may lead to harm of reputation to our business.***

Our name and trademarks are significant to our business and operations. We have applied for certain trademarks, including our logo 'Equitas' as well as 'WOW Trucks' for our subsidiary ETPL. We cannot assure that we will be able to obtain registration of all the trademarks applied for in our name, and such failure may materially and adversely affect our business prospects, reputation and goodwill. For further details of our pending approvals, see section "Government and Other Approvals" beginning on page 706. Pending completion of registration proceedings, any third-party claim on any of our brands may lead to erosion of our business value and our operations could be adversely affected.

Further, the trademark 'Equitas' is used by EDIT and EquitasDhanyakosha India. Our Company or our Subsidiaries do not have any formal agreement with EDIT and EquitasDhankyakosha India for usage of the trademark 'Equitas'. Any negative publicity of either EDIT or Equitas Dhanyakosha may adversely impact the trademark and consequently our business, results of operations and financial condition.

56. ***Various state government laws regulating money lending transactions could adversely affect our business, results of operations and cash flows.***

A number of states in India have enacted laws to regulate money lending transactions. These laws establish a maximum rate of interest that can be charged. There is ambiguity on whether or not NBFCs are required to comply with the provisions of these state money lending laws. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us for prior non-compliance, our business and results of operations could be adversely affected. For further details see, "Outstanding Litigations and Material Developments" on page 699 and 700.

57. ***Insurance coverage obtained by us may not adequately protect us against losses.***

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain public liability (non-industrial risks), Directors' and Officers' indemnity, standard fires and special perils policy, money and fidelity guarantee coverage. Further, for our subsidiary ETPL, we maintain an electronic equipments insurance policy, a burglary (house breaking) policy and a standard fire and special perils policy. There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations.

58. ***There are outstanding legal proceedings against our Company, our Directors, our Subsidiaries and our Group Companies and adverse outcomes in such proceedings may negatively affect our business, results of operations and financial condition.***

As on the date of this Red Herring Prospectus, we are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities.

The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters, action by regulatory/ statutory authorities involving our Company, our Subsidiaries, Group Companies, and Directors have been set out below. In addition to the above we have disclosed the outstanding matters involving our Group Companies which exceed ₹ 10.7 million and outstanding matters involving our Company, Directors and Subsidiaries which exceed ₹ 10.7 million:

Litigation against our Company

Nature of the cases/ claims	No. of cases outstanding	Amount involved (In ₹ million)
Criminal	Nil	Nil
Indirect Tax	Nil	Nil
Direct Tax	3	6.07
Action taken by Statutory/ Regulatory Authorities	Nil	Nil
Other proceedings exceeding ₹ 10. 7 million	Nil	Nil

Litigation against our Directors

Nature of the cases/ claims	No. of cases outstanding	Amount involved (In ₹ million)
Criminal	1	Nil
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Action taken by Statutory/Regulatory Authorities	1	Nil
Other proceedings exceeding ₹ 10.7 million	Nil	Nil

Litigation against our Subsidiaries

Nature of the cases/ claims	No. of cases outstanding	Amount involved (In ₹ million)
Criminal	Nil	Nil

Nature of the cases/ claims	No. of cases outstanding	Amount involved (In ₹ million)
Direct Tax	2	1.90
Indirect Tax	6	36.45
Action taken by Statutory/ Regulatory Authorities (Labour litigations)	4	20.06
Other Proceedings exceeding ₹ 10.7 million	Nil	Nil

Litigation against our Group Companies

Nature of the cases/ claims	No. of cases outstanding	Amount involved (In ₹ million)
Criminal	Nil	Nil
Direct Tax	1	0.88
Indirect Tax	Nil	Nil
Action taken by Statutory/Regulatory Authorities	1	Not ascertainable
Other Proceedings exceeding ₹ 10.7 million	Nil	Nil

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details of legal proceedings involving our Company, its Subsidiaries and our group companies, see “Outstanding Litigation and Material Developments” beginning on page 698.

We cannot provide assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

59. ***Any negative cash flows in the future would adversely affect our cash flow requirements.***

We have in the past, and may in the future, experience negative operating and investing cash flows. The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

(₹ in million)

Particulars	Fiscal 2013	Fiscal 2014	Fiscal 2015	Nine months ended December 31, 2015
Net cash generated from/(used in) operating activities	(5,809.01)	(7,880.23)	(11,546.86)	(13,912.89)
Net cash generated from/(used in) investing activities	(1,200.98)	860.71	(2,299.08)	44.40
Net cash (generated from)/used in financing activities	8,483.62	7,705.24	15,043.51	11,161.01
Net increase/(decrease) in cash and cash equivalents	**1,473.63**	**685.72**	**1,197.57**	**(2,707.48)**

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see “Management's Discussion and Analysis of Financial Condition and Results of Operations” on page 663.

60. ***Currently, two of our institutional shareholders (SIDBI and Creation) are engaged in arbitration over transfer of certain equity shares of our Company and we cannot assure you that our various shareholders will not be engaged in disputes in the future to which our Company or its Subsidiaries may be made a party and restraining orders may be passed against our Company.***

Two of our existing Shareholders, namely Creation and SIDBI are engaged in arbitration proceedings related to the transfer of certain Equity Shares from SIDBI to Creation pursuant to a share purchase agreement dated December 11, 2013, that were not transferred to Creation by the long stop date under the share purchase agreement, due to delay in obtaining the requisite FIPB approval. Creation has approached the Madras High Court and obtained an injunction on SIDBI from transferring the shares or encumbering the Equity Shares in any manner. The matter is currently ongoing. For further details, see "Outstanding Litigation and Material Developments" on page 699.

We cannot assure you that the Shareholders of our Company will not have disputes or be able to resolve such disputes in a timely manner or at all. Any delay in resolution or disputes or an injunction or order against our Company may adversely affect the business and operations of our Company.

61. ***Our Managing Director and certain key management personnel hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Managing Director and certain key management personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Our Board has four directors who have been nominated by our Shareholders. Therefore there can be no assurance that our Managing Director and our key management personnel will exercise their rights as shareholders to the benefit and best interest of our Company.

62. ***Our business may be affected by the seasonal trends in the Indian economy.***

Our business operations and the non-banking financial services industry may be affected by seasonal trends in the Indian economy. Generally, the period from October to March is the peak period in India for retail economic activity. This increased, or seasonal, activity is the result of several holiday periods, improved weather conditions and crop harvests. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season would materially and adversely affect our results of operations and growth. During these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

63. ***Some of our Group Companies and Subsidiaries have unsecured loans, which may be recalled any time. Some of our secured loans also permit the lenders to recall the loan on demand. Any recall of such loans may have an adverse effect on our financial condition and the financial condition of such Group Companies and Subsidiaries.***

Some of our Subsidiaries and our Group Companies have unsecured loans, which may be recalled at any time at the option of the lender. Certain of our secured loans also permit the lenders to recall the loan on demand. If such unsecured or secured loans are recalled at any time our financial condition and the financial condition of such Subsidiaries and Group Companies may be adversely affected. Further information on unsecured loans of our Subsidiaries is disclosed on pages 463, 530 and 539.

64. ***Our management will have flexibility over the use of the Net Proceeds from the Fresh Issue and the Selling Shareholders, including, our Managing Director, will receive a major portion of the total Issue Proceeds.***

We intend to use the Net Proceeds from the Fresh Issue for the purposes described in "Objects of the Issue" on page 136. We currently intend to use the Net Proceeds from the Fresh Issue to invest in certain of our Subsidiaries namely EMFL, EHFL and EFL to augment their capital base to meet their future capital requirements arising out of growth in our business. In addition, the proceeds from the Offer for Sale portion of the total Issue Proceeds, which may be a major portion of the total Issue Proceeds, would accrue to the Selling Shareholders and, will not be available for utilisation by our Company for its requirements. Our management will have broad discretion to use the Net Proceeds from the Fresh Issue and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Our management might not apply the Net Proceeds in ways that increase the value of your investment.

Pending utilization of the Net Proceeds, we intend to invest such Net Proceeds in scheduled commercial banks. Although the utilization of the Net Proceeds will be monitored by our Board of Directors and Monitoring Agency, there are no limitations on interim investments that we can make using such Net Proceeds.

Our plans for the utilization of the Net Proceeds from the Fresh Issue are subject to a number of variables. In addition, any other future plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances.

Additionally, our Managing Director will a receive a portion of the proceeds from the Offer for Sale portion of the Net Proceeds to the extent of the Equity Shares offered by him for sale in the Issue.

65. ***Some of the information disclosed in this Red Herring Prospectus is based on information from industry sources and publications which may be based on projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on, or base their investment decision on this information***

The information disclosed in the "Industry Overview" section of this Red Herring Prospectus is based on information from various sources and have not been verified by us independently and we do not make any representation as to the accuracy of the information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

66. ***We have issued Equity Shares at prices that may be lower than the Issue Price in the last 12 months.***

We have issued Equity Shares in the last 12 months at a price that may be lower than the Issue Price as summarized:

Name of the Allottee	Date of Allotment	Number of Equity Shares	Issue Price (₹)	Reason
E. Varathkanth	May 7, 2015	4,860	12	Conversion of ESOPs
E. Varathkanth	May 7, 2015	2,160	26.67	Conversion of ESOPs
E. Varathkanth	May 7, 2015	18,900	40	Conversion of ESOPs
N. Sridharan	May 7, 2015	8,100	40	Conversion of ESOPs
G. Gopalakrishnan	May 7, 2015	608	40	Conversion of ESOPs
ESOP Allotment	August 7, 2015	435,345	See note 1	Conversion of ESOP
ESOP Allotment	November 6, 2015	113,511	See note 2	Conversion of ESOPs
ESOP Allotment	February 5, 2016	463,188	See note 3	Conversion of ESOPs

(1) 94,236 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 12 per Equity Share, 8,790 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 26.67 per Equity Share,

171,411 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 33.34 per Equity Share, and 160,908 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 40 per Equity Share.

(2) *600 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 12 per Equity Share, 1,200 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 26.67 per Equity Share, 864 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 33.34 per Equity Share, 100,681 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 40 per Equity Share, and 10,166 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 43.34 per Equity.*

(3) *21,390 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 10.67 per Equity Share, 61,413 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 26.67 per Equity Share, 6,456 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 33.34 per Equity Share, 356,964 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 40 per Equity Share, and 14,256 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 43.34 per Equity Share;and 2,709 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 55 per Equity Share.*

The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares. For details, see the section “Capital Structure” on page 133.

67. ***Our statutory auditors have drawn attention to certain matters of emphasis in their audit reports on our historical audited unconsolidated and consolidated financial statements.***

Our statutory auditors have drawn attention to certain matters of emphasis in their audit reports on our historical audited unconsolidated and consolidated financial statements. The audit report to the audited unconsolidated and consolidated financial statements of our Company for fiscal 2012 draws attention to certain matters of emphasis in relation to the transfer of the assets and liabilities of the microfinance undertaking of our Company as at April 1, 2011 to EMFL, formerly known as Singhivi Investment & Finance Private Limited, a subsidiary of our Company, pursuant to the Demerger Scheme. In addition, the audit reports to our audited consolidated financial statements draw attention to certain matters of emphasis relating to (i) change in the method of accounting of processing fees collected on vehicle finance loans in EFL in fiscal 2013, (ii) revision in provision norms and asset classification by EFL in fiscal 2014, and (iii) non-consideration of subsequent events, if any, after the dates of adoption of the subsidiaries’ standalone financial statements by the respective Board of Directors until the date of approval of the consolidated financial statements in fiscal 2012 and 2011. Accordingly, investors should read the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, in the context of such observations made by our statutory auditors with respect to our historical audited unconsolidated and consolidated financial statements.

68. ***Any investor proposing to acquire 5% or more of the post-Issue paid-up share capital of our Company (including pursuant to the Issue) will require prior approval of the RBI***

In terms of the RBI letter dated November 27, 2015 (the “**RBI Letter**”), the RBI has communicated that any investor that wishes to acquire 5% or more of the post-Issue paid-up share capital of our Company whether pursuant to the Issue or otherwise, would require the prior approval of the RBI. Accordingly, pursuant to the terms of the RBI Letter, the Articles of Association have also been amended to state that no person, shall, except with the prior approval of the RBI, undertake change in shareholding of our Company to the extent of 5% or more of the post-Issue paid-up share capital of our Company or such other percentage as may be prescribed by the RBI from time to time by way of fresh issue or transfer of Equity Shares.

As of the date hereof, it is unclear whether the restrictions mentioned above are applicable to an investing entity individually or to a “group” of related entities as described under Regulation 12B of the Banking Regulation Act. Under Section 12B of the Banking Regulation Act, a “group” includes the investing entity together with any persons acting in concert with such entity, his “relatives” (if applicable) and the “associate enterprises” of such investing entity. Our Company has, by way of abundant caution, decided to apply such restrictions to each “group” of entities investing in our Company. Accordingly, no investor (together with the members of its group) can acquire 5% or more of the post Issue paid up share capital of our Company, pursuant to the Issue or otherwise, without the prior approval of the RBI. There can be no assurance that such approval from the RBI can be obtained in a timely manner or at all.

Each of the restrictions detailed above and the requirement for approval from the RBI may adversely affect the ability of our shareholders to sell their Equity Shares in time or at all and the ability of any other person to acquire our Equity Shares which may adversely affect the price of our Equity Shares.

69. ***One of our directors has been allotted two Director Identification Numbers and may be in violation of the Companies Act on account of this***

One of our Directors, Jayshree Ashwinkumar Vyas has been allotted two DINs and may accordingly be in violation of the Companies Act, 2013 on account of this. Section 155 of the Companies Act, 2013 provides that no individual who has already been allotted a DIN shall apply for, obtain or possess another DIN. Under Section 159 of the Companies Act, any violation of such provision is punishable with imprisonment or a monetary fine. We cannot assure you that Jayshree Ashwinkumar Vyas will not be subject to regulatory action in this respect.

EXTERNAL RISK FACTORS

Risks Relating to the Equity Shares

70. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "Basis for Issue Price" on page 141 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

71. ***The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

72. ***Non- residents may be unable to acquire further Equity Shares of our Company. Your ability to sell your Equity Shares may be adversely affected by restrictions on foreign investment applicable to us.***

In accordance with the SFB Guidelines and the SFB In-Principle Approval, our Company is required to be "owned and controlled" by resident Indians at all times. Bidders should note that to meet this requirement, our Company has made an application dated February 10, 2016 to the RBI to cap its non-resident shareholding at 49% and to prescribe cut-off points that are two percentage points lower than the actual ceiling limit. In the event the RBI grants its approval for capping the non-resident shareholding of our Company, once the aggregate shareholding of our Company by non-residents reaches the cut-off at any time, the RBI may issue a caution prohibiting non-residents from acquiring further Equity Shares of our Company without prior approval of the RBI. Any such restrictions may adversely impact your ability to sell Equity Shares. Further, the restrictions on foreign shareholding may adversely affect the price of the Equity Shares.

73. ***The Equity Shares may experience price and volume fluctuations.***

The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

74. ***Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. In the recent past, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

75. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such valuation and reporting requirements or falls under any of the specified exceptions, then prior approval of the RBI is required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

76. ***Currency exchange rate fluctuations may affect the value of the Equity Shares.***

The Equity Shares are, and will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

77. ***Any future issuance of Equity Shares may dilute the investor's shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares or securities linked to the Equity Shares, by our Company may dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

78. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

79. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of equity shares of an Indian company are taxable in India, unless specifically exempted. Any gain realised on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Equity Shares. Further, the GoI has proposed the introduction of the DTC, to revamp the implementation of direct taxes. If the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed above will be altered by the DTC. For further details, see "Statement of Tax Benefits" on page 145.

80. ***Applicable competition laws in India and any adverse application or interpretation of such laws may adversely affect our business and operations.***

The Competition Act, regulates practices having or likely to have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and may result in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. On May 11, 2011, the Government issued and brought into force provisions of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us may fall within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. The applicability of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, may adversely affect our business, results of operations and prospects.

81. ***General economic conditions in India and globally could adversely affect our business and results of operation.***

Our results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. As per the advance estimates released by the Central Statistics Office (CSO), the Indian economy is estimated to have registered a growth rate of 7.4% in Fiscal 2015 (in terms of GDP at factor cost at constant prices). The RBI, in its recent monetary policy reviews, has indicated that inflation continues to be a concern and further tightening measures may be required. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

82. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us.***

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition and future financial performance.

83. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The GoI proposed to revamp the implementation of direct taxes by way of the introduction of the DTC.

- The GoI has proposed a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the central and state Governments into a unified rate structure. It is unclear from when such tax regime will be effective. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

- Further, the GAAR are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

84. ***Investors may have difficulty enforcing judgments against our Company or our management.***

We are incorporated under the laws of India and most of our Directors, key management personnel and senior management personnel reside in India. All of our assets, and the assets of certain of our Directors, key management personnel and other senior management, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Code. Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment.

As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

85. ***Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessment of our financial condition. Our failure to successfully adopt IND (AS) may have an adverse effect on the price of the Equity Shares.***

The financial data included in this Red Herring Prospectus has been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP and IFRS. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("IFRS"). These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India may be required to prepare annual and interim financial statements under IND (AS) in accordance with the roadmap for the convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India ("MCA"), through the press note dated January 22, 2010. The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, the Finance Minister, during the Union Budget speech, 2014, proposed the adoption of IND (AS) by Indian companies from fiscal 2016 on a voluntary basis, and from fiscal 2017on a mandatory basis As per the MCA notification dated February 16, 2015 and the Official Gazette notification in August 2015, our Company and its subsidiaries shall not be required to apply the IND (AS) for preparation of their financial statements either voluntarily or mandatorily.

However, MCA has recently, through a press release dated January 18, 2016, clarified that NBFCs having net worth of ₹ 5,000 million or more are required to prepare IND (AS) based financial statements for accounting period beginning April 1, 2018. In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

We have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IND (AS) as applied to our financial statements. There can be no assurance that the adoption of IND (AS) will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND (AS) may have an adverse effect on the trading price of the Equity Shares.

Moreover, our transition to IFRS or IFRS-converged reporting may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS or IFRS-converged financial statements. Any of these factors relating to the use of IFRS-converged Indian Accounting Standards may adversely affect our financial condition.

86. ***Our Company is subject to various Indian taxes and any adverse development in the taxation regime may have a material adverse effect on our results of operations.***

Any increase in taxes and/or levies, or the imposition of new taxes and/or levies in the future, could increase the cost of production/operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

87. ***Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. These acts may result in a loss of business confidence, make other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of the Equity Shares.

88. ***The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including tsunami, cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

- Pandemic disease, caused by a virus such as H5N1, the “avian flu” virus, the Ebola virus, or H1N1, the “swine flu” virus, could have a severe adverse effect on our business. Also as an agricultural based business, we could be adversely affected by a serious outbreak of disease in cows (for example, foot and mouth disease).

- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

89. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Prominent Notes

1. Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●]) aggregating to ₹ [●] consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 7,200 million and an Offer for Sale of 132,425,884 Equity Shares aggregating to ₹ [●], comprising of up to 16,463,772 Equity Shares by IFC, up to 11,926,668Equity Shares by FMO, up to 4,999,998 Equity Shares by Aavishkaar, up to 7,153,038 Equity Shares by Aquarius, up to 868,125 Equity Shares by Creation, up to 4,288,648 Equity Shares by Helion, up to 25,938,594 Equity Shares by IFIF, up to 22,571,820 Equity Shares by Lumen, up to 16,975,484 Equity Shares by MVH, up to 6,635,770 Equity Shares by Sarva, up to 12,840,861 Equity Shares by Sequoia, up to 1,583,106 Equity Shares by West Bridge and up to 180,000 Equity Shares by Mr. P. N. Vasudevan. The Issue will constitute [●]% of our post-Issue paid up Equity Share capital of our Company.

2. Our Company was incorporated as UPDB Private Limited on June 22, 2007 at Chennai as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to Equitas Microfinance India Private Limited and the RoC issued a fresh certificate of incorporation on February 1, 2008. The name of our Company was subsequently changed to Equitas Holdings Private Limited and the RoC issued a fresh certificate of incorporation dated February 29, 2012. Our Company was then converted into a public limited company and consequently, its name was changed to Equitas Holdings Limited and the RoC issued a fresh certificate of incorporation. For information on changes in our Company’s name, Registered Office and Corporate Office and object clause of the MoA of our Company, please see “History and Certain Corporate Matters” on page 220.

3. 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.

4. As of December 31, 2015, our Company’s net worth was ₹ 9,549.86 million as per our Company’s Restated Standalone FinancialStatements and ₹ 12,928.77 million as per the Restated Consolidated Financial Statements.

5. As of December 31, 2015, the net asset value per Equity Share was ₹ 35.61 as per the Restated Standalone Financial Statements and ₹ 47.98 as per the Restated Consolidated Financial Statements.

6. The details of related party transactions entered into by our Company with our Subsidiaries and Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions are as follows:

Transaction	For the year ended 31 March 2015
Particulars	**Amount**
Interest on Loans / Deposit to Related Party	₹ 79.82 million
Rental income	₹ 36.00
Recovery of expenses	₹ 0.66 million

Transaction	For the year ended 31 March 2015
Particulars	**Amount**
Reimbursement of expenses	₹ 0.53 million
Loans given	₹ 1,275.00 million
Loans recovered	₹ 1,285.00 million
Investment in equity shares of subsidiaries	₹ 2,998.84 million
Purchase of fixed assets	₹ 1.10 million
Diminution in value of investments	₹ 3.20 million

7. There has been no financing arrangement whereby our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entityduring the period of six months immediately preceding the date of filing this Red Herring Prospectus with SEBI.

8. Except as stated in "Our Group Companies" and "Related Party Transactions" on pages 260 and 262, respectively, our Group Companies do not have any business or other interest in our Company.

9. Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaints, information or clarifications pertaining to the Issue. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

10. All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by CRISIL Limited ("CRISIL"), ICRA Limited ("ICRA") and Credit Analysis and Research Limited ("CARE"). The information has not been independently verified by us, the Book Running Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. . The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections,forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the reports (Reports) used in this section, based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Reports and is not responsible for any errors or omissions or for the results obtained from the use of Data / Reports. The Reports are not a recommendation to invest / disinvest in any company covered in the Reports. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Reports are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of the Reports may be published/ reproduced in any form without CRISIL's prior written approval.

Indian Economy

India is the fourth largest economy in the world, after the United States of America, European Union and China. *(Source: CIA World Factbook, 2015, available at https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html)*. As per the advance estimates released by the Central Statistics Office, the Indian economy is estimated to register a growth rate of 7.4% in fiscal 2015, as compared to a growth of 5.1% and 6.9% respectively in fiscal 2013 and fiscal 2014. *(Source: Macro-Economic Framework Statement, 2015-16, available at http://indiabudget.nic.in/ub2015-16/frbm/frbm1.pdf ("Macro Economic Framework Statement, 2015-16"))*. Fiscal 2015 has witnessed key policy reforms, aimed at aiding growth revival and surmounting the structural constraints in the economy. In the recent past, the economy faced testing times with issues like lower growth, high levels of inflation and widening current account deficit; escalated by an unsupportive external environment. Growth is back, with its desirable concomitants of mild inflation and manageable current account balance with stable rupee and rising foreign exchange reserves, signaling improvements in macro-economic stability. *(Source: Macro Economic Framework Statement, 2015-16)*

Financial Inclusion in India

India is home to 21% of the world's unbanked adults and about two-thirds of South Asia's. Between the year 2011 and 2014, India's account penetration increased from 35% to 53%. However, India's account penetration is still low at 53% when compared to other BRICS countries. According to Global Findex Database, a mere 15% of adults reported using an account to make or receive payments. *(Source: Demirguc-Kunt, Asli, LeoraKlapper, Dorothe Singer, and Peter Van Oudheusden, 2015, "The Global Findex Database 2014: Measuring Financial Inclusion around the World." Policy Research Working Paper 7255, World Bank, Washington, DC. ("WBFI Database"))*

Concerted efforts of the Government of India, the Reserve Bank of India ("**RBI**") and banking system are necessary to further the financial inclusion agenda. The RBI has identified that the strategy to realise this goal will comprise of a mix of conducive policy environment, use of innovative channels/technology and optimal utilisation of the BC model. (Source: *RBI Annual Report 2015, Credit Delivery and Financial Inclusion, available at:*

https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/04P219116156FD7F44679F2408CEBACA602A.PDF)

Outlook of NBFCs in India

Financing needs in India have risen with the notable growth recorded by the economy over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. To their credit, NBFCs help fill the gaps in availability of financial services with respect to products as well as customer and geographical segments. A strong linkage at the grassroots level makes them a critical cog in catering to the unbanked masses in rural and semi-urban reaches, thereby enabling the government and regulators to achieve the mission of financial inclusion. NBFCs' loans outstanding grew at approximately 21% in between fiscal 2010 and fiscal 2015, and as of March 2015, they accounted for almost 18% of the overall systemic credit (*Source: CRISIL NBFC Overview, 2015*).

Outlook for MFI Sector in India

Industry Expected to grow at 28-30 % CAGR over next 2 years

The RBI guidelines have been instrumental in restoring confidence in lenders and investors, improving the inflow of both equity and debt to the sector. Further, in the Union Budget of fiscal 2016, the government announced that it would set up the Micro Units Development and Refinance Agency (MUDRA). This will be a major driver for the MFI industry. MUDRA will serve as a regulator for MFIs and provide them refinancing services. It will have a corpus of ₹ 200 billion and will be financing co-operative banks, MFIs, regional rural banks, etc. The funding cost is expected to be cheaper than bank funding. This will be a big boost for the MFI industry as it will bring uniformity in regulations and provide much-needed funding support as currently MFIs are heavily dependent on banks for funding (*Source: CRISIL MF Opinion, 2015)*

Demand drivers for MFI sector in India *Huge potential market*

Given the sheer size of Indian population and considering that a large section of society still lacks access to the formal banking services, driving financial inclusion has always been a key priority for Indian government. As per CRISIL Inclusix index, a third of Indians did not have a bank saving account at the end of fiscal 2013, while only one in seven had access to credit.

Within the large suite of products and services under financial inclusion, microfinance institutions have a major role to play in the provision of credit. The sheer size of market (in terms of financially excluded households, a business model that offers sustainable credit to the poor at affordable rates and repayment cycle spread over a longer duration, are key growth drivers for MFIs operating in India. (*Source: CRISIL MF Industry Information, 2015)*

Unorganized Microfinance Provider

Unorganised or informal sector constitutes a pivotal part of the Indian economy. More than 90% of the workforce and about 50% of the national product are accounted for by the informal economy. *(Source: Report of the Committee on Unorganised Sector Statistics, National Statistical Commission, Government of India, February 2012 available at http://mospi.nic.in/Mospi_New/upload/nsc_report_un_sec_14mar12.pdf)* In recent years, the excessive reliance of borrowers on some or other forms of moneylender and informal/semi-formal sources and exorbitant interest rate charged by those entities have captured the attention of policy makers to downsize the informal sector finance. Informal/non-institutional finance was gradually declining during the 1960s and was nearly broken during the 1970s with the institutional agencies venturing into the rural areas with nationalization of major commercial banks and setting up of regional rural banks with initiatives of the RBI. The decline in the share of moneylenders reflects in part the Government's efforts to register and regulate professional moneylenders. *(Source: RBI Working Paper - Persistence of Informal Credit in Rural India, 2013)*

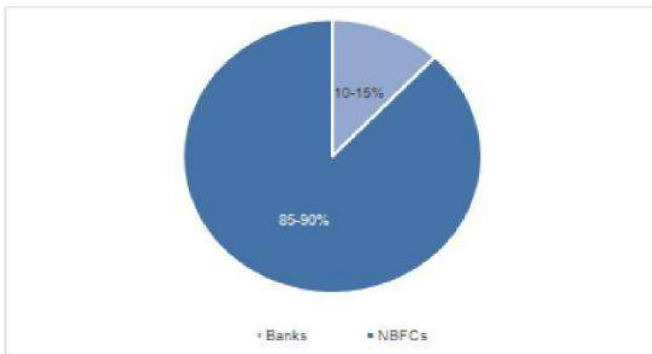
CV industry outlook

The share of roads in total freight movement stands at 63.2% in billion tonne/km (BTKM) terms which is largely carried by Commercial Vehicles (CV). *(Source: CRISIL Domestic Freight Transportation Services, 2015)* As transportation is linked to all sectors, demand for CVs is connected to overall economic growth.

The CV industry can be classified into light commercial vehicles (LCVs) and medium and heavy commercial vehicles (MHCVs) (*Source: Auto finance Industry Information 2015, CRISIL ("CRISIL AF Industry Information, 2015")*). MHCVs are primarily used for transportation of industrial goods across the country. Additionally, their higher payload and engine capacities enable carrying heavy items or bulk items over long distances. Therefore, MHCV sales can be correlated to industrial GDP growth or IIP as these are indicative of available freight and the growth of freight traffic. MHCVs are utilised primarily to transport goods to the hubs in the hub and spoke model.

Although the penetration of the Indian CV industry remains low at an estimated five CVs per 1000 population according to Society of Indian Automobile Manufacturers, compared to developed countries where it is 388 in the US, 121 in Japan and 86 in Thailand. *(Source: Commercial Vehicle Industry Characteristics, CRISIL, 2015 ("CRISIL CV Industry Characteristics, 2015'))*. Over the long term, CV demand will be driven by industrial and agricultural production, freight movement, rising share of roadways in freight movement and changes in freight rates. Demand for CVs is cyclical in nature, with MHCV sales more susceptible to economic cycles. (*Source: CRISIL AF Industry Information, 2015*)

NBFCs account for large part of organized used CV market



(*Source: CRISIL Used CV Financing, 2015)*

Micro, Small and Medium Enterprise (MSMEs) Finance in India

Small and Medium Enterprises ("**SMEs**") are critical to the nation's economy as they contribute significantly to India's domestic production. According to the NSSO Survey of 2013, there are some 57.70 million small business units, mostly individual proprietorship, which run manufacturing, trading or services activities. (*Source: Economic Characteristics of Unincorporated Non Agricultural Enterprises (Excluding Construction) in India, National Survey Sample Report, February 2013*). These encompass myriad of small manufacturing units, shopkeepers, fruits / vegetable vendors, truck and taxi operators, foodservice units, repair shops, machine operators, small industries, artisans, food processors, street vendors and many others. A vast part of the non-corporate sector operates as unregistered enterprises and formal or institutional architecture has not been able to reach out to meet its financial requirements. (*Source: Ministry of Finance Circular on Launch of MUDRA Bank dated April 7, 2015, available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=118005*)

SME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. SMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural areas. SMEs also play a significant role in nation development through significant export earnings, low investment requirements, operational flexibility, location wise mobility, low intensive imports, capacities to develop appropriate indigenous technology, import substitution, contribution towards defence production, technology – oriented industries, competitiveness in domestic and export markets thereby generating new entrepreneurs by providing knowledge and training.

A major obstacle in SME development is inability to access timely and adequate finance. There are several reasons for low SME credit penetration, key among them being insufficient credit information on SMEs, low market credibility of SMEs (despite their intrinsic strengths) and constraints in analysis. This leads to suboptimal delivery of credit and services to the sector. As the access of SMEs to capital markets is very limited, they largely depend on borrowed funds from banks and financial institutions. While investment credit to SMEs is provided by financial institutions, commercial banks extend working capital. In the recent past, with growing demand for universal banking services, term loans and working capital are becoming available from the same source. Besides the traditional needs of finance for asset creation and working capital, the changing global environment has generated demand for introduction of new financial and support services by SMEs. There is an urgent need to regenerate SME financing. As the SMEs have been the greenfield for nurturing entrepreneurial talent, first generation entrepreneurs should be facilitated in access to the desired finance through creation of guarantee funds. Finance should not only be timely but also cost effective. *(Source: Financing SMEs – An Industry Perspective, R. Seshasayee ("SME Financing Industry Perspective"))*

Loan Against Property

A LAP is availed by mortgaging property, (residential or commercial). The end-use of the loan amount is not closely monitored and could be used for either business or personal purposes. The loan can be taken by both salaried and self-employed individuals. LAP is a secured loan, as it provides collateral to the financier in the form of property. Financiers are comfortable with this product as it offers better security as compared to unsecured personal loans. CRISIL Research estimates total LAP outstanding in fiscal 2015 to be about ₹ 2,250 billion, reflecting a CAGR of 30% since fiscal 2012. Better awareness about the product, small businesses' rising funding needs and an increase in property prices in key markets prompted more customers to opt for LAP. *(Source: Loan Against Property Opinion, 2015, CRISIL, ("CRISIL LAP, 2015"))*

Non-Banks account for over half the LAP outstanding

NBFCs/HFCs hold a significant share in the LAP market, led by several operational advantages, even as banks have made inroads in the retail loan market, compelled by a slowdown in corporate loan offtake. Although banks leverage their existing branch network, direct sales agents (DSAs) play a key role in fetching customers for LAP. DSAs' local knowledge and their ability to offer diverse products from different lenders under one roof makes them critical in the LAP market. NBFCs/HFCs gain an upper hand as they derive 65 to70% of their business through DSAs, while banks garner only 40-45 % through such agents. Public-sector banks have a lower market share, despite offering cheaper interest rates, as they do not leverage on DSAs. *(Source: CRISIL LAP, 2015)*

As per the CRISIL Report, LAP outstanding is to continue growing at a healthy pace of about 23-25% CAGR over the next two years, reaching ₹ 3,459 billion by fiscal 2017. Given that LAP offers attractive risk-returns, lenders will increase their focus as they plan to enter untapped markets. *(Source: CRISIL LAP, 2015)*

Housing Finance in India

As of 2014, India is home to more than 1.25 billion people or an estimated 258.7 million households, as compared to 207.2 million households in 2004. Rising population and changing income demographics have contributed to the sharp rise in the number of households, especially in urban areas. Any increase in population directly impacts demand for housing units. The number of households is likely to rise with change in age-mix, growing number of nuclear families, continuous urbanisation and increasing penetration of finance. Moreover, in the current scenario, population growth is occurring in younger age brackets. CRISIL Research estimates the trend to translate into a tremendous increase in working population, which will lead to greater demand for housing. (*Source: Housing Finance Industry Information, 2015, CRISIL ("CRISIL HF Industry Information, 2015")*)

The domestic housing finance sector, thus, has the potential to grow manifold from current levels, with innovative financial products and efficient execution abilities of the lending and construction companies. Given the acute shortage of housing in the country, rapid urbanisation and low mortgage penetration, the demand for housing loans is estimated to remain strong over the long term.

An HFC is a company which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly. Apart from registration as a company, a Housing Finance Company requires a certificate of registration with National Housing Board for carrying out the business of housing finance. *(Source: NHB FAQs available at http://www.nhb.org.in/FAQs/FAQs.php)*

Housing finance market outlook

The housing finance market witnessed significant expansion in late 1990s and early 2000s with the entry of scheduled commercial banks ("**SCBs**") in a big way. The housing loan portfolio of both SCBs and HFCs has grown significantly over the years due to supportive policies initiated by Government of India and RBI. On the one hand, fiscal concessions were provided by GoI (under sections 80 C and 24 of IT Act, 1961) while on the other hand, housing loans up to ₹ 25 lakh given by SCBs were brought under Priority Sector Loans ("PSL"). With NPAs being very low and supported by SARFAESI Act, the financial institutions have been prompted to make available housing loans at competitively affordable and comparatively lower rates. Besides, GoI has also implemented 'Interest Subvention Schemes' like 1% Interest Subsidy Scheme, Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) and Rajiv AwasYojana (RAY), etc., in order to make housing loans affordable for the targeted segments. These measures have resulted in improving the demand for housing loans. Recently, RBI has carved out Residential Project loans out of the purview of Commercial Real Estate arena to boost financing of project loans for increasing the supply of housing stock. The housing loan portfolio of financial institutions (SCBs and HFCs) has increased from ₹ 4.60 lakh crores in 2010 to ₹ 8.90 lakh crores in 2014. *(Source: RBI, Real Estate and Housing - A Sensitive Sector or Samvriddhi Sector by Shri R. Gandhi, Deputy Governor NAREDCO conclave, August 2014, available atwww.bis.org/review/r140822a.pdf).* Further the GOI is expected to implement the "Housing for All" Mission for urban areas during 2015-2022, to provide central assistance to implementing agencies through states and UTs for providing houses to all eligible families/beneficiaries by 2022. The mission is expected to be implemented through four verticals giving option to beneficiaries by :(a) in-situ slum rehabilitation; (b) affordable housing through credit link subsidy; (c) affordable housing in partnership with public and private sector and (d) subsidy for beneficiary led individual house construction. (*Source: Pradhan mantra AwasYojna, Housing for all (Urban), Scheme Guidelines, 2015*). The launch of this scheme may provide significant impetus to the housing finance market.

HFCs, due to better access to customers in non-metro cities, saw their retail outstanding grow 20.5% y-o-y in fiscal 2015. By contrast, banks' advances rose at a stable 18% y-o-y owing to rising focus on the retail segment, as corporate investments stayed dormant. HFCs have been able to gain market share because of their strong origination ability, focused approach to cater to a particular category of customers, strong customer service and diverse channels of sourcing business. (*Source: CRISIL HF Opinion, 2015*)

Gold Finance

India is one of the largest markets for gold in the world, consuming 842 tonnes in 2014 (or 26% of global demand). While gold jewellery constitutes about 80% of overall demand, gold bars and coins comprise the balance. Even the substantial rise in gold prices over the years failed to dent demand for gold in India. (*Source: Gold Finance Industry Information 2015, CRISIL ("CRISIL GF Industry Information, 2015")*)

NBFCs and banks operate on differing approach in the gold loan market in terms of their interest rates, ticket sizes and loan tenures for different lenders. NBFCs focus more on the gold loans business and have built their service offerings by investing significantly in manpower, systems and processes and branch expansion which helps them attract more customers (*Source: GF Opinion, 2015*).

Outlook for gold loans and NBFCs

Over fiscal 2016 and fiscal 2017, NBFCs' gold loan AUMs is expected to grow at a CAGR of 10-12% since players have trimmed down branch expansions over the past few years and focused on compliance with RBI regulations. The increased penetration of gold loans too is expected to impact future growth. Also, weak global demand is likely to lead to a decline in gold prices in fiscal 2016, affecting disbursements. Growth will emerge from non-traditional regions, aided by players' marketing efforts. A better economic scenario will also drive up funding needs of small businesses, resulting in an increase in the demand for gold loans. The curb on LTVs will lower competition from banks. Growth will be marginally higher in fiscal 2017, led by an increase in gold prices. Growth over the next couple of years is also going to be lower since RBI has lowered the LTV and mandated that all disbursements over ₹ 1 lakh ticket size be done through cheque, which will lead to decline in high ticket loans typically taken by businessmen. (*Source: CRISIL GF Opinion, 2015*).

Banking Industry *Outlook*

The banking sector holds the central position in supporting the robust growth of Indian economy. With the Indian Parliament passing theBanking Laws (Amendment) Act in 2012, the landscape of the sector has duly changed. The Banking Laws(Amendment) Act in 2012 allows RBI to make final guidelines on issuing new licenses, which could lead to agreater number of banks in the country. The style of operation is also slowly evolving with the integration ofmodern technology into the banking industry.

Growing in excess of twice the pace of GDP growth, the total assets size of Indian banking industry increased more than five fold, from USD 250 billion in 2000 to more than USD 1.3 trillion in 2010. More importantly, the business of banks to GDP ratio almost doubled from 68% to 135% during the last decade. (*Source: CII Survey on Health of Indian Banking sector in current regulatory environment, 2013*). With the Financial Inclusion Plan (2010-13), the banking connectivity in India increased more than threefold to 211,234 villages in 2013 from 67,694, at the beginning of the plan period (*Source: IBEF Sectoral Report, Banking Industry, August 2015 ("IBEF Banking Industry, 2015')*).The size of banking assets in India totaled US$ 1.8 trillion in fiscal 2013 and is expected to touch US$ 28.5 trillion in fiscal 2025. (*Source: IBEF Banking Industry, 2015*). As of August 5, 2015, 175 million accounts had been opened under Pradhanmantri Jan DhanYojna (PMJDY) and 154 million RuPay debit cards were issued. These new accounts have mustered deposits worth ₹ 22,033 crore (US$ 3.31 billion). (*Source: IBEF Indian Banking Sector Snapshot, available at http://www.ibef.org/industry/banking-india.aspx ("IBEF Indian Banking Sector Snapshot, 2015'))*. Fiscal 2010 to fiscal 2014 saw growth in assets of banks across sectors. Assets of public sector banks, which account for 72.7% of the total banking asset, grew at an average of 73.7%. Private sector expanded at a CAGR of 9.51%, while foreign banks posted a growth of 8.26 %. Total money supply increased at a CAGR of 12.1% to USD1.8 trillion during fiscal 2007 to fiscal 2015 and stood at USD1.7 trillion by the end of May 2015. Total lending and deposits have increased at CAGR of 20.7% and 19.7%, respectively, during fiscal 2007 to 2014 and are further poised for growth, backed by demand for housing and personal finance (*Source: IBEF Banking Industry, 2015*).

The Indian economy is on the brink of a major transformation, with several policy initiatives set to be implemented shortly. Positive business sentiments, improved consumer confidence and more controlled inflation are likely to prop-up the country's the economic growth. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth. All these factors suggest that India's banking sector is also poised for robust growth as the rapidly growing business would turn to banks for their credit needs. (*Source: IBEF Indian Banking Sector Snapshot, 2015*)

Small finance banks

The RBI had issued draft guidelines in November 2014 for the entry of Small Finance Banks ("SFBs") in the private sector in the banking industry, including the eligibility criteria, structure, capital requirements, shareholding structure and corporate governance practices applicable to such proposed entities. (*Source:RBI Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014 available at https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=2901("RBI Guidelines for SFB, 2014")*). Consequently, in September 2015, the RBI has granted in-principle approval to 10 applicants, out of the 72 applications received, to set up SFBs under the said guidelines.

These SFBs are differentiated from existing banks to serve local areas to meet credit and remittance needs of small businesses, unorganised sector, low income households, farmers and migrant work force. These banks will be newly created or existing non-banking financial companies will fold up to become SFBs. (*Source:RBI Guidelines for SFB, 2014*) Apart from providing an impetus to financial inclusion, the entry of SFBs in the private sector is expected to intensify competition in the banking sector in medium term.

The objectives of setting up of small finance banks will be for furthering financial inclusion by (i) provision of savings vehicles primarily to unserved and underserved sections of the population, and (ii) supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganised sector entities, through high technology-low cost operations.

Key advantages & challenges for a typical NBFC upon conversion to SFB

On the asset side, conversion to a small bank could help MFIs/HFCs to diversify their product mix, which is restricted at present. While for the NBFC-MFIs 85% of the assets need to be in the nature of qualifying assets, HFCs need to have at least 75% of their portfolio in favour of individual housing loans to be eligible for NHB refinance. Further most of the small to midsized NBFCs/MFIs are likely to meet the overall priority sector requirements of 75%. However on the liability side it would take some time for these entities to develop a deposit franchise and they could face resource mobilization challenges in the near term since the overall funding requirement for such small finance banks is likely to go up by 20-25% owing to CRR and SLR requirements to maintain the same portfolio levels. Further, access to institutional funding sources may be limited and regulatory restrictions on interbank lending could limit the funding availability from banks. Nevertheless, securitization may remain a plausible route for such small finance banks to raise funds till they are able to mobilise sizeable funding through retail term deposits. *(Source: RBI Guidelines for Licensing of Small Finance Banks – Impact on NBFCs/ MFIs/ HFCs, ICRA Limited, 2014 available at http://icra.in/Files/ticker/SH-2014-Q4-2-ICRA-Performance%20Review%20&%20Outlook.pdf ("RBI Guidelines ICRA Rating SFB, 2014"))*

While a large number of factors could influence the profitability of an NBFC/MFI/HFC on converting to a small finance bank, the negative carry on CRR and SLR is likely to bring down the net interest margins of the small bank and higher operating expenses on account of introduction of new products, cost of deposit mobilization, recruitment and trainings, up gradation of systems and branch infrastructure and could lead to losses/single digit return on equity in initial years. In ICRAs estimates, the cost of deposit mobilization for could range around 10-12% of the mobilised amount at ticket sizes of around ₹ 1000 per depositor with around 2000-2500 depositors per branch. If the small banks are able to double the depositor base as well as ticket sizes the cost of deposit mobilization could come down significantly to around 2-3% of the amount mobilised. Therefore it would be critical for such small banks to develop a sizeable retail deposit base (along with CASA) at reasonable ticket sizes so as to keep the cost of deposit mobilization at reasonable levels, to report reasonable returns and would hold the key to profitability. Given that the average ticket sizes in the accounts opened through PMJDY are around ₹ 3100 per account (excluding zero balance accounts) and for average savings per account in rural areas for bank branches was around ₹ 11600 as on March 31, 2013, it is expected that these small banks would be able to garner deposits at reasonable ticket over the medium term and thus have cost benefits as compared to MFIs/Newer HFCs. *(Source: RBI Guidelines ICRA Rating SFB, 2014)*

Freight Transportation Industry

The Indian logistics industry was valued at an estimated US$ 130 billion in fiscal 2013. The industry comprises the following main segments:

- Freight and passenger transportation via road, rail, air and water
- Warehousing and cold-storage

As of fiscal 2013, the contribution from the movement of goods including freight transportation and storage is about 90%. Aggregate freight traffic is estimated at about 2-2.3 trillion tonne kilometres. Road dominatesthe mode of freight transport mix and constitutes about 60% of the total freight traffic. Rail andcoastal shipping account for about 32% and 7%, respectively, while the share of inlandwaterways transportation and air is less than 1% each.*(Source: IBEF Report – Indian Logistics Industry: Gaining Momentum, A Report on the Performance and Emerging Trends in the Indian Logistics Industry, November 2013 available at http://www.ibef.org/download/indian-logistics-industry-gaining-momentum.pdf ("IBEF Logistics Industry, 2013"))*

SUMMARY OF BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 22 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 24 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve-month period ended March 31 of that year.

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to Equitas Holdings Limited and its subsidiaries on a consolidated basis and references to the "Company" refers to Equitas Holdings Limited on a standalone basis. Unless otherwise indicated, financial information included herein are based on our Restated Consolidated Financial Statements and the Restated Subsidiary Financial Statements included in this Red Herring Prospectus beginning on page 355 and page 442, respectively.

Overview

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 on account of their informal, variable and cash-based income profile. These customers require various financial products including small, short-term business loans as well as relatively large, longer tenor enterprise and home loans. We offer a range of financial products and services that address the specific requirements of these customer segments that take into account their income profile, nature of business and kind of security available.

- *Microfinance*. Our microfinance business provides loans ranging approximately between ₹ 2,000 and ₹ 35,000 to our customers, depending on the loan cycle and mode of disbursement. Our microfinance business is conducted through our wholly-owned subsidiary EMFL. As of March 31, 2015, EMFL was the fifth largest microfinance company in India in terms of gross loan portfolio (Source:CRISIL MF Opinion). Our microfinance business AUM increased at a CAGR of 43.60% from ₹ 7,239.66 million as of March 31, 2012 to ₹ 21,439.53 million as of March 31, 2015, and represented 53.47% of our aggregate AUM as of March 31, 2015. Our microfinance business AUM was ₹ 29,347.99 million as of December 31, 2015, which represented 53.31% of our aggregate AUM as of such date. As of December 31, 2015, there were 2.78 million loan accounts in our microfinance 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. Our vehicle finance operations are based on our experience of working with customers without sufficient credit history and our ability to effectively assess risks associated with financing used commercial vehicles. The Average Loan Account Size (calculated as the aggregate disbursement amount in the relevant fiscal period divided by the number of loan accounts disbursed in such period) in our vehicle finance business in fiscal 2015 and nine months ended December 31, 2015 was ₹ 0.38 million and ₹ 0.38 million, respectively. We have experienced significant growth in our vehicle finance business, and our vehicle finance business AUM increased at a CAGR of 96.46% from ₹ 3,045.24 million as of March 31, 2013 to ₹ 11,754.08 million as of March 31, 2015, which represented 29.31% of our aggregate AUM as of March 31, 2015. Our vehicle finance business AUM was ₹ 14,056.25 million as of December 31, 2015, which represented 25.53% of our aggregate AUM as of such date. 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. Micro enterprises and small enterprises are internally classified as such on the basis of their loan eligibility. 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. Our MSE finance business AUM increased from ₹ 874.34 million as of March 31, 2014 to ₹ 5,109.86 million as of March 31, 2015, which represented 12.74% of our aggregate AUM as of March 31,

2015. Our MSE finance business AUM was ₹ 9,355.17 million as of December 31, 2015, which represented 16.99% of our aggregate AUM as of such date. As of December 31, 2015, there were 45,992 loan accounts in our MSE finance business. A majority of our MSE finance business represents cross-sales to eligible higher income microfinance business customers with a satisfactory track record. In the nine months ended December 31, 2015, the proportion of the MSE loan accounts disbursed to our microfinance customers was, 87.38%.

- *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; such mortgage finance offerings represented 21.38% and 21.44% of our housing finance business AUM as of March 31, 2015 and December 31, 2015, respectively. Our housing finance business AUM increased at a CAGR of 100.54% from ₹ 446.40 million as of March 31, 2013 to ₹ 1,795.35 million as of March 31, 2015, which represented 4.48% of our aggregate AUM as of March 31, 2015. Our housing finance business AUM was ₹ 2,292.46 million as of December 31, 2015, which represented 4.16 % of our aggregate AUM as of such date. As of December 31, 2015, there were 4,022 loan accounts in our housing finance business. In the nine months ended December 31, 2015, a significant percentage of our micro-housing finance loan accounts represented cross sales to eligible higher income microfinance customers with a satisfactory track record.

In November 2014, the RBI introduced the "Guidelines for licensing of small finance banks in the private sector" guidelines. We had applied for an SFB license under the applicable guidelines and on October 7, 2015, the RBI granted us in-principle approval to establish an SFB, subject to the terms and condition of such approval.Pursuant to the SFB In-Principle Approval, certain of our Subsidiaries, namely, EMFL and EHFL are in the process of being amalgamated with EFL to form the Proposed SFB. The Merger Scheme has been approved by the RBI and by the NHB pursuant to letters dated January 22, 2016 and January 20, 2016, respectively. For further information on the terms of such SFB license and our proposed operations as an SFB and the salient features of the scheme of amalgamation, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

In addition, we have incorporated a subsidiary, ETPL, on October 27, 2015, 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.

We are headquartered in Chennai, India and as of December 31, 2015, our operations were spread across 11 states, one union territory and the NCT of Delhi. As of December 31, 2015, we had 539 branches across India. In fiscal 2013, 2014 and 2015, and in the nine months ended December 31, 2015, aggregate disbursements across our financing products were ₹ 14,878.61 million, ₹ 23,844.44 million, ₹ 36,063.09 million, and ₹ 36,697.51 million, respectively. Our aggregate AUM as of March 31, 2013, 2014 and 2015 and as of December 31, 2015 was ₹ 14,838.24 million, ₹ 24,856.40 million, ₹ 40,098.80 million and ₹ 55,051.85 million, respectively. Our net worth as of March 31, 2015 and December 31, 2015 was ₹ 11,706.30 million and ₹ 12,928.77 million, respectively.

As of December 31, 2015, the capital adequacy ratio (CAR) of EMFL (which operates our microfinance business) and EFL (which operates our vehicle finance and MSE finance businesses) was 21.02% and 31.45%, respectively, compared to the RBI mandated CAR requirement of 15.00%. As of December 31, 2015, the CAR of EHFL (which operates our housing finance business) was 32.11%, as compared to the applicable regulatory requirement of 12.00%.

As of March 31, 2013, 2014 and 2015 and as of December 31, 2015, our Gross NPAs as a percentage of our On-Book AUM was 0.27%, 0.73%, 1.08% and 1.33%, respectively, while Net NPAs as a percentage of On-Book AUM was 0.18%, 0.61%, 0.80% and 0.97%, respectively.

Our total income in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 was ₹ 2,831.73 million, ₹ 4,835.17 million, ₹ 7,559.26 million, and ₹ 7,947.02 million respectively, while Interest Income, which represents interest from loans to customers and the interest spread on securitization/assignment of receivables, was ₹ 2,545.90 million, ₹ 4,355.32 million, ₹ 6,868.12 million and ₹ 7,231.38 million, respectively. Our profit after tax in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 was ₹ 319.00 million, ₹ 743.37 million, ₹ 1,066.26 million and ₹ 1,203.66 million, respectively.

Competitive Strengths

We believe we have the following competitive strengths:

Robust corporate governance standards and transparent operations leading to institutional confidence and customer goodwill

We believe that our robust corporate governance standards and commitment to transparent operations have enabled us to strengthen our relationship with our target customer segments, leverage our reputation and goodwill to expand our operations and product portfolio and attract and retain committed employees. We believe that our corporate philosophy and policies are aligned with our name "Equitas", which in Latin means fair and transparent, and our operational procedures enable us to minimize fraud and establish customer goodwill.

In the aftermath of the adverse developments in the microfinance sector in the then state of Andhra Pradesh in 2010, the Malegam Committee report of January 2011 prescribed various measures relating to qualifying loans, pricing norms, lending processes, loan limits, solvency and CAR limits, loan recovery, marketing and employee conduct. We had however implemented most of such operational and risk management controls much prior to the regulatory regime introduced by the RBI based on the Malegam Committee recommendations. We have introduced customer friendly repayment policies designed to address emergency circumstances such as death of a family member or a major illness without charging any additional interest. We also provide insurance cover for microfinance customers without commission charges, which is also disclosed in our customer passbooks. As part of our internal training programs, our employees are also trained to explain reducing balance interest rates to our customers.

Since inception, we have endeavoured to comply with corporate governance standards applicable to publicly listed companies. We have received the CRISIL Governance and Value Creation Level 2 rating. In addition, our process capability for printing of stickers and on-time availability of such stickers at our branches, using one year data (October 2014 to September 2015), has been independently certified as a highly capable process to the extent of 5.8 sigma. We have also received the GIIRS certification from B Labs, with Platinum and 5 Stars ratings for social and environmental measures, the highest ratings available under such certification. Our wholly owned subsidiary EHFL received a CRISIL rating of A-/Stable in October 2015. We believe that our robust corporate governance standards and stringent operational controls have enabled us to generate confidence among, and attract significant equity support from, a large number of investor groups including international development finance institutions such as IFC, CDC, FMO and DEG as well as various private equity investment funds.

Comprehensive understanding and successful track record with underserved customer segment offering significant growth opportunities

We believe that our understanding of, and strategic focus on, individuals and MSE customer segments that are underserved by formal financing channels provides significant growth opportunities as we continue to expand our financing product portfolio to cater to the various financing requirements of these customer segments. India is home to 21% of the world's unbanked adults. *(Source: World Bank Financial Inclusion Database, 2014)* There are approximately 57.70 million small business units, mostly individual proprietorships, which operate manufacturing, trading or services activities in India. *(Source: Economic Characteristics of Unincorporated Non-Agricultural Enterprises (excluding Construction) in India, National Survey Sample Report, February 2013 and Ministry of Finance Circular on Launch of MUDRA Bank dated April 7, 2015, available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=118005)*

We believe this financially underserved customer segment provides significant growth opportunities. Our understanding and track record of working with these customer segments is particularly critical to the success of our proposed operations as an SFB in the future.

Our regular engagement with our target customer segments and understanding of related socio-economic dynamics enables us to establish effective credit and operational procedures and risk control frameworks, which enable us to improve our credit evaluation, asset valuation, loan disbursement, staff training and collection procedures. We believe that our large customer base, together with our customer penetration in the towns and areas we currently operate in, are significant competitive strengths. In particular, our credit analysis and valuation methodology requires market knowledge and practical experience developed over a period of time, which is difficult to replicate. We believe that this provides us with a competitive advantage. In addition, we believe that our customer oriented product structure and operations enable us to develop customer loyalty and maintain our asset quality. For example, we introduced 14 and 28 day repayment schedules that correspond with cash flows of our typical microfinance customers, as well as loans for managing emergency circumstances and other short-term cash flow issues. We have also introduced innovative marketing and customer origination initiatives such as health camps organized for the benefit of target segments such as drivers and individual vehicle owners. We have also entered into arrangements with insurance companies to offer insurance products for used commercial vehicles financed by us as well as a credit shield for our vehicle finance and MSE customers.

We believe that with our understanding and experience of working with these customer segments enables us to identify potential market demand and rapidly leverage our existing operating network to introduce new products, increase our customer base, and grow our loan portfolio. From our initial microfinance business, we have diversified our product portfolio to cover used commercial vehicle business and housing finance business since fiscal 2012 and MSE finance business since fiscal 2013. Our aggregate AUM as of March 31, 2013, 2014 and 2015 and as of December 31, 2015 was ₹ 14,838.24 million, ₹ 24,856.40 million, ₹ 40,098.80 million and ₹ 55,051.85 million, respectively, reflecting the growth in our various businesses.

Standardized operating procedures and efficient use of technology resulting in effective risk management and improved efficiencies

We have implemented standardized operating procedures that have enabled us to develop a scalable and replicable business model across our various financing product portfolios. Our business operations involve a large number of small transactions, mostly in cash, across hundreds of rural and urban locations. We have implemented standardized terms for our financing products, as well as standardized operating procedures for customer acquisition, customer engagement, account management and cash collection. We typically have separate teams for customer origination, disbursement and collection aimed at improving operating efficiencies, productivity and risk management. We also typically undertake daily reconciliation of financial transactions. We provide training to our employees to ensure they are able to effectively engage with and educate our customers about our operations and the terms of the financing.

We have introduced certain innovative operating measures such as electronic microfinance loan application process at the field level to increase employee productivity and enables real time processing. We have introduced customized pre-printed stickers for our microfinance loan accounts for evidencing cash receipt, to mitigate the operational risks in our microfinance business. In our microfinance business, we have introduced SMS based collection tracking processes that enable field staff to update our transaction record systems with collections report on a real-time basis which enable us to reduce cash collection risks. In order to optimize operating expenses, we centrally manage back end processes, including credit verification, loan disbursement processing, receivables management and cash management procedures.

We believe that our IT infrastructure and effective use of technology has enabled us to develop an effective risk control framework and improve employee productivity and operating efficiencies. For further information on our productivity ratios and other operating efficiency measures, see "Selected Statistical Information" beginning on page 264. We believe that our effective risk management measures as well as improving operational efficiencies and strong financial performance have also enabled us to improve on credit ratings, which has allowed us to access capital from banks and financial institutions at competitive rates.

Diversified product offering and markets with significant cross-selling opportunities

While we are focused on customer segments that are underserved by formal financing channels, we believe that diversification of our business and revenue base with respect to our product offerings and the markets which we serve is a key component of our success. We offer a range of financial products and services including microfinance, used commercial vehicle finance, MSE finance and housing finance, that provide us with significant cross selling and up-selling opportunities to our target customer segments. For example, a majority of our MSE finance business and a significant percentage of our micro housing segment business represent cross-sales to eligible higher income microfinance customers with a satisfactory track record. Further, for the nine months ended December 31, 2015 the proportion of the MSE loan accounts disbursed to our microfinance customer was, 87.38%. In addition, we have introduced two other financing products relevant to such customer segment including loan against gold jewellery and two-wheeler loans, the launch of which was approved by the board in the third quarter of fiscal 2016. The target customers for the two-wheeler loans are intended to be the customers currently relying on local financiers.

As of December 31, 2015, we had 539 branches across India.Our widespread branch network enable us to introduce additional financing products with relatively low incremental investment and operating expenses and, to an extent, mitigate our exposure to local or regional economic downturns, political circumstances and/or disruptions.

Experienced management and strong employee engagement

Our senior management team has significant experience in the financial services industry and has been instrumental in developing and implementing our business strategy and commitment to fair and transparent business practices while maintaining effective risk management and competitive margins. Our Managing Director Mr. P.N. Vasudevan and other senior management have significant experience in the financial services sector. Our ESOP scheme is offered to our employees, including all field personnel, to attract and retain committed employees. Our human resource philosophy focuses on cultural alignment, shared ethics and value systems and a challenging and energizing work atmosphere.

C***ommitment to social initiatives***

Equitas Development Initiatives Trust, supervised by eminent trustees, was established in 2008. In fiscal 2013, 2014, 2015 and the nine months ended December 31, 2015, we have contributed ₹ 13.76 million, ₹ 28.27 million, ₹ 34.00 million , ₹ 55.36 million to EDIT. We believe that EDIT’s social initiatives enable it to engage closely with the underserved communities that we also work with. EDIT’s social initiatives include working with a number of hospitals to organize medical awareness and preventive healthcare programs, operating several English-medium schools primarily for children from low-income households, conducting job fairs for candidates from economically weaker segments, and organizing vocational skill development workshops. This enables us to support community services such as health, skill development and education either free or at an affordable cost to such communities. EDIT also conducts pavement dwellers rehabilitation program. In addition, the Equitas Dhanyakosha India, one of our Group Companies has established a chain of grocery stores that provide certain food staples. For further information, see “Business – Social Welfare Initiatives” beginning on page 202.

Business Strategies

Following are our key business strategies:

Leverage our existing network and customer base to develop our proposed SFB operations

In November 2014, the RBI introduced the “Guidelines for licensing of small finance banks in the private sector” for the establishment of SFBs to ensure increased financial inclusion through provision of comprehensive financial services at reasonable cost, to various sections that continue to be underserved through formal financing channels, and to enable credit supply to small business operators, farmers, micro and small industries, and other unorganised sector entities. We had applied for an SFB license and on October 7, 2015, we received an in-principle approval for the establishment of an SFB, subject to the terms and condition of such approval. We intend to leverage our large branch network and large customer base across India to develop our proposed SFB operations. For further information on the terms of such SFB license and our proposed operations as an SFB, see “Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank” on page 203.

Further expand our operational network and strengthen marketing and sourcing partnerships

We continue to strategically expand our operations in target markets by establishing additional branches across India particularly for our microfinance and vehicle finance businesses, with other financing products following into such new markets. As of December 31, 2015 we operated in 11 states, one union territory and the NCT of Delhi.While historically most of our operations were focused in Tamil Nadu, we have experienced significant growth in our operations in relatively newer markets such as Maharashtra and

Madhya Pradesh. We intend to further increase our penetration in the western and northern states of India as well as commence operations in eastern states of India. Our customer origination and servicing efforts strategically focus on building long-term relationships with our customers and address specific requirements in a particular region. In addition, we continue to expand our customer origination network for our vehicle finance, MSE finance and housing finance business across India by entering into sourcing arrangements with used commercial vehicle dealers, direct sourcing agents and other intermediaries. As our operations are personnel-intensive in nature, we continue to focus on growing our business by relying on an optimum level of sourcing through partnership arrangements to effectively leverage the local knowledge, infrastructure and staff of our marketing and sourcing partners.

Leverage our large customer base, operational network and industry experience to offer additional products and services

We intend to further diversify our product portfolio by growing our MSE finance, vehicle finance and housing finance businesses that we have introduced in recent years. We continue to leverage our large customer base, branch network across India and experienced employee-base to offer additional financing products to existing customers and expand our customer base. We have recently introduced gold loans, i.e. loans secured by gold jewellery of customers, repayable by EMI or interest modes scheme rather than on one-time repayment basis only. Based on internal surveys, we believe that EMI-based gold loan financing is preferred by our potential borrowers compared to the one-time repayment model. In addition, we believe that the EMI-based model significantly decreases the repayment/ collection risk associated with gold loan collaterals in a declining gold price scenario. These new financing products will have strong synergies with and demand from our microfinance borrowers and other borrowers from financially under-served segments which is our primary customer segment. In addition, through such additional financing products, we strengthen our relationship with our customers and enable higher customer retention. We believe that this also leads to repeat business and significant opportunity to scale up our operations in an efficient manner by cross-selling other financing products. For example, we successfully cross sell our MSE finance business and micro-housing finance loans to eligible higher income microfinance customers with a satisfactory track record. These strategic initiatives have enabled us to lower operating expenses as well as maintain asset quality.

In addition to our microfinance business, we believe that our used commercial vehicle and MSE customer segments provide significant opportunities for cross-sales of two-wheeler loans.The launch of two-wheeler loans was approved by the board in the third quarter of fiscal 2016 and we intend to target the customers who are currently relying on local financiers.

We believe that our fast growing business and network with commercial vehicle owners, potential commercial vehicle purchasers, vehicle dealers, and various market intermediaries including direct selling agents provide significant opportunity for the development of an e-platform to enable manufacturers, traders and distributors to effectively engage with and negotiate freight terms with transporters. We have therefore set up a subsidiary, ETPL in October 2015, to develop such an e-platform to support settlement freight transactions on a fee based model. In addition, we intend to deploy real-time tracking systems in commercial vehicles using such services to enable real time freight status information.

Continue to reduce operating costs and improve operational efficiencies

Controlling our operating expenses is critical in determining our ability to offer loan products at reasonable rates to our customers and our profitability. Our operating expenses as a percentage of our AUM has been generally declining in recent years, and we continue to identify and implement measures that we believe will enable us to sustain and further decrease our operating expenses.

We continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies and ensure strong customer credit quality. We intend to implement mobile based applications to make the loan application process convenient to our customers and streamline credit approval, administration and monitoring processes. In particular, over time we intend to fully automate front end processes in our businesses, aimed at decreasing operating expenses through increasing employee efficiencies and streamlining employee costs, as well as reduce document storage and transportation costs. We also intend to implement online loan processing platform aimed at providing easier access to our customers. We believe that implementing robust technology infrastructure will enable us to respond to market opportunities and challenges swiftly, improve the quality of services, and scale-up our risk management capabilities.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from:

a. The unconsolidated Restated Financial Statements as of and for the years ended March 31, 2011, 2012, 2013, 2014, 2015 and nine months ended December 31, 2015; and

b. The consolidated Restated Financial Statements as of and for the years ended March 31, 2011, 2012, 2013, 2014, 2015 and nine months ended December 31, 2015.

The financial statements referred to above are presented under the section "Financial Statements" beginning on page 296. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and the sections "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 293 and 663, respectively.

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
EQUITY AND LIABILITIES						
Share Holders' Funds						
Share capital	2,694.57	2,688.74	726.22	577.64	444.29	444.25
Reserves & surplus	6,900.29	6,869.22	5,591.50	3,781.47	2,526.35	2,589.82
	9,594.86	**9,557.96**	**6,317.72**	**4,359.11**	**2,970.64**	**3,034.07**
Share Application Money pending allotment	**16.35**	**1.22**	**3.40**	**-**	**0.07**	**0.02**
Non- Current Liabilities						
Long term borrowings	-	-	-	-	-	1,866.67
Other long term liabilities	-	-	-	-	-	9.36
Long term provisions	1.68	1.48	-	-	-	21.57
	1.68	**1.48**	**-**	**-**	**-**	**1,897.60**
Current Liabilities						
Current maturities of long term borrowings	-	-	-	-	-	4,052.04
Trade payables	10.14	6.18	2.84	1.78	4.38	65.61
Other current liabilities	4.23	1.77	1.63	1.75	0.38	370.92
Short term provisions	2.70	1.99	0.37	0.35	0.51	265.78
	17.07	**9.94**	**4.84**	**3.88**	**5.27**	**4,754.35**
TOTAL	**9,629.96**	**9,570.60**	**6,325.96**	**4,362.99**	**2,975.98**	**9,686.04**
ASSETS						
Non-Current Assets						
Fixed Assets						

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Tangible assets	244.09	250.35	183.35	164.29	149.15	186.45
Intangible assets	0.23	-	0.01	0.02	-	31.68
Capital Work in Progress	6.11	1.80	25.69	5.06	0.58	1.19
	250.43	**252.15**	**209.05**	**169.37**	**149.73**	**219.32**
Non-Current investments	8,458.59	8,308.59	5,312.95	4,063.59	2,614.05	137.13
Deferred tax asset (Net)	1.45	1.12	-	-	-	48.13
Long term receivables under financing activities	-	-	-	-	-	1,455.62
Long term loans and advances	666.95	708.70	710.68	29.61	31.50	264.48
Other non-current assets	-	-	-	-	-	190.74
	9,377.42	**9,018.41**	**6,023.63**	**4,093.20**	**2,645.55**	**2,096.10**
Current Assets						
Current investments	88.00	215.00	-	-	-	**-**
Short term receivables under financing activities	-	-	-	-	-	4,812.32
Cash and cash equivalents	98.65	83.24	90.96	50.15	17.07	2,313.63
Short term loans and advances	65.80	1.69	1.75	50.27	161.35	98.48
Other current assets	0.09	0.11	0.57	-	2.28	146.19
	252.54	**300.04**	**93.28**	**100.42**	**180.70**	**7,370.62**
TOTAL	**9,629.96**	**9,570.60**	**6,325.96**	**4,362.99**	**2,975.98**	**9,686.04**

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ In Million)

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
A- INCOME						
Revenue from operations	66.49	89.17	28.84	26.85	15.45	2,377.59
Other income	-	-	-	-	-	3.88
Total	**66.49**	**89.17**	**28.84**	**26.85**	**15.45**	**2,381.47**
B- EXPENDITURE						
Finance costs	-	-	-	-	-	688.28
Employee benefits expense	10.81	7.00	-	-	-	439.37
Diminution in value of Investments		3.20	-	-	16.80	-
	-					
Investments written off	20.00					
Less : Written off out of provision made	20.00					
Depreciation and amortisation expense	6.38	7.35	4.73	3.46	2.65	47.96
Other expenses	17.15	33.50	11.31	6.02	7.29	473.97
Provisions and write offs		-	-	-	-	276.87
Total	**34.34**	**51.05**	**16.04**	**9.48**	**26.74**	**1,926.45**
Profit / (Loss) before tax as per audited financial statements (A-B)	**32.15**	**38.12**	**12.80**	**17.37**	**(11.29)**	**455.02**
Restatement Adjustments	-	-	-	-	-	-
Profit / (Loss) before tax as restated	**32.15**	**38.12**	**12.80**	**17.37**	**(11.29)**	**455.02**
C- Tax expense						
Current tax	14.39	22.38	8.06	6.80	4.91	170.46
Deferred tax	(0.33)	(1.12)	-	-	-	(19.84)
Adjustments pursuant to scheme of arrangement	-	-	-	-	48.13	-
Taxation relating to earlier Periods	-	0.30	1.71	3.58	-	-
Total	**14.06**	**21.56**	**9.77**	**10.38**	**53.04**	**150.62**
D- Restatement adjustments relating to tax						

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Adjustment on account of prior period taxes	-	0.30	1.71	3.58	0.80	(3.49)
Total	**-**	**0.30**	**1.71**	**3.58**	**0.80**	**(3.49)**
Total tax expense, as restated (C-D)	**14.06**	**21.26**	**8.06**	**6.80**	**52.24**	**154.11**
Profit/(Loss) after tax, as restated	**18.09**	**16.86**	**4.74**	**10.57**	**(63.53)**	**300.91**

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(₹ In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
A. Cash Flow from Operating Activities						
Profit/ (Loss) Before Tax, as restated	32.15	38.12	12.80	17.37	(11.29)	455.02
Adjustments for:						
Depreciation and amortization expense	6.38	7.35	4.73	3.46	2.65	47.96
Diminution in value of investments	-	3.20	-	-	16.80	-
Wealth Tax	-	0.27	0.35	0.17	0.35	0.50
Provision for standard receivables under financing activities (Net)	-	-	-	-	-	18.15
Provision for sub standard receivables under financing activities (Net)	-	-	-	-	-	14.50
Provision for credit enhancements on assets derecognized (Net)	-	-	-	-	-	5.03
Loss Assets written off	-	-	-	-	-	239.19
Provision for Prompt Payment Rebate (Net)	-	-	-	-	-	60.35
Provision for doubtful advances	-	-	-	-	-	2.38
Finance costs	-	-	-	-	-	688.28
Interest income on loans to related parties	(55.31)	(79.82)	(21.68)	(11.72)	(3.58)	(0.40)
Interest income on deposits with banks	(5.24)	(6.47)	(2.66)	(3.64)	(11.33)	(70.05)
Interest Spread on securitisation / Assignment of Receivables	-	-	-	-	-	(234.98)
Gain on sale of current investments (Net)	(5.94)	(2.88)	(4.50)	(11.49)	(0.54)	(30.20)
Gain on sale of fixed Assets	-	-	-	-	-	(0.07)
Operating Profit / (Loss) before Changes in Working Capital	**(27.96)**	**(40.23)**	**(10.96)**	**(5.85)**	**(6.94)**	**1,195.66**

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Adjustments for (increase) / decrease in operating assets:						
Receivables under financing activites	-	-	-	-	-	(2,173.89)
Long term loans and advances	99.66	9.95	(679.94)	-	-	(4.01)
Short term loans and advances	(64.09)	0.07	48.52	111.11	(164.99)	(56.46)
Other non-current assets	-	-	-	-	-	-
Other current Assets	-	-	-	2.26	(2.26)	(148.22)
Bilateral Assignments and Securitisation of Assets (net)	-	-	-	-	-	731.94
Adjustments for increase / (decrease) in operating liabilities:						
Other long term liabilities	-	-	-	-	(9.36)	9.36
Trade payables	3.95	3.32	1.06	(2.64)	(61.23)	48.81
Long term provisions	0.20	1.47	-	-	-	-
Other current liabilities	2.46	0.32	(0.03)	(0.02)	325.15	16.45
Short term provisions	0.71	1.45	-	-	(257.26)	-
Cash Flow from / (used in) operating activities	**14.93**	**(23.65)**	**(641.35)**	**104.86**	**(176.89)**	**(920.36)**
Finance cost paid	-	-	-	-	-	(668.82)
Interest income on loans to related Parties	55.31	79.82	21.68	11.73	3.58	0.40
Interest income on deposits with banks	5.25	6.94	2.09	3.66	15.24	53.60
Gain on sale of current investments (Net)	5.94	2.88	4.50	11.49	0.54	30.20
Direct taxes paid	(14.76)	(22.87)	(9.74)	(7.33)	(5.81)	(201.66)
Net Cash Flow generated from / (used in) Operations	**66.67**	**(43.12)**	**(622.82)**	**124.41**	**(163.34)**	**(1,706.64)**
B. Cash Flow from Investing Activities						
Capital expenditure including capital Advances	(62.21)	(58.21)	(44.28)	(19.62)	(31.38)	(149.43)
Proceeds from sale of fixed assets	0.01	-	-	-	0.44	0.56

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Proceeds from sale of current investments	1,668.02	1,017.60	-	-	-	-
Investments in equity shares of subsidiaries	(150.00)	(2,998.84)	(1,249.36)	(1,449.54)	(995.72)	(135.13)
Purchase of current Investments Subsidiaries	(1,541.02)	(1,232.60)				
Bank Deposits (Net) (lien marked)	-	-	(75.00)	15.38	(15.38)	335.44
Net Cash flow from/ (Used in) Investing Activities	**(85.20)**	**(3,272.05)**	**(1,368.64)**	**(1,453.78)**	**(1,042.04)**	**51.44**
C. Cash Flow from Financing Activities						
Proceeds from fresh issue of equity share capital, including securities Premium	18.05	3,285.18	1,995.33	1,406.35	0.08	19.20
Share Application money received	16.35	1.22	3.40	-	0.07	0.02
Share issue expenses	(0.46)	(65.20)	(41.46)	(28.52)	-	-
Long term borrowings taken	-	-	-	-	-	5,377.00
Long term borrowings repaid	-	-	-	-	-	(3,776.26)
Net Cash Flow From Financing Activities	**33.94**	**3,221.20**	**1,957.27**	**1,377.83**	**0.15**	**1,619.96**
Net Increase / (Decrease) in Cash and	15.41	(7.72)	(34.19)	48.46	(1,205.23)	(35.24)
Cash Equivalents (A) + (B) + (C)						
Cash and Cash Equivalents at the Beginning of the period / year	8.24	15.96	50.15	1.69	2,111.67	1,980.20
Cash and Bank Balance adjusted	-	-	-	-	(904.75)	-
Pursuant to Scheme of Arrangement						
Cash and Cash Equivalents at the End of the Period / Year	**23.65**	**8.24**	**15.96**	**50.15**	**1.69**	**1,944.96**
Note:						
The reconciliation to the Cash and Cash						
Equivalents is as follows:						

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Cash and Cash Equivalents as per Annexure 22	98.65	83.24	90.96	50.15	17.07	2,313.63
Less: Deposits with Original Maturity over a period of 3 months	75.00	75.00	75.00	-	15.38	368.67
Cash and Cash Equivalents (as defined in AS 3 Cash Flow Statement) as at the End of the Year	**23.65**	**8.24**	**15.96**	**50.15**	**1.69**	**1,944.96**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
EQUITY AND LIABILITIES						
Share Holders' Funds						
Share capital	2,694.57	2,688.74	726.22	577.64	444.29	444.25
Reserves & surplus	10,234.20	9,017.56	6,690.43	4,141.78	2,578.23	2,573.72
	12,928.77	**11,706.30**	**7,416.65**	**4,719.42**	**3,022.52**	**3,017.97**
Share Application Money	**16.35**	**1.22**	**3.40**	**-**	**0.07**	**0.02**
Pending Allotment						
Non- Current Liabilities						
Long term borrowings	23,603.46	14,569.99	6,759.15	6,403.94	2,950.01	1,866.67
Other long term liabilities	466.89	128.26	87.37	44.45	100.05	9.36
Long term provisions	207.87	194.76	78.63	83.83	46.66	21.86
	24,278.22	**14,893.01**	**6,925.15**	**6,532.22**	**3,096.72**	**1,897.89**
Current Liabilities						
Short term borrowings	3,350.57	4,180.96	3,767.85	2,044.46	638.53	-
Current Maturities of long term borrowings	14,594.76	11,570.80	7,964.63	4,295.26	2,049.34	4,052.11
Trade payables	384.51	215.28	136.56	92.26	79.07	73.29
Other current liabilities	1,864.73	1,748.48	1,043.47	683.26	437.08	371.15
Short term provisions	548.57	332.52	257.95	172.39	284.89	258.74
	20,743.14	**18,048.04**	**13,170.46**	**7,287.63**	**3,488.91**	**4,755.29**
TOTAL	**57,966.68**	**44,648.57**	**27,515.66**	**18,539.27**	**9,608.22**	**9,671.17**
ASSETS						
Non-Current Assets						
Fixed Assets						
Tangible assets	474.06	423.51	230.99	206.06	213.07	188.55
Intangible assets	29.11	27.17	12.92	24.57	36.72	32.04
Capital work in	6.11	16.51	28.44	5.74	0.57	9.04
Progress						
	509.28	**467.19**	**272.35**	**236.37**	**250.36**	**229.63**
Goodwill on	5.35	5.35	5.35	5.35	5.35	2.30
Consolidation						
Non-current investments	2.00	2.00	2.00	36.01	2.00	2.00
Deferred tax asset (Net)	329.19	223.87	149.05	139.32	62.75	48.44
Long term receivables	25,342.21	18,116.92	10,004.81	4,944.89	2,162.99	1,455.61
under financing activities						
Long term loans and Advances	348.60	191.44	180.38	239.60	260.88	267.22

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Other non-current assets	735.05	624.86	573.80	454.48	495.31	190.74
	27,271.68	**19,164.44**	**10,915.39**	**5,819.65**	**2,989.28**	**1,966.31**
Current Assets						
Current investments	1,763.01	1,755.00	34.01	39.47	-	-
Short term receivables	24,796.59	16,529.32	11,226.74	7,190.01	3,997.06	4,812.33
under financing activities						
Cash and Cash	2,801.21	5,573.85	4,147.07	4,459.93	1,844.58	2,417.45
equivalents						
Short term loans and	281.00	219.59	276.25	332.07	251.37	98.50
advances						
Other current assets	1052.99	939.18	643.85	461.77	275.57	146.95
	30,694.80	**25,016.94**	**16,327.92**	**12,483.25**	**6,368.58**	**7,475.23**
TOTAL	**57,966.48**	**44,648.57**	**27,515.66**	**18,539.27**	**9,608.22**	**9,671.17**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
CONTINUING OPERATIONS						
A – Income						
Revenue from operations	7,913.48	7,550.64	4,824.28	2,821.53	1,980.60	2,388.14
Other income	33.54	8.62	10.89	10.20	5.89	3.89
Total	**7,947.02**	**7,559.26**	**4,835.17**	**2,831.73**	**1,986.49**	**2,392.03**
B – Expenditure						
Finance costs	3,082.73	2,947.02	1,895.21	1,076.28	642.14	688.29
Purchase of stock in trade	-	-	-	-	-	9.70
Employee benefit	1,640.49	1,550.97	1,003.08	780.45	638.32	452.05
expenses						
Other expenses	810.11	837.10	552.94	409.89	475.69	476.24
Depreciation and	96.49	84.29	61.96	69.60	72.57	48.47
amortization expenses						
Provisions and write offs	445.03	504.32	183.87	89.11	49.92	276.88
Total	**6,074.86**	**5,923.70**	**3,697.06**	**2,425.33**	**1,878.64**	**1,951.63**
C-Profit before tax as	1,872.16	1,635.56	1,138.11	406.40	107.85	440.40
per audited financial						
statements (A-B)						
Restatement	-	-	-	(8.76)	8.76	-
Adjustments						
D-Profit before tax as	**1,872.16**	**1,635.56**	**1,138.11**	**397.64**	**116.61**	**440.40**
restated						
E-Tax expense / (Benefit)						
Current tax	773.82	640.50	404.65	152.40	123.32	170.91
Deferred tax	(105.32)	(74.82)	(9.73)	(76.57)	(23.25)	(19.67)
Deferred Tax Adjustments	-	-	-	-	48.13	-
pursuant to scheme of						
Arrangement						
Taxation of earlier periods	-	0.30	1.70	3.58	(0.51)	-
Total	**668.50**	**565.98**	**396.62**	**79.41**	**147.69**	**151.24**
F-Restatement						
adjustments relating to						
Tax						
Adjustment on account of	-	(0.30)	(1.70)	(3.58)	(1.31)	4.00
prior period taxes						

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Tax impact on restatement	-	-	-	2.83	(2.83)	-
adjustments						
Total	**-**	**(0.30)**	**(1.70)**	**(0.75)**	**(4.14)**	**4.00**
Total tax expense as restated (E+F)	**668.50**	**565.68**	**394.92**	**78.66**	**143.55**	**155.24**
Profit / (Loss) after tax	**1,203.66**	**1,069.88**	**743.19**	**318.98**	**(26.94)**	**285.16**
from continuing						
operations as restated						
D-(E+F)						
DISCONTINUING						
OPERATIONS						
Profit / (Loss) Before Tax	-	(3.53)	0.25	0.02	(7.80)	-
from Discontinuing						
Operations						
Tax Expense of	-	0.09	0.07	-	-	-
Discontinuing Operations						
Profit/ (Loss) after tax	**-**	**(3.62)**	**0.18**	**0.02**	**(7.80)**	**-**
from discontinuing						
operations						
Profit / (Loss) - TOTAL	**1,203.66**	**1,066.26**	**743.37**	**319.00**	**(34.74)**	**285.16**
OPERATIONS						

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(₹ In Million)

	Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
A.	**Cash Flow from Operating**						
	Activities						
	Profit Before Tax, as restated	1,872.16	1,635.56	1,138.11	406.40	107.85	440.40
	Adjustments for:						
	Depreciation and amortization expense	96.49	84.29	61.96	69.60	72.57	48.47
	Contingent Provision for standard receivables under Financing Activities (Net)	151.47	78.07	46.23	57.67	(9.28)	18.15
	Provision for sub-standard and Doubtful Receivables under Financing Activities (Net)	84.48	77.89	14.90	12.05	48.12	14.51
	Provision for credit enhancements on assets de-recognised (Net)	(26.77)	24.95	6.76	8.15	5.10	5.03
	Provision for repossessed assets	5.64	30.59	28.92	3.28	-	
	Loss assets written off (Net)	39.44	40.62	11.77	7.96	5.98	239.20
	Provision for prompt payment rebate (Net)	-	-	0.09	10.34	122.24	60.35
	Provision for doubtful loans and advances / insurance claims (Net)	5.20	1.37	0.97	2.04	1.21	2.38
	Finance costs	3,082.73	2,947.02	1,895.21	1,076.28	642.13	665.56
	Wealth Tax	-	-	0.35	0.17	0.35	0.50
	Interest income on deposits with banks / others	(84.36)	(92.08)	(135.95)	(83.48)	(84.92)	(72.85)
	Interest Income on Pass Through Certificates	-	(3.20)	(2.51)	(2.21)	-	-
	Interest income on Loans / deposits to related parties	-	(0.37)	(7.04)	(7.56)	(3.13)	

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Interest spread on securitisation / assignment of receivables	(502.08)	(467.69)	(282.08)	(233.79)	(227.79)	(234.98)
Gain on sale of current investments (Net)	(72.17)	(63.53)	(28.81)	(50.77)	(58.29)	(30.27)
Dividend income from current investments	-	-	-	(0.05)	-	-
(Gain) / loss on sale of fixed assets (Net)	(0.18)	(0.67)	0.16	-	(0.24)	(0.07)
Operating Profit before	**4,652.05**	**4,292.86**	**2,749.04**	**1,276.53**	**621.90**	**1,156.38**
Changes in Working Capital						
Changes in Working Capital:						
Adjustments for (increase) / decrease in operating assets:						
Long term receivables under financing activities	(7,295.43)	(8,112.12)	(5,059.91)	(2,781.91)	(707.37)	(2,173.89)
Long term loans and advances	13.68	22.56	51.01	11.80	14.98	(151.37)
Short-Term receivables under financing activities	(8,268.30)	(5,302.57)	(4,126.81)	(3,267.19)	809.29	
Short term loans and advances	(88.33)	(77.35)	24.35	(80.21)	(152.87)	0.01
Other current assets	(119.27)	(227.12)	(88.21)	(123.57)	(17.81)	(59.72)
Bilateral Assignment and Securitisation of Assets (Net)	276.54	898.01	288.44	233.12	290.18	731.42
Adjustments for increase / (decrease) in operating liabilities:						
Other long term Liabilities	26.57	20.70	11.41	(5.88)	31.23	-
Long term provisions	0.20	1.48	(14.40)	14.77	9.83	0.99
Trade payables	161.73	78.75	47.00	13.12	12.62	-
Other current liabilities	172.98	232.70	193.47	137.25	124.64	56.72

	Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
	Short term provisions	19.65	21.91	22.68	(112.83)	(133.95)	10.13
	Cash flow from / (used in) operations	**(10,447.93)**	**(8,150.19)**	**(5,901.93)**	**(4,685.45)**	**902.61**	**(429.33)**
	Interest income on deposits / other loans	159.46	91.16	177.10	56.25	86.49	54.61
	Gain on sale of current investments (Net)	72.17	63.53	28.81	-	-	-
	Finance costs paid	(2,901.15)	(2,875.88)	(1,774.99)	(1,018.76)	(649.60)	(646.09)
	Direct Taxes paid	(795.54)	(675.48)	(409.21)	(161.05)	(124.06)	(201.79)
	Net Cash Flow from/ (used in)	**(13,912.89)**	**(11,546.86)**	**(7,880.23)**	**(5,809.01)**	**221.22**	**(1,222.60)**
	operating activities						
B.	**Cash Flow from Investing Activities**						
	Capital Expenditure including capital advances	(203.20)	(283.55)	(100.47)	(49.91)	(118.22)	(153.62)
	Proceeds from sale of fixed Assets	3.90	1.39	0.62	0.82	1.51	0.56
	Bank Balances not considered as Cash and Cash Equivalents (Net)	251.71	(295.93)	921.09	(1,129.21)	(653.50)	(304.66)
	Purchase of Long term Investments	-	-	39.47	(73.49)	5.72	(5.12)
	Purchase of current investments	(8.01)	(1,755.00)	(8,919.19)	(10,676.53)	(11,445.41)	(9,623.03)
	Proceeds from sale of current investments		34.01	8,919.19	10,727.29	11,503.70	9,653.22
	Dividend Income from current Investments				0.05		
	Net Cash Flow from / (used in)	**44.40**	**(2,299.08)**	**860.71**	**(1,200.98)**	**(706.20)**	**(432.65)**
	Investing Activities						
C.	**Cash Flow from Financing Activities**						
	Proceeds from issue of share capital including	18.05	3,285.18	1,995.33	1,406.35	441.70	19.20

	Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
	Securities Premium						
	Share Application Money Received	16.35	1.22	3.40	-	-	0.02
	Long term borrowings taken	21,350.00	23,322.25	8,255.76	8,255.76	3,060.00	5,377.00
	Long term borrowings repaid	(9,392.54)	(11,905.23)	(4,231.20)	(2,555.91)	(3,979.43)	(3,776.26)
	Short term borrowings taken (Net)	(830.39)	405.28	1,723.39	1,405.94	638.53	-
	Share Issue Expenses	(0.46)	(65.20)	(41.46)	(28.52)		-
	Net Cash Flow From Financing Activities	**11,161.01**	**15,043.51**	**7,705.24**	**8,483.62**	**160.80**	**1,619.96**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	**(2,707.48)**	**1,197.57**	**685.72**	**1,473.63**	**(329.90)**	**(35.28)**
	Cash and Cash Equivalents at the Beginning of the Period/Year	4,971.98	3,774.41	3,088.69	1,615.06	1,944.96	1,980.24
	Cash and Cash Equivalents at the End of the Period/Year	**2,264.50**	**4,971.98**	**3,774.41**	**3,088.69**	**1,615.06**	**1,944.96**
	Notes:						
(i)	The reconciliation to the Cash and Cash Equivalents as per Annexure 23						
	Cash and Cash Equivalents (as per restated consolidated assets and liabilities - Annexure 23)	2,801.21	5,573.85	4,147.07	4,459.93	1,844.58	2,417.45
	Less: Deposits with Original Maturity over a period of 3 months	31.48	0.11	3.69	909.83	85.40	103.82
	Less: Lien Marked Deposits	505.23	601.76	368.97	461.41	144.12	368.67
	Cash and Cash Equivalents (as defined in AS 3 -	**2,264.50**	**4,971.98**	**3,774.41**	**3,088.69**	**1,615.06**	**1,944.96**

Particulars		For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
	Cash Flow Statements) as at the End of the Year						
(ii)	The Consolidated Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.						

Auditor Qualifications and Emphasis of matter

Our Statutory Auditor has not included any qualification or emphasis of matter with respect to matters specified in the Companies (Auditor Report) Order, 2003, as amended, in the annexure to its report on our unconsolidated and consolidated Restated Financial Statements as of and for the financial years 2011, 2012, 2013, 2014 and 2015.

THE ISSUE

The following table summarizes the Issue details:

Issue[1]	[●] Equity Shares aggregating up to ₹ [●] million
of which:	
(i) Fresh Issue[2]	[●] Equity Shares aggregating up to ₹ 7,200 million
(ii) Offer for Sale[3]	Up to 132,425,884 Equity Shares
of which:	
Offer for Sale by IFC	Up to 16,463,772 Equity Shares
Offer for Sale by FMO	Up to 11,926,668 Equity Shares
Offer for Sale by Aavishkaar	Up to 4,999,998 Equity Shares
Offer for Sale by Aquarius	Up to 7,153,038 Equity Shares
Offer for Sale by Creation	Up to 868,125 Equity Shares
Offer for Sale by Helion	Up to 4,288,648 Equity Shares
Offer for Sale by IFIF	Up to 25,938,594 Equity Shares
Offer for Sale by Lumen	Up to 22,571,820 Equity Shares
Offer for Sale by MVH	Up to 16,975,484 Equity Shares
Offer for Sale by Sarva	Up to 6,635,770 Equity Shares
Offer for Sale by Sequoia	Up to 12,840,861 Equity Shares
Offer for Sale by WestBridge	Up to 1,583,106 Equity Shares
Offer for Sale by P. N. Vasudevan	Up to 180,000 Equity Shares
of which:	
Employee Reservation Portion	Up to 250,000 Equity Shares aggregating up to ₹ [●] million
Net Issue to the Public	Up to [●] Equity Shares
A) QIB Portion[4] [5]	[●] Equity Shares
of which	
Anchor Investor Portion	Not more than [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))[7]	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[4]	Not less than [●] Equity Shares
C) Retail Portion[3] [7]	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	313,275,792 Equity Shares
of which:	
(i) Fully paid up Equity Shares	269,920,367
(ii) Unexercised employee stock options convertible into Equity Shares including ungranted options	43,355,425
Equity Shares outstanding after the Issue	[●] Equity Shares

Utilisation of Net Proceeds	See “Objects of the Issue” on page 136 Our Company will not receive any proceeds from the Offer for Sale

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis. However, to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories.

(1) *In terms of the RBI Approval Letter, the RBI has communicated that in the event investors acquire a stake of 5% or more in our Company through the Issue, they would require approval from the RBI. For further details, see “Terms of the Issue- Basis of Allocation” and “Main Provisions of Articles of Association” on pages 734, 735 and 797.*

(2) *The Fresh Issue has been authorised by the Board pursuant to its resolutions passed on August 7, 2015 and March 3, 2016 and the Shareholders pursuant to the resolutions passed on September 7, 2015 and March 7, 2016.*

(3) *The Selling Shareholders severally and not jointly, specifically confirm that the portion of the Offered Shares by each of the Selling Shareholders by way of an Offer for Sale in the Issue, are eligible for the Issue in accordance with the SEBI Regulations. The Offer for Sale has been authorised by the Selling Shareholders as follows: (i) as per the resolution passed by the board of directors on December 12, 1997 and authorization letter dated August 19, 2013 issued by IFC; (ii) up to 11,926,668 Equity Shares as per the resolution passed by the board of directors of FMO on September 15, 2015 and authorization letter dated October 13, 2015 issued by FMO; (iii) up to 4,999,998 Equity Shares offered by Aavishkaar as per the resolution passed by its board of directors on September 7, 2015; (iv) up to 7,153,038 Equity Shares offered by Aquarius as per the resolution passed by its board of directors on September 10, 2015; (v) up to 868,125 Equity Shares offered by Creation as per the resolution passed by its board of directors on September 2, 2015; (vi) up to 4,288,648 Equity Shares offered by Helion as per the resolution passed by its board of directors on October 6, 2015 and March 4, 2016; (vii) up to 26,229,885 Equity Shares offered by IFIF as per the resolution passed by its board of directors on September 21, 2015; (viii) up to 22,571,820 Equity Shares offered by Lumen as per the resolution passed by its board of directors on September 16, 2015; (ix) up to 16,975,484 Equity Shares offered by MVH as per the resolution passed by its board of directors on September 10, 2015; (x) up to 6,635,770 Equity Shares offered by Sarva as per the resolution passed by its board of directors on September 9, 2015 and March 4, 2016; (xi) up to 12,840,861 Equity Shares offered by Sequoia as per the resolution passed by its board of directors on October 6, 2015; (xii) up to 1,583,106 Equity Shares offered by WestBridge as per the resolution passed by its board of directors on October 12, 2015; and (xiii) up to 180,000 Equity Shares offered by P. N. Vasudevan as per consent letter dated October 12, 2015. By consent letter dated October 12, 2015 IFIF has provided its consent to offer up to 25,938,594 Equity Shares;*

(4) *Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories of Bidders (including the Employee Reservation Portion) at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Issue, Equity Shares offered pursuant to the Fresh Issue shall be allocated prior to Equity Shares offered pursuant to the Offer for Sale.*

(5) *Our Company may, in consultation with the BRLMs, allocate up to 60 % of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see “Issue Procedure” on pages 777 and 778.*

(6) *Subject to valid Bids being received at, or above, the Issue Price.*

(7) *The Retail Discount and Employee Discount, if any, will be offered to Retail Individual Bidders and Eligible Employees, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount or Employee Discount, as applicable), at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount or Employee Discount, as applicable at the time of making a Bid.*

Retail Individual Bidders and Eligible Employees must ensure that the Bid Amount does not exceed ₹200,000. Retail Individual Bidders and Eligible Employees should note that while filling the "SCSB/Payment Details" block in the Bid cum Application Form, Retail Individual Bidders and Eligible Employees must mention the Bid Amount.

GENERAL INFORMATION

Our Company was incorporated as UPDB Micro Finance Private Limited on June 22, 2007 at Chennai as a private limited company under the Companies Act, 1956. Pursuant to a special resolution passed by our Shareholders on December 17, 2007, the name of our Company was changed to Equitas Micro Finance India Private Limited and a fresh certificate of incorporation consequent to change of name was issued by the RoC on February 1, 2008. The microfinance business of our Company was demerged into Singhivi pursuant to the Demerger Scheme with effect from April, 1, 2011. Singhivi was later renamed as Equitas Micro Finance Private Limited. Subsequently, pursuant to a resolution passed by our Shareholders on January 30, 2012, the name of our Company was changed to Equitas Holdings Private Limited and a fresh certificate of incorporation consequent to change of name was issued by the RoC on February 29, 2012. Pursuant to a resolution passed by our Shareholders on June 12, 2015, our Company was converted into a public limited company and the name was changed to Equitas Holdings Limited. The RoC issued a fresh certificate of incorporation consequent to change of name on June 18, 2015. For further details see "History and Certain Corporate Matters" on page 220.

For details of the business of our Company, see "Business" beginning on page 187.

Registered and Corporate Office of our Company

410A, 4th Floor, Spencer Plaza
Phase II, No. 769, Mount Road
Anna Salai, Chennai 600 002
Tel: (91 44) 4299 5000
Fax: (91 44) 4299 5050
Website: www.equitas.in

For further details in relation to change in location of the registered office of our Company, see "History and Certain Corporate Matters" on page 220.

Corporate Identification Number and Registration Number

Corporate Identity Number: U65100TN2007PLC064069
Registration Number: 064069

Address of the RoC

Our Company is registered with the RoC, Tamil Nadu at Chennai, situated at the following address:

Registrar of Companies

Block No. 6, B Wing, 2nd Floor
Shastri Bhavan 26, Haddows Road
Chennai 600 034

Board of Directors

The Board of Directors as on the date of this Red Herring Prospectus consists of:

Name	Designation	DIN	Address
N. Rangachary	Non-executive Chairman and Independent Director	00054437	C-101, B Wing, RNS Santhi Nivas, Near RNS Motors, Tumkur Road, Bengaluru 560 022
Arun Ramanathan	Independent Director	00308848	6A, 6th West Cross Street, Shenoy Nagar, Chennai 600 030
Jayshree Ashwinkumar Vyas	Independent Director	00584392	No. 1, Sunview Apartment, Opposite Purnanand Ashram, Ishwar Bhuvan, Navrangpura, Ahmedabad 380 014
P.T. Kuppuswamy	Independent Director	00032309	3A, Sun Pride Apartments, 9/5 Ganapathy Colony, 2nd Street, Gopalapuram S.O., Chennai 600 086
Y.C. Nanda	Independent Director	01643316	Flat Nos. 1304 – 1305 , 13th Floor,

Name	Designation	DIN	Address
			Bolivian Alps, A – Wing , Bhakti Park, Wadala (East) , Mumbai 400 037
P.V. Rajaraman	Independent Director	01658641	R 202, Atrium Apartment, 22, Kalakshetra Road, Chennai 600 041
Vinod Kumar Sharma	Independent Director	02051084	B 804, Park Titanium, Park Street, Kalewadi Phata, Behind Wisdom World School, Pune 411 057
N. Srinivasan	Independent Director	01501266	T2, 403, Kapil Malhar, Baner Road, Baner, Pune 411 045
Paolo Brichetti	Non- executive and non-Independent Director	01908040	34, Berenstraat 1016 GH, Amsterdam
S. Ramakrishnan	Non-executive and non-Independent Director	02650040	Flat No. 201, SIDBI Officers Apartment, 16 MMM Marg, Lucknow 226 001
Nagarajan Srinivasan	Non- executive and non-Independent Director	01480303	64, 31st Cross, Jaya Nagar, VII Block, Bengaluru 560 082
Viswanatha Prasad Subbaraman	Non- executive and non-Independent Director	00574928	Flat 104, Manbhum Opus, 8-2-614, Road Number 11, Banjara Hills, Hyderabad 500 034
P.N. Vasudevan	Managing Director	01550885	Flat 1A 1st Floor, 2nd Block, Kences Enclave No. 1, Ramakrishna Street, T. Nagar, Chennai 600 017

For further details of our Directors, see “Management” on page 234.

Company Secretary and Compliance Officer

Jayashree S. Iyer is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Jayashree S. Iyer

410A, 4th Floor, Spencer Plaza
Phase II, No. 769, Mount Road
Anna Salai, Chennai 600 002
Tel: (91 44) 4299 5075
Fax: (91 44) 4299 5050
Email: secretarial@equitas.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

For all Issue related queries and for redressal of complaints, investors may also write to the BRLMs . All complaints, queries or comments received by the SEBI shall be forwarded to the BRLMs, who shall respond to such complaints.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Chief Financial Officer

S. Bhaskar is the Chief Financial Officer of our Company. His contact details are as follows:

S. Bhaskar

410A, 4th Floor, Spencer Plaza
Phase II, No. 769, Mount Road
Anna Salai, Chennai 600 002
Tel: (91 44) 4299 5002
Fax: (91 44) 4299 5050
Email: bhaskars@equitas.in

Selling Shareholders

The names of the Selling Shareholders of our Company are set forth below:

1. International Finance Corporation;
2. Nederlandse Financierings- Maatschappij voor Ontwikkelingslanden N.V.;
3. Aavishkaar Goodwell India Microfinance Development Company Ltd.;
4. Aquarius Investments Ltd.;
5. Creation Investments Equitas Holdings, LLC;
6. Helion Venture Partners II LLC.
7. India Financial Inclusion Fund;
8. Lumen Investment Holdings Limited;
9. MVH S.p.A.;
10. Sarva Capital LLC;
11. Sequoia Capital India Investments III;
12. WestBridge Ventures II, LLC; and
13. P.N. Vasudevan.

Book Running Lead Managers

Axis Capital Limited

1st Floor, Axis House
C-2, Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Tel: (91 22) 4325 2183
Fax: (91 22) 4325 3000
E-mail: equitas@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Simran Gadh
SEBI Registration No.: INM000012029

Edelweiss Financial Services Limited

14th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: (91 22) 4086 4400
Fax: (91 22) 4086 3610
E-mail: Equitas.ipo@edelweissfin.com
Investor grievance e-mail: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Viral H. Shah
SEBI Registration No.: INM0000010650

HSBC Securities and Capital Markets (India) Private Limited

52/60, Mahatma Gandhi Marg
Fort, Mumbai 400 001
Tel: (91 22) 2268 5555

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg
Churchgate Mumbai 400 020
Tel : (91 22) 2288 2460

Fax: (91 22) 2263 1284
E-mail: equitasipo@hsbc.co.in
Investor Grievance e-mail:
investorgrievance@hsbc.co.in
Website:
www.hsbc.co.in/1/2/corporate/equitiesgloablinvestment-banking
Contact Person: Mayank Jain/ Shreye Mirani
SEBI Registration No.: INM000010353

Fax : (91 22) 2282 6580
Email: equitas.ipo@icicisecurities.com
Investor Grievance e-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Vishal Kanjani
SEBI Registration No.: INM000011179

Syndicate Member

Edelweiss Securities Limited

2nd Floor, M. B. Towers, Plot no. 5,
Road no. 2, Banjara Hills,
Hyderabad 500 034, Andhra Pradesh
Tel: (91 22) 40635569
Fax: (91 22) 6747 1347
E-mail: equitas.ipo@edelweissfin.com
Investor grievance e-mail:
customerservice.mb@edeweissfin.com
Website: www.edelweissfin.com
Contact Person: Prakash Boricha
SEBI Registration No.: INB011193332 (BSE)/ INB231193310 (NSE)/INB261193396 (MSEI)

Legal Advisors to the Issue

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas

5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

2nd Floor, 87/48
ASV Square
Chamiers Road
Chennai 600 028
Tel: (91 44) 44 6668 4455
Fax: (91 44) 6608 3490

Indian Legal Counsel to the Underwriters

S&R Associates

One Indiabulls Centre
1403, Tower 2, B Wing
841, Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 4302 8000
Fax: (91 22) 4302 8001

International Legal Counsel to the Underwriters

Squire Patton Boggs Singapore LLP

10 Collyer Quay
#03-01/02 Ocean Financial Centre
Singapore 049315

Tel: (65) 6922 8668
Fax: (65) 6922 8650

Indian Legal Counsel to Sequoia, FMO, WestBridge and IFC as to Indian Law

AZB & Partners

AZB House
Plot No. A8, Sector 4
Noida, Uttar Pradesh 201 301
Tel: (91 120) 417 9999
Fax: (91 120) 417 9900

Indian Legal Counsel to Aavishkaar, Aquarius, Creation, Helion, IFIF, Lumen, MVH and Sarva as to Indian Law

Trilegal

One Indiabulls Centre, 14th Floor
Tower One, Elphinstone Road
Mumbai 400 013
Tel: (91 22) 4079 1000
Fax: (91 22) 4079 1098

Statutory Auditor to our Company

Deloitte Haskins & Sells

8th Floor, ASV 'N' Ramana Tower
52, Venkatnarayana Road, T.Nagar
Chennai 600 017
Tel: (91 44) 6688 5000
Fax: (91 44) 6688 5050
Email: gsuryanarayanan@deloitte.com
Website: www.deloitte.com
Firm Registration No.: 008072S
Peer Review No.: 008781

Registrar to the Issue

Karvy Computershare Private Limited

Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Tel: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: equitasholdings.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: M Murali Krishna
SEBI Registration No. INR000000221

Bankers to the Issue and Escrow Collection Banks

Axis Bank Limited

Ground Floor, No 82
R K Salai, Mylapore
Chennai 600004
Tel: (91 44) 2830 6901

ICICI Bank Limited

Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020

Fax: (91 44) 2811 1084
Email: chennai.operationshead@axisbank.com / chennai.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: D Meera Devi

Tel: (91 22) 2285 9922
Fax: (91 22) 2261 1138
Email: rishav.bagrecha@icicibank.com
Website: www.icicibank.com
Contact Person: Rishav Bagrecha

Refund Bank

Axis Bank Limited

Ground Floor, No 82
R K Salai, Mylapore
Chennai 600004
Tel: (91 44) 2830 6901
Fax: (91 44) 2811 1084
Email: chennai.operationshead@axisbank.com / chennai.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: D Meera Devi

ICICI Bank Limited

Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020
Tel: (91 22) 2285 9922
Fax: (91 22) 2261 1138
Email: rishav.bagrecha@icicibank.com
Website: www.icicibank.com
Contact Person: Rishav Bagrecha

Bankers to our Company

Axis Bank Limited

No. 82, R.K Salai
Mylapore, Chennai 600 004
Tel: (91 44) 2830 6900
Fax: (91 44) 2811 1084
Email: Chennai.operationshead@axisbank.com / Chennai.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Anantharaman K.R/Sitaramprasad R

ICICI Bank Limited

Commercial Banking Group, First Floor
No. 110, Prakash Presidium
Nungambakkam High Road
Nungambakkam, Chennai 600 034
Tel: (91 44) 3345 5157
Fax: (91 44) 2820 7120
Email: niranjan.r@icicibank.com
Website: www.icicibank.com
Contact Person: Niranjan R

The Hong Kong and Shanghai Banking Corporation Limited, India

"Rajalakshmi", No. 5 & 7
Cathedral Road, Chennai 600 086
Tel: (91 44) 3081 3000
Fax: (91 44) 2811 7998
Email: nevillemusa@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Neville Musa

Lenders to our Company and Subsidiaries

Kotak Mahindra Bank Limited

4th Floor, Kotak Infinity
Gen A K Vaidya Marg
Malad East 400 097
Tel: (91 22) 6605 4196
Fax: (91 22) 6725 9063
Email: bs.sivakumar@kotak.com
Website: www.kotak.com
Contact Person: B. S. Sivakumar

RBL Bank Ltd

One Indiabulls Centre, Tower 2B, 5th Floor

Capital First Limited
Indiabulls Finance Centre, Tower II, 15th Floor
Senapati Bapat Marg, Elphinstone (W)
Mumbai – 400 013
Tel: (91 22) 4042 3400
Fax: (91 22) 4042 3401
Email: mahesh.payannavan@capfirst.com
Website: www.capfirst.com
Contact Person: Mahesh Payannavar

The Hong Kong and Shanghai Banking Corporation Limited, India

841, Senapati Bapat Marg
Lower Parel, Mumbai – 400 013
Tel: (91 22) 4302 0560
Fax: (91 22) 4302 0520
Email: kunal.mehta@rblbank.com
Website: www.rblbank.com
Contact Person: Kunal Mehta

Bank of Maharashtra

Mylapore Branch
16 East Mada Street
Mylapore, Chennai 600 004
Tel: (91 44) 2461 4357
Fax: (91 44) 2461 4357
Email: bom1204@mahabank.co.in
Website: www.bankofmaharashtra.in
Contact Person: M. P. Varghese

IndusInd Bank Ltd.

2401, Gen. Thimmayya Road
Pune 411 001
Tel: (91 40) 4091 6204
Fax: (91 40) 4091 6266
Email: srinivas.bonam@indusind.com
Website: www.indusind.com
Contact Person: Srinivas Bonam

Small Industries Development Bank of India (SIDBI)

No. 756, Overseas Towers,
Anna Salai (Opp TVS), Chennai 600 002
Tel: (91 44) 6663 6026
Fax: (91 44) 2852 0692
Email: nandhini@sidbi.in
Website: www.sidbi.in
Contact Person: Nandhini Seshadhri

IDBI Bank Limited

115, Anna Salai, P. B. No. 805
Saidapet, Chennai 600 015
Tel: (91 44) 2220 2004
Fax: (91 44) 2235 5227
Email:ibk10000129@idbi.co.in/
ravi_ms@idbi.co.in
Website: www.idbi.com
Contact Person: M. S. Ravi

ICICI Bank Limited
Plot No. 12, ICICI Towers
Nanakramguda, Gachibowli
Hyderabad 500 032
Tel: (91 40) 4106 4293
Fax: (91 40) 4106 4450
Email: suraj.sahoo@icicibank.com
Website: www.icicibank.com

"Rajalakshmi", No. 5 & 7
Cathedral Road, Chennai 600 086
Tel: (91 44) 3081 3000
Fax: (91 44) 2811 7998
Email: nevillemusa@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Neville Musa

IDFC Bank Limited

Naman Chambers, C-32, G-Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 050
Tel: (91 22) 4222 2000
Fax: (91 22) 2654 0354
Email: vineet.jain@idfcbank.com
Website: www.idfcbank.com
Contact Person: Vineet Jain

Micro Units Development and Refinance Agency Limited (MUDRA)

MSME Development Centre, C-11, G Block
BKC, Bandra (E), Mumbai 400 051
Tel: (91 22) 6722 1494
Fax: N.A
Email: swetan@mudra.org.in, ceo@mudra.org.in
Website: www.mudra.org.in
Contact Person: Sweta Nagwekar

Standard Chartered Bank

6th Floor, Crescenzo, C-38/39, G-Block
Behind MCA Club, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Tel: (91 22) 4265 8220
Fax: (91 22) 6115 7800
Email: iyer.balaji@sc.com
Website: www.sc.com/in
Contact Person: Balaji Iyer

HDFC Bank

5-4-94 to 97, La La Land mark, 3rd Floor
M. G. Road, Secunderabad 500 003
Tel: (91 40) 6617 0061
Fax: (91 40) 3047 2700
Email: gavvala.ravinder@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Gavvala Ravinder

National Bank for Agriculture and Rural Development (NABARD)

Tamil Nadu Regional Office, 48
Mahatma Gandhi Road, Nugambakkam
Chennai 600 034
Tel: (91 44) 2830 4444
Fax: (91 44) 2827 5732
Email: Chennai@nabard.org

Contact Person: Suraj Sahoo

Website: www.nabard.org
Contact Person: Chief General Manager

Designated Intermediaries

Self Certified Syndicate Banks

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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. 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.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, are provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, 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, respectively, as updated from time to time.

Collecting Depository Participants

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, respectively, as updated from time to time.

Monitoring Agency

Our Company has appointed Axis Bank as the monitoring agency prior to filing of this Red Herring Prospectus for the purpose of monitoring the utilisation of the Net Proceeds in accordance with Regulation 16 of the SEBI Regulations. Further, as per the SEBI Listing Regulations in accordance with the corporate governance requirements, the Audit & Risk Management Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an issue of Equity Shares, there is no credit rating required for the Issue.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Issue.

Trustees

As this is an issue of equity shares, the appointment of trustees is not required.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s. Deloitte Haskins & Sells, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditor on the unconsolidated and consolidated Restated Financial Statements, each dated February 5, 2016, the Subsidiary Restated Financial Statements (EHFL dated February 2, 2016, EFL dated February 3, 2016, EMFL dated February 4, 2016 and ETPL dated February 4, 2016, and the statement of tax benefits dated March 8, 2016 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. The term "expert" and consent thereof does not represent an expert or consent within the meaning under the 1933 Securities Act of the United States of America.

Inter-se allocation of responsibilities:

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

Sr. No	Activities	Responsibility	Coordination
1.	Due diligence of our Company's operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements	Axis, Edelweiss, HSBC, I-Sec	Axis
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments	Axis, Edelweiss, HSBC, I-Sec	Axis
3.	Appointment of Banker(s) to the Issue	Axis, Edelweiss, HSBC, I-Sec	Axis
4.	Appointment of Registrar to the Issue, Advertising Agency & Printer	Axis, Edelweiss, HSBC, I-Sec	Edelweiss
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure	Axis, Edelweiss, HSBC, I-Sec	Edelweiss
6.	International institutional marketing including; allocation of investors for meetings and finalising road show schedules	Axis, Edelweiss, HSBC, I-Sec	HSBC
7.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalising road show schedules	Axis, Edelweiss, HSBC, I-Sec	Axis
8.	Non-Institutional marketing of the Issue	Axis, Edelweiss, HSBC, I-Sec	Edelweiss
9.	Retail Marketing of the Issue, which will cover, inter alia: • Formulating marketing strategies; • Preparation of publicity budget, finalising Media and PR strategy. • Finalising centres for holding conferences for brokers; • Finalising collection centres; and • Follow-up on distribution of publicity and Issue material	Axis, Edelweiss, HSBC, I-Sec	I-Sec

Sr. No	Activities	Responsibility	Coordination
	including form, prospectus and deciding on the quantum of the Issue material.		
10.	Preparation of the roadshow presentation and FAQ	Axis, Edelweiss, HSBC, I-Sec	HSBC
11.	Coordination with Stock Exchanges for book building process including software, bidding terminals.	Axis, Edelweiss, HSBC, I-Sec	Edelweiss
12.	Pricing and managing the book	Axis, Edelweiss, HSBC, I-Sec	Axis
13.	Post-Issue activities, which shall involve essential follow-up steps including anchor coordination, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable.	Axis, Edelweiss, HSBC, I-Sec	I-Sec
14.	Payment of the applicable Securities Transaction Tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	Axis, Edelweiss, HSBC, I-Sec	I-sec

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids from Resident Indian Bidders on the basis of this Red Herring Prospectus within the Price Band, which will be decided by the Majority Investors in consultation with our Company, the BRLMs, and 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 and shall be made available to the Stock Exchanges for the purpose of upload on their website. The Issue Price shall be determined by the Majority Investors in consultation with our Company and the BRLMs after the Bid/ Issue Closing Date.

All Bidders, except Anchor Investors, are required to mandatorily use the ASBA process.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Our Company confirms that it will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for the Issue. Each of the Selling Shareholders severally and not jointly confirm that such Selling Shareholder will comply with the SEBI Regulations and any other ancillary directions issued by SEBI, as applicable, to the respective portion of their Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Issue and procure Bids for the Issue.

The process of Book Building under the SEBI Regulations and the Bidding process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

For details on the method and procedure for Bidding, see "Issue Procedure" beginning on page 741.

In terms of the RBI Approval Letter, the RBI has communicated that any investor that wishes to acquire 5% or more of the post-Issue paid-up share capital of our Company whether pursuant to the Issue or otherwise, would require the prior approval of the RBI. Accordingly, pursuant to the terms of the RBI Approval Letter, the Articles of Association have also been amended to state that no person, shall, except with the prior approval of the RBI, undertake change in shareholding of our Company to the extent of 5% or more of the post-Issue paid-up share capital of our Company or such other percentage as may be prescribed by the RBI from time to time by way of fresh issue or transfer of Equity Shares.

As of the date hereof, it is unclear whether the restrictions mentioned above are applicable to an investing entity individually or to a "group" of related entities as described under Regulation 12B of the Banking Regulation Act. Under Section 12B of the Banking Regulation Act, a "group" includes the investing entity together with any persons acting in concert with such entity, his "relatives" (if applicable) and the "associate enterprises" of such investing entity.

Our Company has, by way of abundant caution, decided to apply such restrictions to each "group" of entities investing in the Issue. Accordingly, any Bidder who, either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), shall obtain a valid and subsisting approval of the RBI, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company. If any Bidder either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), but does not obtain and submit such RBI approval in the manner and within the timeline described below, such Bidder and the members of its group shall be considered for Allotment of only up to 4.99% of the post Issue share capital of oru Company, which shall be done on a pro-rata basis.

Please note that our Company, the BRLMs and the Registrar to the Issue will rely strictly and solely on the RBI approvals received from Bidders for making any Allotments to any Bidder together with members of its group for more than 4.99% of the post Issue share capital of the Company. Our Company, the Registrar to the Issue and BRLMs will not exercise any discretion or judgment in identifying the group of any Bidder and will not be responsible, directly or indirectly, for the consequences of any Bidder and the members of its group acquiring any Equity Shares in excess of 4.99% of the post Issue share capital of the Company without a valid and subsisting RBI approval.

A clearly legible copy of the RBI approval together with the application submitted for such RBI approval must be submitted by the Bidders, either with the Bid cum Application Form submitted by such Bidder or to the Registrar to the Issue at any time prior to the date falling one day before the date for finalisation of the Basis of Allotment, together with the members of its group, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company.Any RBI approvals annexed to the Bid cum Application Form should also be submitted by the Bidder to the Registrar to the Issue.Such RBI approval together with the application submitted for such RBI approval should clearly mention the name(s) of the entities which propose to Bid in the Issue, and the maximum permitted holding of Equity Shares by the members of such group. All allotments to such Bidders and the members of their respective groups, shall be in accordance with and subject to the conditions contained in such RBI approval.

Under the Banking Regulation Act, an "associated enterprise" of an entity is defined to mean a company, whether incorporated or not, which (i) is a holding company or a subsidiary company of such entity; (ii) is a joint venture of such entity; (iii) controls the composition of the board of directors or other body governing of such entity; (iv) exercises, in the opinion of the RBI, significant influence on such entity in taking financial or policy decisions; or (v) is able to obtain economic benefits from the activities of such entity. A "relative" is defined to have the meaning given to such term under the Companies Act, 1956. Further, under the Banking Regulation Act, persons shall be deemed to be "acting in concert" who, for a common objective or purpose of the acquisition of shares or voting rights in excess of the percentage mentioned in Section 12B of the Banking Regulation Act, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights a banking company.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process*" on page 775.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered in the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address and Contact Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalised after pricing of the Issue and actual allocation in accordance with the SEBI Regulations.

In the opinion of the Board (based on certificates provided by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Red Herring Prospectus is set forth below:

(in ₹ million except share data)

		Aggregate Value at Face Value	Aggregate value at Issue Price
A.	**AUTHORIZED SHARE CAPITAL**		
	365,000,000 Equity Shares	3,650.00	-
	10,000,000 Compulsorily Convertible Preference Shares	100.00	
	TOTAL	**3,750.00**	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	269,920,367 Equity Shares	2,699.2	-
C.	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	[●] Equity Shares aggregating up to ₹ [●] million		
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 7,200 million(1)	[●]	[●]
	Employee Reservation Portion of up to 250,000 Equity Shares aggregating up to ₹ [●] million	[●]	[●]
	Offer for Sale of up to 132,425,884 Equity Shares(2)	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	6,397.04	
	After the Issue	[●]	

(1) *The Fresh Issue has been authorised by the Board of Directors pursuant to its resolutions passed on August 7, 2015 and March 3, 2016 and the Shareholders pursuant to their resolutions passed on September 7, 2015 and March 7, 2016.*

(2) *The Selling Shareholders severally and not jointly, specifically confirm that the portion of the Offered Shares by each of the Selling Shareholders by way of an Offer for Sale in the Issue, are eligible for the Issue in accordance with the SEBI Regulations. The Offer for Sale has been authorised by the Selling Shareholders as follows: (i) as per the resolution passed by the board of directors of IFC on December 12, 1997 and authorization letter dated August 19, 2013 issued by IFC; (ii) up to 11,926,668 Equity Shares as per the resolution passed by the board of directors of FMO on September 15, 2015 and authorization letter dated October 13, 2015 issued by FMO; (iii) up to 4,999,998 Equity Shares offered by Aavishkaar as per the resolution passed by its board of directors on September 7, 2015; (iv) up to 7,153,038 Equity Shares offered by Aquarius as per the resolution passed by its board of directors on September 10, 2015; (v) up to 868,125 Equity Shares offered by Creation as per the resolution passed by its board of directors on September 2, 2015; (vi) up to 4,288,648 Equity Shares offered by Helion as per the resolution passed by its board of directors on October 6, 2015 and March 4, 2016; (vii) up to 26,229,885 Equity Shares offered by IFIF as per the resolution passed by its board of directors on September 21, 2015; (viii) up to 22,571,820 Equity Shares offered by Lumen as per the resolution passed by its board of directors on September 16, 2015; (ix) up to 16,975,484 Equity Shares offered by*

MVH as per the resolution passed by its board of directors on September 10, 2015; (x) up to 6,635,770 Equity Shares offered by Sarva as per the resolution passed by its board of directors on September 9, 2015 and March 4, 2016; (xi) up to 12,840,861 Equity Shares offered by Sequoia as per the resolution passed by its board of directors on October 6, 2015; (xii) up to 1,583,106 Equity Shares offered by WestBridge as per the resolution passed by its board of directors on October 12, 2015; and (xiii) up to 180,000 Equity Shares offered by P. N. Vasudevan as per consent letter dated October 12, 2015. By consent letter dated October 12, 2015 IFIF has provided its consent to offer up to 25,938,594 Equity Shares.

Changes in the Authorised Capital

Date of Shareholders' Resolution	Authorized Share Capital prior to the Change	Authorized Share Capital after the Change
June 29, 2007	₹ 25,000,000 divided into 2,500,000 Equity Shares of ₹ 10 each.	₹ 50,000,000 divided into 5,000,000 Equity Shares of ₹ 10 each.
November 12, 2007	₹ 50,000,000 divided into 5,000,000 Equity Shares of ₹ 10 each.	₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each.
July 28, 2008	₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each.	₹ 375,000,000 divided into 27,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
March 26, 2009	₹ 375,000,000 divided into 27,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.	₹ 635,000,000 divided into 53,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
January 30, 2012	₹ 635,000,000 divided into 53,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.	₹ 735,000,000 divided into 63,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
September 6, 2013	₹ 735,000,000 divided into 63,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.	₹ 1,035,000,000 divided into 93,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
June 24, 2014	₹ 1,035,000,000 divided into 93,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.	₹ 3,000,000,000 divided into 290,000,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
June 29, 2015	₹ 3,000,000,000 divided into 290,000,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.	₹ 3,750,000,000 divided into 365,000,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.

Notes to the Capital Structure

1. Share Capital History of our Company

(a) The history of the equity share capital and the securities premium account of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Mode of Acquisition	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
June 22, 2007	10,000	10	10	Cash	Subscription to the MOA(1)	10,000	100,000
July 26, 2007	4,440,000	10	10	Cash	Preferential allotment(2)	4,450,000	44,500,000
December 15, 2007	3,120,000	10	10	Cash	Preferential allotment(3)	7,570,000	75,700,000
March 14, 2008	3,333,333	10	18	Cash	Preferential allotment(4)	10,903,333	109,033,330
July 26, 2008	1,111,111	10	18	Cash	Preferential allotment(5)	12,014,444	120,144,440
November 1, 2008	4,950,000	10	10	Cash	Preferential allotment(6)	16,964,444	169,644,440
March 31, 2009	6,506,744	10	65	Cash	Preferential allotment(7)	23,471,188	234,711,880
March 31, 2009	8,793,278	10	See note 8	Conversion	Conversion of CCPS to Equity Shares	32,264,466	322,644,660
July 20, 2009	352,898	10	65	Cash	Preferential allotment(9)	32,617,364	326,173,640
October 28, 2009	4,320	10	10	Cash	Conversion of ESOPs	32,621,684	326,216,840
October 28, 2009	948,166	10	65	Cash	Preferential allotment(10)	33,569,850	335,698,500
March 27, 2010	8,891,929	10	146.20	Cash	Preferential allotment(11)	42,461,779	424,617,790
April 26, 2010	55,000	10	10	Cash	Conversion of ESOPs	42,516,779	425,167,790
July 30, 2010	600	10	10	Cash	Conversion of ESOPs	42,517,379	425,173,790
July 30, 2010	1,160,333	10	10	Cash	Preferential allotment(12)	43,677,712	436,777,120
September 27, 2010	635,638	10	10	Cash	Conversion of ESOPs	44,313,350	443,133,500
December 13, 2010	59,375	10	10	Cash	Conversion of ESOPs	44,372,725	443,727,250
January 25, 2011	52,324	10	See note 13	Cash	Conversion of ESOPs	44,425,049	444,250,490
May 13, 2011	2,055	10	See note 14	Cash	Conversion of ESOPs	44,427,104	444,271,040
January 30, 2012	1,800	10	32	Cash	Conversion of ESOPs	44,428,904	444,289,040
May 9, 2012	1,981	10	See note 15	Cash	Conversion of ESOPs	44,430,885	444,308,850
July 25, 2012	54,921	10	See note 16	Cash	Conversion of ESOPs	44,485,806	444,858,060
October	13,112,295	10	106.77	Cash	Preferential	57,598,101	575,981,010

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Mode of Acquisition	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
12, 2012					allotment(17)		
November 7, 2012	161,456	10	See note 18	Cash	Conversion of ESOPs	57,759,557	577,595,570
February 8, 2013	4,375	10	See note 19	Cash	Conversion of ESOPs	57,763,932	577,639,320
May 4, 2013	373	10	See note 20	Cash	Conversion of ESOPs	57,764,305	577,643,050
November 15, 2013	468,500	10	10	Cash	Conversion of ESOPs	58,232,805	582,328,050
November 22, 2013	81, 209	10	See note 21	Cash	Conversion of ESOPs	58,314,014	583,140,140
December 2, 2013	232,032	10	See note 22	Cash	Conversion of ESOPs	58,546,046	585,460,460
December 18, 2013	14,056,946	10	140.85	Cash	Preferential allotment(23)	72,602,992	726,029,920
February 7, 2014	18,745	10	See note 24	Cash	Conversion of ESOPs	72,621,737	726,217,370
May 9, 2014	340,000	10	10	Cash	Preferential allotment(25)	72,961,737	729,617,370
June 14, 2014	769,772	10	See note 26	Cash	Conversion of ESOPs	73,731,509	737,315,090
June 24, 2014	147,463,018	10	-	Consideration other than cash (undertaken through capitalization of share premium account)	Bonus issue(27)	221,194,527	2,211,945,270
November 12, 2014	42,081	10	See note 28	Cash	Conversion of ESOPs	221,236,608	2,212,366,080
November 20, 2014	47,334,693	10	68.66	Cash	Preferential allotment(29)	268,571,301	2,685,713,010
February 5, 2015	302,394	10	See note 30	Cash	Conversion of ESOPs	268,873,695	2,688,736,950
May 7, 2015	34,628	10	See note 31	Cash	Conversion of ESOPs	268,908,323	2,689,083,230
August 7, 2015	435,345	10	See note 32	Cash	Conversion of ESOPs	269,343,668	2,693,436,680
November 6, 2015	113,511	10	See note 33	Cash	Conversion of ESOPs	269,457,179	2,694,571,790
February 5, 2016	463,188	10	See note 34	Cash	Conversion of ESOPs	269,920,367	2,699,203,670

(1) *Subscription to the MoA and AoA by P.N. Vasudevan (5,000 Equity Shares) and P.V. Choodamani (5,000 Equity Shares).*

(2) *Preferential allotment to K. Harihar (100,000 Equity Shares), P.N. Vasudevan and P.V. Choodamani (1,250,000 Equity Shares) as joint holders, M. Anandan and Padma Anandan (500,000 Equity Share) as joint holders, Padma Anandan and. M. Anandan (500,000 Equity Shares) as joint holders, S. Bhaskar and Usha Bhaskar (250,000 Equity Shares) as joint holders, Nandakumar and Sushama*

Nadakumar (1,000,000 Equity Shares) as joint holders, Pio Leo Fernandes and Shobha Pio Fernandes (90,000 Equity Shares) as joint holders, M. Anandan (250,000 Equity Shares) and A.M.M. Arunachalam and Sons Private Limited (500,000 Equity Shares), at face value.

(3) *Preferential allotment to A.M.M. Arunachalam and Sons Private Limited (500,000 Equity Shares), S. Sethupathy and Malar Sethupathy (20,000 Equity Shares) as joint holders, H. Mahalingam and Susan Mahalingam (50,000 Equity Shares) as joint holders, S. Muralidharan and. Aruna Muralidharan (50,000 Equity Shares) as joint holders and Kalapathi Investments (2,500,000) Equity Shares, at face value.*

(4) *Preferential allotment to Aavishakaar Goodwell India Microfinance Development Company Ltd. (3,333,333 Equity Shares).*

(5) *Preferential allotment to Small Industries and Development Bank of India (1,111,111 Equity Shares).*

(6) *Preferential allotment to P.N. Vasudevan and P.V. Choodamani (849,000 Equity Shares) as joint holders, M. Anandan and Padma Anandan (600,000 Equity Shares) as joint holders, Padma Anandan and M. Anandan (400,000 Equity Shares) as joint holders, S. Bhaskar and Usha Bhaskar (200,000 Equity Shares) as joint holders, V.P. Nandadumar and Sushama Nandakumar (800,000 Equity Shares) as joint holders, Pio Leo Fernandes and Shobha Pio Fernandes (72,000 Equity Shares) as joint holders, A.M.M. Arunachalam and Sons Private Limited (800,000 Equity Shares), K. Harihar (80,000 Equity Shares), Kalapathi Investments Private Limited (990,000 Equity Shares), P.V. Choodamani and P.N. Vasudevan (4,000 Equity Shares)as joint holders, P.N. Komala and P.N. Vasudevan (10,000 Equity Shares)as joint holders, N. Seshadri and S. Jeyalakshmi (10,000 Equity Shares) as joint holders, N. Seshadri and Narayana Seshadri (15,000 Equity Shares) as joint holders, P.N. Komala and Madhavan P. Narasimhan (120,000 Equity Shares), at face value.*

(7) *Preferential allotment to India Financial Inclusion Fund (3,076,923 Equity Shares), MVA Ventures Limited (3,429,821 Equity Shares).*

(8) *Upon conversion of 9,638,784 CCPS by a Board resolution dated March 31, 2009, 3,508,772 Equity Shares were allotted to India Financial Inclusion Fund, 887,867 Equity Shares were allotted to Bellwether Microfinance Fund Private Limited and 4,396,639 Equity Shares were allotted to MVA Ventures Limited. Our Company considered a nominal value of ₹ 10 for each such Equity Share so issued on conversion and accordingly accounted for a share premium of ₹ 0.96 per Equity Share. Our Company has not filed the return of allotment upon conversion of CCPS into Equity Shares with the RoC. See Risk Factor 'We have made certain delayed statutory filings in the past with regulators including RoC and not filed the return of allotment for conversion of CCPS into Equity Shares on March 31, 2009, which may result in penalties being imposed on our Company or our Subsidiaries if the same are delayed in future as well' on page 41.*

(9) *Preferential allotment to Bellwether Microfinance Fund Private Limited (352,898 Equity Shares).*

(10) *Preferential allotment to Small Industries and Development Bank of India (948,166 Equity Shares).*

(11) *Preferential allotment to Lumen Investment Holdings Limited (7,523,940 Equity Shares), Sequoia Capital India Investments III (840,287 Equity Shares), Sequoia Capital India II LLC (527,702 Equity Shares).*

(12) *Preferential allotment to P.N. Vasudevan (1,160,333 Equity Shares) at face value. Our Company filed a PAS-3 on September 23, 2015 to rectify the return of allotment Form-2 for allotment on July 30, 2010, indicating the allotment of Equity Shares to P.N Vasudevan.*

(13) *45,635 Equity Shares were allotted under the UPDB ESOP 2007 at face value, 1,389 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 12 per Equity Share; and 5,300 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 32 per Equity Share.*

(14) *1,080 Equity Shares were allotted under the UPDB ESOP 2007 at face value; and 975 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 32 per Equity Share.*

(15) *1,350 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 32 per Equity Share, 510 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 36 per Equity Share, and 121 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 100 per Equity Share.*

(16) *16,995 Equity Shares were allotted under the UPDB ESOP 2007 at face value; 37,053 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 12 per Equity Share; 846 Equity Shares were allotted under the UPDB ESOP at ₹ 36 per Equity Share, and 27 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 120 per Equity Share.*

(17) *Preferential allotment to International Finance Corporation (8,429,334 Equity Shares), India Financial Inclusion Fund (2,060,503 Equity Shares), MicroVentures Investments SCA SICAR. (1,311,229 Equity Shares) and MVH S.p.A (1,311,229 Equity Shares).*

(18) *64,290 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 32 per Equity Share, 97,166 Equity Shares were allotted under the UPDB ESOP 2007 at ₹ 36 per Equity Share. Further our Company had filed a petition before the Company Law Board ("**CLB**") at Chennai under Section 43*

of the Companies Act, 1956, seeking to continue to be treated as a private limited company, pursuant to Equity Share allotments made to 259 employees on November 7, 2012 under the UPDB ESOS 2007. For further information, see "Risk Factors" on page 41.

(19) *2,530 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 32 per Equity Share, and 1,845 Equity Shares were allotted at ₹ 36 per Equity Share.*

(20) *248 Equity Shares were allotted under the Equitas ESOP 2012 ₹ 32 per Equity Share, and 125 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 80 per Equity Share.*

(21) *3,540 Equity Shares were allotted under the Equitas ESOP 2012 at face value, 33,424 Equity Shares were allotted under the Equitas ESOP 2012 ₹ 12 per Equity Share, 43,675 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 32 per Equity Share, and 570 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 36 per Equity Share.*

(22) *12,205 Equity Shares were allotted under the Equitas ESOP 2012 at par value, 33,068 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 12 per Equity Share, 51,235 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 32 per Equity Share, 110,934 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 36 per Equity Share, 19,358 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 80 per Equity Share, 4,854 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 100 per Equity Share, and 378 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 120 per Equity Share.*

(23) *Preferential allotment to CDC Group plc (7,156,001 Equity Shares), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (3,975,556 Equity Shares), International Finance Corporation (1,860,426 Equity Shares) and MVH S.p.A. (1,064,963 Equity Shares).*

(24) *2,040 Equity Shares were allotted under the Equitas ESOP 2012 at face value, 4,100 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 12 per Equity Share, 6,255 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 32 per Equity Share, 3,730 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 36 per Equity Share, 2,510 Equity Shares were allotted under Equitas ESOP 2012 at ₹ 80 per Equity Share and, 110 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 120 per Equity Share.*

(25) *Preferential allotment to P.N Vasudevan (340,000 Equity Shares) at face value.*

(26) *537,360 Equity Shares were allotted under the Equitas ESOP 2012 at face value, 15,830 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 12 per Equity Share, 10,832 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 32 per Equity Share, 46,732 Equity Shares were allotted under the Equitas ESOP at₹ 36 per Equity Share, 18,513 Equity Shares were allotted under the Equitas ESOP 2012 at ₹ 80 per Equity Share, 88,128 were allotted under the Equitas ESOP 2012 at ₹ 100 per Equity Share, and 52,377 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 120 per Equity Share.*

(27) *147,463,018 bonus Equity Shares issued in the ratio of 2:1 to the existing Shareholders authorised by our Shareholders through a resolution passed on June 24, 2014 and undertaken through capitalisation of the securities premium account.*

(28) *2,700 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 10.67 per Equity Share, 15,570 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 12 per Equity Share, 5,880 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 26.67 per Equity Share, 6,690 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 33.33 per Equity Share, and 11,241 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 40 per Equity Share.*

(29) *Preferential allotment to Deutsche Investitions Entwicklungsgesellschaft Mbh (14,564,521 Equity Shares), Creation Investments Equitas Holdings LLC (16,543,929 Equity Shares), CDC Group plc (5,323,227 Equity Shares), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (2,957,348 Equity Shares), International Finance Corporation (7,654,377 Equity Shares) and India Financial Inclusion Fund (291,291 Equity Shares).*

(30) *25,590 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 10.67 per Equity Share, 1,920 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 12 per Equity Share, 98,346 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 26.67 per Equity Share, 2,376 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 33.33 per Equity Share and 174,162 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 40 per Equity Share.*

(31) *4,860 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 12 per Equity Share, 2,160 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 26.67 per Equity Share and, 27,608 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 40 per Equity Share.*

(32) *94,236 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 12 per Equity Share, 8,790 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 26.67 per Equity Share, 171,411 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 33.34 per Equity Share, and 160,908 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 40 per Equity Share.*

(33) 600 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 12 per Equity Share, 1,200 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 26.67 per Equity Share, 864 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 33.34 per Equity Share, 100,681 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 40 per Equity Share, and 10,166 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 43.34 per Equity Share.

(34) 21,390 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 10.67 per Equity Share, 61,413 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 26.67 per Equity Share, 6,456 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 33.34 per Equity Share, 356,964 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 40 per Equity Share, and 14,256 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 43.34 per Equity Share; and 2,709 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 55 per Equity Share.

(b) The history of the preference share capital of our Company is provided in the following table:

Date of Allotment	**No. of Preference Shares Allotted**	**Face Value (₹)**	**Issue price per Preference Share (₹)**	**Consideration**	**Reason for allotment**	**Cumulative Number of Preference Shares**
August 23, 2008	9,638,784[(2)]	10	52	Cash	Preferential allotment[(1)]	9,638,784

(1) 3,846,154 CCPS were allotted to India Financial Inclusion Fund, 973,238 CCPS were allotted to Bellwether Microfinance Fund Private Limited and 4,819,392 CCPS were allotted to MVA Ventures Limited pursuant to the subscription agreement dated August 6, 2008 entered into amongst our Company, India Financial Inclusion Fund, Bellwether Microfinance Fund Private Limited and MVA Ventures Limited.

(2) Upon conversion of 9,638,784 CCPS by a Board resolution dated March 31, 2009, 3,508,772 Equity Shares were allotted to India Financial Inclusion Fund, 887,867 Equity Shares were allotted to Bellwether Microfinance Fund Private Limited and 4,396,639 Equity Shares were allotted to MVA Ventures Limited. Our Company considered a nominal value of ₹ 10 for each such Equity Share so issued on conversion and accordingly accounted for a securities premium of ₹ 0.96 per Equity Share.

As on the date of this Red Herring Prospectus our Company does not have any outstanding preference shares.

(c) **Issue of Equity Shares for consideration other than cash**

The details of Equity Shares allotted for consideration other than cash are set out below:

Date of allotment of the Equity Shares	**Name of the allottee**	**Number of the Equity Shares**	**Face value (₹)**	**Issue price (₹)**	**Reasons for allotment**	**Benefits accrued to our Company**
June 24, 2014	Equity Shareholders of our Company	147,463,018	10	-	Bonus issue[(1)]	-

(1) Bonus issue in the ratio of 2:1 to the existing shareholders, authorised by our shareholders through a resolution passed on June 24, 2014, undertaken through the capitalisation of the securities premium account.

2. Details of Lock-in

(a) *Details of share capital locked in for three years*

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations and there are no shareholders who control individually or as a group, 15% or more of the voting rights of our Company. Accordingly, in terms of Regulation 34(a) of the SEBI Regulations, there is no requirement of promoter's contribution in this Issue and none of the Equity Shares will be locked in for a period of three years.

(b) *Details of share capital locked in for a year*

Except the Equity Shares subscribed to and Allotted pursuant to the Offer for Sale, the entire pre-Issue equity share capital of our Company will be locked-in for a period of one year from the date of Allotment. However Equity Shares allotted to certain employees of our Company pursuant to the Equitas ESOS Schemes shall not be subject to any lock-in under the SEBI Regulations.

(c) *Lock in of Equity Shares to be Alloted, if any, to Anchor Investors*

Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(d) *Other Requirements in respect of lock-in*

The Equity Shares held by the Shareholders prior to the Issue, and which are locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

3. Issue of Shares in the last two preceding years

For details of issue of Equity Shares by our Company in the last two preceding years, see "Capital Structure – Share Capital History of our Company" from pages 112 to 116. Our Company has not issued any preference shares in the last two preceding years.

4. Details of the build-up of equity share capital held by the Selling Shareholders in our Company

As on the date of this Red Herring Prospectus, the Selling Shareholders hold 190,413,244 Equity Shares, constituting 70.54% of the issued, subscribed and paid-up Equity Share capital of our Company.

The table below represents the build up of equity shareholding of the Selling Shareholders in our Company:

Name of the Selling Shareholder	Date of allotment	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price per Equity Share	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
Sequoia Capital India Investments III	January 10, 2010	Transfer[1]	3,440,000	Cash	10	146.20	1.27	[●]
	March 27, 2010	Preferential allotment	840,287	Cash	10	146.20	0.31	[●]
	June 24, 2014	Bonus issue	8,560,574	-	10	-	3.17	[●]
	Sub-Total		**12,840,861**				**4.76**	[●]
WestBridge Ventures II, LLC	March 27, 2010	Preferential allotment	527,702	Cash	10	146.20	0.20	[●]
	June 24, 2014	Bonus issue	1,055,404	-	10	-	0.39	[●]
	Sub-Total		**1,583,106**				**0.59**	[●]
India Financial Inclusion Fund	March 31, 2009	Preferential allotment	3,076,923	Cash	10	65	1.14	[●]
	March 31, 2009	Conversion of CCPS	3,508,772	Cash	10	-	1.30	[●]
	October 12, 2012	Preferential allotment	2,060,503	Cash	10	106.77	0.76	[●]
	June 24, 2014	Bonus issue	17,292,396		10		6.41	[●]
	November 20, 2014	Preferential allotment	291,291	Cash	10	68.66	0.11	[●]
	Sub-Total		**26,229,885**				**9.72**	[●]

Name of the Selling Shareholder	Date of allotment	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price per Equity Share	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
MVH S.p.A.	May 26, 2010	Transfer[2]	6,111,550	Cash	10	63.79	2.26	[●]
	October 12, 2012	Preferential allotment	1,311,229	Cash	10	106.77	0.49	[●]
	December 18, 2013	Preferential allotment	1,064,963	Cash	10	140.85	0.39	[●]
	June 24, 2014	Bonus issue	16,975,484	-	10	-	6.29	[●]
	October 31, 2014	Transfer[3]	(8,487,742)	Cash	10	44.86	(3.14)	[●]
	Sub-Total		**16,975,484**				**6.29**	[●]
Aavishkaar Goodwell India Microfinance Development Company Ltd.	March 14, 2008	Preferential allotment	3,333,333	Cash	10	18	1.23	[●]
	June 15, 2010	Transfer[4]	(1,666,667)	Cash	10	146.20	(0.62)	[●]
	June 24, 2014	Bonus issue	3,333,332	-	10	-	1.23	[●]
	Sub-Total		**4,999,998**				**1.85**	[●]
Lumen Investments Holdings Limited	March 27, 2010	Preferential allotment	7,523,940	Cash	10	146.20	2.79	[●]
	June 24, 2014	Bonus issue	15,047,880	Cash	10	-	5.57	[●]
	Sub-Total		**22,571,820**				**8.36**	[●]
Aquarius Investments Ltd.	July 22, 2010	Transfer[5]	1,717,680	Cash	10	146.20	0.64	[●]
	November 15, 2013	Transfer[6]	666,666	Cash	10	90	0.25	[●]
	June 24, 2014	Bonus issue	4,768,692	-	10	-	1.77	[●]
	Sub-Total		**7,153,038**				**2.65**	[●]
International Finance Corporation	October 12, 2012	Preferential allotment	8,429,334	Cash	10	106.77	3.12	[●]
	December 18, 2013	Preferential allotment	1,860,426	Cash	10	140.85	0.69	[●]
	June 24, 2014	Bonus issue	20,579,520	Cash	10	-	7.62	[●]
	November 20, 2014	Preferential allotment	7,654,377	Cash	10	68.66	2.84	[●]
	Sub-Total		**38,523,657**				**14.27**	[●]
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	December 18, 2013	Preferential allotment	3,975,556	Cash	10	140.85	1.47	[●]
	June 24, 2014	Bonus issue	7,951,112	-	10	-	2.95	[●]
	November 20, 2014	Preferential allotment	2,957,348	Cash	10	68.66	1.10	[●]
	Sub-Total		**14,884,016**				**5.51**	[●]
Sarva Capital LLC	May 9, 2014	Transfer[7]	3,263,015	Cash	10	140.85	1.21	[●]
	June 24, 2014	Bonus issue	6,526,030	-	10	-	2.42	[●]
	Sub-Total		**9,789,045**				**3.63**	[●]
Creation Investments Equitas Holdings, LLC	May 9, 2014	Transfer[8]	289,375	Cash	10	140.85	0.11	[●]
	June 24, 2014	Bonus issue	578,750	-	10	-	0.21	[●]
	November 20, 2014	Preferential allotment	16,543,929	Cash	10	68.66	6.13	[●]
	November 20, 2014	Transfer[9]	769,983	Cash	10	68.66	0.29	[●]
	Sub-Total		**18,182,037**				**6.74**	[●]
P. N. Vasudevan*	June 22, 2007	Subscription to the MOA	5,000	Cash	10	10	neglibile	[●]
	July 26, 2007	Preferential allotment	1,250,000	Cash	10	10	0.46	[●]
	November 1, 2008	Preferential allotment	849,000	Cash	10	10	0.31	[●]
	November 1, 2008	Transfer[10]	(50,000)	Cash	10	100	(0.02)	[●]
	July 20, 2009	Transfer[11]	(27,000)	Cash	10	10	(0.01)	[●]
	July 22, 2010	Transfer[12]	(550,000)	Cash	10	146.20	(0.20)	[●]
	July 30, 2010	Preferential allotment	1,160,333	Cash	10	10	0.43	[●]
	May 9, 2014	Preferential allotment	340,000	Cash	10	10	0.13	[●]
	May 9, 2014	Transfer[13]	(133,000)	Cash	10	140.85	(0.05)	[●]
	June 24, 2014	Bonus issue	5,688,666	-	10	-	2.11	[●]
	Sub-Total		**8,532,999**				**3.16**	[●]
Helion Venture Partners II LLC	July 27, 2010	Transfer[14]	867,488	Cash	10	146.2	0.32	[●]
	November 15, 2013	Transfer[15]	1,848,278	Cash	10	90	0.68	[●]

Name of the Selling Shareholder	Date of allotment	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price per Equity Share	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
	June 24, 2014	Bonus issue	5,431,532	-	10	-	2.01	[●]
	Sub-Total		**8,147,298**				**3.02**	**[●]**

* *This does not include joint shareholding where P. N. Vasudevan is not the first holder*

(1) Transfer to Sequoia Capital India Investments III (3,440,000 Equity Shares) from Kalpathi Investments Private Limited.
(2) Transfer to MVH S.p.A. (6,111,550 Equity Shares) from MVA Ventures Limited.
(3) Transfer from MVH S.p.A. (8,487,742 Equity Shares) to Microventures Asia BV.
(4) Transfer from Aavishkaar Goodwell India Microfinance Development Company Ltd. (1,666,667 Equity Shares) to Canaan VIII Mauritius.
(5) Transfer to Aquarius Investments Ltd. (1,717,680 Equity Shares) from M. Anandan and Padma Anandan as joint holders, Padma Anandan and M. Anandan as joint holders, K. Harihar, V. P. Nandakumar and Sushma Nandakumar as joint holders, P. N. Komala and Madhavan P. Narasimhan as joint holders, and, N. Seshadri and S. Jeyalakshmi as joint holders.
(6) Transfer to Aquarius Investments Ltd. (666,666 Equity Shares) from V. P. Nandakumar.
(7) Transfer to Sarva Capital LLC (3,263,015 Equity Shares) from Bellwether Microfinance Fund Private Limited (1,317,765 Equity Shares), A. M. M. Arunachalam and Sons Private Limited (450,000 Equity Shares), M. A. Murugappan Holdings Private Limited (450,000 Equity Shares), Equitas Group ESOP Trust, 2013 (12,301 Equity Shares), Equitas Group ESOP Trust October, 2013 (34,340 Equity Shares), Equitas Group ESOP Trust November, 2013 (166,923 Equity Shares), P. N. Vasudevan (133,000 Equity Shares), S. Muralidharan (36,000 Equity Shares), H. Mahalingam (200,000 Equity Shares), T. Balasubramani (5,500 Equity Shares), S. Sethupathy (72,000 Equity Shares), S. Bhaskar (325,000 Equity Shares), Robin Sharmi Nirmala J (751 Equity Shares), V. G. Suchindran (26,600 Equity Shares), K. P. Venkatesh (30,050 Equity Shares), Shanti B (2,275 Equity Shares) and R. Malaisamy (510 Equity Shares).
(8) Transfer to Creation Investments Equitas Holdings, LLC (289,375 Equity Shares) from Kalpathi Investments Private Limited (50,000 Equity Shares), K. Harihar (90,000 Equity Shares), Pio Leo Fernandes (90,000 Equity Shares) and N. Ramachandran (59, 375 Equity Shares).
(9) Transfer to Creation Investments Equitas Holding, LLC (769,983 Equity Shares) from S. Bhaskar (150,000 Equity Shares), S. Bhaskar, Trustee, Equitas Group ESOP Trust 2013 (27,597 Equity Shares), S. Bhaskar, Trustee, Equitas Group ESOP Trust October, 2013 (10,986 Equity Shares), S. Bhaskar, Trustee, Equitas Group ESOP Trust November, 2013 (103,002 Equity Shares), S. Bhaskar, Trustee, Equitas Group ESOP Trust December 2013 (7,947 Equity Shares) and S. Bhaskar, Trustee Equitas Group ESOP Trust June 2014 (470,451 Equity Shares).
(10) Transfer from P. N. Vasudevan and P. V. Choodmani as joint holders (50,000 Equity Shares) to Bellwether Microfinance Fund Private Limited.
(11) Transfer from P. N. Vasudevan and P. V. Choodmani as joint holders (27,000 Equity Shares) to Bellwether Microfinance Fund Private Limited.
(12) Transfer from P. N. Vasudevan and P. V. Choodamani as joint holders (550,000 Equity Shares) to Helion Venture Partners II LLC.
(13) Transfer from P. N. Vasudevan (133,000 Equity Shares) to Sarva Capital LLC.
(14) Transfer to Helion Venture Partners II LLC (867,488 Equity Shares) from P. N. Vasudevan and P. V. Choodamani as joint holders (550,000 Equity Shares) and from V. P. Nandakumar and Sushma Nandakumar as joint holders (317,488 Equity Shares).
(15) Transfer to Helion Venture Partners II LLC (1,848,278 Equity Shares) from Padma Anandan (450,000 Equity Shares), V. P. Nandakumar (233,334 Equity Shares), M. Anandan (675,000 Equity Shares) and 214 other shareholders (489,944 Equity Shares).

5. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of filing of this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights: Class eg: X	Class eg:y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	**Promoter & Promoter Group**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
(B)	**Public**	1,031	269,920,367	Nil	Nil	269,920,367	100	269,920,367	Nil	269,920,367	100	Nil	100	533,847	0.20		Nil	265,038,134
(C)	**Non Promoter- Non Public**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil
(C1)	**Shares underlying DRs**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
(C2)	**Shares held by Employee Trusts**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
	Total	**1,031**	**269,920,367**	**Nil**	**Nil**	**269,920,367**	**100.00**	**269,920,367**	**Nil**	**269,920,367**	**100.00**	**Nil**	**100.00**	**533,847**	**0.20**		**Nil**	**265,038,134**

6. The list of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, 10 days before the date of filing and two years prior the date of filing of this Red Herring Prospectus are set forth below:

(a) The top 10 shareholders of our Company as on the date of filing of this Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	International Finance Corporation	38,523,657	14.27
2.	CDC Group plc	26,791,230	9.93
3.	India Financial Inclusion Fund	26,229,885	9.72
4.	Lumen Investments Holdings Limited	22,571,820	8.36
5.	Creation Investments Equitas Holdings, LLC	18,182,037	6.74
6.	Credit Access Asia N.V	17,566,159	6.51
7.	MVH S.p.A.	16,975,484	6.29
8.	Nederlandse Financierings – Maatschappij voor Ontwikkelingslanden N. V. (FMO)	14,884,016	5.51
9.	DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH	14,564,521	5.40
10.	Sequoia Capital India Investments III	12,840,861	4.76
Total		**209,129,670**	**77.48**

(b) The top 10 shareholders of our Company 10 days prior to the date of filing of this Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	International Finance Corporation	38,523,657	14.27
2.	CDC Group plc	26,791,230	9.93
3.	India Financial Inclusion Fund	26,229,885	9.72
4.	Lumen Investments Holdings Limited	22,571,820	8.36
5.	Creation Investments Equitas Holdings, LLC	18,182,037	6.74
6.	Credit Access Asia N.V	17,566,159	6.51
7.	MVH S.p.A.	16,975,484	6.29
8.	Nederlandse Financierings – Maatschappij voor Ontwikkelingslanden N. V. (FMO)	14,884,016	5.51
9.	DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH	14,564,521	5.40
10.	Sequoia Capital India Investments III	12,840,861	4.76
Total		**209,129,670**	**77.48**

(c) The top 10 shareholders of our Company two years prior to the date of filing of this Red Herring Prospectus are as follows:

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	International Finance Corporation	10,289,760	14.17
2.	India Financial Inclusion Fund	8,646,198	11.90
3.	MVH S.p.A.	8,487,742	11.69
4.	Lumen Investments Holdings Limited	7,523,940	10.36
5.	CDC Group Plc	7,156,001	9.85
6.	Sequoia Capital India Investments III	4,280,287	5.89
7.	Nederlandse Financierings – Maatschappij voor Ontwikkelingslanden N. V. (FMO)	3,975,556	5.47
8.	Canaan VIII Mauritius	3,085,499	4.25
9.	Microventures Investments SCA SICAR	3,026,139	4.17
10.	P. N. Vasudevan	2,637,333	3.63
Total		**59,108,455**	**81.36**

7. Details of the Equity Shares held by our Directors

Other than as set out below none of our Directors or key management personnel hold Equity Shares as of the date of this Red Herring Prospectus:

(a) *Directors*:

S. No.	Name	No. of Equity Shares	Pre-Issue (%)	Post-Issue (%)
1.	P.N. Vasudevan	8,532,999	3.16	[●]

(b) *Key Management Personnel*

Except as stated herein, none of our Directors or Key Management Personnel hold any Equity Shares in our Company:

Name	Number of Shares
S. Bhaskar	1,905,000
Jayashree S. Iyer	7,740
B. Mohanan	8,910
H.K.N Raghavan	53,700
H. Mahalingam	427,500
N. Sridharan	76,200
S. Muralidharan	408,000
S. Sethupathy	225,000
V.S Murthy	49,500
Arcot Sravanakumar	18,000
John Alex	35,700

8. Employee Stock Option Plans

Our Company has constituted various employee stock option schemes in the past.

Our Company had instituted the UPDB employee stock option scheme, 2007 ("**UPDB ESOP 2007**") pursuant to the decision by our Board on December 15, 2007 and approved by our shareholders on December 17, 2007. The UPDB ESOP, 2007 was for a total of 5,620,000 Equity Shares for all the eligible employees of our Company and our Subsidiaries. In accordance with the UPDB ESOP 2007, each option on exercise would be eligible for one Equity Share on payment of exercise price.

Thereafter, pursuant to a resolution passed by our Board on November 7, 2012, our Company instituted the Equitas employee stock option scheme, 2012 ("**Equitas ESOP 2012**") for the eligible employees of our Company and our Subsidiaries. The Equitas ESOP 2012 was for a total of 1,000,000 Equity Shares. In accordance with the terms of Equitas ESOP 2012, the UPDB ESOP 2007 was terminated and all options that had lapsed, cancelled, withdrawn, recalled or surrendered (including those having lapsed by forfeiture) or outstanding under the UPDB ESOP 2007, were transferred and made available under the Equitas ESOP 2012.

Thereafter, our Company approved and instituted the Equitas employee stock option scheme, 2014 ("**Equitas ESOP 2014**") pursuant to the resolution of the Board dated May 9, 2014 and shareholders dated July 18, 2014. The Equitas ESOP 2014 was for a total of 10,500,000 Equity Shares. In accordance with the scheme, Equitas ESOP 2012 was terminated and all options that had lapsed, cancelled, withdrawn, recalled or surrendered (including those having lapsed by forfeiture) or outstanding under the Equitas ESOP 2012 were transferred to Equitas ESOP 2014.

Thereafter, our Company approved and instituted the Equitas employee stock option scheme, 2015 ("**Equitas ESOP 2015**") pursuant to the resolution of the Board dated August 7, 2015 and the shareholders dated September 7, 2015. The Equitas ESOP 2015 was for a total of 22,200,000 Equity Shares. In accordance with the scheme, Equitas ESOP 2014 was terminated and all options that had lapsed, cancelled, withdrawn, recalled or surrendered (including those having lapsed by forfeiture) or outstanding under the Equitas ESOP 2014 were transferred to Equitas ESOP 2015.

The table below indicates the total number of options outstanding and the total options that had lapsed, cancelled, withdrawn, recalled or surrendered (including those having lapsed by forfeiture) or outstanding under the UPDB ESOP 2007, the Equitas ESOP 2012 and the Equitas ESOP 2014 which were transferred.

As of the date of instituting Equitas ESOP, 2012:

Scheme	Options outstanding	Options lapsed, cancelled, withdrawn, recalled or surrendered (including those having lapsed by forfeiture)	Total options transferred to Equitas ESOP 2012
UPDB ESOP 2007	4,700,795	2,393,517	42,892

As of the date of instituting Equitas ESOP, 2014:

Scheme	Options outstanding	Options lapsed, cancelled, withdrawn, recalled or surrendered (including those having lapsed by forfeiture)	Total options transferred to Equitas ESOP 2014
Equitas ESOP 2012	4,344,780	3,935,992	440,517

As of the date of instituting Equitas ESOP, 2015:

Scheme	Options outstanding	Options lapsed, cancelled, withdrawn, recalled or surrendered (including those having lapsed by forfeiture)	Total options transferred to Equitas ESOP 2015
Equitas ESOP 2014	14,564,275	4,401,527	7,573,946

The following table sets forth the particulars of the options granted under Equitas ESOP 2015 as on the date of filing of this Red Herring Prospectus:

Particulars	Details
Options granted	30,282,041 comprising of 2,262,500 options granted in Financial Year 2008; 7,46,300 options granted in Financial Year 2009; 1,123,400, options granted in Financial Year 2010; 2,032,500 options granted in Financial Year 2011; 917,225 options granted in Financial Year 2012; 882,200 options granted in Financial Year 2013; 1,166,650 options granted in Financial Year 2014; 12,178,366 options granted in Financial Year 2015 ; 8,972,900options granted in Financial year 2016 (as on the date of filing of RHP).

Particulars	Details
The pricing formula	The Nomination, Remuneration & Governance Committee will determine the price of the options based on the fair value of equity shares of the company certified by the independent Chartered Accountant / Merchant Banker. The options are priced above the fair value or equal to the fair value
Exercise price of options	• Financial Year 2008: Grant I - ₹ 10 per option • Financial Year 2009: Grant II - ₹ 12 per option; Grant III - ₹ 10.67 per option • Financial Year 2010: Grant IV - ₹ 12 per option; Grant V - ₹ 26.67 per option • Financial Year 2011: Grant VI - ₹ 33.34 per option; Grant VII - ₹ 40 per option • Financial Year 2012: Grant VIII - ₹ 40 per option; Grant IX - ₹ 40 per option • Financial Year 2013: Grant X - ₹ 40 per option; Grant XI - ₹ 40 per option • Financial Year 2014: Grant XII - ₹ 40 per option; Grant XIII - ₹ 40 per option • Financial Year 2015: Grant XIV - ₹ 43.34 per option; Grant XV - ₹ 55 per option • Financial Year 2016 (as on the date of filing of RHP): Grant XVI - ₹ 65.00 per option; Grant XVII - ₹ 70 per option; Grant XVIII - ₹ 70 per option
Total options vested and not exercised	3,602,014 as on the date of filing of RHP
Options exercised	3,995,623 as on the date of filing of RHP
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	3,995,623
Options forfeited/lapsed/cancelled	10,763,769 as on the date of filing of RHP
Variation in terms of options	Nil
Money realised by exercise of options	₹ 82,475,945 as on the date of filing of RHP
Options outstanding (in force) as on date of filing of RHP	• Financial Year 2008: 2,262,500 • Financial Year 2009: 3,804,550 • Financial Year2010: 6,137,058

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>Financial Year 2011: 9,922,423
Financial Year 2012: 10,395,082
Financial Year 2013: 9,996,215
Financial Year 2014: 9,141,526
Financial Year 2015: 10,761,187
Financial Year 2016 (as on the date of filing of RHP): 15,522,657</td></tr>
<tr><td>Employee wise details of options granted to</td><td></td></tr>
<tr><td>(i) Senior managerial personnel, i.e. Directors and key management personnel</td><td>See Note 1 below</td></tr>
<tr><td>(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.</td><td>See Note 2 below</td></tr>
<tr><td>(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.</td><td>See Note 3 below</td></tr>
<tr><td>Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earning Per Share’</td><td>Diluted EPS as per unconsolidated restated financial information as at December 31, 2015: ₹ 0.07 (not annualised) (after adjusting bonus shares)</td></tr>
<tr><td>Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for financial years 2008, 2009, 2010, 2011, 2012, 2013, 2014 and, 2015</td><td>Financial Year 2008

Impact on profit: Nil

Impact on EPS:

<table><tr><th>Basic EPS</th><th></th></tr><tr><td>- As reported</td><td>₹ (1.91)</td></tr><tr><td>- Proforma</td><td>₹ (1.91)</td></tr><tr><td>Diluted EPS</td><td></td></tr><tr><td>- As reported</td><td>₹ (1.91)</td></tr><tr><td>- Proforma</td><td>₹ (1.91)</td></tr></table>
Financial Year 2009</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>
Impact on profit: ₹ 7.88 million

Impact on EPS:

<table>
<tr><th>Basic EPS</th><th></th></tr>
<tr><td>- As reported</td><td>₹ 0.47</td></tr>
<tr><td>- Proforma</td><td>₹ 0.30</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>₹ 0.31</td></tr>
<tr><td>- Proforma</td><td>₹ 0.20</td></tr>
</table>

Financial Year 2010

Impact on profit: ₹ 19.11 million

Impact on EPS:

<table>
<tr><th>Basic EPS</th><th></th></tr>
<tr><td>- As reported</td><td>₹ 2.31</td></tr>
<tr><td>- Proforma</td><td>₹ 2.11</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>₹ 1.94</td></tr>
<tr><td>- Proforma</td><td>₹ 1.77</td></tr>
</table>

Financial Year 2011

Impact on profit: ₹ 20.01 million

Impact on EPS:

<table>
<tr><th>Basic EPS</th><th></th></tr>
<tr><td>- As reported</td><td>₹ 2.30</td></tr>
<tr><td>- Proforma</td><td>₹ 2.15</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>₹ 2.15</td></tr>
<tr><td>- Proforma</td><td>₹ 2.01</td></tr>
</table>

Financial Year 2012

Impact on profit: ₹ 23.20 million

Impact on EPS:

<table>
<tr><th>Basic EPS</th><th></th></tr>
<tr><td>- As reported</td><td>₹ (0.48)</td></tr>
<tr><td>- Proforma</td><td>₹ (0.48)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>₹ (0.48)*</td></tr>
<tr><td>- Proforma</td><td>₹ (0.48)</td></tr>
</table>
* Note: In Financial Year 2011-2012, effect of ESOP warrants has resulted in anti-dilutive effect due to losses.
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>
Financial Year 2013

Impact on profit: ₹ 14.10 million

Impact on EPS:
<table>
<tr><th>Basic EPS</th><th></th></tr>
<tr><td>- As reported</td><td>₹ 0.07</td></tr>
<tr><td>- Proforma</td><td>₹ (0.02)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>₹ 0.07</td></tr>
<tr><td>- Proforma</td><td>₹ (0.02)</td></tr>
</table>
Financial Year 2014

Impact on profit: ₹ 11.98 million

Impact on EPS:
<table>
<tr><th>Basic EPS</th><th></th></tr>
<tr><td>- As reported</td><td>₹ 0.03</td></tr>
<tr><td>- Proforma</td><td>₹ (0.04)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>₹ 0.02</td></tr>
<tr><td>- Proforma</td><td>₹ (0.04)</td></tr>
</table>
Financial Year 2015

Impact on profit: ₹ 22.41 million

Impact on EPS:
<table>
<tr><th>Basic EPS</th><th></th></tr>
<tr><td>- As reported</td><td>₹ 0.07</td></tr>
<tr><td>- Proforma</td><td>₹ (0.02)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>₹ 0.07</td></tr>
<tr><td>- Proforma</td><td>₹ (0.02)</td></tr>
</table>
EPS computations after considering effect of bonus shares in Financial Year 2014-15.
</td></tr>
<tr><td>Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for financial years 2008, 2008, 2010, 2011, 2012, 2013,2014 and 2015</td><td>
Financial Year 2008

Weighted average exercise price (as on the date of grant): ₹ 10
Weighted average fair value (as on the date of grant): ₹ 10

Financial Year 2009

Weighted average exercise price (as on the date of grant): ₹ 11.06
Weighted average fair value (as on the date of grant): ₹ 10.58
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>Financial Year 2010

Weighted average exercise price (as on the date of grant): ₹ 19.43
Weighted average fair value (as on the date of grant): ₹ 14.36

Financial Year 2011

Weighted average exercise price (as on the date of grant): ₹ 37.33
Weighted average fair value (as on the date of grant): ₹ 37.33

Financial year 2012

Weighted average exercise price (as on the date of grant): ₹ 40
Weighted average fair value (as on the date of grant): ₹ 40

Financial year 2013

Weighted average exercise price (as on the date of grant): ₹ 40
Weighted average fair value (as on the date of grant): ₹ 40

Financial year 2014

Weighted average exercise price (as on the date of grant): ₹ 40
Weighted average fair value (as on the date of grant): ₹ 40

Financial year 2015

Weighted average exercise price (as on the date of grant): ₹ 50.10
Weighted average fair value (as on the date of grant): ₹ 46.88</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>Black Scholes model, please see Note 4 for details.</td></tr>
<tr><td>Vesting schedule</td><td>Vesting of options granted in the Financial Year 2008:
<table><tr><th>Date of Vesting</th><th>% of Vesting</th></tr><tr><td>Nil</td><td>-</td></tr><tr><td>Nil</td><td>-</td></tr><tr><td>Nil</td><td>-</td></tr><tr><td>Nil</td><td>-</td></tr></table></td></tr>
</table>

Particulars	Details
	Vesting of options granted in the Financial Year 2009:

Date of Vesting	% of Vesting
Nil	-
Nil	-
Nil	-
Nil	-

Vesting of options granted in the Financial Year 2010:

Date of Vesting	% of Vesting
June 30, 2009; December 31, 2009	30
June 30, 2009; December 31, 2009	30
June 30, 2009; December 31, 2009	20
June 30, 2009; December 31, 2009	20

Vesting of options granted in the Financial Year 2011:

Date of Vesting	% of Vesting
June 30, 2010; December 31, 2010	30
June 30, 2010; December 31, 2010	30
June 30, 2010; December 31, 2010	20
June 30, 2010; December 31, 2010	20

Vesting of options granted in the Financial Year 2012:

Date of Vesting	% of Vesting
June 30, 2011; December 31, 2011	30
June 30, 2011; December 31, 2011	30
June 30, 2011; December 31, 2011	20
June 30, 2011; December 31, 2011	20

Vesting of options granted in the Financial Year 2013:

Date of Vesting	% of Vesting
June 30, 2012; December 31, 2012	30
June 30, 2012; December 31, 2012	30
June 30, 2012; December 31, 2012	20
June 30, 2012; December 31, 2012	20

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>Vesting of options granted in the Financial Year 2014:
<table>
<tr><th>Date of Vesting</th><th>% of Vesting</th></tr>
<tr><td>June 30, 2013; December 31, 2013</td><td>30</td></tr>
<tr><td>June 30, 2013; December 31, 2013</td><td>30</td></tr>
<tr><td>June 30, 2013; December 31, 2013</td><td>20</td></tr>
<tr><td>June 30, 2013; December 31, 2013</td><td>20</td></tr>
</table>
Vesting of options granted in the Financial Year 2015:
<table>
<tr><th>Date of Vesting</th><th>% of Vesting</th></tr>
<tr><td>June 30, 2014; December 31, 2014</td><td>30</td></tr>
<tr><td>June 30, 2014; December 31, 2014</td><td>30</td></tr>
<tr><td>June 30, 2014; December 31, 2014</td><td>20</td></tr>
<tr><td>June 30, 2014; December 31, 2014</td><td>20</td></tr>
</table></td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years</td><td>Our Company has followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations</td></tr>
<tr><td>Aggregate number of Equity Shares intended to be sold by holders of Equity Shares allotted on exercise of options granted under Equitas ESOS Schemes, within three months after the listing of Equity Shares pursuant to the Issue and quantum of Equity Shares arising out of or allotted under Equitas ESOP 2015 intended to be sold within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under Equitas ESOP 2015 amounting to more than 1% of the issued capital of our Company</td><td>1,955,005</td></tr>
</table>

Note 1: Details regarding options granted to the senior managerial personnel, *i.e.*, Directors and Key Management Personnel, under the Equitas ESOS are set forth below:

Name of Director/ Key Management Personnel	Total Number of Options Granted	Total Number of Options post bonus adjustments	Total Number of Options Forfeited/expired	Total Number of Options Outstanding
P.N. Vasudevan	NA	NA	NA	NA
S. Bhaskar	1,000,000	0	115,000	-
Muralidharan S	200,000	200,000	23,000	-
Mahalingam H	500,000	500,000	57,500	-
Sethupathy	200,000	200,000	23,000	-
Mohanan B	100,000	163,080	4,480	132,950
John Alex	80,000	108,800	1,965	65,660
Raghavan H.K.N	400,000	560,400	15,750	513,600
Sridharan N	40,000	116,800	5,500	41,100
Murthy V.S	300,000	498,800	17,400	435,200
Arcot Sravanakumar	30,000	88,800	3,900	66,900
Jayashree S. Iyer	7,700	17,520	1,080	8,700

Note 2: Employee of our Company or Subsidiaries who received a grant in any one year of options amounting to 5% or more of the options granted during the year, under the Equitas ESOP 2015 are set forth below

Name of Employee	No. of Options Granted
Financial year 2008	
S. Muralidharan	200,000
H. Mahalingam	500,000
Balasubramani Thangavelu	200,000
S. Sethupathy	200,000
S. Bhaskar	1,000,000
Financial year 2009	
V. G. Suchindran	40,000
K. P. Venkatesh	70,000
Financial year 2011	
K. P. Venkatesh	130,000
Financial year 2014	
H. K. N. Raghavan	210,000

Note 3: Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant, under the Equitas ESOP 2015 are set forth below:

Name of Employee	No. of Options Granted
Financial year 2008	
S. Muralidharan	200,000
H. Mahalingam	500,000
Balasubramani Thangavelu	200,000
S. Sethupathy	200,000
S. Bhaskar	1,000,000

Note 4: The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Variables	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**	**Grant 5**	**Grant 6**	**Grant 7**	**Grant 8**	**Grant 9**	**Grant 10**	**Grant 11**	**Grant 12**	**Grant 13**	**Grant 14**	**Grant 15**	**Grant 16**	**Grant 17**	**Grant 18**
	Date of Grant								**Date of Grant**									
	February 26, 2008	**June 9, 2008**	**November 1, 2008**	**April 22, 2009**	**October 28, 2009**	**April 26, 2010**	**October 27, 2010**	**May 13, 2011**	**November 2, 2011**	**May 9, 2012**	**November 7, 2012**	**May 4, 2013**	**November 15, 2013**	**May 9, 2014**	**November 12, 2014**	**May 7, 2015**	**August 7, 2015**	**November 6,2015**
Risk Free Interest Rate	8.50%	8.75% to 9%	9.75%	8.25%	6.75% to 7%	6.50% to 7.25%	7.25% to 7.50%	7.9% to 8.05%	8.40% to 8.65%	8.01% to 8.25%	7.89% to 8.00%	7.12% to 7.23%	8.50% to 8.68%	8.38% to 8.60%	8.50% to 8.68%	7.74% to 7.79%	7.69% to 7.89%	7.43% to 7.64%
Expected Life	3.33 to 5.33 yrs	3.33 to 5.33 yrs	3.33 to 5.33 yrs	3.33 to 5.33 yrs	3.33 to 5.33 yrs	3.33 to 5.33 yrs	3.33 to 5.33 yrs	2.58 to 5.58 yrs	2.58 to 5.58 yrs	2.58 to 5.58 yrs	2.67 to 5.67 yrs	2.67 to 5.67 yrs	2.64 to 5.67 yrs	2.64 to 5.67 yrs	2.64 to 5.67 yrs	2.67 to 5.67 yrs	2.67 to 5.67 yrs	2.67 to 5.67 yrs
Expected Volatility	43% to 45%	43% to 45%	41% to 47%	42% to 44%	37% to 44%	37% to 40%	35% to 40%	38% to 41%	38% to 40%	39% to 42%	38% to 42%	33% to 37%	34% to 39%	33% to 38%	35% to 39%	33% to 37%	36% to 39%	33.80% to 37%
Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Price of the underlying Share at the time of the Option Grant (₹) adjusted after bonus option	10.00	12.00	10.67	12.00	26.67	33.34	40.00	40.00	40.00	40.00	40.00	40.00	40.00	43.34	55.00	65.00	70.00	70.00
Fair Value of the Option (₹.) after adjustment of bonus option																		
1st Stage	0.63	3.14	4.06	2.75	2.08	6.75	8.70	9.41	9.34	3.28	3.87	2.92	4.34	8.56	7.80	10.46	16.73	16.00
2nd Stage	0.81	3.91	5.07	3.18	2.56	8.34	10.83	11.66	12.20	4.41	4.84	5.07	7.08	11.59	11.66	14.58	20.61	18.79
3rd Stage	1.00	4.02	5.76	3.85	3.78	10.09	13.06	13.79	14.26	6.00	6.65	6.31	8.53	13.38	14.41	18.40	25.33	23.55
4th Stage	1.32	4.70	6.12	4.56	5.38	12.27	15.84	16.11	16.19	7.25	7.97	7.99	9.93	15.68	16.50	20.67	27.90	26.87

9. None of our Directors have purchased / subscribed or sold any securities of our Company within three years immediately preceding the date of filing this Red Herring Prospectus with the SEBI, which in aggregate is equal to or greater than 1% of the pre-Issue capital of our Company.

10. As on the date of this Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares or preference shares in our Company.

11. None of or our Directors or their immediate relatives have purchased or sold any Equity Shares of our Company or the equity shares of any of our Subsidiaries, during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

12. As on the date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

13. As of the date of this Red Herring Prospectus, other than the allotments made as indicated below, no Equity Shares have been issued by our Company at a price that may be lower than the Issue Price during the last one year:

Name of the Allottee	Date of Allotment	Number of Equity Shares	Issue Price (₹)	Reason
E. Varathkanth	May 7, 2015	4,860	12	Conversion of ESOPs
E. Varathkanth	May 7, 2015	2,160	26.67	Conversion of ESOPs
E. Varathkanth	May 7, 2015	18,900	40	Conversion of ESOPs
N. Sridharan	May 7, 2015	8,100	40	Conversion of ESOPs
G. Gopalakrishnan	May 7, 2015	608	40	Conversion of ESOPs
ESOP Allotment	August 7, 2015	435,345	See note 1	Conversion of ESOP
ESOP Allotment	November 6, 2015	113,511	See note 2	Conversion of ESOPs
ESOP Allotment	February 5, 2016	463,188	See note 3	Conversion of ESOPs

(1) 94,236 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 12 per Equity Share, 8,790 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 26.67 per Equity Share, 171,411 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 33.34 per Equity Share, and 160,908 Equity Shares were allotted under the Equitas ESOP 2014 at ₹ 40 per Equity Share.

(2) 600 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 12 per Equity Share, 1,200 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 26.67 per Equity Share, 864 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 33.34 per Equity Share, 100,681 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 40 per Equity Share, and 10,166 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 43.34 per Equity Share.

(3) 21,390 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 10.67 per Equity Share, 61,413 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 26.67 per Equity Share, 6,456 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 33.34 per Equity Share, 356,964 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 40 per Equity Share, 14,256 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 43.34 per Equity Share, and 2,709 Equity Shares were allotted under the Equitas ESOP 2015 at ₹ 55 per Equity Share.

14. As on the date of filing of this Red Herring Prospectus, the total number of Shareholders of our Company is 1,031.

15. Neither our Company nor any of our Directors have entered into any buy-back and/or standby arrangements or any safety net facility for purchase of Equity Shares from any person. Further, the

BRLMs have not made any buy-back and/or standby arrangements or any safety net facility for purchase of Equity Shares from any person.

16. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

17. Except for the employee stock options granted under Equitas ESOS Schemes, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Red Herring Prospectus.

18. The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of SEBI Regulations, wherein 50% of the Net Issue shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. In order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories. For further details, see "Terms of the Issue – No Subscription by Non-Residents" on page 734. All potential investors, other than Anchor Investors, are mandatorily required to utilise the ASBA process by providing details of their respective bank account which will be blocked by the SCSBs, to participate in this Issue. For details, see "Issue Procedure" on page 741.

19. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Category, would be met with spill-over from the other categories or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion.

20. Our Company has not issued any Equity Shares out of revaluation reserves.

21. All Equity Shares issued pursuant to the Issue will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Red Herring Prospectus.

22. Any oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot while finalising the Basis of Allotment.

23. There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of the Draft Red Herring Prospectus.

24. Except for issue of the Equity Shares pursuant to the exercise of the options granted pursuant to Equitas ESOS Schemes, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

25. Except for issue of the Equity Shares pursuant to the exercise of the options granted pursuant to Equitas ESOS Schemes, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

27. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us to the persons who are Allotted Equity Shares pursuant to the Issue.

OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue and an Offer for Sale.

Offer for Sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale. We will not receive any proceeds from the Offer for Sale. All expenses in relation to the Issue will be shared amongst our Company and Selling Shareholders in accordance with applicable law.

Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding of the following objects:

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 (the "**Investment**"); and

2. General Corporate Purposes.

The main objects set out in the Memorandum of Association and the objects incidental and ancillary to the main objects enable us to undertake the activities for which the funds are being raised by us in the Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

Net Proceeds

The details of the Net Proceeds are set forth in the following table:

Particulars	Amount (in ₹ million)
Gross proceeds of the Fresh Issue	Up to 7,200
(Less) Fresh Issue expenses(1)	[●]
Net Proceeds of the Fresh Issue(2)	[●]

(1) *To be finalised upon determination of the Issue Price.*

(2) *All expenses in relation to the Issue will be shared amongst our Company and Selling Shareholders in accordance with applicable law.*

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

Particulars	Amount (In ₹ million)
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
General corporate purposes*	[●]
Total	**[●]**

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

The fund requirements mentioned above are based on our internal management estimates and have not been appraised by any bank, financial institution or any other external agency.

Schedule of Deployment

(In ₹ million)

Sr. No.	Particulars	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
2.	General corporate purposes*	[●]
Total		[●]

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

The fund deployment indicated above is based on current circumstances of our business and we may have to revise its estimates from time to time on account of various factors, such as financial and market conditions, competition, and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details, see "Risk Factors – Our Management will have flexibility over the use of the Net Proceeds and the Selling Shareholders, including our Managing Director will receive a major portion of the total Issue Proceeds" on pages 52 and 53.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the objects of the Issue, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the objects is lower than the proposed deployment, then such balance will be used for future growth opportunities including, funding existing objects (if required) and general corporate purposes, subject to applicable laws.

Details of the Objects of the Issue

The details in relation to the objects of the Fresh Issue are set forth below:

1. Investment in certain of our Subsidiaries, namely, EFL, EMFL and EHFL, to augment their capital base

We are a diversified financial services provider focused on individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels. We offer a range of financial products and services that address the specific requirements of such customer segment that take into account their income profile, nature of business and kind of security available:

(a) EMFL is involved in the business of micro finance lending;

(b) EFL is involved in the business of providing vehicle finance and MSE finance; and

(c) EHFL is involved in the business of providing housing finance.

For further details, see "Business" on page 187.

The Net Proceeds will be utilized to augment the capital base of certain of the Subsidiaries, namely, EFL, EMFL and EHFL, to meet their future capital requirements arising out of the growth in our business. Accordingly, we propose to utilise ₹ 6,160.00 million from the Net Proceeds towards investment in our Subsidiaries to augment their capital base to meet their future financial capital requirements arising out of growth in our business.

The Investment is proposed to be undertaken by way of subscription to the equity shares of the Subsidiaries, namely, EFL, EMFL and EHFL, for an aggregate amount of ₹ 6,160.00 million in the following manner:

Particulars	Amount (In ₹ million)
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:	
- EMFL	2,880.00
- EFL	2,880.00
- EHFL	400.00
Total	**6,160.00**

No dividends have been assured to our Company by the Subsidiaries, namely EMFL, EHFL and EFL, for the purposes of the Investment. The Investment will result in the increase in the value of the investment made by our Company in the aforementioned Subsidiaries. We believe, our Company will benefit by appreciation in the value of the investment bases on the performance of certain of the Subsidiaries, namely EMFL, EHFL and EFL.

Means of finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to providing loans to the Subsidiaries, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The break-up for the Issue expenses is as follows:

Activity	Estimated expenses[(1)*] (in ₹ million)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs[(2)]	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers[(3)], RTAs and CDPs[(4)]	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
- Listing fees, SEBI filing fees, bookbuilding software fees	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous and other expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* *Will be completed after finalization of the Issue Price.*

(1) *All expenses in relation to the Issue will be shared amongst our Company and Selling Shareholders in accordance with applicable law.*

(2) *SCSBs will be entitled to a processing fee of ₹ 10 per valid ASBA Form for processing the ASBA Forms procured by the Syndicate, Brokers, sub-syndicate/agents, the Registered Brokers, RTAs or CDPs and submitted to the SCSBs.*

(3) *Registered Brokers will be entitled to a commission of ₹ 10 per valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.*

(4) *The RTAs, CDPs and SCSBs (for the ASBA Forms directly processed by them) will be entitled to selling commission below:*

- *Portion for Retail Individual Bidders: 0.35% of the Amount Allotted**
- *Portion for Non-Institutional Bidders:0.15% of the Amount Allotted**

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company has appointed Axis Bank as the Monitoring Agency in relation to the Issue under the requirements of Regulation 16 of the SEBI Regulations. Our Board and Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit & Risk Management Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit & Risk Management Committee of the Board of Directors. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit & Risk Management Committee of the Board of Directors.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot in accordance with the terms contained in Section 27 of the Companies Act, 2013.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilized have been appraised.

Other Confirmations

Except for our Managing Director receiving a portion of the proceeds from the Offer for Sale portion of the Net Proceeds to the extent of the Equity Shares offered by him in the Issue, no part of the Net Proceeds will be paid by us as consideration to our Directors, Subsidiaries, or key management personnel, except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with Directors, key management personnel in relation to the utilization of the Net Proceeds.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Majority Investors in consultation with our Company and the BRLMs on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should see "Business", "Risk Factors" and "Financial Statements" beginning on pages 187, 24 and 293, respectively, to have an informed view before making an investment decision.

Qualitative Factors

- Robust corporate governance standards and transparent operations leading to institutional confidence and customer goodwill;
- Comprehensive understanding and successful track record with underserved customer segment offering significant growth opportunities;
- Standardized operating procedures and efficient use of technology resulting in effective risk management and improved efficiencies;
- Diversified product offering and markets with significant cross-selling opportunities;
- Experienced management and strong employee engagement; and
- Commitment to social initiatives.

For further details, see "Business – Social Welfare Initiatives" on page 202.

Quantitative Factors

The information presented below relating to our Company is based on the consolidated and unconsolidated Restated Financial Statements. For details, see "Financial Statements" on page 293.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. **Basic and Diluted Earnings Per Share ("EPS"), after adjusting for bonus issue:**

On an unconsolidated basis:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2015	0.07	0.07	3
March 31, 2014	0.03	0.02	2
March 31, 2013	0.07	0.07	1
Weighted Average	**0.06**	**0.05**	
Nine months ended December 31, 2015*	**0.07**	**0.07**	

* *Not annualised.*

On a consolidated basis:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2015	4.48	4.47	3
March 31, 2014	3.99	3.88	2
March 31, 2013	2.10	2.03	1
Weighted Average	**3.92**	**3.87**	
Nine months ended December 31, 2015*	**4.47**	**4.46**	

* *Not annualised.*

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]
(2) The figures disclosed above are based on the restated summary statements of our Company.
(3) The face value of each Equity Share is ₹ 10.
(4) Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share' issued by ICAI.
(5) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure 4 beginning on page 366.

2. **Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price band (no. of times)
Basic EPS, after adjusting bonus shares – for the year ended March 31, 2015 on an unconsolidated basis	**[●]**	**[●]**
Basic EPS, after adjusting bonus shares – for the year ended March 31, 2015 on a consolidated basis	**[●]**	**[●]**
Diluted EPS, after adjusting bonus shares – for the year ended March 31, 2015 on an unconsolidated basis	**[●]**	**[●]**
Diluted EPS, after adjusting bonus shares – for the year ended March 31, 2015 on a consolidated basis	**[●]**	**[●]**

Industry P/E ratio

Particulars	P/E
Highest	32.33
Lowest	19.13
Average	27.16

* *P/E based on Financial Year 2015 P/E for the industry peers mentioned below*

3. **Average Return on Net Worth ("RoNW")**

As per restated unconsolidated financial statements of our Company:

Particulars	RoNW %	Weight
Year ended March 31, 2015	0.18	3
Year ended March 31, 2014	0.08	2
Year ended March 31, 2013	0.24	1
Weighted Average	**0.16**	
Nine months ended December 31, 2015*	**0.19**	

* *Not annualised.*

As per consolidated Restated Financial Statements of our Company:

Particulars	RoNW %	Weight
Year ended March 31, 2015	9.11	3
Year ended March 31, 2014	10.02	2
Year ended March 31, 2013	6.76	1
Weighted Average	**9.02**	
Nine months ended December 31, 2015*	**9.31**	

* *Not annualised.*

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]
(2) Average Return on Net Worth (%) = Net Profit after Tax (as restated) divided by Net worth at the end of the year/period excluding revaluation reserve.
(3) Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).

4. **Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2015:**

Particulars	At Floor Price	At Cap Price
To maintain pre-Issue basic EPS (after adjusting bonus shares)		
On unconsolidated basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%
To maintain pre-Issue diluted EPS (after adjusting bonus shares)		
On unconsolidated basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%

5. **Net Asset Value per Equity Share of face value of ₹ 10 each**

(i) Net asset value per Equity Share as on March 31, 2015 and December 31, 2015 on an unconsolidated basis is ₹ 35.55 and ₹ 35.61, respectively.

(ii) Net asset value per Equity Share as on March 31, 2015 and December 31, 2015 on a consolidated basis is ₹ 43.54 and ₹ 47.98, respectively.

(iii) After the Issue on an unconsolidated basis:

(a) At the Floor Price: ₹ [●]

(b) At the Cap Price: ₹ [●]

(i) After the Issue on a consolidated basis:

(a) At the Floor Price: ₹ [●]

(b) At the Cap Price: ₹ [●]

(ii) Issue Price: ₹ [●]

Notes:

(1) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

(2) Net Asset Value Per Equity Share = <u>net worth as per the restated financial information</u>

number of equity shares outstanding as at the end of year/period

(3) Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).

6. **Comparison of Accounting Ratios with Listed Industry Peers**

Name of Company	Unconsolidated / Consolidated	Face Value (₹ Per share)	EPS (₹)		NAV (₹ per share)	P/E(6)	RONW (%)
			Basic	Diluted			
Equitas Holdings Limited	Unconsolidated (1)	10.00	0.07	0.07	35.55	NA	0.18
	Consolidated (2)	10.00	4.48	4.47	43.54		9.11
Peer Group							
Cholamandalam Investment Finance Limited (3)	Consolidated	10.00	30.71	30.59	220.90	19.13	13.99
Repco Home Finance Limited (4)	Unconsolidated	10.00	19.78	19.71	130.23	32.33	15.16
SKS Microfinance Finance Limited(5)	Unconsolidated	10.00	15.22	15.04	14.86	30.01	17.93

(1) *Based on Restated Unconsolidated Financial Statements for the year ended March 31, 2015*

(2) *Based on Restated Consolidated Financial Statements for the year ended March 31, 2015*

(3) *Source: Annual Report for Cholamandalam Investment Finance Limited, for the year ended March 31, 2015*

(4) *Source: Annual Report for Repco Home Finance Limited, for the year ended March 31, 2015*

(5) *Source: Annual Report for SKS Microfinance Finance Limited, for the year ended March 31, 2015*

(6) *P/E ratio based on closing market price as on March 31, 2015 available on www.bseindia.com and using Basic EPS*

The Issue Price of ₹ [●] has been determined by the Majority Investors in consultation with our Company and the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “Risk Factors” and “Financial Statements” on pages 24 and 293, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

Equitas Holdings Limited
(Formerly known as Equitas Holdings Private Limited)
Phase II, 4th Floor, Spencer Plaza,
No.769, Anna Salai,
Chennai 600 002

Dear Sirs,

Public issue/ offer to sell of Equity Shares

We refer to the proposed issue of the shares of Equitas Holdings Limited, formerly known as Equitas Holdings Private Limited ("the Company"). We enclose herewith the statement showing the current position of tax benefits available to the company and to its shareholders as per the provisions of the Income-tax Act, 1961for inclusion in the placement document for the proposed issue of shares/ offer to sell. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information, explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- the Company or its Shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been / would be met with;
- the revenue authorities/ courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the placement document for the proposed public issue/ offer to sale of shares which the Company intends to submit to the Securities and Exchange Board of India.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Equitas Holdings Private Limited and shall not, without our prior written consent, be disclosed to any other person

The Direct Taxes Code Bill, 2010 has lapsed. Having considered the report of the Standing Committee on Finance and the views expressed by the stakeholders, a revised Direct Taxes Code has been placed in the public domain in March, 2014. Thus, it may undergo changes by the time it is actually introduced and hence, at the moment, it is unclear when will it come into effect and what effect the proposed Direct Taxes Code would have on the Company and the investors.

This statement has been prepared solely in connection with the offering of Equity shares by the company under the Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offering).

If this Note is to be included in any offering document prepared in connection with the offering and thereby associating our name with this Note (either as Preparer or otherwise), the same shall be subject to our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No.: 008072S

Place:
Date: March 8, 2016

Partner Rajesh Srinivasan
Membership No.: 205441

ANNEXURE: 1

NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO EQUITAS HOLDINGS PRIVATE LIMITED AND ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the IT Act)

Equitas Holdings Private Limited ("the company") is an Indian Company, subject to tax in India. The company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purposes of the business, including depreciation.

Considering the activities and the business of the company, the following benefits may be available to them.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company under the provisions of the IT Act.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders under the provisions of the IT Act.

Notes:

a. The above statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.

b. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

c. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by CRISIL Limited ("CRISIL"), ICRA Limited ("ICRA") and Credit Analysis and Research Limited ("CARE"). The information has not been independently verified by us, the Book Running Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. . The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections,forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the reports (Reports) used in this section, based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Reports and is not responsible for any errors or omissions or for the results obtained from the use of Data / Reports. The Reports are not a recommendation to invest / disinvest in any company covered in the Reports. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Reports are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of the Reports may be published/ reproduced in any form without CRISIL's prior written approval.

Indian Economy

India is the fourth largest economy in the world, after the United States of America, European Union and China. *(Source: CIA World Factbook, 2015, available at https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html).* As per the advance estimates released by the Central Statistics Office, the Indian economy is estimated to register a growth rate of 7.4% in fiscal 2015, as compared to a growth of 5.1% and 6.9% respectively in fiscal 2013 and fiscal 2014. *(Source: Macro-Economic Framework Statement, 2015-16, available at http://indiabudget.nic.in/ub2015-16/frbm/frbm1.pdf ("Macro Economic Framework Statement, 2015-16")).* Fiscal 2015 has witnessed key policy reforms, aimed at aiding growth revival and surmounting the structural constraints in the economy. In the recent past, the economy faced testing times with issues like lower growth, high levels of inflation and widening current account deficit; escalated by an unsupportive external environment. Growth is back, with its desirable concomitants of mild inflation and manageable current account balance with stable rupee and rising foreign exchange reserves, signaling improvements in macro-economic stability. *(Source: Macro Economic Framework Statement, 2015-16)*

Financial Inclusion in India

India is home to 21% of the world's unbanked adults and about two-thirds of South Asia's. Between the year 2011 and 2014, India's account penetration increased from 35% to 53%. However, India's account penetration is still low at 53% when compared to other BRICS countries. According to Global Findex Database, a mere 15% of adults reported using an account to make or receive payments. *(Source: Demirguc-Kunt, Asli, LeoraKlapper, Dorothe Singer, and Peter Van Oudheusden, 2015, "The Global Findex Database 2014: Measuring Financial Inclusion around the World." Policy Research Working Paper 7255, World Bank, Washington, DC. ("WBFI Database"))*

Concerted efforts of the Government of India, the Reserve Bank of India ("**RBI**") and banking system are necessary to further the financial inclusion agenda. The RBI has identified that the strategy to realise this goal will comprise of a mix of conducive policy environment, use of innovative channels/technology and optimal utilisation of the BC model. (Source: *RBI Annual Report 2015*, *Credit Delivery and Financial Inclusion, available at:*

https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/04P219116156FD7F44679F2408CEBACA602A.PDF)

Non-Banking Financial Companies

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).(*Source: RBI FAQs, available at https://rbi.org.in/scripts/FAQView.aspx?Id=92 ("RBI FAQs")*) NBFCs are characterised by their ability to provide niche financial services in the Indian economy. Because of their relative organizational flexibility leading to a better response mechanism, they are often able to provide tailor-made services relatively faster than banks and financial institutions. This enables them to build up a clientele that ranges from small borrowers to established corporates and to fund sectors where a credit gap exists. Comprehensive regulation of the banking system on the one hand and relatively lower degree of regulation over NBFCs has to a significant extent contributed to their rapid growth in the sector. *(Source: NBFC Overview 2015, CRISIL ("CRISIL NBFC Overview, 2015")).*

NBFCs are categorized (a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, (b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND), and (c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- Asset Finance Company (AFC): An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.

- Investment Company (IC): IC means any company which is a financial institution carrying on as its principal business the acquisition of securities.

- Loan Company (LC): LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.

- Infrastructure Finance Company (IFC): IFC is a non-banking finance company a) which deploys at least 75% of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A' or equivalent and d) a CRAR of 15%.

- Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:

  (a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;

  (b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;

  (c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;

(d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI Act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies;

(e) its asset size is ₹ 100 crore or above; and

(f) it accepts public funds.

- Infrastructure Debt Fund Company: Non- Banking Financial Company (IDF-NBFC): IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only IFCs can sponsor IDF-NBFCs.

- Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

  (i) loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 100,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;

  (ii) loan amount does not exceed ₹ 50,000 in the first cycle and ₹100,000 in subsequent cycles;

  (iii) total indebtedness of the borrower does not exceed ₹100,000;

  (iv) tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;

  (v) loan to be extended without collateral;

  (vi) aggregate amount of loans, given for income generation, is not less than 50% of the total loans given by the MFIs;

  (vii) loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower.

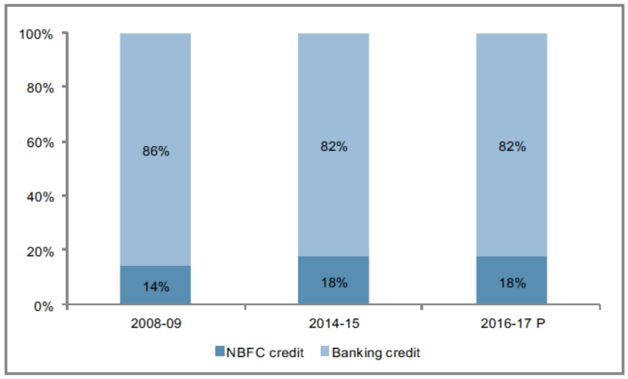
- Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50% of its total assets and its income derived from factoring business should not be less than 50% of its gross income.

(Source: RBI FAQs)

Outlook of NBFCs in India

Financing needs in India have risen with the notable growth recorded by the economy over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. To their credit, NBFCs help fill the gaps in availability of financial services with respect to products as well as customer and geographical segments. A strong linkage at the grassroots level makes them a critical cog in catering to the unbanked masses in rural and semi-urban reaches, thereby enabling the government and regulators to achieve the mission of financial inclusion. NBFCs' loans outstanding grew at approximately 21% in between fiscal 2010 and fiscal 2015, and as of March 2015, they accounted for almost 18% of the overall systemic credit (*Source: CRISIL NBFC Overview, 2015*).

Share of NBFC in systemic credit



Note: Co-operative banks not included in banking credit

Source: CRISIL Research

(*Source: CRISIL NBFC Overview, 2015)*

NBFCs typically have several advantages over banks due to their focus on niche segment, expertise in the specific asset classes, deeper penetration in the rural and unbanked markets. *(Source: NBFC Sector – Trends, Regulatory Framework and Way Forward, December 2014, CARE Ratings)* By virtue of access to low cost funds and extensive branch network, banks compete with NBFCs, especially on the cost front. However, with their strategic presence in lending segments as well as geographies, NBFCs have carved out a niche for themselves to effectively compete with banks. Currently NBFCs only dominate construction equipment finance, while they are slowly gaining market share in housing, and LAP. (*Source: CRISIL NBFC Overview, 2015)*

CRISIL Research expects the loan book of NBFCs to post 15-17% CAGR between fiscal 2015 and fiscal 2017. So far, NBFCs have gained market share at the expense of banks owing to focused lending, widening reach and resource raising ability. However, going forward, the growth is expected to moderate significantly given a slew of regulations in terms of convergence with banks. Further, with slowing corporate demand for loans, banks have shifted their focus to retail assets. As a result, the pace of growth in NBFCs' market share in most of the segments will slow down compared with the past. While the traditional vehicle financing business is expected to achieve stable growth, NBFCs are also actively looking at relatively untapped segments such as structured finance, unsecured business loans for growth and diversification. As per CRISIL Research's view, low penetration in Tier-II and Tier-III cities, product and process innovation, and continued focus on core businesses will be the key enablers for steady growth amidst regulatory overhaul, especially in the retail finance segments (gold, microfinance, housing finance, auto finance). (*Source: CRISIL NBFC Overview, 2015)*

The table below gives the competitive position of NBFCs against banks in each sub-segment.

Competitive positioning of NBFCs in different segments

NBFC segment	Market share (2014-15 E)	Competitive positioning
Infra finance	38%	Specialised institutions; banks have internal sectoral exposure limits
Housing Finance	38%	Competitive interest rates, better customer service; focusing on higher yielding segments like Loan against property
Auto finance	45%	Catering to relatively less credit w orthy customers, strong presence in used vehicles, faster processing, low er documentation
Gold loans	25%	Low er turn-around-time, low er documentation
Loan against property	51%	Strong origination skills, better collection mechanisms, higher LTV and faster loan processing as w ell as higher ticket size
Construction equipment finance	54%*	Focus on Hirer/Retail segment, low er turn-around-time, and better servicing
Microfinance	50%	Extensive reach, low er interest rates as compared to local money-lenders
Small unsecured business Loans	47%	Low er turn-around-time, better servicing and low er documentation

*based on disbursements

Source: RBI, CRISIL Research

(*Source: CRISIL NBFC Overview, 2015*).

The table below summarizes the growth prospects of various segments of NBFCs along with a brief commentary on sector specific issues and growth drivers. (*Source: CRISIL NBFC Overview, 2015)*

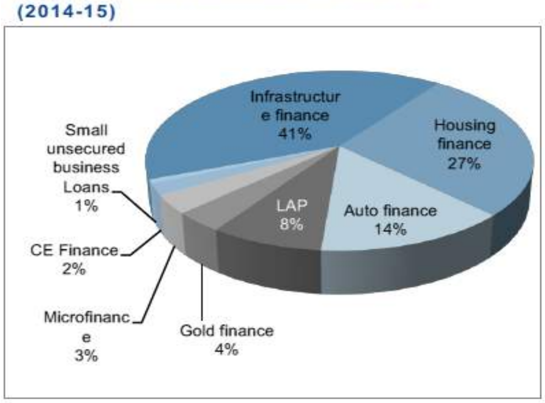
Outlook for various NBFC sub-segments

Sector	Loan book in 2014-15 (Rs bn)	Estimated CAGR for next 2 years	Commentary
Infrastructure finance	5,751	10%	▫ Stretched financials and lack of adequate long term Power Purchase agreement (PPAs) had lead to a slowdown in power capacity additions ▫Financial viability of projects is impaired due to high cost of imported fuel and aggressive bidding in coal block auctions by power producers ▫ Most of the road developers struggle with weak financials and are therefore unable to bid for build-operate-transfer (BOT) projects
Housing finance	3,879	19%	▫ Growth led by demand from Tier-II and Tier-III cities; asset quality to remain strong
Loan against property	1,148	24%	▫ Helathy growth to continue with increasing appetite for higher loan to value, and bigger size loans ▫ Pricing is under pressure, yields are declining on an incremental basis and asset quality could worsen due to sustained slowdown in economy
Auto finance	1,615	15%	▫ Growth in disbursements to be driven by recovery in sales of new commercial vehicles and a faster growth in sales of passenger vehicles. ▫ Profitability to remain under pressure owing to increasing competition from banks and higher provisioning on account of the new NPA recognition norms set by the RBI.
Construction equipment finance	287	-2%	▫ Weak demand due to slow economic growth; high competition and increasing GNPAs have forced NBFCs to slow down or even exit the market ▫ NPA levels have increased in 2014-15, to remain high
Microfinance	480	29%	▫ Growth to be driven by diversification in non-AP markets, while the AP portfolio is forecast to decline further ▫ Over the past two years, median rating (for CRISIL rated entities) has improved dramatically; however, AP-based CDR players might find it difficult to survive
Gold loans	512	11%	▫ NBFC AUMs to recover gradually over the next 2 years ▫ A better economic scenario and higher demand in the non traditional regions will drive growth
Small unsecured business loans	104	28%	▫ Growth driven by increased focus of financiers, better information availability, and increased need due to economic slowdown ▫ Increasing competition could force players to take higher risks leading to deterioration in asset quality in future

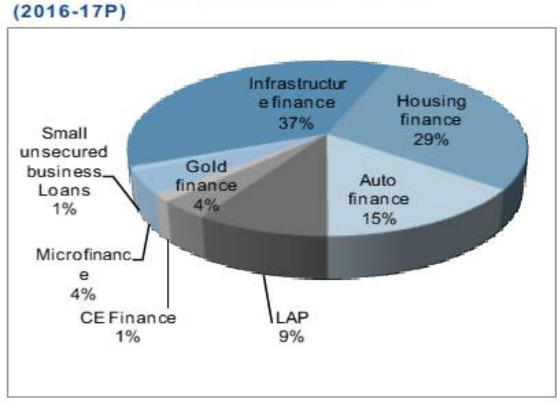
(*Source: CRISIL NBFC Overview, 2015)*

CRISIL Research expects a marginal shift in the asset class wise distribution of NBFCs as shown below:

Asset class-wise distribution of NBFCs (2014-15)



Asset class-wise distribution of NBFCs (2016-17P)



P: Projected

Source: RBI, CRISIL Research

(*Source: CRISIL NBFC Overview, 2015)*

Microfinance Sector in India

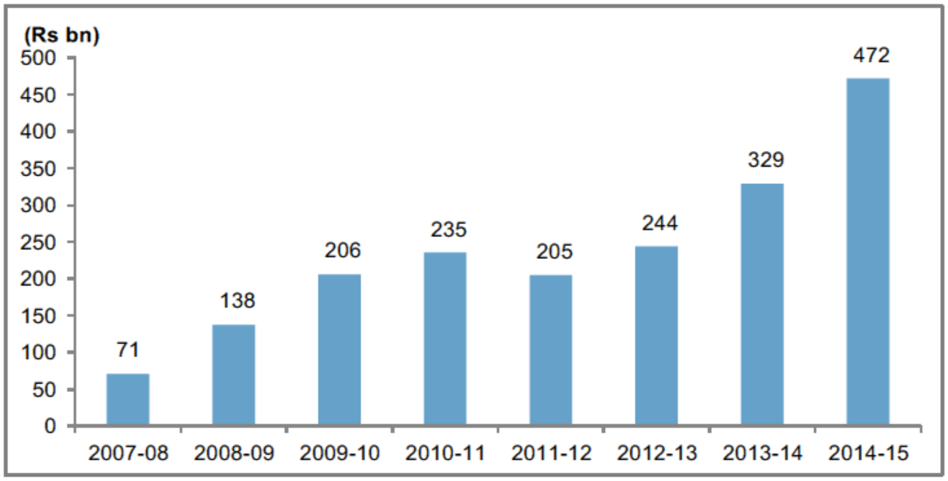
Microfinance is seen as an important tool for poverty alleviation and over the years, MFIs have placed themselves as fulfilling this developmental goal. The microfinance movement was initiated by NABARD in collaboration with Banks and Non-Government Organizations ("**NGOs**") for unbanked population known as Self Help Group ("**SHG**") - bank linkage program in 1992. The program was a government initiated program with refinancing to banks from NABARD. SHG bank linkage program involved NGOs to form SHGs and train them. Each SHG typically consists of a group of women/men members interested in accessing financial services including savings, credit insurance etc. Post the training, NGOs provided SHGs access to funds by linking them to banks which provided financial services (including thrift, credit etc.) to them directly. NGOs' role was to ensure financial discipline of the SHGs. Apart from this there were state government run SHG programmes. Thus, microfinance in this phase was government driven.

The microfinance sector started evolving with private sector participation leading to formation of microfinance institutions (MFIs). The MFIs accessed bulk funds from banks and did on-lending to the end borrowers (either SHG members or JLG members). From thereon the microfinance activities were being implemented by the two channels including MFI model and SHG bank linkage model. *(Source: Indian Microfinance Sector: Entering a phase of moderate credit risk, three years post AP crisis – Report by Banking and Finance Division, March 2014, CARE Ratings ("CARE Ratings Indian Microfinance Sector, 2014"))*.

The RBI granted priority sector status to bank loans advanced MFIs in 2000-01, following which, the microfinance sector witnessed rapid growth in the value of outstanding loans. The growth was mainly driven by the MFIs due to large scale availability of funding in terms of both debt and equity. *(Source: CARE Ratings Indian Microfinance Sector, 2014)* The gross loan portfolio ("**GLP**") grew at a CAGR of almost 50% from ₹71 billion in fiscal 2008 to around ₹ 235 billion in fiscal 2011. Andhra Pradesh ("**AP**") was the largest state in terms of MFIs' outstanding loans, accounting for around 30% of the overall market in fiscal 2011. The AP state government ordinance in fiscal 2011 adversely impacted the business models of MFIs by impairing their growth, asset quality, profitability and solvency. The ordinance was an outcome of concerns regarding the usurious interest rates charged by MFIs and coercive collection mechanisms deployed by MFIs, in the event of a default. This ordinance put in place extremely stringent operating guidelines resulting in 34% shrinkage of AP portfolio ultimately leading to a y-o-y decline of almost 14% in the industry in fiscal 2012. (*Source*: *Microfinance Opinion, 2015, CRISIL ("CRISIL MF Opinion, 2015")*).

Further, after the RBI released guidelines for MFIs in 2011, for-profit MFIs were to function as microfinance NBFCs, whereas not-for-profit institutions could operate through trusts or section 25 companies. NBFCs- MFI constitute a dominant share in the Indian microfinance industry of 88%. MFIs can also be classified on the basis of their operating structure, depending on whether they lend to joint liability groups (JLGs, also known as the Grameen model) or finance SHGs or individual lending. (*Source: Micro finance Industry Information, 2015, CRISIL ("CRISIL MF Industry Information, 2015"*)

Trend in microfinance institutions' gross loan portfolio (GLP)



Note: 1. We have assumed MFIN data to be 85% of the overall market.

2. Overall GLP includes numbers of Bandhan Financial Services Ltd (having a market share of 20% as on March 2015) which is expected to convert into a bank.

Source: MFIN, CRISIL Research

(Source:CRISIL MF Opinion, 2015)

The issuance of RBI guidelines for NBFC – MFI's increased confidence of commercial banks in NBFC – MFI business modelleading to a revival in the banking credit being extended to the sector, resulting in an almost 35 % and 43% y-o-y increase in GLP in fiscal 2014 and fiscal 2015, respectively. However, the AP portfolio which declined close to 15% during the last 2 years has continued its downward trend. ***(****Source:CRISIL MF Opinion, 2015****)***.

Unorganised Microfinance Providers

Unorganised or informal sector constitutes a pivotal part of the Indian economy. More than 90% of the workforce and about 50% of the national product are accounted for by the informal economy. *(Source: Report of the Committee on Unorganised Sector Statistics, National Statistical Commission, Government of India, February 2012 available at http://mospi.nic.in/Mospi_New/upload/nsc_report_un_sec_14mar12.pdf)* Before the first five year plan began in 1951, almost all the financial needs of rural sector vis-a-vis agriculture were provided by the moneylenders.At that time, the RBI was very active in pursuing cooperative movements through a variety of initiatives. Despite all those efforts, the provision of credit through cooperatives and commercial banks were to the extent of about 4% of the total outstanding debt as at the end of June 1951. *(Source: RBI Working Paper - Persistence of Informal Credit in Rural India: Evidence from 'All-India Debt and Investment Survey' and Beyond, Narayan Chandra Pradhan, Department of Economic and Policy Research, April 2013, W P S (DEPR): 05 / 2013, available at* https://www.rbi.org.in/scripts/PublicationsView.aspx?id=14986 *("RBI Working Paper Series - Persistence of Informal Credit in Rural India, 2013"))*

Those in the rural credit market prefer to use informal sources of credit despite the fact that the interest rates are much higher. Informal sources do not insist on punctual repayment as banks or cooperative societies do. Usually, it is possible to obtain loans for such purposes as marriage and litigation only from informal sources. There are generally no intricate and complicated rules governing the granting of loans by the village moneylenders and informal sources are willing to lend money more freely without collateral and on the borrower's mere promise to repay. *(Source:RBI Working Paper - Persistence of Informal Credit in Rural India, 2013)*

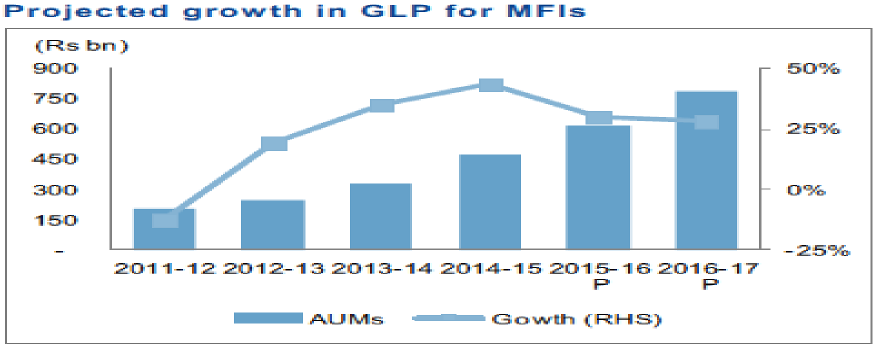
In recent years, the excessive reliance of borrowers on some or other forms of moneylender and informal/semi-formal sources and exorbitant interest rate charged by those entities have captured the attention of policy makers to downsize the informal sector finance. Informal credit has certainly declined as a percentage of total debt, and both professional and agricultural moneylenders have reduced their share over time. Informal/non-institutional finance was gradually declining during the 1960s and was nearly broken during the 1970s with the institutional agencies venturing into the rural areas with nationalization of major commercial banks and setting up of regional rural banks with initiatives of the RBI. The decline in the share of moneylenders reflects in part the Government's efforts to register and regulate professional moneylenders. *(Source:RBI Working Paper - Persistence of Informal Credit in Rural India, 2013)*

Outlook for MFI Sector in India

Industry Expected to grow at 28-30 % CAGR over next 2 years

The RBI guidelines have been instrumental in restoring confidence in lenders and investors, improving the inflow of both equity and debt to the sector. Further, in the Union Budget of fiscal 2016, the government announced that it would set up the Micro Units Development and Refinance Agency (MUDRA). This will be a major driver for the MFI industry. MUDRA will serve as a regulator for MFIs and provide them refinancing services. It will have a corpus of ₹ 200 billion and will be financing co-operative banks, MFIs, regional rural banks, etc. The funding cost is expected to be cheaper than bank funding. This will be a big boost for the MFI industry as it will bring uniformity in regulations and provide much-needed funding support as currently MFIs are heavily dependent on banks for funding (*Source: CRISIL MF Opinion, 2015)*

Projected growth in GLP for MFIs



Note: Overall GLP includes numbers of Bandhan Financial Services Ltd (having a market share of 20% as on March 2015) which is expected to convert into a bank. However, the portfolio is expected to remain heavily skewed towards micro finance over the next 2 year.

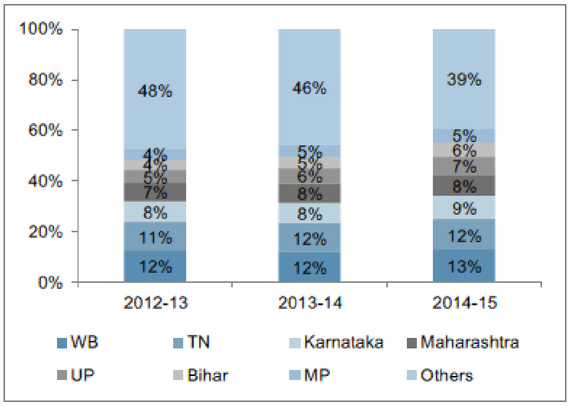
P:Projected

Source: CRISIL Research

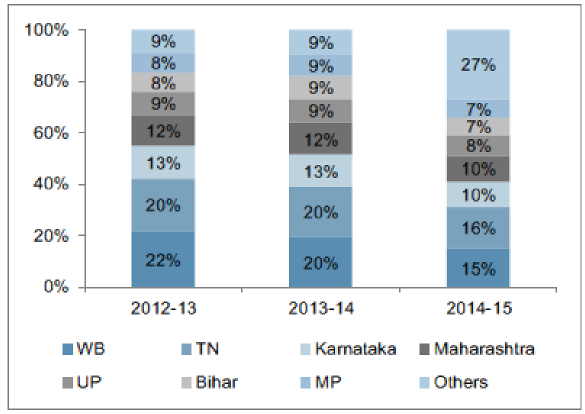
(*Source: CRISIL MF Opinion, 2015)*

According to the CRISIL report, over the next 2 years, GLP is expected to record 28-30% CAGR. Of this, the non-AP portfolio is set to record a 30-34% CAGR, while the AP portfolio is forecast to decline further. Majority of the AP portfolio is in the Corporate Debt Restructuring cell, where players are expected to write-off their nonperforming loans. Also, the RBI has increased the borrower limit (ticket size per person) to ₹ 1 lakh from ₹ 50,000 in April 2015, which will help MFIs expand their client base and gradually cover higher income group individuals in their client base. Growth in outstanding loans will largely be driven by volume with increase in penetration levels across states. Going forward, CRISIL Research expects growth in the loan portfolio to be led by non-AP states such as Punjab, Haryana, etc. as players diversify operations to reduce geographic risks. (*Source: CRISIL MF Opinion, 2015)*

Top 5 states account for biggest chunk of overall MFI loan portfolio



MFI client base diversified across states



Source: MFIN, CRISIL Research

(*Source: CRISIL MF Opinion, 2015)*

NBFCs Gaining Market Share in Microfinance Sector over Banks

Banks have a strong presence in the microfinance industry directly as well as indirectly. While MFIs focus on the JLG model while lending to borrowers, banks have a dominant presence in the SHG model through their self help group – bank linkage programme ("**SHG-BLP**"). The total credit outstanding under SHG-BLP as of March 2014 is ₹ 429 billion. While there was a rapid growth in outstanding loans under the SHG-BLP, there have been concerns regarding the quality of such assets. It is estimated that the NPAs of SHG loans by banks have reached an alarming level of close to 7% of the outstanding loans as of March 2014. (*Source: CRISIL MF Opinion, 2015)*

Banks SHGs v/s MFIs – Key trends

Bank - Self Help Groups	2011-12	2012-13	2013-14
Loan outstanding (Rs billion)	363	394	429
Average loan outstanding per SHG	84,000	88,455	102,273
NPA	6.0%	7.0%	6.8%

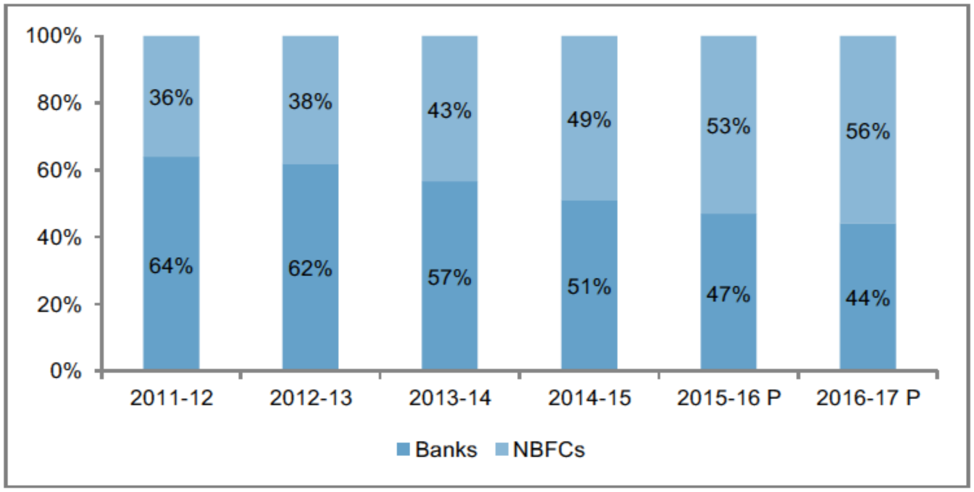
Microfinance Institutions	2011-12	2012-13	2013-14
Gross loan outstanding (Rs billion)	205	244	329
Average loan outstanding per borrow er	7,500	8,112	10,079
NPA	1.0%	0.4%	0.2%

Source: NABARD, MFIN, CRISIL Research

(*Source: CRISIL MF Opinion, 2015)*

As a result, banks are finding it more comfortable to lend indirectly to marginal borrowers through MFIs who are specialised institutions and possess better credit appraisal system and collection mechanisms. Following greater regulatory clarity and demand for loans from states apart from AP, MFIs have increased their market share from 38% in fiscal 2013 to 49% in fiscal 2015. Going forward also growth rate of MFI's is estimated to be higher as a result they will gain market share. (*Source: CRISIL MF Opinion, 2015)*

Share of NBFCs vis-a-vis banks



P: Projected

Source: NABARD, CRISIL Research

(*Source: CRISIL MF Opinion, 2015)*

Demand drivers for MFI sector in India

Huge potential market

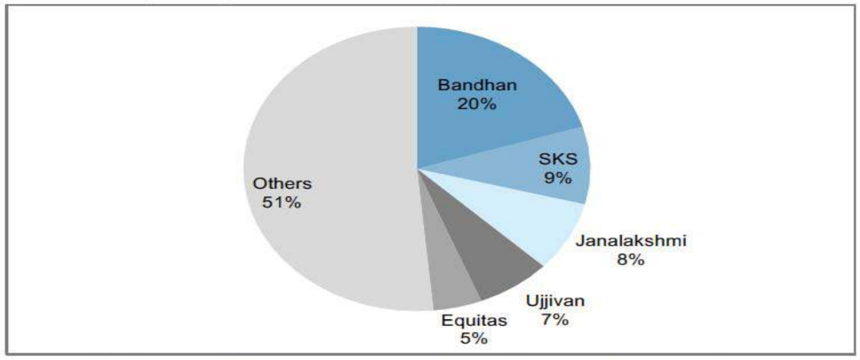
Given the sheer size of Indian population and considering that a large section of society still lacks access to the formal banking services, driving financial inclusion has always been a key priority for Indian government. As per CRISIL Inclusix index, a third of Indians did not have a bank saving account at the end of fiscal 2013, while only one in seven had access to credit.

Within the large suite of products and services under financial inclusion, microfinance institutions have a major role to play in the provision of credit. The sheer size of market (in terms of financially excluded households, a business model that offers sustainable credit to the poor at affordable rates and repayment cycle spread over a longer duration, are key growth drivers for MFIs operating in India. (*Source: CRISIL MF Industry Information, 2015)*

Performance of Top 5 MFIs

The top 5 MFIs (Bandhan Financial Services Private Limited, SKS Microfinance Ltd., Janalakshmi Financial Services Private Limited, Ujjivan Financial Services Private Limited and Equitas Micro Finance Private Limited (now Equitas Micro Finance Limited)) accounted for close to 50 % of the overall GLP in the industry as of fiscal 2015.

Share of major players in the industry – March 2015



Note: Bandhan Financial Services Ltd is expected to convert into a bank

Source: MFIN, CRISIL Research

(*Source: CRISIL MF Opinion, 2015)*

Key risks and success factors

MFIs are exposed to a unique set of risks and challenges, owing to their business model and nature of the customer base.

Exposure to low-income households raises MFIs' vulnerability to political actions

MFIs typically lend to low-income households, living in rural and semi-urban areas, which are extremely sensitive from a political angle. Exposure to this section of the society makes MFIs vulnerable to inherent political actions, in case their activities are viewed to be detrimental to social interests. The impact of the Andhra Pradesh Ordinance, which aimed to address the alleged coercive collection practices used by MFIs operating in the state, reflects this risk. The RBI guidelines have provided a uniform operating framework for NBFC MFIs, across the country. However, in addition to complying to these guidelines, MFIs also have to ensure that their practices align with 'accepted' norms, as per their respective state and local governments.

Natural calamities could impair borrowers' repayment ability

Occurrence of natural calamities, such as droughts and floods, pose a major threat to MFIs. As agriculture forms a source of livelihood for majority of the rural population, either directly or indirectly, natural calamities could adversely impair the repayment capabilities of these borrowers.

Cash-in-transit losses seen as key concern for certain MFIs

Cash is the most widely used channel for majority of transactions between MFIs and borrowers. This leads to the risk of borrowers losing cash in transit (either due to fraud or theft by third parties) at the time of repayment and thus, becomes a key concern for MFIs. While some players have opted to transfer this risk to borrowers, others have sought cash-in-transit insurance.

Inadequate monitoring mechanisms pose risk for MFIs

Given the nature of business, MFIs require robust monitoring mechanisms, both prior to lending and later, to ensure timely collections. Simultaneously, they also need to control operational expenses, given the small ticket size of loans. To tackle such issues, some players have invested in technology (for automating data collection and calculating dues) to ensure that internal systems remain robust and costs are kept under control. On the other hand, there are several players who continue to have inadequate or inefficient monitoring systems. The emergence of credit bureaus has made it easier, especially for such players, to keep track of borrowers and their credit histories.

MFIs with concentrated portfolios face local political and event-related risks

The risk of adverse local government policy is magnified for players with concentrated portfolios in certain geographies. Lack of geographical diversification further exposes these players to event risk, in the form of droughts, floods and other natural calamities, which could severely impair repayment capacity of borrowers and groups in the affected regions. Nevertheless, it is worthwhile mentioning here that several smaller MFIs, which have an established local presence in certain districts or states, have enjoyed strong collection over a considerable duration.

Difficulties in securing funding to persist for small-sized players

The AP Ordinance of 2011 sharply accentuated the perceived risk towards the sector, due to which, bank lending to MFIs witnessed a sharp decline. Post the Ordinance coming into effect, most players who had a sizeable exposure to the AP market were forced to write-off significant portions of their portfolios. In 2011, the release of RBI guidelines brought the microfinance industry under a stronger regulatory purview. This helped arrest the declining trend of bank finance to the sector to a certain extent. While larger players have the option of tapping the securitisation route, this remains an expensive option for their smaller counterparts. These players are likely to find it difficult to raise funds, which will subsequently limit their growth prospects, given their inability to scale up operations.

Managing operating expenses - critical for MFIs

The modifications made by RBI in 2012 in the MFI guidelines released in 2011 have regulated the maximum lending rates and have imposed a margin cap of 12% for small MFIs (with GLP of less than ₹ 100 crores) and 10% for large MFIs (with GLP of greater than ₹ 100 crores). Also while cap on individual loans has also been removed, such loans can be given with interest rate variance of 4% only. Further, MFIs also need to ensure strong flow of disbursements and timely collections. However, amongst all the key areas of concern, management of operating expenses holds the key to maintain profitability levels.

Diversified portfolio helps MFIs mitigate risks, makes securitisation viable

Given that fixed operating costs are relatively higher, considering the value of the loan amount, scale of operations is a crucial factor for MFIs. First of all, a large, well-diversified portfolio enables players to mitigate risks associated with a concentrated portfolio. Apart from this, having a wider scale of operations helps players cut down on operating expenses, as a percentage of outstanding loans. Additionally, securitisation becomes a viable option, providing an alternate funding route to MFIs, apart from bank credit.

Technology to be a major enabler for MFIs to monitor portfolios and maintain asset quality

Apart from the cost benefits arising from automated documentation processes, having a robust back-end technological set up enables players to effectively monitor their loan portfolio. Technology is also likely to play a major role in preventing internal accounting lapses and facilitate a better monitoring mechanism for collections. Further, credit bureaus such as Equifax and Highmark are engaged in collecting data from several MFIs and building a comprehensive database that captures the credit history of borrowers. Receiving regular updates on borrowers' credit profiles from such bureaus will help MFIs maintain stronger asset quality.

Managing local stakeholders - key determinant of MFIs' success

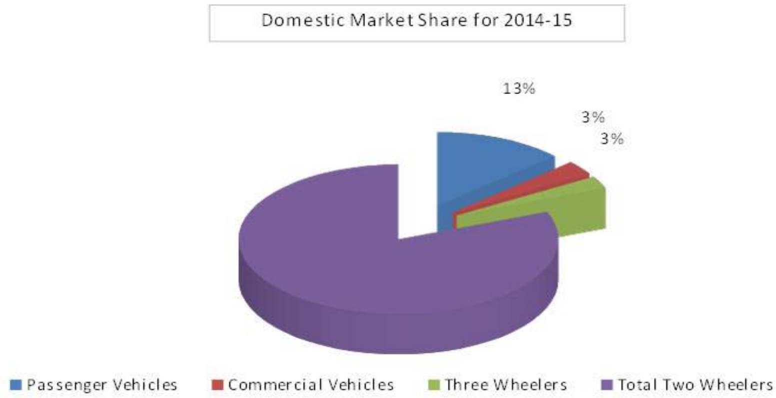
Considering the sensitive nature of operations, MFIs must ensure that their activities do not antagonise local leaders and government authorities. Apart from adherence to legal and regulatory guidelines, maintaining amicable relations with key stakeholders in the respective geographies will be a key determinant of MFIs' success.

(*Source: CRISIL MF Industry Information, 2015*)

Vehicle Finance in India

Indian automobile sector

India's automobile industry is one of the largest in the world. The industry produced a total of 23,366,246 vehicles including passenger vehicles, commercial vehicles ("**CV**"), three wheelers and two wheelers in fiscal 2015 as against 21,500,165 in fiscal 2014, registering a growth of 8.68% over the same period last year. *(Source: Society of Indian Automobile Manufacturers available at http://www.siamindia.com/statistics.aspx?mpgid=8&pgidtrail=9)*



(Source: Society of Indian Automobile Manufacturers , available athttp://www.siamindia.com/statistics.aspx?mpgid=8&pgidtrail=12)

Segment wise domestic sales data

Category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Passenger Vehicles	19,51,333	25,01,542	26,29,839	26,65,015	25,03,509	26,01,111
Commercial Vehicles	5,32,721	6,84,905	8,09,499	7,93,211	6,32,851	6,14,961
Three Wheelers	4,40,392	5,26,024	5,13,281	5,38,290	4,80,085	5,31,927
Two Wheelers	93,70,951	1,17,68,910	1,34,09,150	1,37,97,185	1,48,06,778	1,60,04,581
Grand Total	**1,22,95,397**	**1,54,81,381**	**1,73,61,769**	**1,77,93,701**	**1,84,23,223**	**1,97,52,580**

(Source: Society of Indian Automobile Manufacturers, available at http://www.siamindia.com/statistics.aspx?mpgid=8&pgidtrail=14)

CV industry outlook

The share of roads in total freight movement stands at 63.2% in billion tonne/km (BTKM) terms which is largely carried by Commercial Vehicles (CV). *(Source: CRISIL Domestic Freight Transportation Services, 2015)* As transportation is linked to all sectors, demand for CVs is connected to overall economic growth. The CV industry can be classified into light commercial vehicles (LCVs) and medium and heavy commercial vehicles (MHCVs) (*Source: Auto finance Industry Information 2015, CRISIL ("CRISIL AF Industry Information, 2015")*). MHCVs are primarily used for transportation of industrial goods across the country. Additionally, their higher payload and engine capacities enable carrying heavy items or bulk items over long distances. Therefore, MHCV sales can be correlated to industrial GDP growth or IIP as these are indicative of available freight and the growth of freight traffic. MHCVs are utilised primarily to transport goods to the hubs in the hub and spoke model.

Typically, large logistics providers redistribute freight from hubs using LCVs for last mile transportation within a smaller radius, particularly within a city, town or district. LCVs are also used for the transportation of consumer products within these regions. As a result, LCVs freight is derived from consumer goods and redistribution freight. Therefore, LCV sales can be linked partly to MHCV sales and partly to consumption expenditure (which is used as an indicator of growth in consumer goods usage).

Although the penetration of the Indian CV industry remains low at an estimated five CVs per 1000 population according to Society of Indian Automobile Manufacturers, compared to developed countries where it is 388 in the US, 121 in Japan and 86 in Thailand. *(Source: Commercial Vehicle Industry Characteristics, CRISIL, 2015 ("CRISIL CV Industry Characteristics, 2015"))***.** Over the long term, CV demand will be driven by industrial and agricultural production, freight movement, rising share of roadways in freight movement and changes in freight rates. Demand for CVs is cyclical in nature, with MHCV sales more susceptible to economic cycles. (*Source: CRISIL AF Industry Information, 2015*)

Demand drivers of CV industry

CV financing: Financial penetration in CV sector is high with more than 97% of new CVs & 90% of Used CVs being purchased by transporters require funding assistance from financial institutions. (Source: *Used*

CV financing Opinion 2015, CRISIL ("CRISIL Used CV Financing, 2015")) Hence, availability of finance is critical. Disbursements depend on CV sales, which, in turn, depend on the health of the economy.

Entry of new players to intensify competition: The entry of international players likes Daimler, Foton, General Motors, etc and expansion of the product portfolio by local players like Ashok Leyland, Mahindra & Mahindra and Tata Motors is expected to intensify competition and accelerate product development. These factors are also likely to drive the launch of technologically-advanced products, which will enable Indian players to compete on a global scale.

Other long-term drivers: Infrastructure development, structural changes and government initiatives are other long-term drivers. Better road infrastructure improves the level of connectivity on trunk routes, which would facilitate the sale of higher tonnage vehicles like multi-axle vehicles. Growth in the CV industry is also led by higher price realisations in the MHCV segment, as medium commercial vehicles (MCVs) are being substituted by higher-tonnage vehicles. Also, higher-end LCVs and medium commercial vehicles are being substituted by intermediate commercial vehicles, which offer better cost economics.

(*Source: CRISIL AF Industry Information, 2015*)

Used CV financing in India- growth trends

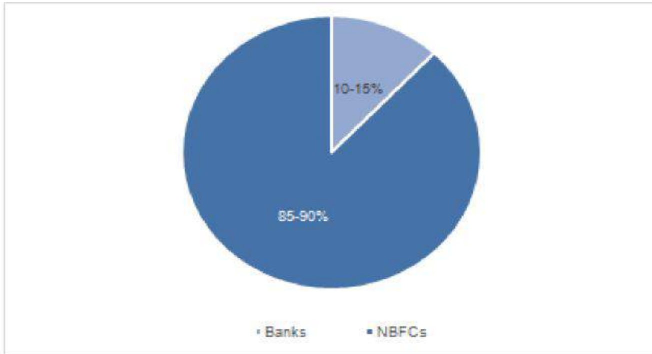
The buyers of used CVs are usually SFOs and FTUs. Although SFOs and FTUs own more than 70% of the vehicles, they mostly depend on LFOs to get contracts. SFOs are the most affected when there is a downturn due to decreased demand, as LFOs, after utilising their own capacity, have lesser orders to pass on to the SFOs. Thus, the income of SFOs is more susceptible to cyclicality, and hence they have lower bargaining power. This reduces their ability to purchase CVs. (*Source: CRISIL Used CV Financing, 2015*)

The used CV finance market witnessed high growth for major part of the period from fiscal 2004 till fiscal 2014, registering a CAGR of 18%. This was on account of several SFOs and FTUs, opting to purchase used vehicles as freight availability remained buoyant. Financiers showed keenness to lend to this fragmented and highly unorganised credit-starved segment as demand for used CVs rose with growing usage of the hub and spoke model. Further, margins in the used CV finance segment are relatively higher than new CV finance segment. In fiscal 2015, the used CV market is expected to have grown by 15% year-on-year. This growth, although much higher than that of the new CV finance market, which increased by about 5% during the year, is lower than the historical levels.

The industry is witnessing a period of sluggish growth due to the cascading impact of a slowing economy on the transporters and fleet operators. LFOs, who generally go for replacement of the fleet after 4-5 years, are delaying purchases due to lack of visibility of contracts and existing unutilised capacity. Falling prices of resold CVs due to increased delinquencies (which leads to increased repossession from CV financiers) and fewer buyers has led to resale interest shown by LFOs reduce. This, in turn, has led to the average age of CV fleet for LFOs increasing to almost five years during the year from a normal of four years. The impact of this trend is an expected slowdown in CV stock addition. (*Source: CRISIL Used CV Financing, 2015)*

Given the high risk associated with the used CV segment, banks have had minimal exposure to the segment. A large part of banks' used CV portfolio is refinancing. Banks also occasionally extend financing to a buyer purchasing a CV that is sold after repossession by the bank. NBFCs, on the other hand, have capitalised on the enormous opportunity offered by the segment through investment in processes and manpower. They have greater penetration in rural areas, where the majority of used CV sales take place. Major NBFCs in the space also have branches close to transport hubs. NBFCs also accept payments in cash, given that a large part of their customer segment earns in cash. Continuous monitoring of the disbursed loans by field officers who had originated the loans through frequent visits to the borrower helps keep delinquencies under control. (*Source: CRISIL Used CV Financing, 2015*)

NBFCs account for large part of organized used CV market



(*Source: CRISIL Used CV Financing, 2015)*

Key variables in the used CV finance

Relatively high margins to drive growth

The propensity to take risks is an important factor that affects lending in this segment. The pricing of this risk is effectively the interest rate charged by the financier. The interest rate, in turn, depends on the vehicle segment and the customer profile. There is a difference of 200-400 bps, depending on the customer profile, namely LFOs, SFOs and FTUs. Interest rates are higher in the case of FTUs and SFOs as they have weaker credit profile and lower bargaining power. This is a result of the lower scale of business and non-availability of fixed contracts, leading to irregularity of income. On the other hand, LFOs have a better credit profile and higher bargaining power because of consistency of income due to large number of fixed contracts.

Change in interest rates charged according to vehicle age

Interest rates also differ based on the age of the vehicle. Interest rates increase by 200-250 bps on older vehicles as compared to newer vehicles. The gross spread is in the broader range of 7-10% for used CV as compared to 5-6 % for new CV. The interest rate for used CV ranges from 13-25%, depending on the customer profile and the asset class. The net margins for players depend on cash losses and operating expenditure incurred by the financier. On an aggregate basis, typically higher gross spreads in used CV finance more than compensates for the increase in operating expenditure and cash losses. This translates into the financier earning a better net profit margin in used CV finance as compared to new CV finance.

LTV decreases as vehicle ages

Loan-to-value (LTV) ratio varies with asset class and customer class. With respect to asset class, LTV decreases with the increase in the age of the vehicle as the financier wants the customers to put in more equity due to increase in the risk profile of the asset. Maintenance costs rise as the age of a vehicle increases and the possibility of break-downs rises as well, which may result in loss of business for the operator, thus warranting the need for a lower LTV payout.

(*Source: CRISIL Used CV Financing, 2015)*

Key success factors for used CV finance business

Valuation, credit appraisal and collection key success factors for used CV financiers

Key Success factors	Challenges	Mitigants
Valuation	▪ No transparent pricing mechanism	▪ Good quality valuers or train own staff
Credit appraisal	▪ 75% buyers own less than 3 trucks ▪ Borrowers do not have IT returns or documents	▪ Personal guarantee of customer and guarantor required ▪ Movable, immovable property of the customer and guarantor checked ▪ Power of attorney signed by customer in the name of the company for repossession in case of default, makes repossession easier
Collection and Recovery	▪ 60 to 70% of collection through cash ▪ Asset and borrower both are mobile, since owner is also the driver	▪ Local people, who are comfortable dealing with transport operators have to be employed ▪ Collection happens multiple times a month (after every completed trip), company employee reaches the customer's house early morning before the owner leaves

Source: CRISIL Research

(*Source: CRISIL Used CV Financing, 2015)*

Used CV financing is an attractive option for financiers, as profitability in this segment is higher along-with higher growth for organized players, who still have just 70% -75% share of potential Used CV financing market and therefore continue capture market share from unorganized players. The fragmented nature of market and the underserved customer class allow financiers to charge higher yields, which acts as cushion. However, to be successful in the market, grassroot level understanding of the customer and efficient collection mechanism is a must in order to control operating expenses and delinquencies.

Loan disbursement for used CVs is projected to rise only 3-5% CAGR between fiscal 2016 and fiscal 2017. This is because operators are expected to purchase new vehicles instead of used vehicles, owing to superior cost economics associated with new vehicles; have better fuel efficiency, lower break-downs, etc. Also, the number of vehicles coming into the used market will be low because sales of new CVs in the period prior to fiscal 2014 were considerably low.

However, the loan disbursement trend within the CV segments will vary considerably. Disbursements in the light commercial vehicle (LCV) and medium & heavy commercial vehicle (MHCV) segments are forecast to post CAGR of 9-11% and 0-2%, respectively. The variation in growth rates is because a higher number of LCVs were sold in the 4-year period prior to fiscal 2014. Hence, the proportion of LCVs coming into the used market will be higher.

(*Source: CRISIL Used CV Financing, 2015)*

Disbursements trend

Rs. Bn	2013-14 E	2014-15 E	YoY Growth	Expected 2 year CAGR
LCV	156	195	25%	9-11%
M&HCV	392	433	10%	0-2%
Total	548	628	15%	3-5%

E: Estimated; P: Projected

Source: CRISIL Research

(*Source: CRISIL Used CV Financing, 2015)*

Micro, Small and Medium Enterprise (MSMEs) Finance in India

Small and Medium Enterprises ("**SMEs**") are critical to the nation's economy as they contribute significantly to India's domestic production. According to the NSSO Survey of 2013, there are some 57.70 million small business units, mostly individual proprietorship, which run manufacturing, trading or services activities. (*Source: Economic Characteristics of Unincorporated Non Agricultural Enterprises (Excluding Construction) in India, National Survey Sample Report, February 2013*). These encompass myriad of small manufacturing units, shopkeepers, fruits / vegetable vendors, truck and taxi operators, foodservice units, repair shops, machine operators, small industries, artisans, food processors, street vendors and many others. A vast part of the non-corporate sector operates as unregistered enterprises and formal or institutional architecture has not been able to reach out to meet its financial requirements. (*Source: Ministry of Finance Circular on Launch of MUDRA Bank dated April 7, 2015, available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=118005*)

SME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. SMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural areas. SMEs also play a significant role in nation development through significant export earnings, low investment requirements, operational flexibility, location wise mobility, low intensive imports, capacities to develop appropriate indigenous technology, import substitution, contribution towards defence production, technology – oriented industries, competitiveness in domestic and export markets thereby generating new entrepreneurs by providing knowledge and training.

Major obstacles for business development for SMEs relate to a wide range of issues:

- *Financing*: Lack of access to finance and timely credit as well as escalating cost are cited as primary reasons for under-utilization of the manufacturing capabilities of SMEs.

- *Infrastructure*: The infrastructural facilities in India have not reached to the desired level. This restricts private initiatives in this sector. Therefore, creation of better infrastructural facilities for SMEs must receive greater priority.

- *Taxes and regulations*: A multiplicity of regulating agencies lead to harassment and inspections with greater impact on operations of SMEs than on larger units.

- *Marketing*: With growing access to modern means of communication, particularly revolution in the information technology, the sheltered market for the SMEs product is no longer so. SMEs should join hands globally to create a global commodity chain. In this regard, SME mother units in marketing, similar to mother units in production, may be promoted.

- *Technology*: Cutting-edge technology becomes difficult to access for SMEs due to the high initial costs leaving them behind in the race for competitiveness.

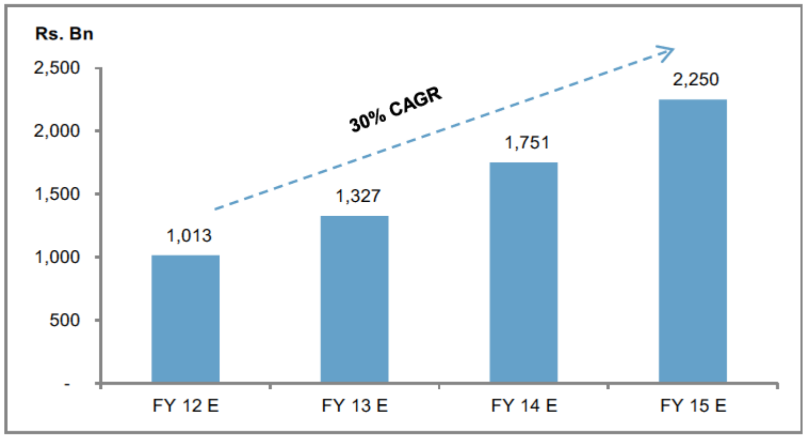
(Source: Financing SMEs – An Industry Perspective, R. Seshasayee ("SME Financing Industry Perspective"))

A major obstacle in SME development is inability to access timely and adequate finance. There are several reasons for low SME credit penetration, key among them being insufficient credit information on SMEs, low market credibility of SMEs (despite their intrinsic strengths) and constraints in analysis. This leads to sub-optimal delivery of credit and services to the sector. As the access of SMEs to capital markets is very limited, they largely depend on borrowed funds from banks and financial institutions. While investment credit to SMEs is provided by financial institutions, commercial banks extend working capital. In the recent past, with growing demand for universal banking services, term loans and working capital are becoming available from the same source. Besides the traditional needs of finance for asset creation and working capital, the changing global environment has generated demand for introduction of new financial and support services by SMEs. There is an urgent need to regenerate SME financing. As the SMEs have been the greenfield for nurturing entrepreneurial talent, first generation entrepreneurs should be facilitated in access to the desired finance through creation of guarantee funds. Finance should not only be timely but also cost effective. *(Source: SME Financing Industry Perspective)*

Loan Against Property

A LAP is availed by mortgaging property, (residential or commercial). The end-use of the loan amount is not closely monitored and could be used for either business or personal purposes. The loan can be taken by both salaried and self-employed individuals. LAP is a secured loan, as it provides collateral to the financier in the form of property. Financiers are comfortable with this product as it offers better security as compared to unsecured personal loans. CRISIL Research estimates total LAP outstanding in fiscal 2015 to be about ₹ 2,250 billion, reflecting a CAGR of 30% since fiscal 2012. Better awareness about the product, small businesses' rising funding needs and an increase in property prices in key markets prompted more customers to opt for LAP. *(Source: Loan Against Property Opinion, 2015, CRISIL, ("CRISIL LAP, 2015"))*

LAP gets lapped up



Note: E-Estimated

Source: CRISIL Research

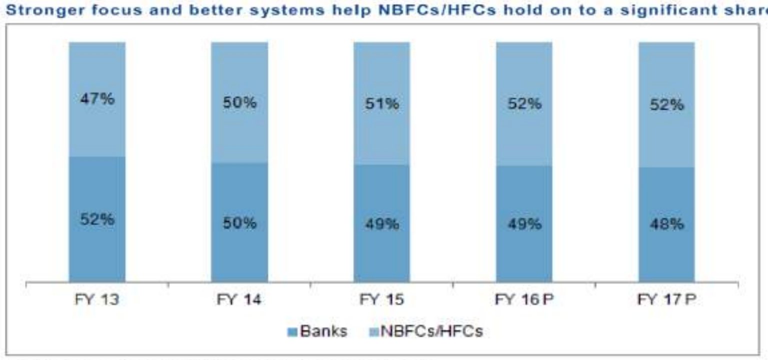
(Source: CRISIL LAP, 2015)

The average ticket size of a LAP is far higher than that of home loans (for urban new houses). A higher amount is justified given the elevated property prices in the major cities and end use of funds for business requirements. Among customers, self-employed borrowers (mostly businessmen) avail larger loans as compared to salaried borrowers. The median ticket size of NBFC/HFCs' LAP disbursements has been moving up gradually and stood at about ₹ 12 million in fiscal 2015. The higher average property prices increases risk as the illiquid nature of the collateral may make it difficult to sell the property post repossession. *(Source: CRISIL LAP, 2015)*

Non-Banks account for over half the LAP outstanding

NBFCs and housing finance companies (HFCs) account for about 51% of the LAP market in fiscal 2015. These players have steadily gained market share over the last few years. Given their higher cost of funds compared to banks, NBFCs/HFCs have to venture into high-yield and riskier asset classes such as LAP to maintain profitability. Given the higher share of LAP in the total portfolio, the stronger focus on the product has helped NBFCs/HFCs build systems and processes focused on acquiring the right customers. Going forward as well, the share of non-banks is expected to increase gradually as they continue expanding, especially in the lower tier cities. *(Source: CRISIL LAP, 2015)*

Stronger focus and better systems help NBFCs/HFCs hold on to a significant share in LAP



Market share is calculated on the basis of outstanding portfolio

Note: E-Estimated, P: Projected

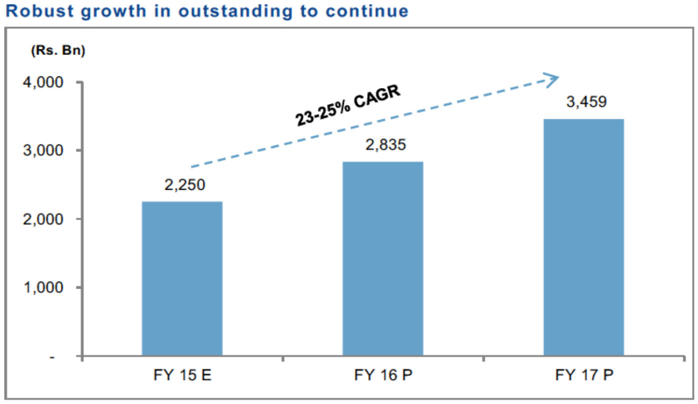
Source: CRISIL Research

(Source: CRISIL LAP, 2015)

NBFCs/HFCs hold a significant share in the LAP market, led by several operational advantages, even as banks have made inroads in the retail loan market, compelled by a slowdown in corporate loan offtake. Although banks leverage their existing branch network, direct sales agents (DSAs) play a key role in fetching customers for LAP. DSAs' local knowledge and their ability to offer diverse products from different lenders under one roof makes them critical in the LAP market. NBFCs/HFCs gain an upper hand as they derive 65 to70% of their business through DSAs, while banks garner only 40-45 % through such agents. Public-sector banks have a lower market share, despite offering cheaper interest rates, as they do not leverage on DSAs. *(Source: CRISIL LAP, 2015)*

As per the CRISIL Report, LAP outstanding is to continue growing at a healthy pace of about 23-25% CAGR over the next two years, reaching ₹ 3,459 billion by fiscal 2017. Given that LAP offers attractive risk-returns, lenders will increase their focus as they plan to enter untapped markets. *(Source: CRISIL LAP, 2015)*

Robust growth in outstanding to continue



Note: E-Estimated, P: Projected

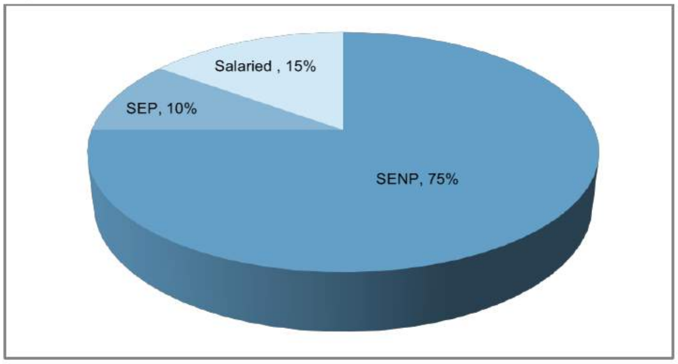
Source: CRISIL Research

(Source: CRISIL LAP, 2015)

Customer Profile

Self-employed customers account for almost 85% of LAP disbursements, of which 75% are self-employed non- professionals ("**SENPs**"), while the rest are self-employed professionals ("**SEPs**"). The salaried class accounts for the remaining 15%, primarily availing LAP to meet personal expenses related to marriage, healthcare and repayment of previous loans. SEPs comprise doctors, chartered accountants and architects, etc. who mainly need funds for expansion of clinics and offices. SENPs on the other hand, comprise small manufacturers and traders who take LAP as a term loan to fund capacity expansions, debt repayments, business diversification or working capital requirements. While NBFCs / HFCs target riskier self-employed customers, banks focus more on those salaried individuals and self-employed individuals with a better credit profile. For borrowers who have taken several personal and business loans earlier at higher interest rates, LAP is an attractive option to foreclose these loans and take a single loan (LAP) at comparatively lower interest rates. *(Source: CRISIL LAP, 2015)*

SENPs account for a majority of NBFCs/ HFCs LAP borrower base (2014-15)



SENP: Self-employed non-professionals, SEP: Self-employed professionals

Source: CRISIL Research

(Source: CRISIL LAP, 2015)

Key Growth Drivers

Increasing customer awareness to drive offtake

While LAP is slowly becoming popular, businesses have traditionally opted for an overdraft or a cash credit facility. LAP is merely seen as a last resort. Similarly, individuals opt for personal loans that are much pricier. However, considering the following factors —relatively lower interest rates and rising property prices, LAP is expected to wrestle market share away from other loan facilities.

Favourable risk-return equation to attract financiers

LAP as a product is positioned midway between a home loan and a personal loan. Being pricier than a home loan (by 100-300 bps), it offers higher returns. However, it is also riskier, as its end-use is not monitored and self-employed individuals without a stable income are the ones who mostly opt for LAP. On the other hand, a LAP offers lower yields than a personal loan, as it is cheaper but is also less risky. This favourable risk-return equation is expected to be attractive to financiers, prompting them to expand in this segment.

Stable real estate prices to be a positive for the LAP market

Demand for LAP is highly correlated to property prices and the real estate market at large. During the economic crisis in fiscal 2008 and fiscal 2009, demand for LAP in Delhi-NCR slumped, in line with sluggish real estate demand, However, as business sentiments improved post crisis and awareness about the LAP increased, offtake grew at a healthy pace. Going forward, the property prices in the tier-1 and metro cities are expected to remain range-bound.

Lower interest rates to attract borrowers

As LAP is secured by property (residential or commercial), they carry lower interest rates as compared to personal loans. LAP also helps small businesses leverage on the steadily rising value of their real estate assets.

Increasing economic growth to lead to an increase in demand for funds from small businesses

A large proportion of LAP disbursement is extended to the self-employed category, which mainly utilizes funds for business purposes such as purchase of assets, expansion and working capital requirements. Going forward, the demand for funds from small businesses are expected to grow along with an improvement in the economic scenario, contributing to an increase in the LAP disbursements.

Increasing expansion in smaller cities

Currently, LAP is highly concentrated in the metro and tier-1 cities due to the high concentration of businesses in these cities. However, as competition in these markets have risen, players have been expanding to smaller tier II cities, where competition in lower.

(Source: CRISIL LAP, 2015)

Key risk factors

High LTVs, low liquidity of collateral and non-standardised property valuation increases risk of under-recovery

Although LTVs are mostly limited to about 65%, some financiers also offer loans at higher LTVs. This reduces the borrower's equity, consequently reducing the financier's cushion, increasing the risk of under-recovery in the case of repossession. The high level of balance transfers in LAP, which include transfer of loans from one financier to another offering higher LTV also adds to the risk in the segment. CRISIL estimates the balance transfers in the LAP market to be as high as 30-40 % of the disbursements. The lack of proper standards for valuing property leads to risk of over-valuation of property, which could also lead to under-recovery on sale after repossession. The increased focus of financiers on lowering the turn-around time could also prompt players to reduce dependence on an external independent valuer. The collateral is also illiquid compared to other retail assets. This increases the cost and time required to dispose of a repossessed collateral. This could be even higher in the case of a high ticket size loans, typically exceeding ₹ 20 million. Apart from this, borrowers can also use legal loopholes to elongate the recovery process.

Increasing proportion of higher-risk commercial property

Over the last few years, the share of loans against commercial properties has increased. Although these loans are offered at low LTVs, the risk of delinquencies is higher in this category. This is because of the absence of an emotional attachment for the borrower as in the case of a residential property, which could prompt the borrower to repay the loan.

Borrower appraisal and end-use monitoring critical to ensure low delinquencies

Given the higher share of self-employed borrowers, who lack adequate income records, borrower appraisal remains a challenge. Improper assessment could lead to a rise in delinquencies. On the other hand, the end use of LAP disbursements is not monitored. This could lead to stress in case of accounts where the disbursements are not utilized for income-generating activities.

Asset quality remains comfortable, but susceptible to risks

Although asset quality in LAP is weaker than in home loans, non-performing assets are currently low, at 1.7% (90 days past due). However, on a 2 year lag basis the gross non-performing assets are about 3%. This is because LAP attracts more self-employed individuals. However, strong origination, valuation and collection mechanisms help lenders minimize delinquencies. Financiers also utilise CIBIL records while appraising borrowers. Going forward, the GNPAs are expected to increase as the portfolio seasons. Also, players have disbursed loans at high LTVs and high ticket sizes due to increasing competition. The high proportion of loans backed by commercial properties could also pose challenges to the asset quality.

(Source: CRISIL LAP, 2015)

LAP portfolio has significant risk

S.No	Riskfactor	Implications
1	High balancetransfer	1) Low seasoning of portfolio 2) Lower Borrowing Equity
2	Higher LTV coupled with high ticket size	Adverse impact on recovery in case of stress
3	Non-standardisedproperty valuation	Over-valuation may lead to higher exposure
4	Increasing proportion of commercial property	1) Higher risk in assessing property value 2) Lower emotional attachment
5	Cash-flow based assessment	1) Ability of lender to adequately factor in assessed income
6	Post-default recoverychallenges	1) Currently, long and tedious process 2) However, access to SARFAESI to help
7	Lack of end-use monitoring	Possible stress on asset quality in slow down
8	Sharp fall in property prices	Situation of market-wide stress is rare
9	Regulatory environment	Possibility of regulatory tightening/enhanced disclosures

(Source: CRISIL LAP, 2015)

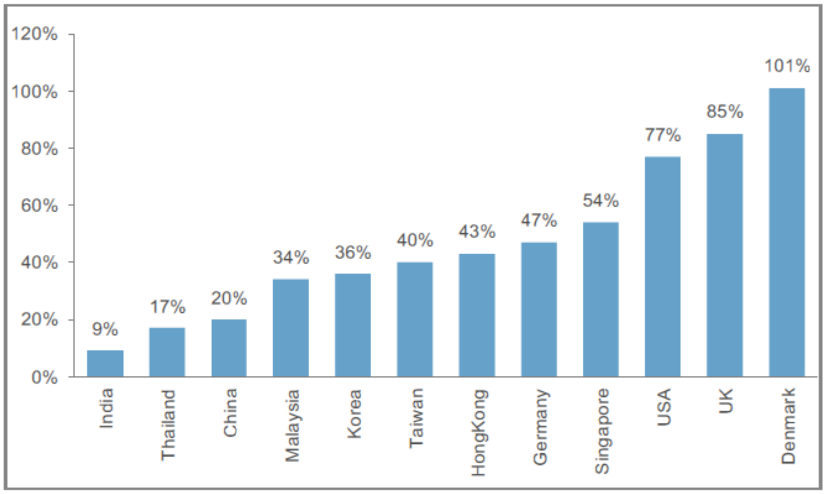
Housing Finance in India

As of 2014, India is home to more than 1.25 billion people or an estimated 258.7 million households, as compared to 207.2 million households in 2004. Rising population and changing income demographics have contributed to the sharp rise in the number of households, especially in urban areas. Any increase in population directly impacts demand for housing units. The number of households is likely to rise with change in age-mix, growing number of nuclear families, continuous urbanisation and increasing penetration of finance. Moreover, in the current scenario, population growth is occurring in younger age brackets. CRISIL Research estimates the trend to translate into a tremendous increase in working population, which will lead to greater demand for housing. (*Source: Housing Finance Industry Information, 2015, CRISIL ("CRISIL HF Industry Information, 2015")*)

The mortgage-to-GDP ratio stood at 9% in India in fiscal 2015, significantly lower than levels in most advanced economies where mortgage markets average about 60% of GDP. Some advanced economies such as Denmark, the Netherlands and Switzerland have mortgage markets that are close to 100% of GDP, while Australia, the UK and the US average 80%. Even emerging economies in Asia rank higher than India. (*Source: Housing Finance Opinion, 2015, CRISIL ("CRISIL HF Opinion, 2015")*)

The domestic housing finance sector, thus, has the potential to grow manifold from current levels, with innovative financial products and efficient execution abilities of the lending and construction companies. Given the acute shortage of housing in the country, rapid urbanisation and low mortgage penetration, the demand for housing loans is estimated to remain strong over the long term.

Mortgage penetration (as % of GDP)



Source: CRISIL Research

(*Source: CRISIL HF Opinion, 2015*)

An HFC is a company which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly. Apart from registration as a company, a Housing Finance Company requires a certificate of registration with National Housing Board for carrying out the business of housing finance. *(Source: NHB FAQs available at http://www.nhb.org.in/FAQs/FAQs.php)*

Regulations applicable to Banks and HFCs

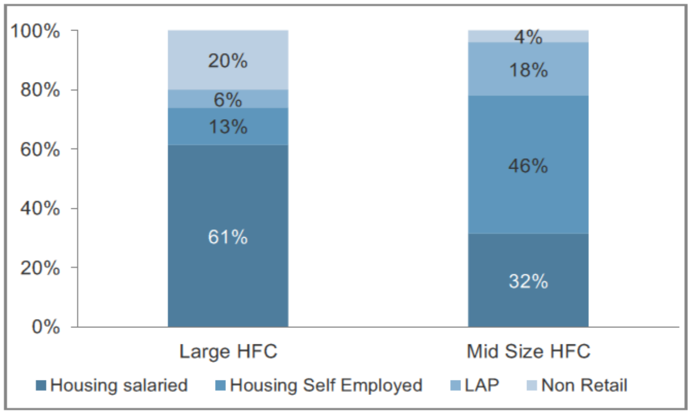
Key regulations	Banks	HFC's
Regulator	The Reserve Bank of India	National Housing Bank
Capital adequecy ratio	9%	15%
Risk weight on housing loan	35% of loans upto Rs 3 million; LTV cap 80%	35% of loans upto Rs 3 million; LTV cap 80%
	35% of loans between Rs 3-7.5 million; LTV cap 75%	35% of loans between Rs 3-7.5 million; LTV cap 75%
	50% of loans upto Rs 3 million; LTV cap 90%	50% of loans upto Rs 3 million; LTV cap 90%
	50% of loans between Rs 3-7.5 million; LTV cap 80%	50% of loans between Rs 3-7.5 million; LTV cap 80%
	75% for loans above Rs 7.5 million; LTV cap 75%	75% for loans above Rs 7.5 million; LTV cap 75%
Risk weight on commercial real estate loan	100%	100%
Risk weight on commercial real estate - residencial housing loan	75%	75%
Need to maintain cash reserve ratio	Yes, 4% of net time and demand deposits	No
Need to maintain statutory liquidity ratio	Yes, 21.5% of net time and demand deposits	Yes, 12.5% of net time and demand deposits

Source: RBI, NHB

(*Source: CRISIL HF Industry Information, 2015*)

However by notification dated October 9, 2015, the National Housing Board has revised the risk weightage applicable to housing finance companies.

Customer profile of large and mid-size HFCs



Note: Data is for 2013-14

Source: Industry, CRISIL Ltd

(*Source: CRISIL HF Opinion, 2015*)

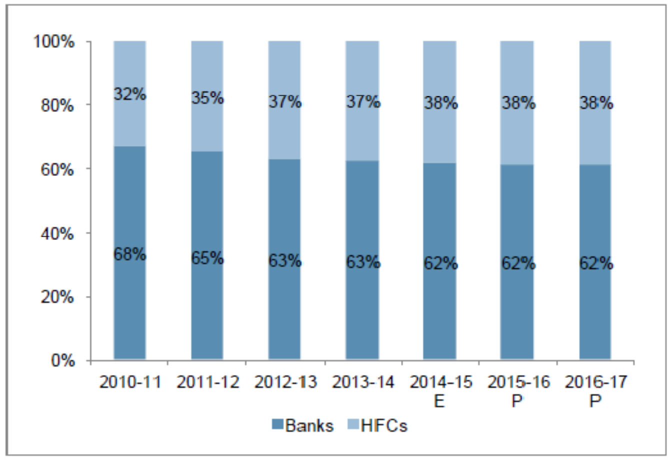
Housing finance market outlook

The housing finance market witnessed significant expansion in late 1990s and early 2000s with the entry of scheduled commercial banks ("**SCBs**") in a big way. The housing loan portfolio of both SCBs and HFCs has grown significantly over the years due to supportive policies initiated by Government of India and RBI. On the one hand, fiscal concessions were provided by GoI (under sections 80 C and 24 of IT Act, 1961) while on the other hand, housing loans up to ₹ 25 lakh given by SCBs were brought under Priority Sector Loans ("PSL"). With NPAs being very low and supported by SARFAESI Act, the financial institutions have been prompted to make available housing loans at competitively affordable and comparatively lower rates. Besides, GoI has also implemented 'Interest Subvention Schemes' like 1% Interest Subsidy Scheme, Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) and Rajiv AwasYojana (RAY), etc., in order to make housing loans affordable for the targeted segments. These measures have resulted in improving the demand for housing loans. Recently, RBI has carved out Residential Project loans out of the purview of Commercial Real Estate arena to boost financing of project loans for increasing the supply of housing stock. The housing loan portfolio of financial institutions (SCBs and HFCs) has increased from ₹ 4.60 lakh crores in 2010 to ₹ 8.90 lakh crores in 2014. *(Source: RBI, Real Estate and Housing - A Sensitive Sector or Samvriddhi Sector by Shri R. Gandhi, Deputy Governor NAREDCO conclave, August 2014, available atwww.bis.org/review/r140822a.pdf).* Further the GOI is expected to implement the "Housing for All" Mission for urban areas during 2015-2022, to provide central assistance to implementing agencies through states and UTs for providing houses to all eligible families/beneficiaries by 2022. The mission is expected to be implemented through four verticals giving option to beneficiaries by :(a) in-situ slum rehabilitation; (b) affordable housing through credit link subsidy; (c) affordable housing in partnership with public and private sector and (d) subsidy for beneficiary led individual house construction. (*Source: Pradhan mantra AwasYojna, Housing for all (Urban), Scheme Guidelines, 2015*). The launch of this scheme may provide significant impetus to the housing finance market.

HFCs, due to better access to customers in non-metro cities, saw their retail outstanding grow 20.5% y-o-y in fiscal 2015. By contrast, banks' advances rose at a stable 18% y-o-y owing to rising focus on the retail segment, as corporate investments stayed dormant. HFCs have been able to gain market share because of their strong origination ability, focused approach to cater to a particular category of customers, strong customer service and diverse channels of sourcing business. (*Source: CRISIL HF Opinion, 2015*)

Housing finance outstanding loans rose at steady pace in fiscal 2015

Share of HFCs increasing gradually



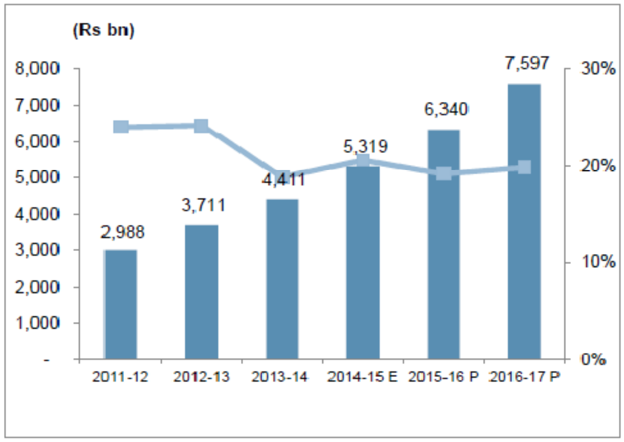
Note: includes only housing loans of banks as well as HFCs;

Source: CRISIL Research

(*Source: CRISIL HF Opinion, 2015*)

The Indian housing finance market has grown rapidly, with mortgage lending significantly contributing to the growth in housing construction and housing demand. HFCs have been at the forefront, clocking a CAGR of approximately 26% in loan outstanding between fiscal 2010 and fiscal 2015 compared to the industry's (banks + HFCs) 19-20%. Housing finance is the second largest segment after infrastructure for non-banking financial companies (HFCs). Several HFCs have shifted focus towards secured lending post the global slowdown in fiscal 2009 owing to high delinquencies in the unsecured loan portfolio during the slowdown. The shift in focus can be gauged from the fact that a large number of players started full-fledged housing finance divisions as a result of which loan outstanding by HFCs accelerated at about 30% CAGR during fiscal 2010 to fiscal 2013. As of November 2014, the total number of HFCs registered with NHB rose to 63 from 43 as of March 2009. The change in focus towards secured assets helped de-risk the book and resulted in continuous improvement in asset quality. However, the pace of growth moderated in fiscal 2014 and fiscal 2015, although it was still at healthy levels of 20-22% CAGR. This was because growth rate of mid- and small size HFC reduced as their base increased (*Source: CRISIL HF Opinion, 2015*).

Housing finance outlook for HFCs

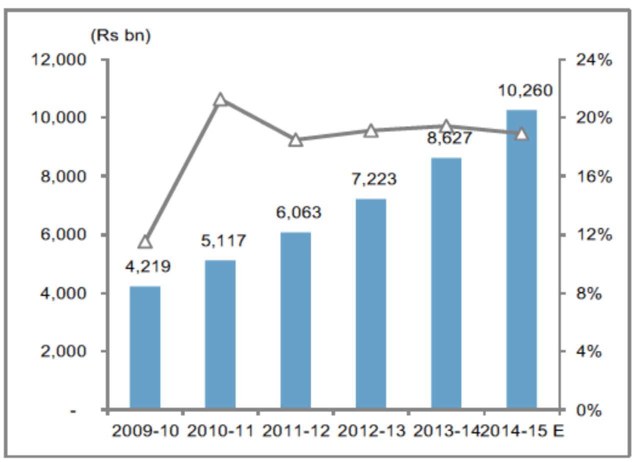


E: Estimated; P: Projected

Note: Includes LAP, LRD, corporate loans and construction finance.

Source: CRISIL Research

Trend in outstanding housing finance loans



Note: includes only housing loans of banks as well as HFCs;

Source: CRISIL Research

(*Source: CRISIL HF Opinion, 2015*)

CRISIL Research estimates that home loan outstanding by banks and HFCs increased 18.9% y-o-y to ₹ 10,260 billion in 2014-15. Demand for individual home loans rose despite high residential property prices during the year, especially in tier-II and -III (non-metro) cities. Rising disposable incomes, interest rate subventions and fiscal incentives on housing loans, along with more options in the affordable housing segment, aided the robust offtake. *(Source: CRISIL HF Opinion, 2015)*

Key growth drivers in housing finance

Rising finance penetration

An increase in finance penetration has also been a major growth driver for housing finance industry. Rising demand for housing from tier-II and tier-III cities and the subsequent surge in construction activity have led to financiers increasingly focusing on these geographies. Accordingly, in urban areas, finance penetration in urban areas increased to 42.2 % in fiscal 2015 from 39% in fiscal 2012, while in rural areas the number rose to 8.6% in fiscal 2015 from 8.2% in fiscal 2012.

Better asset quality

In India, the mortgage market has remained upbeat given the nature of borrower (being end-user) and their risk-averse behavior. The mortgage demand is primarily dominated by first time home buyers and is not much speculative in nature. Also, being risk averse by nature, the borrower is unlikely to default on loan repayments linked to the apartments, in which they are residing.

Higher ticket size of loans

As urban property prices rose rapidly over the years, the average ticket size for loans disbursed by housing finance companies also increased, fuelling growth of the sector. In fiscal 2014 and fiscal 2015, the average ticket size of loans in urban areas grew by 7-8% year-on-year. While property prices in Mumbai, Hyderabad and Chandigarh stabilised, increasing urbanisation is pushing up prices in tier-II and tier-III cities.

Tax benefits

Sops for home loan borrowers: The government has provided tax sops to both borrowers and lenders, which has been instrumental in driving the growth of both the housing and housing finance sectors.

Tax sops for individuals: Tax deduction is available for home loans under two sections of the Income Tax Act of India (excluding home loans from private sources such as friends, family, etc).

- Interest paid on home loan: As per Sec 24 (b) of the Income Tax Act, 1961, annual interest payments of up to ₹ 200,000 on housing loans can be claimed as a deduction from taxable income. The Union Budget 2015-16 raised the deduction limit of ₹ 150,000 on interest paid towards home loans to ₹ 200,000.

- Repayment of home loan principal: As per Section 80 C (read with section 80 CCE) of the Income Tax Act, principal repayments of up to ₹ 100,000 on home loan are allowed as a deduction from gross total income.

Tax sops given to lenders: Under Section 36 (1) (viii) of the Income Tax Act, with respect to any special reserve created and maintained by a financial corporation engaged in providing long-term finance for construction or purchase of houses for residential purposes, a maximum amount of 20% of the profits derived from such business (computed under the head 'profits and gains of business or profession') and carried to such special reserve, is tax deductible. This deduction is available only up to twice the total amount of the company's paid-up share capital and its general reserves

(*Source: CRISIL HF Industry Information, 2015*)

Key risks in housing finance

Economic scenario

The financial performance of an HFC highly depends on overall macroeconomic factors: GDP growth, the economic cycle and the health of the securities markets. Any trends or events which have a significant impact on the economic situation in India, including a rise in interest rates could impact the financial standing and growth plans of an HFC, and lead to a slowdown in sectors important to the business.

Changes in regulatory environment

The financial services industry including the home loans business in India is subject to extensive regulation by governmental and self-regulatory organisations, including the RBI and NHB. These regulations address issues such as customer protection, capital adequacy for HFCs, market conduct, margin requirements, foreign investment and foreign exchange. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. The regulatory environment will play a crucial role in deciding the growth of HFCs in the coming years.

Cost of funds

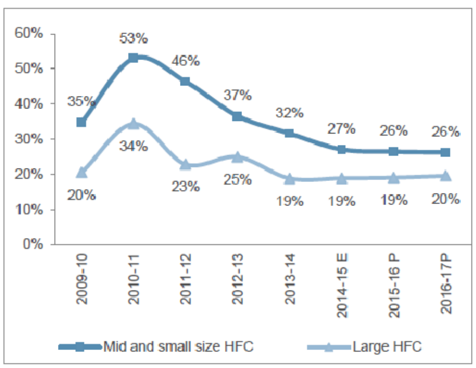
HFCs do not have access to low-cost deposits i.e. CASA like banks and hence their cost of funds is always higher. HFCs also do not enjoy the flexibility to transfer the increase in cost of funds to customers. Therefore, managing their cost of funds is of vital importance for them to be competitive in this space.

(*Source: CRISIL HF Industry Information, 2015*)

Mid-size HFCs to grow at faster rate than large HFCs

CRISIL Research forecasts mid-size HFCs (with total outstanding retail housing loans of less than ₹ 300 billion as of March 2014) to record a 25-27% CAGR over fiscal 2016 to fiscal 2017. During the period, large HFCs' outstanding will grow at 18-20 % CAGR. According to CRISIL report, higher growth for mid-size HFCs is expected given their focus on affordable housing projects and their relatively higher concentration in tier-II cities, where growth has been faster over the past year. In contrast, metros have seen some moderation in housing demand due to decrease in affordability levels owing to high property prices and interest rates. Our forecast is further buttressed by the fact that demand for affordable housing will exceed overall housing demand over the next 2 years, owing to a greater focus of real estate developers in this segment. Most mid-size HFCs are increasing their focus on sub-₹ 2.5 million loans, as they are able to earn 150-200 basis points ("**bps**") by selling the loan portfolio to banks (which helps banks meet their priority sector lending targets). Moreover, sale of this loan portfolio takes place within a period of 1 year, which helps in resource mobilisation. (*Source: CRISIL HF Opinion, 2015*)

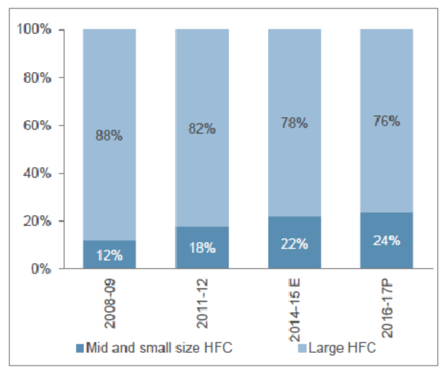
Growth in retail advances



E: Estimated; P: Projected

Source: CRISIL Research

Share of mid- and small size HFC to increase



E: Estimated; P: Projected

Source: CRISIL Research

(*Source: CRISIL HF Opinion, 2015*)

Affordable housing finance to grow faster

The extent of urbanization in India is much lower than other developing countries; with only over 31.1% of the population residing in urban areas. As per the Census data for 2011, the urban population in India was over 377 million or 31.1% of the total population residing in 475 urban agglomerations. The inability of our society to keep pace with the increase in population has resulted in an under-supply of housing units, which in 2012 was estimated by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA) at 18.78 million units of which nearly 95% relates to the economically weaker sections and low income group (LIG) of the urban population. By 2021, the urban population is expected to increase to nearly 500 million, about 35% of the total population of India. The 2011 Census has enumerated that 13.9 million households with a total population of nearly 65.5 million people reside in slums in Indian cities. Rural migration is considered to be one of the most important contributors to the growth in the slum population. Despite the continued large scale migration of the rural poor to urban areas, the Twelfth Five Year Plan (2012-17), has estimated the total housing shortage in rural areas at 43.67 million units. The slum population in India was projected to be 94.98 million in 2012 and is expected to touch 104.67 million by 2017. This increase in population, if not matched with the required increase in housing units could contribute to the development of further slums in urban areas, creating a social problem and becoming detrimental to the overall health of the Indian economy. Hence, the total housing demand in the country by 2017 could be as high as 88.78 million units. Creating flexible affordable housing with certain percentage reserved for rental schemes might provide a faster solution for a slum-free India. In cities such as Mumbai, affordable housing can be mainly developed through the redevelopment of existing slums due to the severe paucity of developable land. *(Source: NHB Report on Trend and Progress of Housing in India – 2014)*

With smaller saleable area and lower property prices, the median cost of low cost houses lies between ₹ 0.5-1.0 million. Against the backdrop of higher risks associated with the profile of customers buying low cost houses, financiers typically extend a lower LTV to this segment as compared to the formal, salaried segment. The LTV ranges between 65-70%. Consequently, the average ticket size for low-income housing finance customers is ₹ 0.45-0.5 million. (*Source: CRISIL HF Opinion, 2015*)

Low cost housing also growing rapidly

In spite of strong growth in the overall housing finance market and increasing average ticket size of home loans, there has been an increase in the number of HFCs serving the financially excluded, lower income informal customers. Over 2013-14 and 2014-15, the outstanding loans for low-cost housing have registered a growth of over 30%. (*Source: CRISIL HF Opinion, 2015*)

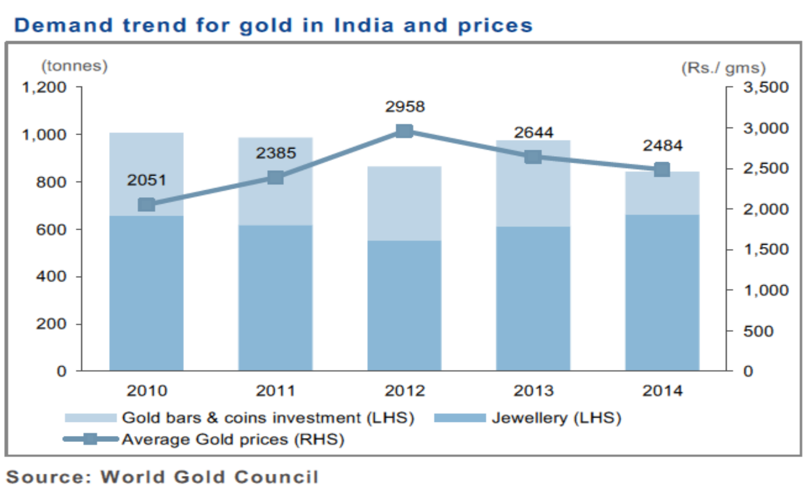
Tier-II and tier-III cities to support growth in housing finance

Demand for individual home loans remained buoyant, with strong growth coming from tier-II and tier-III cities. With capital values remaining at unaffordable levels in tier-I cities and metros, tier-II and tier-III cities have emerged as new avenues for growth. Employment opportunities, affordable property prices and availability of finance have been encouraging an increasing number of people to migrate from smaller towns and rural areas to tier-II and tier-III cities. With strong presence in tier-II and tier-III cities, and superior client servicing resulting in quicker turnaround time, HFCs will be able to grow faster than banks; HFCs have shown strong growth in disbursements in non-metro cities, including Baroda, Bhopal, Coimbatore, Indore, Kanpur, Lucknow, Surat and Vijayawada. (*Source: CRISIL HF Opinion, 2015*)

Over the next 2 years, HFCs are expected to grow by 19-20% owing to favourable factors such as demand for the underlying asset, stable operating environment, increased financial penetration and steady property prices. Demand for affordable housing is also likely to stimulate demand in the near term, as more developers launch projects in this category. The real estate financing needs of fast-growing sectors such as information technology, business process outsourcing and corporate parks is expected to promote growth in lending to the non-individual segment. (*Source: CRISIL HF Opinion, 2015*)

Gold Finance

India is one of the largest markets for gold in the world, consuming 842 tonnes in 2014 (or 26% of global demand). While gold jewellery constitutes about 80% of overall demand, gold bars and coins comprise the balance. Even the substantial rise in gold prices over the years failed to dent demand for gold in India. (*Source: Gold Finance Industry Information 2015, CRISIL (“CRISIL GF Industry Information, 2015”)*)



(*Source: CRISIL GF Industry Information, 2015*)

A gold loan is the financial assistance given by a bank or a financial institution against the total gold pledged by the borrower. Gold loans are generally meant for individuals who require urgent cash to fulfill a sudden financial need like medical emergency/ education or a start-up loan (in the case of SMEs etc). However, with changing times, a gold loan is also used as an instrument to unlock the economic value of the yellow metal, which is generally an idle asset in the hands of individuals. (*Source: CRISIL GF Industry Information, 2015*) Possessing gold has always been a symbol of prosperity in India and the yellow metal is always a safe haven that hedges against inflation and is also readily acceptable collateral by lenders, as it is highly liquid. Ironically enough, for the huge gulf between urban and rural households, most of the gold in India is held by people in rural areas, and is mostly the only asset they possess though in small quantity. In cases of crop failure or a medical exigency, people in rural areas raise cash quickly from pawn-brokers and money-lenders given a lack of access to banking facilities. (*Source: Gold Finance Opinion 2015, CRISIL ("CRISIL GF Opinion, 2015")*)

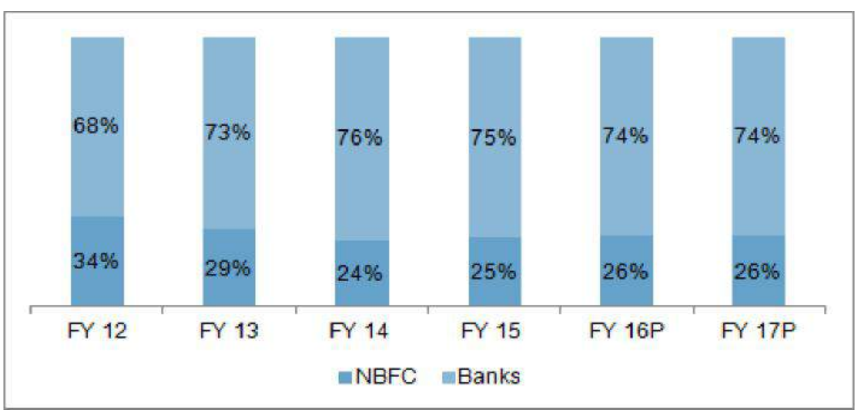
The benefits of pledging gold are highlighted in the table below.

Secured loan	Loan is borrowed against the gold deposited by the applicant.
Multi-purpose	The loan can be used for any purpose, as long as it is not for any illegal activity or speculation in the stock market. NBFCs place even fewer restrictions on the use of loan.
Instant loan	NBFCs and the unorganised sector disburse loans at a much faster pace (as low as three minutes to a few hours) as compared with banks which may take a few days.
Shorter loan tenures	There is no minimum period for the loan, and, if need be, one can return the loan amount the very next day. The average tenure of the loan is 90-100 days.
Varied interest rates	Interest rate depends on the tenure and amount of loan. It varies from 11-17% in the case of banks, while for NBFCs it could reach 24%. The interest rates charged by the unorganised segment can range from 30-50%.
Repayment flexibility	Repayment can be structured as just interest amount with principal being repaid at the end of the period in one lump sum. Repayment through EMI, covering interest as well as principal, is also an option.

(Source: CRISIL GF Industry Information, 2015)

Banks versus NBFCs

Movement in the market share of NBFCs and banks



Note: Includes agriculture lending by banks with gold as collateral, P: Projected

(Source: CRISIL GF Opinion, 2015)

NBFCs and banks operate on differing approach in the gold loan market in terms of their interest rates, ticket sizes and loan tenures for different lenders. NBFCs focus more on the gold loans business and have built their service offerings by investing significantly in manpower, systems and processes and branch expansion which helps them attract more customers (*Source: GF Opinion, 2015*).

	Interest rate	Loan-to-value	Loan tenor	Average Ticket Size
Banks	11% - 17%	75%	8-12 months	70,000 - 75,000
NBFCs	17% - 22%	75%	8-12 months	30,000 - 40,000

(Source: CRISIL GF Industry Information, 2015)

Key growth drivers

Changing customer attitude

A shift in customer perceptions towards pledging gold will be the biggest success factor for gold loan companies in future. Traditionally, in India, people are reluctant to pledge jewellery or ornaments for borrowing money. However, as more people are now viewing gold as an important instrument of savings that is also liquid, demand for gold loans will witness a steady rise.

Low penetration in North and West and broadening customer base

Approximately 70% of the gold loan market is concentrated in Karnataka, Andhra Pradesh, Kerala and Tamil Nadu. However, the vastly underpenetrated northern and western markets provide a huge expansion potential for gold loan companies. Also, shift from the predominant customer base (farmer households, low and middle income households) to businessmen (who avail of gold loans to meet regular working capital requirements) offer a broader customer base in the future. However, the new RBI regulations for big ticket loans could prove to be a dampener.

(*Source: CRISIL GF Industry Information, 2015*)

Key risks

Fluctuation in gold prices

Any volatility in gold prices tends to affect lenders as gold is an underlying asset in this business. Rising prices of gold tend to boost both demand as well as supply for gold loans, as households holding gold are encouraged to seek credit by pledging the gold. Moreover, banks and NBFCs are encouraged to lend more against gold as it is deemed to be safe collateral. On the other side, a fall in gold prices may deteriorate the asset quality of the lenders as chances of a default by the borrower increases if there is a considerable fall in prices of gold. Since the tenure of the loans is short, any increase in short-term volatility of gold prices could impact the profitability of gold loan companies.

Change in regulatory environment

The regulatory environment will play a crucial role in deciding the growth of gold loan companies in the coming years. Given the sector's high exposure to the low income category, specific regulatory actions (similar to those seen in the case of microfinance institutions) have the potential to disrupt the market. Measures such as capping the loan-to-value (LTV) ratio, mandating issuance of high value loans only through cheques, prior approval of the RBI for opening branches in excess of 1,000 for NBFCs, may affect the competitive position of NBFCs against banks extending gold loans. However, regulations issued in January, 2014 for banks and NBFCs, pertaining to the loan-to-value ceiling and standardisation of valuation of collateral are viewed as level playing for organised players.

Increasing competition

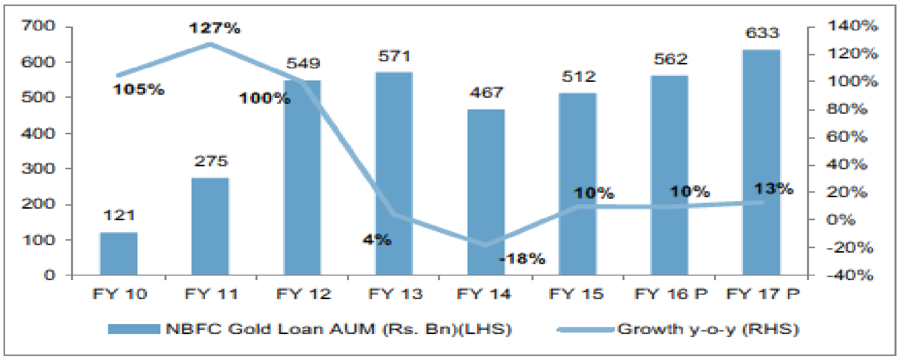
Over the past few years, competition in the gold loan market has increased significantly. Traditionally, banks were leaders as gold loans helped them meet the stipulated priority sector lending target. However, seeing the enormous growth potential of the market, several NBFCs also became very active, and have been successful in competing with the banks.

(*Source: CRISIL GF Industry Information, 2015*)

Outlook for gold loans and NBFCs

Over fiscal 2016 and fiscal 2017, NBFCs' gold loan AUMs is expected to grow at a CAGR of 10-12% since players have trimmed down branch expansions over the past few years and focused on compliance with RBI regulations. The increased penetration of gold loans too is expected to impact future growth. Also, weak global demand is likely to lead to a decline in gold prices in fiscal 2016, affecting disbursements. Growth will emerge from non-traditional regions, aided by players' marketing efforts. A better economic scenario will also drive up funding needs of small businesses, resulting in an increase in the demand for gold loans. The curb on LTVs will lower competition from banks. Growth will be marginally higher in fiscal 2017, led by an increase in gold prices. Growth over the next couple of years is also going to be lower since RBI has lowered the LTV and mandated that all disbursements over ₹ 1 lakh ticket size be done through cheque, which will lead to decline in high ticket loans typically taken by businessmen. (*Source: CRISIL GF Opinion, 2015*).

NBFC AUMs to witness gradual growth



P: Projected

Source: CRISIL Research

(*Source: CRISIL GF Opinion, 2015*)

Banking Industry

Impact of liberalization on the Indian financial sector

Until 1991, the financial sector in India was heavily controlled and commercial banks and long-term lending institutions, the two dominant financial intermediaries, had mutually exclusive roles and objectives and operated in a largely stable environment, with little or no competition. Long-term lending institutions were focused on the achievement of the Government's various socio-economic objectives, including balanced industrial growth and employment creation, especially in areas requiring development. Long-term lending institutions were extended access to long-term funds at subsidized rates through loans and equity from the Government and from funds guaranteed by the Government originating from commercial banks in India and foreign currency resources originating from multilateral and bilateral agencies.

The focus of the commercial banks was primarily to mobilize household savings through demand and time deposits and to use these deposits to meet the short-term financial needs of borrowers in industry, trade and agriculture. In addition, the commercial banks provided a range of banking services to individuals and business entities.

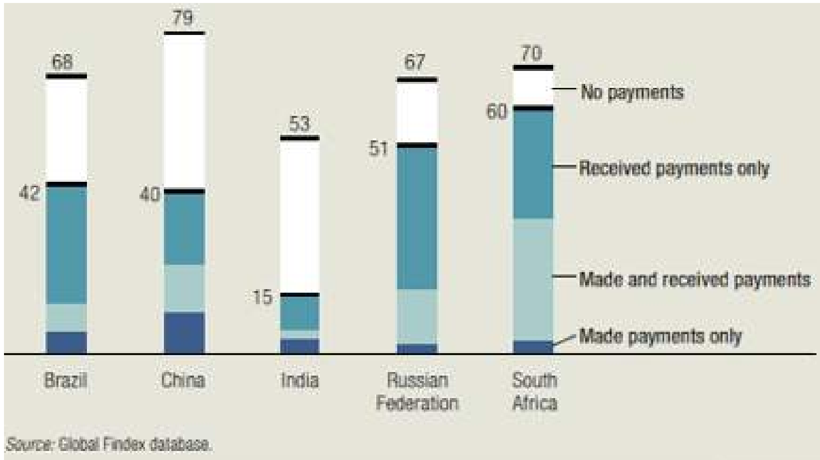
However, since 1991, there have been comprehensive changes in the Indian financial system. Various financial sector reforms, implemented since 1991, have transformed the operating environment of banks and long-term lending institutions. In particular, the deregulation of interest rates, the emergence of a liberalized domestic capital market, and the entry of new private sector banks, along with the transformation of long-term lending institutions into banks, have progressively intensified the competition among banks.

Outlook

The banking sector holds the central position in supporting the robust growth of Indian economy. With the Indian Parliament passing theBanking Laws (Amendment) Act in 2012, the landscape of the sector has duly changed. The Banking Laws(Amendment) Act in 2012 allows RBI to make final guidelines on issuing new licenses, which could lead to agreater number of banks in the country. The style of operation is also slowly evolving with the integration ofmodern technology into the banking industry.

Use of accounts for digital payments

Adults with an account by its use of payment (as % of all adults), 2014



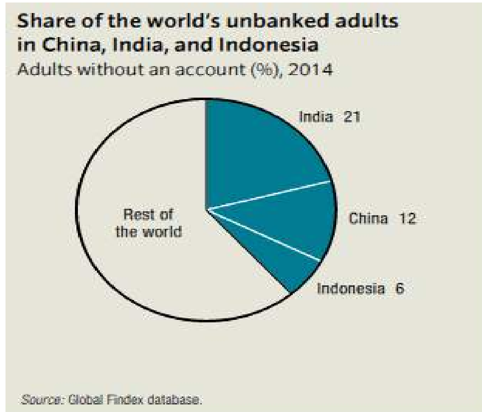
(Source:WBFI Database)

Growing in excess of twice the pace of GDP growth, the total assets size of Indian banking industry increased more than five fold, from USD 250 billion in 2000 to more than USD 1.3 trillion in 2010. More importantly, the business of banks to GDP ratio almost doubled from 68% to 135% during the last decade. (*Source: CII Survey on Health of Indian Banking sector in current regulatory environment, 2013*). With the Financial Inclusion Plan (2010-13), the banking connectivity in India increased more than threefold to 211,234 villages in 2013 from 67,694, at the beginning of the plan period (*Source: IBEF Sectoral Report, Banking Industry, August 2015 ("IBEF Banking Industry, 2015")*).The size of banking assets in India totaled US$ 1.8 trillion in fiscal 2013 and is expected to touch US$ 28.5 trillion in fiscal 2025. (*Source: IBEF Banking Industry, 2015*). As of August 5, 2015, 175 million accounts had been opened under Pradhanmantri Jan DhanYojna (PMJDY) and 154 million RuPay debit cards were issued. These new accounts have mustered deposits worth ₹ 22,033 crore (US$ 3.31 billion). (*Source: IBEF Indian Banking Sector Snapshot, available athttp://www.ibef.org/industry/banking-india.aspx ("IBEF Indian Banking Sector Snapshot, 2015"))*. Fiscal 2010 to fiscal 2014 saw growth in assets of banks across sectors. Assets of public sector banks, which account for 72.7% of the total banking asset, grew at an average of 73.7%. Private sector expanded at a CAGR of 9.51%, while foreign banks posted a growth of 8.26 %. Total money supply increased at a CAGR of 12.1% to USD1.8 trillion during fiscal 2007 to fiscal 2015 and stood at USD1.7 trillion by the end of May 2015. Total lending and deposits have increased at CAGR of 20.7% and 19.7%, respectively, during fiscal 2007 to 2014 and are further poised for growth, backed by demand for housing and personal finance (*Source: IBEF Banking Industry, 2015*).

The Indian economy is on the brink of a major transformation, with several policy initiatives set to be implemented shortly. Positive business sentiments, improved consumer confidence and more controlled inflation are likely to prop-up the country's the economic growth. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth. All these factors suggest that India's banking sector is also poised for robust growth as the rapidly growing business would turn to banks for their credit needs. (*Source: IBEF Indian Banking Sector Snapshot, 2015*)

Unbanked Population in India

Globally, 2 billion adults remain unbanked. South Asia is home to about 625 million adults without an account and has about 31% of the global population of unbanked adults; East Asia and the Pacific, with 490 million unbanked adults, accounts for about 24% of the unbanked population globally. India is home to 21% of the world's unbanked adults and about two-thirds of South Asia's. *("WBFI Database")*



(Source: WBFI Database)

Private sector banks

As of March 31, 2015, private sector banks accounted for approximately 19.7% of aggregate deposits and 20.9% of gross bank credit outstanding of the scheduled commercial banks. Their network of 19,376 branches accounted for 15.4% of the total branch network of scheduled commercial banks in the country. (*Source:RBI's Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks dated June 22, 2015 available at https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=34241*)

In February 2013, the RBI issued guidelines on the entry of new private sector banks in the banking industry specifying that select entities or groups in the private sector, entities in the public sector or non-banking financial companies with a successful track record of at least ten years and not receiving over 10% of income from real estate, construction and/or broking activities are eligible to promote banks. As per the guidelines, the initial minimum capital requirement for these entities is ₹ 5.0 billion with foreign shareholding not exceeding 49.0% for the first five years and the new banks could be set up only through a wholly owned non-operative financial holding company registered with the RBI. (*Source: RBI's Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013 available at https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=2651*). Subsequently, on April 2, 2014, the RBI granted in-principle approval to IDFC Limited and Bandhan Financial Services Private Limited to set up banks under the guidelines for the licensing of new banks in the private sector. (*Source: RBI decides to grant in-principle approval for banking licenses dated April 2, 2014, available at https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=30931*) In the future, the RBI may issue further licenses on an on-going basis, subject to the RBI's qualification criteria.

The RBI has also recently issued draft guidelines in November 2014 on the entry of Small Finance Banks (SFBs) in the private sector in the banking industry, including the eligibility criteria, structure, capital requirements, shareholding structure and corporate governance practices applicable to such proposed entities.

Small finance banks

The RBI had issued draft guidelines in November 2014 for the entry of Small Finance Banks ("SFBs") in the private sector in the banking industry, including the eligibility criteria, structure, capital requirements, shareholding structure and corporate governance practices applicable to such proposed entities. (*Source:RBI Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014 available at https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=2901("RBI Guidelines for SFB, 2014")*). Consequently, in September 2015, the RBI has granted in-principle approval to 10 applicants, out of the 72 applications received, to set up SFBs under the said guidelines. The following applicants received the in-principle approval from RBI:

1. Au Financiers (India) Ltd., Jaipur

2. Capital Local Area Bank Ltd., Jalandhar

3. DishaMicrofin Private Ltd., Ahmedabad

4. Equitas Holdings P Limited, Chennai

5. ESAF Microfinance and Investments Private Ltd., Chennai

6. Janalakshmi Financial Services Private Limited, Bengaluru

7. RGVN (North East) Microfinance Limited, Guwahati

8. Suryoday Micro Finance Private Ltd., Navi Mumbai

9. Ujjivan Financial Services Private Ltd., Bengaluru

10. Utkarsh Micro Finance Private Ltd., Varanasi

(*Source:RBI grants "In-principle" Approval to 10 Applicants for Small Finance Banks available at https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=35010*)

TheseSFBs are differentiated from existing banks to serve local areas to meet credit and remittance needs of small businesses, unorganised sector, low income households, farmers and migrant work force. These banks will be newly created or existing non-banking financial companies will fold up to become SFBs. (*Source:RBI Guidelines for SFB, 2014*) Apart from providing an impetus to financial inclusion, the entry of SFBs in the private sector is expected to intensify competition in the banking sector in medium term.

The objectives of setting up of small finance banks will be for furthering financial inclusion by (i) provision of savings vehicles primarily to unserved and underserved sections of the population, and (ii) supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganised sector entities, through high technology-low cost operations.

Additionally, the small finance bank shall primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities. There will not be any restriction in the area of operations of small finance banks. The minimum paid-up equity capital for small finance banks shall be ₹ 100 crore.

The small finance bank will be subject to all prudential norms and regulations of RBI as applicable to existing commercial banks including requirement of maintenance of CRR and SLR. No forbearance would be provided for complying with the statutory provisions. The small finance banks will be required to extend 75% of its adjusted net bank credit ("**ANBC**") to the sectors eligible for classification PSL by the RBI and at least 50% of its loan portfolio should constitute loans and advances of up to ₹ 25 lakh. *(Source: RBI Guidelines for SFB, 2014).*

Small Finance Bank versus Universal bank

Requirements	Small Finance Bank	Universal Bank
Priority Sector Lending	Small Finance Banks are required to extend 75% of their loans to their ANBC to the sectors eligible for classification as PSL by the RBI.	The Universal Banks are required to extend 40% of their ANBC for sectors eligible for classification as PSL.
Loan Portfolio	Atleast 50% of the loan portfolio of the Small Finance Banks should constitute loans and advances of upto ₹ 2.5 million	No such requirement.
Capital adequacy ratio	Small Finance Banks are required to maintain a minimum capital adequacy ratio of 15% of its Risk Weighted Assets ("RWA") on a continuous basis, subject to any higher percentage as may be prescribed by RBI from time to time. Tier I Capital should be atleast	For Universal Banks, the capital adequacy ratio prescribed by RBI is 9% of their RWA. The capital adequacy ratio would be calculated under the Basel Committee's Standardised Approach.

Requirements	Small Finance Bank	Universal Bank
	7.5% of RWA and Tier II Capital should be restricted to a maximum of 100% of total Tier I Capital. The capital adequacy ratio would be calculated under the Basel Committee's Standardised Approach.	

Key advantages & challenges for a typical NBFC upon conversion to SFB

On the asset side, conversion to a small bank could help MFIs/HFCs to diversify their product mix, which is restricted at present. While for the NBFC-MFIs 85% of the assets need to be in the nature of qualifying assets, HFCs need to have at least 75% of their portfolio in favour of individual housing loans to be eligible for NHB refinance. Further most of the small to midsized NBFCs/MFIs are likely to meet the overall priority sector requirements of 75%. However on the liability side it would take some time for these entities to develop a deposit franchise and they could face resource mobilization challenges in the near term since the overall funding requirement for such small finance banks is likely to go up by 20-25% owing to CRR and SLR requirements to maintain the same portfolio levels. Further, access to institutional funding sources may be limited and regulatory restrictions on interbank lending could limit the funding availability from banks. Nevertheless, securitization may remain a plausible route for such small finance banks to raise funds till they are able to mobilise sizeable funding through retail term deposits. *(Source: RBI Guidelines for Licensing of Small Finance Banks – Impact on NBFCs/ MFIs/ HFCs, ICRA Limited, 2014 available at http://icra.in/Files/ticker/SH-2014-Q4-2-ICRA-Performance%20Review%20&%20Outlook.pdf ("RBI Guidelines ICRA Rating SFB, 2014"))*

While a large number of factors could influence the profitability of an NBFC/MFI/HFC on converting to a small finance bank, the negative carry on CRR and SLR is likely to bring down the net interest margins of the small bank and higher operating expenses on account of introduction of new products, cost of deposit mobilization, recruitment and trainings, up gradation of systems and branch infrastructure and could lead to losses/single digit return on equity in initial years. In ICRAs estimates, the cost of deposit mobilization for could range around 10-12% of the mobilised amount at ticket sizes of around ₹ 1000 per depositor with around 2000-2500 depositors per branch. If the small banks are able to double the depositor base as well as ticket sizes the cost of deposit mobilization could come down significantly to around 2-3% of the amount mobilised. Therefore it would be critical for such small banks to develop a sizeable retail deposit base (along with CASA) at reasonable ticket sizes so as to keep the cost of deposit mobilization at reasonable levels, to report reasonable returns and would hold the key to profitability. Given that the average ticket sizes in the accounts opened through PMJDY are around ₹ 3100 per account (excluding zero balance accounts) and for average savings per account in rural areas for bank branches was around ₹ 11600 as on March 31, 2013, it is expected that these small banks would be able to garner deposits at reasonable ticket over the medium term and thus have cost benefits as compared to MFIs/Newer HFCs.*(Source: RBI Guidelines ICRA Rating SFB, 2014)*

Freight Transportation Industry

The Indian logistics industry was valued at an estimated US$ 130 billion in fiscal 2013. The industry comprises the following main segments:

- Freight and passenger transportation via road, rail, air and water
- Warehousing and cold-storage

As of fiscal 2013, the contribution from the movement of goods including freight transportation and storage is about 90%. Aggregate freight traffic is estimated at about 2-2.3 trillion tonne kilometres. Road dominatesthe mode of freight transport mix and constitutes about 60% of the total freight traffic. Rail andcoastal shipping account for about 32% and 7%, respectively, while the share of inlandwaterways transportation and air is less than 1% each.*(Source: IBEF Report – Indian Logistics Industry: Gaining Momentum, A Report on the Performance and Emerging Trends in the Indian Logistics Industry, November 2013 available at http://www.ibef.org/download/indian-logistics-industry-gaining-momentum.pdf ("IBEF Logistics Industry, 2013"))*

Domestic freight transportation services involve the movement of goods within India. The modes of surfacetransport include roadways, railways, coastal and pipelines. Demand for freight transportation services dependsupon the size, structure and demographic profile of the economy. Industrial and agricultural production, along withexport-import trade primarily drives growth in the freight transportation industry. Among modes, this industry isdominated by roads, followed by rail. Over the years, roadways have captured a very significant share of freight onaccount of faster service and point-to-point connectivity.

During the post reform period (fiscal 1993 to fiscal 2005)volume of freight (in billion tonne kilometre (BTKM)) carried by road grew at an annual average rate of 6.5% compared with a growth of 3.6 % in rail freight. Over the years the modal split in freight movement between rail and road has skewed in favour of road. The share of road transport in freight movement which was around 14% in fiscal 1951 hasincreased to around 61% while that of railways has fallen from more than four-fifth to less than two-fifth overthe same period. *(Source: The Working Group Report on Road Transport for the Eleventh Five Year Plan, PlanningCommission, Government of India, available athttp://planningcommission.gov.in/aboutus/committee/wrkgrp11/wg11_roadtpt.pdf).* The road freight has grown at a CAGR of 8.6 % from fiscal 2000 to fiscal 2012. *(Source: IBEF Logistics Industry, 2013)*

CV sales in India

CRISIL expects domestic CV sales to increase 5-7% in fiscal 2016 as:

1. MHCV sales are expected to rise 22-24% y-o-y owing to improved freight availability with further pick-up in industrial activity, higher infrastructure project execution/awarding and healthy replacement demand from large fleet operators;

2. Bus sales are expected to rebound 11-13% y-o-y, backed by better demand for inter-city travel, higher bus operator profitability, steady growth in offtake by schools and pending order deliveries under the Jawaharlal Nehru National Urban Renewal Mission scheme.

A further rise will be capped by a 3-5% y-o-y projected decline in LCV sales due to a lower farm income and a weak financing scenario; because of this CV manufacturers will not be able to capitalise on improvement in consumption expenditure. Rural demand would be subdued as the monsoon was below normal.Also, with high level of non-performing assets in LCV financing, LCV financers are expected to remain cautious.

In fiscal 2017, with further improvement in industrial activity, infrastructure project execution and consumption demand, CV sales are forecast to accelerate 7-9% y-o-y. Providing support is expected improvement in LCV financing from the second half of fiscal 2017.*(Source: CRISIL CV Industry Summary, 2016)*

Segment-wise short-term projection

Domestic sales	2013-14		2014-15		2015-16P	2016-17P
Segments	Volume	Growth (%)	Volume	Growth (%)	Growth (%)	Growth (%)
MHCVs	161,791	(27.0)	195903	21.1	22-24	10-12
LCVs	389,413	(18.3)	337452	(13.3)	(3)-(5)	4-6
Buses	81,481	(14.0)	81653	0.2	11-13	7-9
Total	**632,685**	**(20.0)**	**615,008**	**(2.8)**	**5-7**	**7-9**

P: Projected

(Source: CRISIL CV Industry Summary, 2016)

Segment-wise long-term forecast

Segment	2014-15 to 2019-20P Growth (%)
LCVs	1[illegible] to 14
MHCVs	10 to 12
Buses	8 to 10
Total commercial vehicles	10 to 13

P: Projected

(Source: CRISIL CV Industry Summary, 2016)

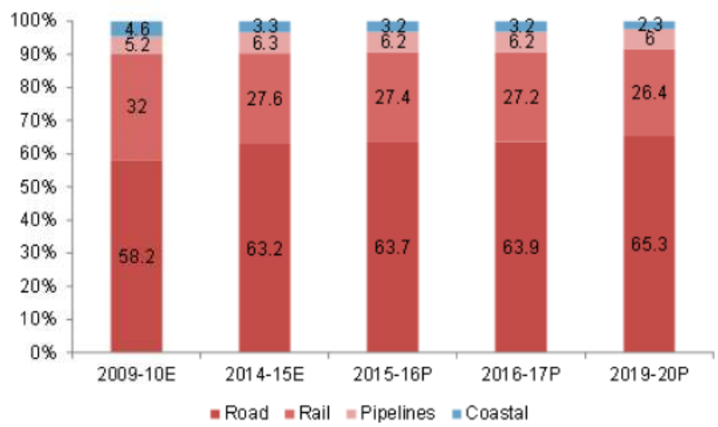
Transportation mode trends

Road freight to grow fastest; rail freight constrained by capacity issues

During fiscal 2015 to fiscal 2020, road freight traffic is expected to post a CAGR of 8- 9%, which is faster than the growth in overall primary freight demand. Growth in road freight traffic will be largely driven by increased non-bulk traffic and development of road infrastructure. During the period, bulk traffic is expected to lead rail freight traffic. However, growth is expected to be relatively lower at 5-7% owing to non-availability of wagons and railway infrastructure over the medium term. Commissioning of Eastern (Delhi- Kolkata) and Western (Delhi-Mumbai) dedicated freight corridors, which will account for around 20% of total freight carried in India, is expected to stabilise the rail share in total freight traffic from fiscal 2020.

(Source: CRISIL Domestic Freight Transportation Services, Summary, 2015)

Transportation mode trends

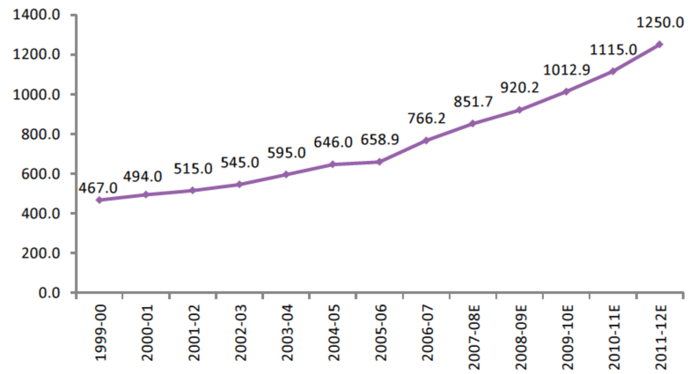


(Source: CRISIL Domestic Freight Transportation Services, Summary, 2015)

Outlook

Since fiscal 2000, road freight has increased from 467 BTKM to1,250 BTKM in fiscal 2012, at a CAGR of 8.6% and is estimated to have grown to 1,315 BTKM in 2012-13. According to the Ministry of Road Transport and Highways, road freight is expected to reach 1,835BTKMs by fiscal 2017.*(Source: IBEF Logistics Industry, 2013)*

Figure 5
Freight movement by road transport (BTKM)



Source: Road Transport Year Book, Ministry of Road Transport and Highways;
IMaCS Analysis
E-estimated

(Source: IBEF Logistics Industry, 2013)

Logistics industry growth drivers

Rapid industrial growth: Rapid growth in industries such as automobiles, pharmaceuticals, fast-moving consumer goods and retail has significantly increased the demand for movement of consumer and capital goods across the country, from entry ports to manufacturing or distribution locations or from manufacturers and distributors to consumers and exit ports.

The volume of freight traffic is positively related to the GDP of the country. Therefore, as the GDP increases, the volume goods' movement is expected to increase through all modes. During the period from 2007-2012, the agriculture and manufacturing GDP have increased from US$ 263.6 billion to US$ 290.7 billion at constant prices. The corresponding increase in freight traffic was from 1.3 trillion tonne kilometres ("TTK") to 2.1 TTK.

Globalisation: With the growing integration of India's economy with the world, the country's total trade has grown at a CAGR of about 20% from US$ 57 billion in fiscal 1998 to US$ 862 billion in fiscal 2013. The initiative to construct a trilateral highway connecting India, Myanmar and Thailand represents an important step in the establishment of connectivity between India and Southeast Asian countries.

Outsourcing of logistics: The logistics industry stands to benefit from the increasing trend of outsourcing the logistics function to third party service providers. This function was traditionally performed by the organisations themselves. However, corporate entities recognise the benefits associated in engaging a third-party logistics provider for integration of information flow, material handling, production, packaging, inventory, transportation, warehousing and often security. This allows corporate entities to concentrate on their core business and also avail of significant discounts through outsourcing.

(Source: IBEF Logistics Industry, 2013)

BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 22 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 24 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve-month period ended March 31 of that year.

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to Equitas Holdings Limited and its subsidiaries on a consolidated basis and references to the "Company" refers to Equitas Holdings Limited on a standalone basis. Unless otherwise indicated, financial information included herein are based on our Restated Consolidated Financial Statements and the Restated Subsidiary Financial Statements included in this Red Herring Prospectus beginning on page 355 and page 442, respectively.

Overview

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 on account of their informal, variable and cash-based income profile. These customers require various financial products including small, short-term business loans as well as relatively large, longer tenor enterprise and home loans. We offer a range of financial products and services that address the specific requirements of these customer segments that take into account their income profile, nature of business and kind of security available.

- *Microfinance*. Our microfinance business provides loans ranging approximately between ₹2,000 and ₹ 35,000 to our customers, depending on the loan cycle and mode of disbursement. Our microfinance business is conducted through our wholly-owned subsidiary EMFL. As of March 31, 2015, EMFL was the fifth largest microfinance company in India in terms of gross loan portfolio *(Source:CRISIL MF Opinion)*. Our microfinance business AUM increased at a CAGR of 43.60% from ₹7,239.66 million as of March 31, 2012 to ₹21,439.53 million as of March 31, 2015, and represented 53.47% of our aggregate AUM as of March 31, 2015. Our microfinance business AUM was ₹ 29,347.99 million as of December 31, 2015, which represented 53.31% of our aggregate AUM as of such date. As of December 31, 2015, there were 2.78 million loan accounts in our microfinance 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. Our vehicle finance operations are based on our experience of working with customers without sufficient credit history and our ability to effectively assess risks associated with financing used commercial vehicles. The Average Loan Account Size (calculated as the aggregate disbursement amount in the relevant fiscal period divided by the number of loan accounts disbursed in such period) in our vehicle finance business in fiscal 2015 and nine months ended December 31, 2015 was ₹0.38 million and ₹ 0.38 million, respectively. We have experienced significant growth in our vehicle finance business, and our vehicle finance business AUM increased at a CAGR of 96.46% from ₹3,045.24 million as of March 31, 2013 to ₹11,754.08 million as of March 31, 2015, which represented 29.31% of our aggregate AUM as of March 31, 2015. Our vehicle finance business AUM was ₹14,056.25 million as of December 31, 2015, which represented 25.53% of our aggregate AUM as of such date. 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. Micro enterprises and small enterprises are internally classified as such on the basis of their loan eligibility. 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. Our MSE finance business AUM increased from ₹ 874.34 million as of March 31, 2014 to ₹5,109.86

million as of March 31, 2015, which represented 12.74% of our aggregate AUM as of March 31, 2015. Our MSE finance business AUM was ₹ 9,355.17 million as of December 31, 2015, which represented 16.99% of our aggregate AUM as of such date. As of December 31, 2015, there were 45,992 loan accounts in our MSE finance business. A majority of our MSE finance business represents cross-sales to eligible higher income microfinance business customers with a satisfactory track record. In the nine months ended December 31, 2015, the proportion of the MSE loan accounts disbursed to our microfinance customers was, 87.38%.

- *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; such mortgage finance offerings represented 21.38% and 21.44% of our housing finance business AUM as of March 31, 2015 and December 31, 2015, respectively. Our housing finance business AUM increased at a CAGR of 100.54% from ₹ 446.40 million as of March 31, 2013 to ₹ 1,795.35 million as of March 31, 2015, which represented 4.48% of our aggregate AUM as of March 31, 2015. Our housing finance business AUM was ₹2,292.46 million as of December 31, 2015, which represented 4.16 % of our aggregate AUM as of such date. As of December 31, 2015, there were 4,022 loan accounts in our housing finance business. In the nine months ended December 31, 2015, a significant percentage of our micro-housing finance loan accounts represented cross sales to eligible higher income microfinance customers with a satisfactory track record.

In November 2014, the RBI introduced the "Guidelines for licensing of small finance banks in the private sector" guidelines. We had applied for an SFB license under the applicable guidelines and on October 7, 2015, the RBI granted us in-principle approval to establish an SFB, subject to the terms and condition of such approval.Pursuant to the SFB In-Principle Approval, certain of our Subsidiaries, namely, EMFL and EHFL are in the process of being amalgamated with EFL to form the Proposed SFB. The Merger Scheme has been approved by the RBI and by the NHB pursuant to letters dated January 22, 2016 and January 20, 2016, respectively. For further information on the terms of such SFB license and our proposed operations as an SFB and the salient features of the scheme of amalgamation, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

In addition, we have incorporated a subsidiary, ETPL, on October 27, 2015, 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.

We are headquartered in Chennai, India and as of December 31, 2015, our operations were spread across 11 states, one union territory and the NCT of Delhi. As of December 31, 2015, we had 539 branches across India. In fiscal 2013, 2014 and 2015, and in the nine months ended December 31, 2015, aggregate disbursements across our financing products were ₹14,878.61 million, ₹23,844.44 million, ₹ 36,063.09 million, and ₹36,697.51 million, respectively. Our aggregate AUM as of March 31, 2013, 2014 and 2015 and as of December 31, 2015 was ₹ 14,838.24 million, ₹ 24,856.40 million, ₹ 40,098.80 million and ₹ 55,051.85 million, respectively. Our net worth as of March 31, 2015 and December 31, 2015 was ₹ 11,706.30 million and ₹ 12,928.77 million, respectively.

As of December 31, 2015, the capital adequacy ratio (CAR) of EMFL (which operates our microfinance business) and EFL (which operates our vehicle finance and MSE finance businesses) was 21.02% and 31.45%, respectively, compared to the RBI mandated CAR requirement of 15.00%. As of December 31, 2015, the CAR of EHFL (which operates our housing finance business) was 32.11%, as compared to the applicable regulatory requirement of 12.00%.

As of March 31, 2013, 2014 and 2015 and as of December 31, 2015, our Gross NPAs as a percentage of our On-Book AUM was 0.27%, 0.73%, 1.08% and 1.33%, respectively, while Net NPAs as a percentage of On-Book AUM was 0.18%, 0.61%, 0.80% and 0.97%, respectively.

Our total income in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 was ₹ 2,831.73 million, ₹ 4,835.17 million, ₹ 7,559.26 million, and ₹ 7,947.02 million respectively, while Interest

Income, which represents interest from loans to customers and the interest spread on securitization/assignment of receivables, was ₹ 2,545.90 million, ₹4,355.32 million, ₹6,868.12 million and ₹ 7,231.38 million, respectively. Our profit after tax in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 was ₹ 319.00 million, ₹ 743.37 million, ₹ 1,066.26 million and ₹ 1,203.66 million, respectively.

Competitive Strengths

We believe we have the following competitive strengths:

Robust corporate governance standards and transparent operations leading to institutional confidence and customer goodwill

We believe that our robust corporate governance standards and commitment to transparent operations have enabled us to strengthen our relationship with our target customer segments, leverage our reputation and goodwill to expand our operations and product portfolio and attract and retain committed employees. We believe that our corporate philosophy and policies are aligned with our name "Equitas", which in Latin means fair and transparent, and our operational procedures enable us to minimize fraud and establish customer goodwill.

In the aftermath of the adverse developments in the microfinance sector in the then state of Andhra Pradesh in 2010, the Malegam Committee report of January 2011 prescribed various measures relating to qualifying loans, pricing norms, lending processes, loan limits, solvency and CAR limits, loan recovery, marketing and employee conduct. We had however implemented most of such operational and risk management controls much prior to the regulatory regime introduced by the RBI based on the Malegam Committee recommendations. We have introduced customer friendly repayment policies designed to address emergency circumstances such as death of a family member or a major illness without charging any additional interest. We also provide insurance cover for microfinance customers without commission charges, which is also disclosed in our customer passbooks. As part of our internal training programs, our employees are also trained to explain reducing balance interest rates to our customers.

Since inception, we have endeavoured to comply with corporate governance standards applicable to publicly listed companies. We have received the CRISIL Governance and Value Creation Level 2 rating. In addition, our process capability for printing of stickers and on-time availability of such stickers at our branches, using one year data (October 2014 to September 2015), has been independently certified as a highly capable process to the extent of 5.8 sigma. We have also received the GIIRS certification from B Labs, with Platinum and 5 Stars ratings for social and environmental measures, the highest ratings available under such certification. Our wholly owned subsidiary EHFL received a CRISIL rating of A-/Stable in October 2015. We believe that our robust corporate governance standards and stringent operational controls have enabled us to generate confidence among, and attract significant equity support from, a large number of investor groups including international development finance institutions such as IFC, CDC, FMO and DEG as well as various private equity investment funds.

Comprehensive understanding and successful track record with underserved customer segment offering significant growth opportunities

We believe that our understanding of, and strategic focus on, individuals and MSE customer segments that are underserved by formal financing channels provides significant growth opportunities as we continue to expand our financing product portfolio to cater to the various financing requirements of these customer segments. India is home to 21% of the world's unbanked adults. *(Source: World Bank Financial Inclusion Database, 2014)* There are approximately 57.70 million small business units, mostly individual proprietorships, which operate manufacturing, trading or services activities in India. *(Source: Economic Characteristics of Unincorporated Non-Agricultural Enterprises (excluding Construction) in India, National Survey Sample Report, February 2013 and Ministry of Finance Circular on Launch of MUDRA Bank dated April 7, 2015, available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=118005)*

We believe this financially underserved customer segment provides significant growth opportunities. Our understanding and track record of working with these customer segments is particularly critical to the success of our proposed operations as an SFB in the future.

Our regular engagement with our target customer segments and understanding of related socio-economic dynamics enables us to establish effective credit and operational procedures and risk control frameworks, which enable us to improve our credit evaluation, asset valuation, loan disbursement, staff training and collection procedures. We believe that our large customer base, together with our customer penetration in the towns and areas we currently operate in, are significant competitive strengths. In particular, our credit analysis and valuation methodology requires market knowledge and practical experience developed over a period of time, which is difficult to replicate. We believe that this provides us with a competitive advantage. In addition, we believe that our customer oriented product structure and operations enable us to develop customer loyalty and maintain our asset quality. For example, we introduced 14 and 28 day repayment schedules that correspond with cash flows of our typical microfinance customers, as well as loans for managing emergency circumstances and other short-term cash flow issues. We have also introduced innovative marketing and customer origination initiatives such as health camps organized for the benefit of target segments such as drivers and individual vehicle owners. We have also entered into arrangements with insurance companies to offer insurance products for used commercial vehicles financed by us as well as a credit shield for our vehicle finance and MSE customers.

We believe that with our understanding and experience of working with these customer segments enables us to identify potential market demand and rapidly leverage our existing operating network to introduce new products, increase our customer base, and grow our loan portfolio. From our initial microfinance business, we have diversified our product portfolio to cover used commercial vehicle business and housing finance business since fiscal 2012 and MSE finance business since fiscal 2013. Our aggregate AUM as of March 31, 2013, 2014 and 2015 and as of December 31, 2015 was ₹ 14,838.24 million, ₹ 24,856.40 million, ₹ 40,098.80 million and ₹ 55,051.85 million, respectively, reflecting the growth in our various businesses.

Standardized operating procedures and efficient use of technology resulting in effective risk management and improved efficiencies

We have implemented standardized operating procedures that have enabled us to develop a scalable and replicable business model across our various financing product portfolios. Our business operations involve a large number of small transactions, mostly in cash, across hundreds of rural and urban locations. We have implemented standardized terms for our financing products, as well as standardized operating procedures for customer acquisition, customer engagement, account management and cash collection. We typically have separate teams for customer origination, disbursement and collection aimed at improving operating efficiencies, productivity and risk management. We also typically undertake daily reconciliation of financial transactions. We provide training to our employees to ensure they are able to effectively engage with and educate our customers about our operations and the terms of the financing.

We have introduced certain innovative operating measures such as electronic microfinance loan application process at the field level to increase employee productivity and enables real time processing. We have introduced customized pre-printed stickers for our microfinance loan accounts for evidencing cash receipt, to mitigate the operational risks in our microfinance business. In our microfinance business, we have introduced SMS based collection tracking processes that enable field staff to update our transaction record systems with collections report on a real-time basis which enable us to reduce cash collection risks. In order to optimize operating expenses, we centrally manage back end processes, including credit verification, loan disbursement processing, receivables management and cash management procedures.

We believe that our IT infrastructure and effective use of technology has enabled us to develop an effective risk control framework and improve employee productivity and operating efficiencies. For further information on our productivity ratios and other operating efficiency measures, see “Selected Statistical Information” beginning on page 264. We believe that our effective risk management measures as well as improving operational efficiencies and strong financial performance have also enabled us to improve on credit ratings, which has allowed us to access capital from banks and financial institutions at competitive rates.

Diversified product offering and markets with significant cross-selling opportunities

While we are focused on customer segments that are underserved by formal financing channels, we believe that diversification of our business and revenue base with respect to our product offerings and the markets which we serve is a key component of our success. We offer a range of financial products and services including microfinance, used commercial vehicle finance, MSE finance and housing finance, that provide us with significant cross selling and up-selling opportunities to our target customer segments. For example, a majority of our MSE finance business and a significant percentage of our micro housing segment business represent cross-sales to eligible higher income microfinance customers with a satisfactory track record.

Further, for the nine months ended December 31, 2015 the proportion of the MSE loan accounts disbursed to our microfinance customer was, 87.38%. In addition, we have introduced two other financing products relevant to such customer segment including loan against gold jewellery and two-wheeler loans, the launch of which was approved by the board in the third quarter of fiscal 2016. The target customers for the two-wheeler loans are intended to be the customers currently relying on local financiers.

As of December 31, 2015, we had 539 branches across India.Our widespread branch network enable us to introduce additional financing products with relatively low incremental investment and operating expenses and, to an extent, mitigate our exposure to local or regional economic downturns, political circumstances and/or disruptions.

Experienced management and strong employee engagement

Our senior management team has significant experience in the financial services industry and has been instrumental in developing and implementing our business strategy and commitment to fair and transparent business practices while maintaining effective risk management and competitive margins. Our Managing Director Mr. P.N. Vasudevan and other senior management have significant experience in the financial services sector. Our ESOP scheme is offered to our employees, including all field personnel, to attract and retain committed employees. Our human resource philosophy focuses on cultural alignment, shared ethics and value systems and a challenging and energizing work atmosphere.

C***ommitment to social initiatives***

Equitas Development Initiatives Trust, supervised by eminent trustees, was established in 2008. In fiscal 2013, 2014, 2015 and the nine months ended December 31, 2015, we have contributed ₹13.76 million, ₹28.27 million, ₹34.00 million , ₹55.36 million to EDIT. We believe that EDIT's social initiatives enable it to engage closely with the underserved communities that we also work with. EDIT's social initiatives include working with a number of hospitals to organize medical awareness and preventive healthcare programs, operating several English-medium schools primarily for children from low-income households, conducting job fairs for candidates from economically weaker segments, and organizing vocational skill development workshops. This enables us to support community services such as health, skill development and education either free or at an affordable cost to such communities. EDIT also conducts pavement dwellers rehabilitation program. In addition, the Equitas Dhanyakosha India, one of our Group Companies has established a chain of grocery stores that provide certain food staples. For further information, see "Business – Social Welfare Initiatives" beginning on page 202.

Business Strategies

Following are our key business strategies:

Leverage our existing network and customer base to develop our proposed SFB operations

In November 2014, the RBI introduced the "Guidelines for licensing of small finance banks in the private sector" for the establishment of SFBs to ensure increased financial inclusion through provision of comprehensive financial services at reasonable cost, to various sections that continue to be underserved through formal financing channels, and to enable credit supply to small business operators, farmers, micro and small industries, and other unorganised sector entities. We had applied for an SFB license and on October 7, 2015, we received an in-principle approval for the establishment of an SFB, subject to the terms and condition of such approval. We intend to leverage our large branch network and large customer base across India to develop our proposed SFB operations. For further information on the terms of such SFB license and our proposed operations as an SFB, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

Further expand our operational network and strengthen marketing and sourcing partnerships

We continue to strategically expand our operations in target markets by establishing additional branches across India particularly for our microfinance and vehicle finance businesses, with other financing products following into such new markets. As of December 31, 2015 we operated in 11 states, one union territory and the NCT of Delhi.While historically most of our operations were focused in Tamil Nadu, we have experienced significant growth in our operations in relatively newer markets such as Maharashtra and Madhya Pradesh. We intend to further increase our penetration in the western and northern states of India as well as commence operations in eastern states of India. Our customer origination and servicing efforts strategically focus on building long-term relationships with our customers and address specific requirements in a particular region. In addition, we continue to expand our customer origination network for our vehicle finance, MSE finance and housing finance business across India by entering into sourcing arrangements with used commercial vehicle dealers, direct sourcing agents and other intermediaries. As our operations are personnel-intensive in nature, we continue to focus on growing our business by relying on an optimum level of sourcing through partnership arrangements to effectively leverage the local knowledge, infrastructure and staff of our marketing and sourcing partners.

Leverage our large customer base, operational network and industry experience to offer additional products and services

We intend to further diversify our product portfolio by growing our MSE finance, vehicle finance and housing finance businesses that we have introduced in recent years. We continue to leverage our large customer base, branch network across India and experienced employee-base to offer additional financing products to existing customers and expand our customer base. We have recently introduced gold loans, i.e. loans secured by gold jewellery of customers, repayable by EMI or interest modes scheme rather than on one-time repayment basis only. Based on internal surveys, we believe that EMI-based gold loan financing is preferred by our potential borrowers compared to the one-time repayment model. In addition, we believe that the EMI-based model significantly decreases the repayment/ collection risk associated with gold loan collaterals in a declining gold price scenario. These new financing products will have strong synergies with and demand from our microfinance borrowers and other borrowers from financially under-served segments which is our primary customer segment. In addition, through such additional financing products, we strengthen our relationship with our customers and enable higher customer retention. We believe that this also leads to repeat business and significant opportunity to scale up our operations in an efficient manner by cross-selling other financing products. For example, we successfully cross sell our MSE finance business and micro-housing finance loans to eligible higher income microfinance customers with a satisfactory track record. These strategic initiatives have enabled us to lower operating expenses as well as maintain asset quality.

In addition to our microfinance business, we believe that our used commercial vehicle and MSE customer segments provide significant opportunities for cross-sales of two-wheeler loans.The launch of two-wheeler loans was approved by the board in the third quarter of fiscal 2016 and we intend to target the customers who are currently relying on local financiers.

We believe that our fast growing business and network with commercial vehicle owners, potential commercial vehicle purchasers, vehicle dealers, and various market intermediaries including direct selling agents provide significant opportunity for the development of an e-platform to enable manufacturers, traders and distributors to effectively engage with and negotiate freight terms with transporters. We have therefore set up a subsidiary, ETPL in October 2015, to develop such an e-platform to support settlement freight transactions on a fee based model. In addition, we intend to deploy real-time tracking systems in commercial vehicles using such services to enable real time freight status information.

Continue to reduce operating costs and improve operational efficiencies

Controlling our operating expenses is critical in determining our ability to offer loan products at reasonable rates to our customers and our profitability. Our operating expenses as a percentage of our AUM has been generally declining in recent years, and we continue to identify and implement measures that we believe will enable us to sustain and further decrease our operating expenses.

We continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies and ensure strong customer credit quality. We intend to implement mobile based applications to make the loan application process convenient to our customers and streamline credit approval, administration and monitoring processes. In particular, over time we intend to fully automate front end processes in our businesses, aimed at decreasing operating expenses through increasing employee efficiencies and streamlining employee costs, as well as reduce document storage and transportation costs. We also intend to implement online loan processing platform aimed at providing easier access to our customers. We believe that implementing robust technology infrastructure will enable us to respond to market opportunities and challenges swiftly, improve the quality of services, and scale-up our risk management capabilities.

Our Business Operations

Microfinance Business

Our microfinance business is conducted through our wholly-owned subsidiary EMFL, which is registered with the RBI as an NBFC-MFI. For further information on the microfinance sector in India, see "Industry Overview" beginning on page 148.

As of December 31, 2015, our microfinance business included operations across 391 branches in seven states and one union territory. Our microfinance business AUM increased at a CAGR of 43.60% from ₹ 7,239.66 million as of March 31, 2012 to ₹ 21,439.53 million as of March 31, 2015, and represented 53.47% of our aggregate AUM as of March 31, 2015. Our microfinance business AUM was ₹ 29,347.99 million as of December 31, 2015, which represented 53.31% of our aggregate AUM as of such date. Total disbursements in our microfinance business in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 were ₹ 11,491.36 million, ₹ 15,054.80 million, ₹ 21,290.42 million and ₹ 22,424.40 million, respectively. As of December 31, 2015, the CAR of EMFL was 21.02%, compared to the RBI mandated CAR requirement of 15.00%.

Microfinance Product Offerings

The primary target customer segment for our microfinance business are micro-entrepreneurial women with limited access to formal financing sources. These loans are provided essentially for use in their small businesses or other income generating activities.

Our microfinance product offerings include loans extended for up to two years ranging from ₹ 2,000 to ₹ 35,000, depending on the loan cycle. Customers who are able to access their loan amounts through their bank accounts are extended an additional loan of ₹ 2,000. We have introduced emergency loan of upto ₹ 2,000 with a tenure of one year with an objective of helping the clients in case of unforseen circumstances. A customer is eligible for a subsequent cycle of the loan if their track record of repayment is good and meets certain other requirements relating to their conduct within the group. In addition, we also extend mid-term loans to certain eligible microfinance customers, based on their requirements. The loan amount for such mid-term loan is smaller than our primary loan product and is designed to provide our customers with additional capital while their primary loan is being repaid. Typically the tenor of such mid-term loan is co-terminus with the tenor of the primary loan.

All our microfinance loans are offered at fixed interest rates, with principal and interest typically payable in 14 or 28 day installments. Interest rates for our microfinance product offerings are a function of our operating and funding costs, in particular our personnel and administrative costs, as well as the RBI limits on microfinance loan interest rates.

Sourcing of Customers

In our microfinance business, some of our field personnel, designated as sales officers ("**SOs**"), source customers. We typically do not involve any intermediaries in our microfinance business, for either sourcing new customers or for collection. The SOs usually perform village level and colony level surveys to assess the number of households and enterprise activities undertaken to determine the potential customer base. The SO then convenes meetings with groups of women in their local community and explains the features of our microfinance products and the procedures involved. Potential customers are required to form groups of up to five members each in a center which can have up to 30 members per center, subject to certain eligibility requirements. Subsequently, the SOs collect basic information from the group, completes residence and business activity checks, verifies KYC documents, and obtains neighborhood references. Our SOs conduct a compulsory group training session during which the loan terms and procedures are discussed, in addition to certain basic financial literacy. The group is also tested for group bonding. On completion of all processes, the SO completes the membership application form including the details of end-use on his tablet. This information is then provided to the branch manager for further processing.

Credit Approval

Upon receipt of the application, the branch manager visits some of the members of the relevant group in random to verify the original KYC documents. He also conducts an oral group recognition test (GRT), under which the understanding of the applicants in relation to the concept of microfinance, joint liability group (JLG), group guarantee, and terms of the loan transaction is tested. Based on such results, the branch manager includes his recommendations and sends the application form to the head office where the credit decision is taken. Prior to such decision, a credit report for each applicant is procured from the relevant credit bureau and are verified to ensure compliance with RBI guidelines and credit parameters followed by us.

Joint Liability Groups

We follow a model of direct lending through joint liability groups which promotes credit discipline through mutual support within the group and also promotes prudent financial conduct among the group and prompt repayment of their loans. The groups are created by the members based on the knowledge of each other's credit worthiness. Typically repayments are made at group meetings, which are held at intervals of either 14 or 28 days. At these meetings, if any member defaults in making payments to the group leader or is absent, the other group members are responsible for such amount. The member is subsequently required to repay such amount to the group.

Disbursement

At disbursement, the group is again educated on the terms and conditions of the loan and provided a copy of such terms. In addition, the original KYC documents are again verified prior to disbursement. On disbursement of loan, individual acknowledgment of group members is obtained and their details are recorded.

Collection

The collection process is a critical part of our microfinance business operations. Repayments are collected in cash at centre meetings. Passbooks are issued to customers and in order to minimize fraudulent activities, we use pre-printed stickers for each microfinance loan account evidencing cash receipt. These stickers are centrally issued and dispatched to the branch prior to the centre meeting. The sticker contains the loan identification number, installment amount and date of the centre meeting. In case of shortfall in collection from borrowers, the collection personnel are required to account for the relevant unused sticker receipt, which is required to be returned to the head office. In addition, our process capability for printing of stickers and on-time availability of such stickers at our branches, using one year data (October 2014 to September 2015), has been independently certified as a highly capable process to the extent of 5.8 sigma. In addition, we also have SMS based processes to track collections. After every centre meeting, the relationship officer is required to send an SMS to a central server indicating the amount collected, the time at which the meeting was completed and the members present at the meeting, which enables us to effectively track collection from across the country on a timely basis. Any shortfall in collection can therefore be highlighted and addressed immediately. We have implemented an internal accounting and reporting system to track disbursement, collection, and reconcile all cash transactions through our branch network.

Customer Friendly Repayment Policies

We have implemented certain customer friendly repayment policies for customers affected by emergencies such as sickness, accident, death or natural disasters. In such circumstances up to two months installments may be deferred for future installments or repayment at the end of the loan tenure, without any additional interest or charge. A request for waiver is typically approved by our risk team following due verification of applicable circumstances.

Risk Management

Our risk management policy is periodically reviewed to address industry condition, regulatory changes and other factors.

Credit Risk. The joint liability framework provides a basic risk mitigation platform. This is additionally reinforced through group guarantees and information from credit bureaus. We typically report financial data relating to our customers to the bureaus on a weekly basis, rather than a monthly basis as required by the RBI, toensure that customer information is current. We have been an active participant at industry level credit risk initiatives, as part of the MFIN, and have adopted the MFIN Code of Conduct promoting responsible lending by microfinance institutions.

Operational Risk. Risks arising due to inadequate internal processes, personnel or systems may result in financial losses. Given the small ticket size and loan tenor, microfinance is transaction-intensive.

Disbursement to and collection from members are also typically made in cash, increasing our operational risk. We have developed multiple checks and controls over key customer interface processes and have introduced control procedures to minimize detection time for fraudulent activities. We have also identified a few critical processes and have implemented a FMEA (Failure Mode Effect Analysis) process to ring-fence potential process failures and limit damage. This is an annual exercise that identifies applicable operational risks and categorises them based on risk priority number ("**RPN"**) scores. We manage such risks and the RPN scoreis measured annually to analyze effectiveness of measures introduced by us. We have also introduced disaster-recovery systems that are monitored regularly by the audit and risk management committee.

Liquidity Risk. Given the sensitive nature of the microfinance industry, funding is linked to the overall perception about the industry and the applicable regulatory regime. Any change in these factors may affect our liquidity position. In addition, excess liquidity can lead to lower profits as the yield on short term cash investments is typically lower than our borrowing cost. We have developed internal guidelines on the level of adequate liquidity, balancing liquidity concerns and reducing impact of excess liquidity.

ALM Risk. In accordance with our internal guidelines, we are required to ensure matched funding without adverse mismatch in structural liquidity. The interest rate sensitivity arises as we have a significant percentage of our borrowings under floating rates whereas our microfinance lending is on a fixed rate. We also implement off-book transactions such as securitization and bilateral assignments to lock-in interest rates.

Leverage. We have adopted a policy related to leveraging capital. We consider the entire managed assets (including securitization and bilateral assignment of portfolios) to maintain sufficient capital adequacy. We also follow a policy of limiting securitization and bilateral assignments to 35.00% of our total AUM.

Vehicle Finance Business

Our vehicle finance business is conducted through our wholly-owned subsidiary EFL. EFL is a NBFC-ND-SI-AFC registered with RBI under the asset finance company category. For further information on the commercial vehicle finance industry in India, see "Industry Overview" beginning on page 148.

As of December 31, 2015, our vehicle finance business operations included a network of 134 branches in Tamil Nadu, Gujarat, Maharashtra, Madhya Pradesh, Karnataka, Chhattisgarh, Rajasthan, Delhi, Haryana, Punjab, Telangana, Pondicherry and Andhra Pradesh. A number of these branches are in the same premises as our microfinance branches in these locations. We have experienced significant growth in our vehicle finance business with an increase in AUM at a CAGR of 96.46% from ₹ 3,045.24 million as of March 31, 2013 to ₹ 11,754.08 million as of March 31, 2015, which represented 29.31% of our aggregate AUM as of March 31, 2015. Our vehicle finance business AUM was ₹14,056.25 million as of December 31, 2015, which represented 25.53% of our aggregate AUM as of such date. Total disbursements in our vehicle finance business in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 were ₹ 3,001.92 million, ₹ 7,280.32 million, ₹ 9,015.19 million and ₹8,298.81 million, respectively. As of December 31, the CAR of EFL (which operates our vehicle finance and MSE finance businesses) was 31.45%, compared to the RBI mandated CAR requirement of 15.00%.

Vehicle Finance Products

Our vehicle finance customers are typically first-time formal financial channel borrowers purchasing used commercial vehicles. Our vehicle finance customers also include small fleet operators. Such customers are required to have the relevant driving license and should also possess commercial knowledge of the vehicle being purchased. These customers typically have limited access to bank loans for commercial vehicle financing and mostly have limited or no credit history, but generally own assets such as a house or property or vehicle. The Average Loan Account Size in our vehicle finance business in fiscal 2015 and in the nine months ended December 31, 2015 was ₹ 0.38 million and ₹ 0.38 million, respectively. The loan tenures are typically for a period of three to four years. Our portfolio has a mix of heavy commercial vehicles, light commercial vehicles, MCV, MUVs and tractors.

Sourcing of Customers

STOs generally have limited or poor banking habits and credit history and inadequate income documentation for verification of their credit worthiness. Our experienced field staff source new customers from their network and relationships with transporters, through various means including tele-calling and direct marketing activities in transport hubs where transporters tend to congregate. In addition, we have expanded our marketing and customer origination network by entering into arrangement with dealers of used commercial vehicles. We also continue to develop marketing initiatives targeted at STOs.

Credit Approval and Disbursement

When a customer is identified and the requisite information for a financing proposal is received, the SO meets the customer to assess the loan requirements and his creditworthiness. The proposal form furnished by the customer contains a range of information about the borrower, including on outstanding loans, if any. The applicant may also be required to furnish a guarantor in certain cases. The SO prepares a viability report based on his interaction with the applicant. The application is forwarded by the SO to the credit officer (CO), who following a field visit to the applicant, arranges for inspection of the vehicle through an independent expert that evaluates used commercial vehicles, to ascertain, among other matters, registration information, vehicle condition and market value of such vehicle. A field investigation report is also prepared relating to the place of residence and of various movable and immovable properties of the applicant and the guarantor, if applicable. Our credit policies are designed to categorize borrowers according to their profile, based on ownership of vehicle, experience in transportation, ownership of any immovable property, repayment track record, age of the borrower, loan tenure, as well as vintage and kind of vehicle. Our credit process also includes checking of vehicle documents and the condition of vehicle prior to release of payment in order to ensure that the loan is adequately secured.

The borrower and the relevant guarantor, if applicable, are required to execute a standard form of loan cum hypothecation agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the loan cum hypothecation agreement. The loan cum hypothecation agreement also requires a promissory note to be executed containing an unconditional promise of payment to be signed by both the borrower and the relevant guarantor, if any. An irrevocable power of attorney authorizing, among others, the repossession of the hypothecated vehicle upon loan payment default, is also required to be executed. We also ensure endorsement of our name in the registration certificate of the vehicle to establish security interest in our favour.

Loan Administration

We provide three repayment options: cash, post-dated cheques or ECS mandates. With the introduction of the National Automated Clearing House ("NACH"), we are encouraging customers to provide instructions on the NACH platform for repayment of monthly installments.

In order to assist customers in difficult circumstances, we have also implemented certain procedures to address emergency circumstances through "customer friendly repayment practices" similar to those offered in our microfinance business.

Collection and Recovery

All borrower accounts are reviewed periodically, with a higher frequency for larger loans and delinquent borrowers. The branch managers review collections and other operations regularly, and may personally contact borrowers who default on loan payments. Branch managers are assisted by product executives in their daily operations, who are responsible for collection of installments from borrowers.

Since our vehicle finance business involves on-demand receipts, in order to reduce risk of fraudulent activities, our employees are provided a mobile application to immediately issue receipt for repayment. The collection operation is administered by our own employees and we do not outsource loan recovery and collection operations.

In the event of default, the reasons for default are identified and appropriate action is initiated, such as requiring partial repayment and/or providing additional repayment period under certain emergency circumstances faced by the customer. In certain cases, in case of willful default by customer, following due notice, the hypothecated vehicle is repossessed. In the event of any shortfall in recovery of outstanding amount, we may initiate legal proceedings against the borrower.

Risk Management

We have developed a comprehensive risk management framework that covers external and internal risks. We have also implemented an FMEA for our operational processes that assesses risk priority. In addition to credit and operating risks, we are subject to financial risks such as liquidity risk and interest rate risks. We leverage our relationship with various banks and other lenders to raise debt funds and have an asset liability management process that monitors liquidity and interest rate risks.

MSE Finance Business

Our MSE finance business is conducted through our wholly-owned subsidiary EFL. For further information on the micro and small enterprise finance industry in India, see “Industry Overview” beginning on page 148.

As of December 31, 2015, our MSE loans business included a network of 134 branches across India including in Tamil Nadu, Maharashtra, Madhya Pradesh, Gujarat, Rajasthan and Karnataka. All of these branches are located in our existing microfinance and vehicle finance branches. A significant portion of our MSE finance business represents cross-sales to eligible higher income microfinance customers with a satisfactory track record.Our MSE finance business AUM increased from ₹ 874.34 million as of March 31, 2014 to ₹5,109.86 million as of March 31, 2015, which represented 12.74% of our aggregate AUM as of March 31, 2015. Our MSE finance business AUM was ₹ 9,355.17 million as of December 31, 2015, which represented 16.99% of our aggregate AUM as of such date. Total disbursements in our MSE finance business in fiscal 2014, fiscal 2015 and in the nine months ended December 31, 2015 were ₹901.97 million, ₹4,633.22 million and ₹5,216.08 million, respectively.

MSE Loan Products

Under our MSE finance business (including LAP), we typically extend loans to the self-employed informal segment ranging between ₹ 0.05 million to ₹ 5 million, for a tenor of three to 15 years. 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.

Customer Sourcing

We source applications for our MSE finance loans primarily through our microfinance business as it is typically a cross sell product, while general category borrowers / LAP borrowers are sourced through field personnel and direct sales agents. Enquiries generated by our microfinance staff for MSE loans are handed over to the microfinance branch manager. Field level diligence is carried out which includes assessment of income from the business or salary income, if any, and determination of loan eligibility based on applicable income ratio parameters.

Credit Approval

In relation to our MSE products, the credit team reviews the applications and in order to ensure standardized processes across branches, the credit team undertakes audits of some of the applications through credit officers based at the branches. The audit report on these applicants is compared with the report sent from the branch for credit and quality assurance.

Loan Administration and Recovery

The repayment of loan under this product is through ECS/ACH mandates. On the due date of each monthly installment, the ECS/ACH mandate is sent to the client’s bank for payment. If any ECS/ACH mandate is returned unpaid, the details are sent to the branch concerned, for the branch staff to follow up for field level collections. In addition, as a significant portion of our MSE finance loans are cross-sell product to our microfinance customers, the field staff also approaches the referees of such loans to aid in collection of dues.

Risk Management

Assessing the repayment capability of customers is a significant risk in our MSE finance business and risk management procedures followed by us for our MSE finance business are similar to those implemented in our vehicle finance business.

Housing Finance Business

Our housing finance business is conducted through our wholly owned subsidiary EHFL which is registered with the National Housing Bank. For further information in relation to the housing finance industry in India, see "Industry Overview" beginning on page 148.

Our housing finance business also includes mortgage finance offerings and is registered with CERSAI, within specified limits permitted by the National Housing Bank. Such non-housing loans represented 21.38% and 21.44% of our housing finance business AUM as of March 31, 2015 and December 31, 2015, respectively.

As of December 31, 2015, our housing finance business included a network of 14 branches across Tamil Nadu, Karnataka, Maharashtra and Pondicherry. Most of these branches are located in our existing microfinance and vehicle finance branches.

Our housing finance business AUM increased at a CAGR of 100.54% from ₹446.40 million as of March 31, 2013 to ₹1,795.35 million as of March 31, 2015, which represented 4.48% of our aggregate AUM as of March 31, 2015. Our housing finance business AUM was ₹2,292.46 million as of December 31, 2015, which represented 4.16% of our aggregate AUM as of such date. Total disbursements in our housing finance business in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 were ₹ 385.33 million, ₹ 607.35 million, ₹ 1,124.26 million and ₹758.22 million, respectively.

As of December 31, 2015, the CAR of EHFL (which operates our housing finance business) was 32.11% as compared to the applicable regulatory requirement of 12.00%.

Housing Finance Products

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. A significant percentage of our micro housing finance products are cross-sell products offered to eligible higher income microfinance customers with a satisfactory track record. Customers in this segment typically run small enterprises and/or are employed in the informal segment. The typical tenure of such loans range between three and seven years.

We also offer affordable housing finance which addresses the requirements of the informal salaried segment and self-employed customer segment involved in informal trade or commercial activity where income is not completely evidenced by documents and requires field based credit assessment. The typical tenure of such loans varies between seven and 20 years.

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.

Sourcing of Customers

Although there is significant market demand, we are in the process of developing our sourcing channels for housing finance customers. Our marketing officers are in charge of sourcing of customers in our housing finance branches. These marketing officers source clients through direct sales agents, other intermediaries as well as directly through direct marketing activities. The primary channel for sourcing of customers continues through the direct sales agents who are appointed after a verification process including KYC checks. The marketing officers perform the first level of diligence on the applicant, including verification of place of business, assessment of business activity and income of the borrower. The application is then sent to the branch operation officers. Based on the value of the loan applied for, the credit officer performs personal verification of the applicant's residence and place of business.

Our micro housing finance product is primarily marketed by our microfinance staff among our microfinance customers and in their communities to source eligible micro housing finance borrowers.

Credit Appraisal

Our target customer segment in the housing finance business operates in highly unorganized segments of the economy, which makes assessment of income and credit appraisal challenging. Leveraging our microfinance business and experience with small and micro businesses, we have developed a credit appraisal framework which includes KYC checks and other verification by our field staff for our housing finance customers. We have also developed comprehensive diligence process on evaluating the legal title for properties.

Loan Administration and Recovery

The loan applications, once approved, are sent to the operations team at our head office where they are scrutinized for quality and compliance prior to disbursement. Disbursement is usually made in tranches for all home construction finance, with each tranche linked to a particular stage of construction. In certain cases such as purchase of an existing house, the full amount of the loan is disbursed. Typically such disbursements are done at the sub-registrar office, during registration of the property in the name of the client who in turn registers a mortgage deed in our favour.

Repayments in all cases are either through post-dated chequesor ECS /ACH mandates accepted by the banker of the client. On the due date of each monthly installment, such ECS/ACH mandates are sent to the banker of the client. Anydefault, is intimated to the concerned branch who assigns a dedicated staff for field level follow up and collection. If the account becomes an NPA, in addition to field level follow up, the case is handed over to the legal team for appropriate legal action including initiation of recovery proceedings.

Pursuant to a notification dated December 18, 2015, the Ministry of Finance has declared that EHFL will be treated as a "financial institution" under the SARFAESI Act, which will strengthen the process of enforcing the security in the event of default by the borrowers.

Risk Management

In our housing finance business, the key risks include credit and interest rate risk, as well as liquidity risk. In addition, the regulatory framework in certain states in India restrict the ability of clients to get building plan approval forplots of land below a certain size, which affects our ability to lend to such projects.

Since the borrowers are from either the economically weaker income groups or small to medium self-employedbusiness people, the assessment of cash flow is challenging. We have leveraged the expertise gained over the last three years as well as the experience with respect to our other businesses in assessing income of such businesses.

Small Finance Bank

In November 2014 the RBI introduced the "Guidelines for licensing of small finance banks in the private sector" guidelines. We had applied for an SFB license under the applicable guidelines and on October 7, 2015, the RBI granted us in-principle approval to establish an SFB, subject to the terms and condition of such approval. We have also submitted a structure of reorganization for the Proposed Merger to the RBI for approval. The RBI and NHB have, pursuant to letters dated January 22, 2016 and January 20, 2016 respectively, granted their approval for the Proposed Merger, subject to certain conditions. For further information on the terms of such SFB license and our proposed operations as an SFB, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

Freight Aggregator Platform

We have incorporated a subsidiary, ETPL involved inter alia, in the development of a technology platform for freight aggregation connecting cargo providers with transporters. ETPL is in the process of commencing operations in 13 branches across 7 States. The technology platform is registered under the domain name of 'www.wowtruck.in' and the mobility solutions are enabled in android version available on Google play store. The customer can also reach out to our dedicated 24/7 call centre.

For further information, see "Our Subsidiaries – ETPL" on pages 232 and 233.

Resources

We believe our credit rating, risk management measures and governance standards help us to access capital on relatively competitive terms. We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. Our sources of funding comprise term loans from banks and financial institutions, cash credit from banks, commercial papers and redeemable non-convertible debentures. For further information on our sources of funding, see “Selected Statistical Information” on page 264.

Information Technology

We believe that our IT infrastructure and use of technology has enabled us to develop an effective risk control framework and improve employee productivity and operating efficiencies. In relation to our microfinance business, we operate on a centralised transaction processing model supported by the Temenos core banking system.

Our information management systems gather customer data and loan portfolio information, with customer information having relational linkages to transactional information. This enables us to evaluate strategic business decisions on new products, access to funding, loan portfolio concentration risks, as well as improve customer relationship and product and service performance. Our branches have branch terminals which provide facilities for data entry, loan processing, and collections along with detailed management information systems for branch officials. We also use cellular networks and other technologies to establish connectivity with our remote branches. In addition to core business functionalities, we have implemented various finance and accounting processes and human resource management functions. We have also developed pre-printed repayment stickers, SMS based repayment receipts, tablet based information entry systems to aid in risk management and increase operational efficiencies. In addition, in October 2015, we have appointed Wipro Technologies Limited as the project advisory and implementation partner for establishing the technology platform for the proposed SFB.

As part of our information technology strategy, we intend to develop an application platform based on service oriented architecture and open standards. We also intend to develop a mobile-based application for use by our customers to directly interact with us.

Human Resources

As of December 31, 2015 we had 8,067 employees. We generally prefer to hire our workforce from the region in which they will operate, in order to benefit from their local knowledge and language. A new employee undergoes induction training about our operations, as well as our philosophy, value systems and mission. We have developed classroom training modules as well as on-the-job training. We believe our organizational structure provides efficient communication and feedback and encourages performance-driven work culture. We provide a performance-based progressive career path for our employees. In addition, we provide various incentives for teams involved in the management of our secured loan products. Our ESOP scheme is offered to our employees, including all field staff, in order to attract and retain committed employees. We also provide a range of employee benefits including health insurance. In recognition of our human resources practices, EMFL was ranked 55 by The Great Places to Work Institute India in 2015.

Competition

We face significant competition from unorganized, small participants in the market across all our business segments in addition to banks and other NBFCs as well as local moneylenders in rural areas.

In our microfinance business, we face competition from other microfinance companies, NBFCs as well as banks. In addition, the RBI has set out guidelines applicable to microfinance institutions which restrict the number of microfinance institutions that can extend loans to the same borrower and also limit the maximum amount of loan that can be extended. The presence of microfinance institutions in India is not uniform and certain regions have a concentration of a large number of microfinance institutions while there are regions which have very few and even no microfinance institution presence. In any particular region, the level of competition depends on the number of microfinance institutions that operate in such area. In addition, our target customers also borrow from money lenders and non-institutional lenders which lend at higher rates of interest.

In our used commercial vehicle finance business, in addition to unorganized players such as local money lenders, we also face competition from some NBFCs. However challenges in the used commercial vehicle finance business, including small loan size, related administrative costs, challenges in assessing creditworthiness of applicants, cash handling issues, and the ability to evaluate used commercial vehicles act as natural entry barriers in this industry.

In our MSE finance business, which is primarily a cross-sell product to our microfinance customers, we face competition from other similar institutions.

In our housing finance business, we face competition from other housing finance companies, and to a lesser extent, from banks.

Intellectual Property

We maintain registered trademarks and other intellectual property rights, as applicable for our businesses. Additionally, we have made applications for the registration of various trademarks including "Equitas" associated with our business and operations. Please find below the trademark registration details:

Trademarks owned by us			
S. No.	**Trademark**	**Class**	**Name of the company**
1.	Equitas Micro Finance Macro Vision	36	EMFL
Trademarks Applied for			
2.	Equitas Gold Loan	36	EFL
3.	Equitas Vehicle Finance	36	EFL
4.	Equitas Small Business Finance	36	EFL
5.	Equitas Micro Finance	36	EMFL
6.	Equitas Housing Finance	36	EHFL
7.	Equitas	36	Equitas Holdings Limited
8.	WOW Trucks	36	ETPL

Domain names registered by us	
S. No.	**Domain Name**
1.	equitas-sfb.com
2.	equitas-bank.com
3.	equitas-sfb.in
4.	equitas-bank.in
5.	equitas-smallfinancebank.com
6.	equitas-smallfinancebank.in
7.	equitasbankindia.com
8.	equitassfbank.com
9.	equitassfbank.in
10.	equitasbankindia.in
11.	equitastrust.in
12.	wowtruck.in

We believe such intellectual property has significant value and is materially important to our business. In addition, we maintain other intangible property rights. We have also applied for the registration of certain additional trademarks and copyrights which are currently pending. For further information, see section on "Government and Other Approvals" on page 706.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. In addition to public liability policy, we also maintain insurance policies covering our fixed assets and leased properties that protect us in the event of natural disasters or third-party injury such as standard fire and special perils policy, the director's and officer's policy and the fidelity policies. Our Company has also obtained a key man insurance in respect of Mr. P. N. Vasudevan, Managing Director of our Company. We also maintain an electronic equipment insurance policy, a burglary (house breaking) policy and a standard fire and special perils policy for our subsidiary ETPL.

Social Welfare Initiatives

We have consistently focused on our core philosophy of financial inclusion for underbanked income groups, and to assist in improving the quality of life of our customers. We believe that such social initiatives also enable us to engage closely with the underbanked communities that we work with. We have adopted the following guidelines in relation to our CSR activities: (i) 5.00% of our profits after tax may be contributed in relation to CSR activities; (ii) ₹2,000 per branch per month may be allocated for provision of primary health care and skill development to our microfinance customers; (iii) EMFL may employ a CSR staff for every ten branches and such number of supportive supervisory structure to ensure the management of these social activities; and (iv) up to 15.00% of the net worth deployed for the microfinance business can be used for creating infrastructure for schools and hospitals which would be run by EDIT.

EDIT's social initiatives include:

- As of December 31, 2015, EDIT has organized medical awareness and preventive healthcare programs. These programs have benefited over 3 million people as of December 31, 2015.

- EDIT operates seven English-medium matriculation board schools, for children from low-income households, which enrolled more than 4,000 children as of December 31, 2015.

- EDIT regularly conducts job fairs for candidates from economically weaker segments, and as of December 31, 2015, had placed more than 53,000 people. EDIT also organizes vocational skill development workshops including tailoring, chemical preparation, as well as artificial jewelry and mat production.

- EDIT conducts pavement dwellers rehabilitation program, the Equitas Birds Nest, which counsels pavement dwellers to move to organized housing. As of December 31, 2015, more than 600 families had been rehabilitated as part of this program. EDIT has also assisted in obtaining voter identification cards and ration cards that entitle such families to the GoI's subsidized food and essential commodities schemes.

In addition, Equitas Dhanyakosha India, a Group Company, is a non-profit company that has set up a chain of more than 20 grocery stores that provide food staples. EDK has also developed a Grocery Entrepreneur Model (GEM) that encourages entrepreneurs by extending loans and supplying groceries for sale in the neighborhood. As of December 31, 2015, more than 1,800 GEMs were operational under such program.

Property

Our registered office and corporate headquarters are located in Chennai, which is leased. As of December 31, 2015, our operations were spread across 11 states, one union territory and NCT of Delhi in India through our 539 branches, which are operated from leased premises.

Policy on Certain Operational Covenants and Certain Reporting Requirements upon Listing

The Board of Directors of our Company on September 23, 2015, adopted a Policy on Certain Operational Covenants and Certain Reporting upon Listing"(the "**Policy**"). The Policy will be effective on the earlier of (i) date of listing of the Equity Shares of our Company, (ii) the date of termination of the Shareholders' Agreement or the falling away of rights of Shareholders under the Shareholders' Agreement. The Policy requirements are applicable to our Company as well as its material subsidiaries.

The Policy, among other matters, stipulates various operational covenants including undertaking not to engage in the financing of certain illegal activities including any forced labour and child labour by our Company. The Policy also requires our Company not to engage in any sanctionable practice including any corrupt, fraudulent or coercive business practice. Our Company is also required to ensure transparency in pricing terms and conditions of all our financing products and adoption of responsible and ethical collection processes as well as treatment of customers. The Policy also stipulates certain social and environmental covenants and implementation procedures for such business practices.

PROPOSED CONSOLIDATION OF CERTAIN SUBSIDIARIES INTO A SMALL FINANCE BANK

Pursuant to various policy discussions including the recommendations of the Committee on Banking Sector Reforms published in 1998 and the recommendations of the Committee on Financial Sector Reforms published in 2009, the RBI published a policy discussion paper on "Banking Structure in India – The Way Forward" (the "**Policy Paper**") in 2013. The Policy Paper noted, *inter alia,* that access to bank credit and services through expansion of banks in unbanked and under banked regions was a viable option in India. The RBI also recognized the importance of small banks in the supply of credit to small business units, small farmers and other unorganized sector entities. Further, the Policy Paper noted that the small banks embody the potential for furthering the cause of financial inclusion.

Accordingly, on November 27, 2014, the RBI issued the Guidelines for Licensing of "Small Finance Banks" or "SFBs" in the private sector (the "**SFB Guidelines**"). The objective of setting up SFBs was for furtherance of financial inclusion by (i) provision of savings vehicles primarily to unserved and underserved sections of the population, (ii) supply of credit to small business units, small and marginal farmers, micro and small industries, and other unorganized sector entities, through high technology-low cost operations.

Pursuant to the SFB Guidelines, our Company made an application to the RBI dated January 30, 2015 (the "**SFB Application**") for obtaining a license to commence banking business in terms of Section 22(1) of the Banking Regulation Act, 1949. The RBI granted us an in-principle approval for setting up a new SFB under Section 22 of the Banking Regulation Act, 1949, subject to certain conditions through a letter dated October 7, 2015 (the "**SFB In-Principle Approval**"). The SFB In-principle Approval is valid for a period of 18 months from October 7, 2015 *i.e.* until April 6, 2017 to enable the applicants to comply with the SFB Guidelines, fulfil the conditions in the SFB In-Principle Approval and any other conditions as may be stipulated by the RBI.

Rationale for applying for a SFB and our strategy for implementation

1. ***Synergies with existing businesses:*** As we are currently a diversified financial services provider focused on individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels and 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 on account of their informal, variable and cash-based income profile, our customer and product profile has significant synergies with the SFB business as envisaged by the Policy Paper and the SFB Guidelines. We intend to further develop these synergies by building a network of business correspondents to enhance physical reach and presence of the Proposed SFB in different villages and local communities where we currently operate to offer different products and encourage various saving instruments and additional financial products. We recognize that there is a gap in the availability and access of such financial services and products in the rural areas of India as well as in low income communities of urban India and are focused on providing a wider range of financial products to customers in such areas.

2. ***Enable access to larger customer base***: We believe that the Proposed SFB will be able to offer full-fledged financial services including a wide range of liability products such as savings accounts, current accounts, recurring deposits, fixed deposits, daily recurring deposits and remittance facilities to customers, in addition to providing loan products. We believe we will not only be able to leverage our existing customer base but also be able to enhance our customer base.

3. ***Enhance revenue generation and capital raising options***: As we believe that we will be able to leverage the existing customer base in each of EMFL, EFL and EHFL, and translate a substantial number of them into customers of the Proposed SFB, we believe that we will increase the options for revenue generation from interest income which we currently are able to as a NBFC, and also through other revenue generation options such as transaction charges and income from treasury operations while being able to provide our customers a wider range of financial services and products. Further, we believe that we will be able to use a wider range of options to raise capital to service our funding requirements as an SFB as compared to as a NBFC.

4. ***Leverage technological platform:*** Our experience with working closely with the customer segment which is likely to use the services of an SFB has, we believe, enabled us to develop several processes and technologies which may enable us to mitigate and reduce the risks of

operating in such segments. We currently use information technology as a strategic tool in our business operations to improve our overall productivity. With the assistance of technology vendors, we have built our technology platform into a business tool for achieving and maintaining high levels of customer service, enhancing operational efficiency and creating competitive advantages. For instance, we operate on a centralised transaction processing model supported by the "*Temenos*" core banking system in relation to our microfinance business. We intend to continue to develop and use technology which is designed to offer easy and convenient access to the customers for the Proposed SFB. Accordingly, we have informed the RBI that the SFB will seek to provide its customers with multi-channel access to services including mobile banking, and arrangements with semi and full wallet providers.

Our Proposed SFB Corporate Structure

Pursuant to the SFB Guidelines, our Company is required to meet certain criteria before the license is granted by the RBI for commencing banking business. For further details, see "**–** Compliance with requirements under the SFB Guidelines and the SFB In-Principle Approval".

In order to satisfy the criteria for commencing operations as a SFB pursuant to the SFB Guidelines, we have indicated in our SFB Application that EMFL, EFL and EHFL are proposed to be merged into a single entity to become the Proposed SFB through a court approved scheme of arrangement under applicable law. The merged entity will then commence the activities as a SFB (the "**Proposed SFB**"). The SFB In-Principle Approval has permitted the proposed merger and requires the merger to be effective before the commencement of the business as a SFB. Accordingly, each of the board of directors of EMFL, EHFL and EFL has approved the Proposed Merger at their meetings held on November 26, 2015. Further, the RBI and the NHB accorded their approval for the amalgamation of EMFL and EHFL with EFL (the "**Proposed Merger**"), subject to certain conditions, through letters dated January 22, 2016 and January 20, 2016, respectively.

EMFL, EHFL and EFL have filed company applications before the Madras High Court on January 25, 2016 for convening meetings of their respective secured creditors for approving the Scheme of Amalgamation for the Proposed Merger (the "**Merger Scheme**") and to fix a date for presentation of the company petition to the Madras High Court. The Madras High Court, through its orders dated January 29, 2016, instructed EMFL, EHFL and EFL, respectively, to convene meetings of their respective secured creditors at specified venues on March 7, 2016. The secured creditors of EMFL, EHFL and EFL approved the Merger Scheme. The Madras High Court further provided directions to EMFL, EHFL and EFL, respectively in relation to the manner in which the meetings are to be conducted and the procedure to be followed by them. The Madras High Court also required the results of the said meetings to be reported back within seven days of the meetings and instructed that company petitions be presented to it on or before March 22, 2016. EMFL, EHFL and EFL filed the company petitions before the Madras High Court on March 18, 2016.

The salient features of the scheme of amalgamation for the Proposed Merger are as follows:

- The whole undertaking of EHFL and EMFL comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall be transferred to and vested in and/or to be deemed to transferred to and vested in EFL;

- EHFL and EMFL shall stand dissolved on the thirtieth day from the effective date (being the working day immediately preceding the date of commencement of business of the Proposed SFB);

- The authorised share capital of the EHFL and EMFL shall stand combined with the authorised share capital of EFL. Further, EFL shall issue and allot to each of the shareholders of EHFL and EMFL, such number of equity shares of ₹ 10 each, as arrived at, based on the book value method;

- On the Merger Scheme becoming effective, the amalgamation of EMFL and EHFL with EFL shall be accounted for as per the "pooling of interest method" under AS 14 issued by the ICAI; and

- Upon the scheme coming into effect and from the date of commencement of business of the Proposed SFB and subject to the approval of its board of directors, shareholders, the RBI, RoC and such other statutory authorities as may be required under relevant statutes, the name of the transferee company, shall be changed from Equitas Finance Limited to Equitas Small Finance Bank Limited.

Corporate structure

Pursuant to the Proposed Merger, the corporate structure (showing our businesses relevant to the Proposed SFB) prior to and on the date of commencement of business as a SFB, will be as follows:

Prior to conversion to a SFB*			**On the date of commencement of business as a SFB****
Equitas Holdings Limited			Equitas Holdings Limited
100%	100%	100%	100%
Equitas Micro Finance Limited	Equitas Finance Limited	Equitas Housing Finance Limited	Proposed SFB

***** *Our Company has incorporated another Subsidiary, Equitas Technologies Private Limited on October 27, 2015. However, this Subsidiary does not undertake business connected to the Proposed SFB.*

****** *Our Company has indicated in the SFB Application to the RBI that the Proposed SFB will be merged with our Company to enable the Proposed SFB to be a listed entity, as and when the Proposed SFB is required to get listed. This would be subject to receipt of necessary regulatory and shareholder approvals, including approval from the RBI, at the relevant time. The SFB In-Principle Approval does not approve or reject the proposed merger of the Proposed SFB into our Company in order to comply with the requirements of listing.*

Compliance with requirements under the SFB Guidelines and the SFB In-Principle Approval

The following table highlights some of the key requirements under the SFB Guidelines before the final license is granted by the RBI for commencing business as a SFB and briefly discusses our plans to comply with such requirements:

Sl. No	**Requirement under the SFB in- Principle Approval, the SFB Guidelines and other applicable laws**	**Company's plan for meeting such requirements**
1.	**Promoters of the SFB**: The promoter of a SFB is required to be owned and controlled by Indian residents in order to qualify as an 'eligible promoter'. Further, the promoter, promoter groups of a SFB as defined under the SEBI Regulations should be 'fit and proper' in order to be eligible to promote an SFB. The 'fit and proper' status of applicants is determined by the RBI on the basis of past record of sound credentials and integrity, financial soundness and successful track record of professional experience or of running business for at least a period of five years.	Pursuant to the SFB Application, our Company, which will be the promoter of the Proposed SFB, has stated that it will reduce its foreign shareholding to below 49% within 18 months of receiving the SFB In- Principle Approval, *i.e.* on or prior to April 6, 2017.

Sl. No	Requirement under the SFB in- Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
2.	**Promoters Shareholding and Contribution:** (a) The promoter of a SFB is required to provide a minimum initial contribution of at least 40% to the paid-up equity share capital of the SFB; (b) Any shareholding in excess of 40% of the paid-up share equity capital is required to be reduced to 40% within a period of five years; (c) Further, the minimum contribution of 40% is required to be locked in for a period of five years from the date of commencement of business of the SFB; (d) The shareholding of the promoter of the SFB is required to be brought down to 30% of the paid up equity share capital of the SFB within a period of 10 years and to 26% within a period of 12 years from the date of commencement of business of the SFB;	The Proposed SFB will be a wholly-owned subsidiary of our Company and will accordingly, be in compliance with minimum promoter shareholding requirements of the SFB Guidelines. Other requirements will be complied with post receipt of the license.
3.	**Listing Requirements:** The SFB guidelines require that an SFB is required to be listed within a period of three years once it has a net worth of ₹ 5,000 million. The SFB In- Principle Approval requires the Proposed SFB to be listed within three years of October 7, 2015 as the combined net worth of EMFL, EFL and EHFL taken together is more than ₹ 5,000 million.	The Proposed SFB will comply with the requirement within the stipulated timeframe. Our Company has indicated in the SFB Application to the RBI that the Proposed SFB will be merged with our Company to enable the Proposed SFB to be a listed entity. This is subject to receipt of necessary regulatory and shareholder approvals, including approval from the RBI, at the relevant time. The SFB In-Principle Approval does not approve or reject the proposed merger of the Proposed SFB into our Company in order to comply with the requirements of listing. For further details, see "Risk Factors – We may have to explore various options for listing the Proposed SFB within a period of three years from the date of grant of the In-Principle Approval i.e. October 7, 2015."
4.	**Scope of services**: SFBs are permitted to undertake the following activities: (a) providing basic banking activities of acceptance of deposits and lending to unserved and underserved sections, including small business units, small and marginal farmers, micro and small industries and unorganised sector entities; (b) providing non-risk sharing simple financial services activities, not requiring any commitment of own fund, such as distribution of, *inter-alia,*	We believe that the services provided currently and proposed to be undertaken by EMFL, EFL and EHFL are in the segments specified for SFBs Any future activity or product would be in compliance with requirements under the SFB Guidelines. Further, we have informed the RBI, in our SFB Application that in addition to the existing product portfolio of our EMFL, EFL and EHFL, the Proposed SFB intends to introduce agriculture loan products which would further enhance the offerings to the marginal farmers, besides corporate loans.

Sl. No	Requirement under the SFB in- Principle Approval, the SFB Guidelines and other applicable laws	Company’s plan for meeting such requirements
	mutual fund units, insurance products, pension products. Such activities can be undertaken by obtaining prior approval of the RBI and after complying with the requirements of the relevant sector regulators for such financial services activities; and (c) acting as Category II authorised dealers in foreign exchange business for its clients’ requirements.	We will consider providing additional permitted services which are currently not provided by EMFL, EFL and EHFL subject to our assessment of the market for such products and receipt of regulatory approvals for such products.
5.	The other financial and non-financial service activities of the eligible promoters of the SFB, if any, shall be kept ring-fenced and not co-mingled with SFB business.	Our Company will ensure compliance with this condition. As of the date of this Red Herring Prospectus, EMFL, EFL and EHFL are proposed to be merged to form the Proposed SFB and technology platform for enabling freight aggregation is being conducted through a separate subsidiary, ETPL. If the Proposed SFB is merged into our Company subsequently, other businesses such as the one indicated above, are intended to be divested or wound up to ensure compliance with the condition unless permitted by the RBI or applicable law at that relevant time.
6.	SFBs are required to operate at least 25% of its branches in unbanked rural centres (with population up to 9,999 as per the latest census) (the “**Unbanked Rural Centres**”). The annual branch expansion policies of SFBs require the prior approval of the RBI.	In our SFB Application, we have stated that existing branches of EMFL are proposed to be converted into branches of the Proposed SFB. Further, our Company intends to open new branches as well shift existing branches of EMFL to Unbanked Rural Centres. If there is a requirement to open new branches in Unbanked Rural Areas in order to comply with these requirements, our Company will do so.
7.	SFBs are not permitted to set up any subsidiaries	The Proposed SFB does not propose to set up any subsidiaries unless permitted under applicable laws.
8.	**Capital Requirements:** (a) minimum paid-up equity capital of ₹1,000 million is required; (b) a minimum CAR of 15% of its RWA on a continuous basis, subject to any higher percentage as may be prescribed by RBI from time to time is required to be maintained;	Our Company has stated in the SFB Application that it will be in compliance with the capital requirements from the date of commencement of business of the Proposed SFB.

Sl. No	Requirement under the SFB in- Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
	(c) Tier I capital should be at least 7.5% of RWAs and Tier II capital should be limited to a maximum of 100% of total Tier I capital; (d) The CAR will be computed in accordance with the Basel Committee's standardized approaches.	
9.	**Foreign Shareholding:** The foreign shareholding in SFBs is required to be as per the extant FDI Policy for private sector banks, as amended from time to time. As per the current FDI Policy, foreign investment is permitted under the automatic route to the extent of 49% of the paid up capital of the SFB and the same may be raised to 74% of the paid up capital of the SFB under the approval route.	The Proposed SFB will be a wholly owned subsidiary of our Company and our Company proposes to reduce its foreign shareholding to below 49% by undertaking an initial public offering, i.e. this Issue. If, for any reason the foreign shareholding is not reduced to 49% pursuant to this Issue, our Company will take such steps as are necessary, including but not limited to a follow on public issue or private placement to ensure compliance with the requirement prior to commencement of business of the Proposed SFB or such other time as may be allowed by the RBI or applicable law.
10.	**Voting rights and transfer / acquisition of shares:** (a) In terms the Banking Regulation Act, 1949 and the SFB Guidelines, any shareholder's voting rights in private sector banks is capped at 10% and such limit may be raised to 26% in a phased manner with prior approval of the RBI. **(b)** Any acquisition of 5% or more of the paid up share capital in a bank would require the prior approval of the RBI.	Notwithstanding our shareholding, our voting right will be capped to the levels permitted under applicable laws. Our Company has undertaken to the RBI that it will ensure that no single shareholder holds more than 10% of the shareholding of our Company prior to the commencement of business of the Proposed SFB.
11.	**Prudential Norms:** SFBs are subject to all prudential norms and regulations as applicable to the existing commercial banks including requirement of maintenance of CRR and SLR. Prudential norms on income recognition, asset classification and provisioning pertaining to advances are also applicable. Further, the Proposed SFB is required to extend 75% of its Adjusted Net Bank Credit (the "**ANBC**") to the sectors eligible for being classified as priority sector lending by RBI. Of such 75% of its ANBC, the SFBs are required to allocate 40% to priority sectors in the manner specified by the RBI and are free to allocate the remaining 35% to priority sectors where it has	Our Company has indicated to the RBI in the SFB Application that the Proposed SFB will be in compliance with the prudential norm requirements from the date of commencement of business of the Proposed SFB.

Sl. No	Requirement under the SFB in- Principle Approval, the SFB Guidelines and other applicable laws	Company's plan for meeting such requirements
	competitive advantage. In addition, the maximum loan size and investment limit exposure of a single and group obligor is to be restricted to 10% and 15% of the capital funds, respectively. Further, the Proposed SFB is required to ensure that at least 50% of its loan portfolio constitutes loans and advances of up to ₹ 2.5 million.	
12.	SFBs should have a high powered customer grievances cell to handle customer complaints and will come within the purview of the Reserve Bank of India's Banking Ombudsman Scheme 2006.	Our Company will ensure compliance with this requirement prior to commencement of operations of the Proposed SFB.
13.	**Corporate governance:** The board of directors of the SFB is required to have a majority of independent directors.	The Proposed SFB will be in compliance with the corporate governance requirements from the date of commencement of business of the Proposed SFB.

Further, the SFB In-Principle Approval is also subject to certain conditions, such as sources of funds for promoters' and promoter groups' equity in Proposed SFB to be transparent and verifiable and the initial and subsequently subscriptions to the capital by promoters and others to be through genuine and bona fide sources. Our Company believes that the Proposed SFB will be in compliance with such conditions from the date of commencement of business of the Proposed SFB.

The SFB Guidelines have been recently issued. While we have made disclosures above on how we intend to comply with the requirements, it is possible that there may be more requirements and we would have to make modifications. For example, prior approval from the RBI is required for any change of shareholding of our Company, to the extent of 5% or more, by way of fresh issue or transfer of Equity Shares. Accordingly, our Company, through its application dated November 4, 2015, sought the approval of the RBI for, among other things, (i) change in shareholding of our Company pursuant to the Issue and (ii) clarification in relation to post listing of Equity Shares on the stock exchanges wherein our Company will be unable to monitor if the aggregate trading of its Equity Shares on the floor of the recognised stock exchanges (including by any single shareholder or group) is 5% or more of the issued share capital of our Company. The RBI, through letter dated November 27, 2015, has accorded its approval for, among other things, the listing of Equity Shares on the floor of the recognised stock exchanges. Further, in terms of the RBI Approval, the RBI has communicated that in the event investors acquire a stake of 5% or more in our Company through the Issue, they would require approval from the RBI. For further details, see "Terms of the Issue - Basis of Allocation" and "Main Provisions of Articles of Association" on pages 734, 735 and 797.

In addition, our Company is required to register itself as a CIC before the date of commencement of business by the Proposed SFB. Accordingly, our Company is in the process of filing an application with the RBI for registering our Company as a CIC. Further, our Company has made an application dated February 10, 2016 to the RBI to cap its non-resident shareholding at 49% and to prescribe cut-off points that are two percentage points lower than the actual ceiling limits. Additionally, we may also from time to time, from now to receipt of the license, engage with the RBI and to the extent they permit modifications, the above would stand modified.

We have also taken certain operational steps towards the setting up of the Proposed SFB including undertaking discussions on locations and directors with the RBI, recruiting employees for the Proposed SFB and entering into arrangements with third party vendors.

REGULATIONS AND POLICIES

The following description is a summary of some of the relevant regulations and policies as prescribed by the central and state governments in India that are applicable to our businesses. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and this section is only intended to provide general information to the investors on the key regulations and policies applicable to us and is neither designed nor intended to be a substitute for professional legal advice.

Our Company is Non Systemically Important Core Investment Company ("**CIC**") and is exempt from registration with the RBI as per Section 45-IA of the RBI Act. However, in terms of the SFB In-Principle Approval, our Company is required to register itself as a CIC with the RBI before the date of commencement of business by the Proposed SFB. Accordingly, our Company is in the process of filing an application with the RBI for registering our Company as a CIC. Two of our Subsidiaries, EMFL and EFL are Non Deposit Taking Systemically Important Non Banking Finance Companies (NBFC-ND-SI) registered with the RBI. Further, EHFL, another Subsidiary of our Company is a Housing Finance Company registered with the NHB.

Our operations include the following broad segments (a) Microfinance, (b) Vehicle finance, (c) Housing finance, (d) SME finance, and (e) loans against property. For further details see, "Business" on page 187.

These operations are governed by various rules, regulations, guidelines, notifications and circulars including those issued by RBI and applicable to CICs and NBFCs-ND-SI including NBFC-MFIs and NBFC-AFCs. Further, our Housing Finance business is regulated by the circulars, guidelines and notification issued by the NHB from time to time.

I. Regulations applicable to NBFCs

The RBI Act, 1934

The RBI Act, 1934 defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may, with the previous approval of the Central Government, and by notification in the Official Gazette, specify.

Pursuant to Section 45-IC of the RBI Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal. An NBFC is also required to have a minimum Net Owned Fund of ₹ 20 million before applying for a certificate of registration.

1) CICs

Master Circular- Regulatory Framework for Core Investment Companies dated July 1, 2015, issued by the RBI (the "CIC Master Circular")

The RBI had issued the CIC Master Circular consolidating all instructions issued in relation to CICs. The CIC Master Circular shall apply to every CIC, that is to say, a non-banking financial company carrying on the business of acquisition of shares and securities and which satisfies the following conditions as on the date of the last audited balance sheet:-

(i) it holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;

(ii) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its net assets as mentioned in clause (i) above;

(iii) it does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;

(iv) it does not carry on any other financial activity referred to in Section 45I (c) and 45I (f) of the RBI Act, 1934 except investment in:

(a) bank deposits,

(b) money market instruments, including money market mutual funds

(c) government securities, and

(d) bonds or debentures issued by group companies, granting of loans to group companies and issuing guarantees on behalf of group companies.

CICs with an asset size of ₹ 1,000 million or more and which raise or hold public funds will be considered as CIC-ND-SI and would be required to obtain a certificate of registration ("**COR**") from RBI under Section 45-IA of the RBI Act, 1934 even if they have been advised in the past that registration was not required. Since our Company does not hold public funds, our Company was exempt from registration and has voluntarily surrendered its certificate of registration as a NBFC-ND-SI.

All CICs which have total assets of less than ₹ 1,000 million, either individually or in aggregate, along with other CICs in the group (as defined in the CIC Master Circular) and have neither raised nor holds public funds shall be exempt from registering themselves with the RBI, provided they pass a Board Resolution that it will not, in the future, access public funds. CICs which presently have an asset size of less than ₹ 1,000 million would be required to apply to the RBI for COR within three months of the date of achieving a balance sheet size of ₹ 1,000 million. CICs will also have to satisfy certain capital and leverage requirements upon becoming CIC-ND-SI.

Consolidated FDI Policy Circular of 2015, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated May 12, 2015 ("FDI Policy") and RBI Master Circular on Foreign Investments in India dated July 1, 2015

Foreign investment into an Indian company, engaged only in the activity of investing in the capital of other Indian companies, will require prior Government / FIPB approval, regardless of the amount or extent of foreign investment. Foreign investment into NBFCs, carrying on activities approved for FDI, will be subject to the conditions specified in paragraph 6.2.18.8 of this Circular. Those companies, which are CICs, will have to additionally follow RBI's Regulatory Framework for CIC.

2) NBFC-ND-SI microfinance company ("NBFC-MFI")

EMFL, our Subsidiary is an NBFC-MFI.

Master Circular- 'Non Banking Financing Company- Micro Finance Institutions' Directions dated July 1, 2015, issued by the RBI (the "NBFC-MFI Master Circular").

The RBI had issued the master circular consolidating all instructions issued in relation to NBFC-MFI. This NBFC-MFI Master Circular will apply to all NBFC-MFIs (other than a Company licensed under Section 25 of the Companies Act, 1956), which satisfy the following conditions:

(i) an NBFC that extends loans to the micro finance sector shall have a minimum net owned fund of ₹ 50 million;

(ii) shall ensure that not less than 85% of its net assets are in the nature of "qualifying assets";

(iii) the income an NBFC-MFI derives from the remaining 15% of assets shall be in accordance with the regulations specified in that behalf;

(iv) an NBFC which does not qualify as an NBFC-MFI shall not extend loans to micro finance sector, which in aggregate exceed 10% of its total assets.

Multiple lending, Over Borrowing and Ghost Borrowers

NBFC-MFIs can lend to individual borrowers who are not members of a JLG, SHG or to borrowers that are members of a JLG or SHG, subject to the following restrictions:

(a) borrower cannot be a member of more than one SHG or JLG;

(b) not more than two NBFC-MFIs can lend to the same borrower;

(c) there must be a minimum moratorium period between the grant of the loan and the due date for the repayment of the first instalment. The moratorium period shall not be less than the frequency of repayment;

(d) recovery of loan given in violation of the regulations should be deferred till all prior existing loans are fully repaid; and

(e) all sanctioning and disbursement of loans should be done only at a central location and more than one individual should be involved in this function. In addition, there should be close supervision of the disbursement function.

Capital Adequacy Requirements

The NBFC-MFIs are required to maintain a CAR consisting of Tier I and Tier II capital which should not be less than 15% of its aggregate risk weighted assets. The total of Tier II Capital at any point of time, should not exceed 100% of Tier I capital.

The NBFC-MFIs are also required to comply with the following asset classification and provisioning norms:

Asset Classification Norms:

(i) A “standard asset” means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;

(ii) A “non-performing asset” means an asset for which interest or principal payment has remained overdue for a period of 90 days or more.

Provisioning Norms:

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time is required to be not less than the higher of:

(i) 1% of their outstanding loan portfolio; or

(ii) 50% of their aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

Further, all provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, except provisions relating to asset classification and prudential norms are applicable to NBFC-MFIs except as indicated herein.

Transparency in Interest Rates and pricing of credit

To ensure fair practice in lending, NBFC-MFIs are permitted to have only three components in the pricing of loans viz., the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof). They are not permitted to charge penalty on delayed payments or to collect any security deposit/margin from their borrowers. In addition NBFC-MFIs are subject to pricing stipulations in relation to the ceiling on margins, interest rates, processing fee, administrative charges and insurance premium.

3) NBFC-ND-SI asset finance company ("NBFC-AFC")

EFL, our Subsidiary is an NBFC-AFC.

NBFCs which are engaged in financing real/physical assets supporting economic activity such as automobile, general purpose industrial machinery and the like are reclassified as NBFC-AFC. In order to be classified as an asset financing company the NBFC must show that income arising out of financing real/physical assets supporting economic activity is not less than 60% of its total income. AFCs are further categorized into AFCs that accept public deposit and non-deposit taking AFCs.

4) Regulations Applicable to all NBFCs

Revised Regulatory Framework for NBFCs dated November 10, 2014, issued by the RBI

The RBI had issued the Revised Regulatory Framework for NBFCs through circular dated November 10, 2014.The threshold for defining systemic significance of non deposit accepting NBFCs has been revised in this circular in light of the overall increase in the growth of the NBFC sector. Non Deposit accepting NBFCs which have an asset size of ₹ 5,000 million and above as per the last audited balance sheet have been now categorised as NBFC-ND-SI.

Master Circular – "Non Systemically Important Non-Banking Financial (Non-deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 dated July 1, 2015 ("Prudential Norms Master Circular Non SI")

As per the Prudential Norms Master Circular Non SI, a company would be categorized as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and if its income from such financial assets is more than 50% of the gross income. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a non banking financial institution.

The Prudential Norms Master Circular Non SI further provides directions to all non systemically important-NBFCs on classification of assets, requirements for provisioning and disclosures to be made in the balance sheet on provisions for bad and doubtful debt and provisions for depreciation in investments.

The Prudential Norms Master Circular Non SI further details the requirements as to capital adequacy consisting of tier-I and Tier-II capital with total Tier-II capital not exceeding 100% of the Tier-I capital at any time.

The Prudential Norms Master Circular Non SI also provides directions on loan against gold jewellery, which include restriction on granting any loan or advance against bullion, gold coins or primary gold. NBFCs are also required to maintain a loan to value ratio not exceeding 75% of the loan granted against collateral of gold jewellery. NBFCs are required to disclose the percentage of such loans to their total assets in the balance sheet and NBFC.

NBFCs are also required to carry out verification of ownership of gold jewellery, when the borrower pledges at one time or cumulatively more than 20 grams of gold.

The Prudential Norms Master Circular Non SI further provides directions on the manner in which auction of the pledged gold jewellery is required to be conducted. NBFCs are also required to disclose in the annual report, details of gold auction conducted during a financial year with details of loan account, outstanding amount, value fetched and details of participation of any sister concern of the NBFC in the auction.

Master Circular – "Systemically Important Non-Banking Financial (Non-deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 dated July 1, 2015 ("Prudential Norms Master Circular SI")

As per the Prudential Norms Master Circular SI, the board of directors of every non-banking financial company granting/intending to grant demand/call loans shall frame and implement a policy for the company, which shall include, (i) A cut-off date within which the repayment of demand or call loan shall be demanded or called up, (ii) The rate of interest which shall be payable on such loans; (iii) a cut-off date, for review of performance of the loan, not exceeding six months commencing from the date of sanction etc.

Further, every NBFC shall make provisions for standard assets at 0.25 per cent by the end of March 2015; 0.30 per cent by the end of March 2016; 0.35 per cent by the end of March 2017 and 0.40 per cent by the end of March 2018 and thereafter, of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Every NBFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The total of Tier I capital, at any point of time, shall not be less than 8.5% by March 31, 2016 and 10% by March 31, 2017. Further, NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 percent or more of their financial assets) shall maintain a minimum Tier l capital of 12 percent. The total Tier II Capital for NBFC-MFIs, at any point of time, shall not exceed one hundred percent of Tier I Capital.

NBFCs are also required to carry out verification of ownership of the jewellery, when the borrower pledges at one time or cumulatively more than 20 grams of gold.

The Prudential Norms Master Circular SI further provides directions on the manner in which auction of the pledged gold jewellery is required to be conducted. NBFCs are also required to disclose in the annual report, details of gold auction conducted during a financial year with details of loan account, outstanding amount, value fetched and details of participation of any affiliate of the NBFC in the auction

Master Circular – External Commercial Borrowings and Trade Credits dated July 1, 2015, issued by the RBI ("ECB Master Circular")

NBFCs-AFCs are permitted to avail of ECBs through the automatic route for financing the import of infrastructure equipment for leasing to infrastructure projects. NBFC-AFCs can avail of ECBs up to 75% of their owned funds (ECB including all outstanding ECBs) subject to a maximum of USD 200 million or its equivalent per financial year with a minimum maturity of five years and must hedge the currency risk exposure in full. NBFCs-AFCs are however permitted to avail of ECB, beyond 75% of their owned funds (including outstanding ECBs) to finance the import of infrastructure equipment for leasing to infrastructure projects through the approval route.

NBFC-MFIs complying with the prescribed norms are also eligible to raise ECBs through the automatic route provided they avail ECBs from ECBs multilateral institutions, such as IFC, ADB etc., / regional financial institutions/international banks / foreign equity holders and overseas organizations.

Master Circular- Non Banking Finance Company –Corporate Governance (Reserve Bank) Directions, 2015 dated July 1, 2015, issued by the RBI ("Corporate Governance Master Circular")

All non-deposit accepting NBFCs are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. The NBFCs will also have to ensure to put in place a fit and proper criterion of the directors at the time of appointment. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders. The NBFCs will also have to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory auditors audit firm.

Master Circular -Fair Practices Code dated July 1, 2015, issued by the RBI ("FPC Master Circular")

NBFC-MFIs are required to make necessary organizational arrangements to assign responsibility to designated individuals within the company and establish systems of internal control including audit and periodic inspection, to ensure compliance with the fair practices code. Further, as a measure of customer protection and in order to bring in uniformity with regard to prepayment of various loans by borrowers of banks and NBFCs, it has been advised that NBFCs shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to *individual borrowers.*

For recovery of loans, NBFCs should not resort to undue harassment. NBFCs shall also ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

Revised Guidelines on Private Placement of NCDs by NBFCs, dated February 20, 2015, issued by the RBI ("NCD guidelines")

The NCD guidelines prescribes among other things the issuance of private placement of NCDs in two separate categories, those with a maximum subscription of less than ₹10 million and those with a minimum subscription of ₹10 million and above per investor. There shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹10 million and above, and the option to create security in favor of subscribers will be with the issuers. Such unsecured debentures shall not be treated as public deposits as defined in NBFCs Acceptance of Public Deposits (Reserve Bank) Directions, 1998. An NBFC (excluding CICs) shall issue debentures only for deployment of funds on its own balance sheet and not to facilitate resource requests of group entities / parent company / associates. An NBFC shall not extend loans against the security of its own debentures (issued either by way of private placement or public issue).

Master Circular – 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) - 'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder' dated July 1, 2015, issued by the RBI ("KYC and AML Master Circular")

The RBI had issued the KYC and AML Master Circular consolidating all the instructions in relation to KYC and AML. The KYC Master Circular advised all NBFCs to adopt such guidelines with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework on KYC and AML is put in place. The KYC policies are required to have certain key elements such as customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines by the persons authorised by the NBFCs' including brokers/agents, due diligence of persons authorised by the NBFCs and customer service in terms of identifiable contact with persons authorised by NBFCs.

Further, pursuant to the provisions of PML Act, PML Rules and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting / reporting to financial intelligence unit - India of suspicious transactions and cash transactions and to maintain a system of proper record of specified transactions.

Additionally, NBFCs are required to ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least five years after the business relationship is ended.

Asset Classification Norms

The RBI had issued a notification on 'Revised Regulatory Framework for NBFC' dated November 10, 2014. As per the notification, the asset classification norms for NBFCs –ND-SI are being revised, in a phased manner, as given below.

Lease Rental and Hire-Purchase Assets shall become NPA:

(i) if they become overdue for 9 months (currently 12 months) for the financial year ending March 31, 2016;

(ii) if overdue for 6 months for the financial year ending March 31, 2017; and

(iii) if overdue for 3 months for the financial year ending March 31, 2018 and thereafter.

Assets other than Lease Rental and Hire-Purchase Assets shall become NPA:

(i) if they become overdue for 5 months for the financial year ending March 31, 2016;

(ii) if overdue for 4 months for the financial year ending March 31, 2017; and

(iii) if overdue for 3 months for the financial year ending March 31, 2018 and thereafter.

Revised Guidelines on Securitization of Standard Assets dated May 7, 2012 and August 21, 2012, issued by the RBI ("Revised GSSA")

The RBI had issued the Revised GSSA to banks and made it applicable to NBFCs by circular dated August 21, 2012. The Revised GSSA regulates assignment transactions, which were not covered under the earlier guidelines issued by the RBI. The Revised GSSA imposes a restriction on the offering of credit enhancement in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows. Further, the Revised GSSA provides that loans can only be assigned or securitized if the NBFC has held them in their books for a specified minimum period. They also provide a mandatory retention requirement for securitization and assignment transactions.

II. Regulations applicable to HFCs.

NHB Act

NHB Act was enacted to establish NHB to operate as a principal agency to promote HFCs both at the local and regional levels and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of the NHB, among others, includes promoting, establishing, supporting or aiding in the promotion, establishment, making loans and advances or rending any other form of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the Central Government.

The Housing Finance Companies (National Housing Bank) Directions, 2010 ("NHB Directions, 2010")

The objective of the NHB Directions, 2010 is to consolidate and issue directions in relation to the acceptance of deposits by the housing finance institutions. Further, it provides the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investment to be observed by the housing finance institutions and the matters to be included in the auditors' report by the auditors of housing finance institutions.

Further, HFCs are restricted from accepting or renewing public deposits unless (i) the HFC has obtained minimum investment grade rating for its fixed deposits from any one of the approved rating agencies, at least once a year and a copy of the rating is sent to the NHB and; (ii) it complies with all the prudential norms, provided that:

(i) an HFC having obtained credit rating for its fixed deposits not below the minimum investment grade rating as above and complying with all the prudential norms, may accept public deposits not exceeding five times of its net owned funds; and

(ii) an HFC which does not have the requisite rating for its fixed deposits shall obtain the same within a period of six months time from the date of notification or such extended period as may be permitted by the NHB, to obtain the prescribed rating for its fixed deposits.

HFCs are restricted from accepting or renewing any public deposit: (i) which is repayable on demand or on notice; or (ii) unless such deposit is repayable after a period of 12 months or more but not later than 84 months from the date of acceptance or renewal of such deposits.

The aggregate exposure of a HFC to the capital market in all forms should not exceed 40 % of its net worth as on March 31 of the previous year. Direct investment in shares, convertible bonds, mutual funds and all exposures to Venture Capital Funds should not exceed 20 % of its net worth.

Every HFC is required to classify the loans and advances into: (a) standard assets; (b) sub-standard assets; (c) doubtful assets; and (d) loan assets after taking into account the credit weakness and dependence on collateral for realization for the loan.

Master Circular on Housing Finance dated July 1, 2015, issued by the RBI

As per the Master Circular on Housing Finance, banks may grant term loans to HFCs taking into account certain parameters such as, (long term) Debt- equity ratio, track record, recovery performance etc.

Revised Guidelines for Asset Liability Management System for HFCs dated October 11, 2010, issued by the NHB ("ALM guidelines for HFCs")

The ALM Guidelines for HFCs lays down broad guidelines for HFCs in respect of systems for management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted consisting of the HFC's senior management including the chief executive officer for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are required to be responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket.

Guidelines for Recovery Agents Engaged by HFCs, dated July 14, 2008, issued by NHB ("Recovery Agents guidelines")

The Recovery Agents guidelines were issued in relation to the practices and procedures regarding the engagement of recovery agents by the HFCs. HFCs are required to ensure that the agents engaged by them in the recovery process carry out verification of the antecedents of their employees and are properly trained to handle with care and sensitivity their responsibilities, in particular, aspects like hours of calling and privacy of customer information, among others and HFC are required to intimate the borrowers about details of recovery agents at the time of forwarding the case on account of default to the recovery agent.

Guidelines on Know Your Customers and Anti Money laundering measures for Housing Finance Companies dated October 11, 2010, issued by the NHB ("KYC guidelines")

The KYC guidelines mandate the KYC policies and anti-money laundering measures for HFC to have certain key elements, including, among other things, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence based on risk assessment by the HFC, including its brokers and agents.

Under circular of 2014, HFCs are directed to ensure that, among other things, the documents are not given directly to the customers for verification to obviate any frauds.

The additional guidelines issued by NHB on April 23, 2015 state that in order to reduce risk of identity fraud, document forgery and have paperless KYC verification, UIDAI has launched a e-KYC service which shall be accepted as valid verification.

Guidelines on Fair Practices Code for HFCs dated September 5, 2006, issued by the NHB as revised by circulars dated October 11, 2010 and April 25, 2011 ("FPC guidelines for HFC")

The FPC guidelines for HFCs seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces, promote fair and cordial relationship between customer and HFCs and foster confidence in the housing finance system.

The Fair Practices Code provides for provisions in relation to providing regular and appropriate updates to the customer, prompt resolution of grievances and confidentiality of customer information. Further, the HFCs are required to disclose information on interest rates, common fees and charges through notices etc. HFCs are required to ensure that all advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information (even when customers are no longer customers) is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending them notice or by making personal visits and/or repossession of security, if any. The HFC's collection policy should be built on courtesy and fair treatment.

Housing Finance Companies issuance of Non-Convertible Debentures on Private Placement basis (NHB) Directions, 2014 dated March 13, 2014, issued by the NHB *("**HFC NCD Directions**")*

As per the HFC NCD Directions only HFCs having net owned funds of at least ₹100 million as per the last audited balance sheet are allowed to issue NCDs on private placement basis. The HFC NCD Directions prescribe for the NCDs to obtain a credit rating from a reputed agency registered with SEBI or such other rating agencies specified by the NHB. The HFC NCD Directions further provide for the maturity period of the NCDs, the maximum number of investors, the minimum subscription amount for a single investor, procedure, conditions, appointment of a debenture trustee for the issue etc. HFCs have been prohibited from lending against their own debentures.

Refinance Scheme for housing finance companies, issued by NHB, with effect from September 5, 2013 ("***Refinance Scheme***").

Pursuant to the Refinance Scheme, HFCs registered with the NHB are eligible to obtain refinance from the NHB in respect of their direct lending up to 100% of the housing loan sanctioned and disbursed by HFCs for acquisition or construction of new housing units and for up gradation or major repairs, in accordance with the provisions of the Refinance Scheme. For example, the "liberalised refinance scheme" would be available with concession in interest for loans up to ₹ 0.5 million and tenure ranging from one to 15 years. The Refinance Scheme also provides assistance for rural housing finance with eligible loan size up to ₹ 1.5 million in rural areas as defined under the Refinance Scheme.

The Refinance Scheme also prescribes thresholds for refinance of housing loans for rural and weaker sections of the society, urban low income housing, women, affordable housing and energy efficient dwellings.

III. Regulations applicable to NBFCs and HFCs

Revised Guidelines on Priority Sector Lending- Targets and Classification, dated April 23, 2015, issued by the RBI ("Priority Sector Lending guidelines")

The Priority Sector Lending guidelines observed that the bank credit extended to MFIs for on-lending purposes to individuals and members of SHGs or JLGs would be eligible to be categorised as priority sector advance under respective categories being agriculture, micro, small, medium enterprises and others, as indirect finances, provided not less than 85% of total assets (other than cash balances with banks and financial institutions, government securities and money market instruments) of MFIs are in the nature of "qualifying assets" and the aggregate amount of loan, extended for income generating activity, is not less than 50%, of the total loans given by such MFIs.

Additionally, loans granted by banks to HFCs approved by the NHB for the purpose of their refinance, for on-lending for purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 1 million per borrower would be classified under priority sector.

IV. Other Regulations

In addition to the above, our wholly owned subsidiary, ETPL, which proposes to be involved, inter alia, in the development of a technology platform for freight aggregation connecting cargo providers with transporters, may be required to comply with the provisions of the Carriage Act and the Carriage Rules. The Carriage Act defines a common carrier, among other things, to include a contractor, agent, broker and courier agency engaged in the door-to-door transportation of documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles. Every person engaged in the business of common carrier has to obtain a certificate of registration, which is valid for a period of 10 years, from the state transport authority or a regional transport authority constituted under the Motor Vehicles Act, 1988.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, FEMA, labour laws, information technology, various tax related legislations and other applicable statutes for its day-to-day operations.

Our Company had made an application to the RBI on January 30, 2015 for obtaining a license to set up an SFB. RBI has granted our Company an in-principle approval for setting up an SFB through letter dated October 7, 2015 under reference DBR.PSBD.NBC (SFB-Equitas). No 4915/ 16.13.216/2015-16. For further details, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as UPDB Micro Finance Private Limited on June 22, 2007 at Chennai as a private limited company under the Companies Act, 1956. Pursuant to a special resolution passed by our Shareholders on December 17, 2007, the name of our Company was changed to Equitas Micro Finance India Private Limited to convey the principle of fairness and transparency of our Company, and a fresh certificate of incorporation consequent to change of name was issued by the RoC on February 1, 2008. The microfinance business of our Company was demerged into Singhivi pursuant to a Demerger Scheme with effect from April, 1, 2011. Singhivi was later renamed as Equitas Micro Finance Private Limited. Pursuant to the Demerger Scheme, a resolution was passed by our Shareholders on January 30, 2012 and the name of our Company was changed to Equitas Holdings Private Limited and a fresh certificate of incorporation consequent to change of name was issued by the RoC on February 29, 2012. Pursuant to an order issued by the RBI on December 3, 2012, our Company was designated as a Non Systemically Important Core Investment Company and pursuant to the request made by our Company, the certificate of registration as a NBFC under Section 45 IA of the RBI Act was cancelled. Thereafter, pursuant to a special resolution passed by our Shareholders on June 12, 2015, our Company was converted into a public limited company and the name was changed to Equitas Holdings Limited. The RoC issued a fresh certificate of incorporation consequent to change of name on June 18, 2015.

As on the date of filing of this Red Herring Prospectus, our Company has 1,031 Shareholders. For further information, see “Capital Structure” beginning on page 110.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, see “Industry Overview”, “Business” and “Management” on pages 148, 187 and 234, respectively.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
2007	Incorporation of our Company.
2008	Our Company set up EDIT with the objective of furthering social initiatives.
2009	Investment in core banking solution by a license agreement with Temenos Singapore Pte. Limited.
2010	Incorporation of Equitas Housing Finance Private Limited as a wholly owned subsidiary of our Company.
2011	Acquisition of the entire shareholding of V.A.P Finance Limited and Singhivi on March 21, 2011 and July 7, 2011 respectively, which were registered with the RBI as non-banking financial institutions. V.A.P Finance Limited was converted into a private company and a fresh certificate of incorporation was issued by RoC on March 30, 2011. Subsequently the name of V.A.P Finance Private Limited was changed to Equitas Finance Private Limited.
2012	Demerger of our micro finance business undertaking pursuant to the order by the Madras High Court dated January 11, 2012 approving the Demerger Scheme with effect from April 1, 2011. The name of our Company was changed to Equitas Holdings Private Limited.
2012	Pursuant to our Company becoming a non-systemically important CIC, the certificate of registration under 45-IA of the RBI Act, as an NBFC (No. N-07-00768) was cancelled by the RBI at the request of our Company.

Calendar Year	Particulars
2013	The name of Singhivi Investment & Finance Private Limited was changed to Equitas Micro Finance Private Limited.
2015	Conversion of our Company into a public limited company and change of name to Equitas Holdings Limited.
2015	In-principle approval for Small Finance Bank pursuant to RBI Letter dated October 7, 2015 under reference DBR.PSBD.NBC (SFB-Equitas). No 4915/ 16.13.216/2015-16.
2015	Incorporation of Equitas Technologies Private Limited as a wholly owned subsidiary of our Company.

Changes in the Registered Office

Changes in the Registered Office since the date of incorporation of our Company are detailed below:

(a) The registered office of our Company at the time of incorporation was:

Flat 1A, 1st Floor, 2nd Block, Kences Enclave, 1 Ramakrishna Street, T. Nagar, Chennai 600 017.

(b) The registered office of our Company was then shifted due to administrative reasons on December 15, 2007 to:

4th Floor, Temple Towers, 672, Anna Salai, Nandanam, Chennai 600 035.

(c) The registered office of our Company was then shifted due to administrative reasons on June 16, 2014 to:

410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. To carry on the business of Micro Finance and provide finance to the weaker sections.

2. To carry on the business of financing development activities through long term loans and other means of financing upon such terms and conditions as the company may think fit for the purposes of:

(i) Agricultural development which includes land acquisition and development, irrigation, watershed development, crop cultivation, plantation, horticulture, forestry, animal husbandry and allied activities such as dairy, poultry, fishery, aqua culture and floriculture.

(ii) Industrial development which includes agro-processing, mining and quarrying, water, power and renewable sources of energy, manufacturing, handicrafts, construction, distribution, transport and services of all kinds.

(iii) Market related activities such as marketing of agricultural, poultry, cottage industry, handicraft or other hand made items, fishing, livestock and industrial outputs, providing facilities for storage, trading and transport of inputs and outputs.

(iv) Housing development such as purchase, construction, extension and modification of buildings and infrastructure facilities for residential, agricultural, commercial or industrial purposes.

3. To finance or assist in financing the sale of goods, articles or commodities of all and every kind or description by way of hire purchase or deferred payment, or similar transactions, and to institute, enter into, carry on, subsidise, finance or assist in subsidising or financing the sale and *maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever, to acquire and discount hire purchase or other arrangements or any rights thereunder.*

4. *To carry on and undertake the business of being an intermediary for distribution of financial services and products such as mutual funds, life and general insurance products of other insurance companies, etc. subject to the rules and regulations prescribed by the Insurance Regulatory and Development Authority, Reserve Bank of India, SEBI and such other authorities as may be applicable from time to time.*

5. *To carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner including but not limited to the following:*

   (a) *To acquire any such shares, stocks, debenture, debenture stock, bonds, obligation or securities by original subscription, exchange or otherwise and to subscribe for the same either conditionally or otherwise, to guarantee the subscription thereof issued or guaranteed by any government, state, public body, or authority, firm, body corporate or any other entity or persons in India or elsewhere.*

   (b) *To purchase or acquire, hold, trade and further to dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms either singly or jointly with any other person(s), body corporate or partnership firm carrying out or proposing to carry out any activity in India or in any other part of the world.*

   (c) *To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investment made.*

   (d) *To facilitate and encourage the creation, issue or conversion of debentures, debenture stock, bonds, obligation, shares, stocks, and securities, and to act as trustees in connection with any such securities, and to take part in the conversion of business concerns and undertakings into companies.*

6. *To give any guarantee in relation to the payment of any debt, debentures, debenture stock, bonds, obligation or securities.*

7. *To subscribe for, conditionally or unconditionally, to underwrite issue on commission or otherwise take, hold, deal in, and convert stocks, shares and securities, of all kinds, and to enter into partnership, or into any arrangement for sharing profits, union of interest, reciprocal concession or co-operation with any person, partnership, or organize companies, syndicates or partnerships of all kinds, for the purpose of acquiring and undertaking any property and liabilities of this company, or of any other company or of advancing, directly or indirectly, the object thereof, or for any other purpose which this company may think expedient.*

8. *To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and suretyship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms of the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the company).*

9. *To borrow and raise money in any manner for the purpose of any business of the company or of any company in which the company is interested and to secure the repayment of any money*

borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the company's property or assets (whether present or future).

10. To transact or carry on all kinds of agency business, and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.

11. To purchase or otherwise acquire, and to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of, and deal with property and rights of all kinds, and in particular, mortgages, debentures, produce, concessions, options, contracts, patents, licenses, stocks, shares, bonds, policies, book debts, business concerns, and undertakings and claims, privileges, and chooses in action of all kinds.

12. To carry on activities of leasing and/or hire-purchase.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company:

Date of shareholders' resolution	Nature of Amendment
June 29, 2007	Amendment to Clause V of the MOA to increase the authorized capital from ₹ 25,000,000 divided into 2,500,000 Equity Shares of ₹ 10 each to ₹ 50,000,000 divided into 5,000,000 Equity Shares of ₹ 10 each.
November 12, 2007	Amendment to Clause V of the MOA to increase authorized share capital from ₹ 50,000,000 divided into 5,000,000 Equity Shares of ₹ 10 each to ₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each.
December 17, 2007	Amendment to Clause I of the MOA to change name from UPDB Micro Finance Private Limited to Equitas Micro Finance India Private Limited.
December 17, 2007	Amendment to Clause III(A)of the MOA to include a new main object as item no. 4, namely: "*To carry on and undertake the business of being an intermediary for distribution of financial services and products such as mutual funds, life and general insurance products of other insurance companies, etc. subject to the rules and regulations prescribed by the Insurance Regulatory and Development Authority, Reserve Bank of India, SEBI and such other authorities as may be applicable from time to time*."
July 28, 2008	Amendment to Clause V of the MOA to increase authorized share capital from to ₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 375,000,000 divided into 27,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
March 26, 2009	Amendment to Clause V of the MOA to increase authorized share capital from ₹ 375,000,000 divided into 27,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each to ₹ 635,000,000 divided into 53,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
January 30, 2012	Amendment to Clause I of the MOA to change the name from Equitas Micro Finance India Private Limited to Equitas Holdings Private Limited.

Date of shareholders' resolution	Nature of Amendment
January 30, 2012	Amendment to Clause III(A) of the MOA to include additional main objects, namely: *"5. To carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporate or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner including but not limited to the following:* *a. To acquire any such shares, stocks, debenture, debenture stock, bonds, obligation or securities by original subscription, exchange or otherwise and to subscribe for the same either conditionally or otherwise, to guarantee the subscription thereof issued or guaranteed by any government, state, public body, or authority, firm, body corporate or any other entity or persons in India or elsewhere.* *b. To purchase or acquire, hold, trade and further to dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms either singly or jointly with any other person(s), body corporate or partnership firm carrying out or proposing to carry out any activity in India or in any other part of the world.* *c. To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.* *d. To facilitate and encourage the creation, issue or conversion of debentures, debenture stock, bonds, obligation, shares, stocks, and securities, and to act as trustees in connection with any such securities, and to take part in the conversion of business concerns and undertakings into companies.* *6. To give any guarantee in relation to the payment of any debt, debentures, debenture stock, bonds, obligation or securities.* *7. To subscribe for, conditionally or unconditionally, to underwrite issue on commission or otherwise take, hold, deal in, and convert stocks, shares and securities, of all kinds, and to enter into partnership, or into any arrangement for sharing profits, union of interest, reciprocal concession or co-operation with any person, partnership, or organize companies, syndicates or partnerships of all kinds, for the purpose of acquiring and undertaking any property and liabilities of this company, or of any other company or of advancing, directly or indirectly, the object thereof, or for any other purpose which this company may think expedient.* *8. To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and*

Date of shareholders' resolution	Nature of Amendment
	suretyship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms of payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the company). *9. To borrow and raise money in any manner for the purpose of any business of the company or of any company in which the company is interested and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the company's property or assets (whether present or future).* *10. To transact or carry on all kinds of agency business, and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.* *11. To purchase or otherwise acquire, and to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose off, and deal with property and rights of all kinds, and in particular, mortgages, debentures, produce, concessions, options, contracts, patents, licenses, stocks, shares, bonds, policies, book debts, business concerns, and undertakings and claims, privileges and chooses in action of all kinds.* *12. To carry on activities of leasing and/or hire-purchase."*
January 30, 2012	Amendment to Clause V of the MOA to increase authorized share capital from ₹ 635,000,000 divided into 53,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each to ₹ 735,000,000 divided into 63,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
September 6, 2013	Amendment to Clause V of the MOA, to increase authorized share capital from ₹ 735,000,000 divided into 63,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each to ₹ 1,035,000,000 divided into 93,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
June 24, 2014	Amendment to Clause V of the MOA, to increase authorized share capital from ₹ 1,035,000,000 divided into 93,500,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each to ₹ 3,000,000,000 divided into 290,000,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares.
June 12, 2015	Amendment to Clause I of the MOA to change name from Equitas Holdings Private Limited to Equitas Holdings Limited.
June 29, 2015	Amendment to Clause V of the MOA, to increase authorized share capital from ₹ 3,000,000,000 divided into 290,000,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each to ₹ 3,750,000,000 divided into 365,000,000 Equity Shares of ₹ 10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each.

Certifications, Awards and Recognitions

We have received the following certifications, awards and recognitions for achieving and maintaining high standards in various aspects of our business:

Calendar Year	Certification/Award
2015	EHFL received an upgraded rating of 'CRISIL A-/Stable' from CRISIL.
2015	EMFL ranked 55th among India's best Companies to work for, 2015, by Great Place to Work Institute, India.
2015	EFL ranked 4th among India's best companies to work for in the Financial Services Industry, 2015, by Great Place to Work Institute, India.
2015	EFL ranked 67th among India's best Companies to work for, 2015, by Great Place to Work Institute, India.
2013, 2014	EMFL was given the highest rating by CRISIL for the microfinance industry in India, grading was mfR1.
2014	Obtained 5 star rating for our Company from GIIRS (Global Impact Investment Rating System)
2013	Innovation 4 Impact Award, 2013, by XLRI Jamshedpur presented to 'Equitas - Financiers for the un-banked'.
2013	EHL ranked 4th Best Company to work for in engaging the frontline staff, 2013, by Great Place to Work Institute, India.
2013	ISO 9001:2008 for EMFL, EFL and EHFL.
2012	Obtained a rating of GVC Level 2 for Corporate Governance by CRISIL Rating Corporate Governance.
2012	EHL (then Equitas Micro Finance India Private Limited) recognised among India's top 50 Companies in India's Best Companies to work for, 2012, by Great Place to Work Institute, India.
2011	EHL (then Equitas Micro Finance India Private Limited) ranked India's Best Company to work for in recruitment, selection and induction, 2011, by Great Place to Work Institute, India.
2010	EHL (then Equitas Micro Finance India Private Limited) ranked India's Best Company to work for in the Microfinance Industry, 2010, by Great Place to Work Institute, India.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, geographical presence, growth, competition, products, suppliers, customers, capacity build-up, technology, and managerial competence, see "Business" and "Management" beginning on pages 187 and 234, respectively.

Our Holding Company

Our Company does not have a holding company.

Our Promoters and Promoter Group

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. Consequently, it does not have a 'promoter group' in terms of the SEBI Regulations.

Our Subsidiaries

As of the date of this Red Herring Prospectus, our Company has four subsidiaries. For further details regarding our Subsidiaries, see "Our Subsidiaries" on page 230.

Scheme of Arrangement

1. **Scheme of arrangement entered into between EMFL and our Company.**

   Our Company filed a scheme of arrangement between our Company and EMFL (formerly known as Singhivi) under Sections 391-394 of the Companies Act, 1956 before the Madras High Court vide Company Petition No. 211 and 212 of 2011 on December 2, 2011 for demerger of its microfinance business undertaking into EMFL. The Demerger Scheme was approved by the Madras High Court pursuant to its order dated January 11, 2012.

   The Demerger Scheme was filed to consolidate and reorganize the business activities of our Company and to comply with the RBI guidelines issued on May 3, 2011 wherein a company to be eligible for classification as a micro-finance company was required to maintain 85% of its assets in the form of micro finance portfolio.

   In accordance with the Demerger Scheme, all debts, assets, liabilities duties and obligations of every kind attributable to the micro finance undertaking was deemed to be transferred to Singhivi. For further details, see "Financial Statements" on pages 310, 379 and 459.

   In accordance with the Demerger Scheme the microfinance undertaking of our Company was demerged, transferred and vested in EMFL with effect from April 1, 2011.

2. **Scheme of arrangement entered into among EMFL, EHFL and EFL.**

   Certain of our Subsidiaries, namely EMFL and EHFL are proposed to be amalgamated with EFL to become the Proposed SFB through a court approved scheme of arrangement under applicable law. For details, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank - Our Proposed SFB Corporate Structure" on pages 204 and 205.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt, see "Capital Structure" and "Financial Indebtedness" beginning on pages 110 and 660, respectively.

Injunctions or restraining orders against our Company

As of the date of this Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Changes in the activities of our Company during the last five years

Our Company commenced its operations in the microfinance business after incorporation. Our Company entered into investment activities and established a wholly owned subsidiary EHFL in the year 2010 for carrying on the business of housing finance. Our Company acquired V.A.P Finance Limited on March 21, 2011 and commenced the business of financing used commercial vehicles. Singhivi was acquired on July 7, 2011 and pursuant to the Demerger Scheme, the microfinance business of our Company was demerged into our wholly owned subsidiary, EMFL (formerly known as Singhivi).

Pursuant to an order issued by the RBI on December 3, 2012, our Company was designated as a Non Systemically Important Core Investment Company and pursuant to the request made by our Company, the certificate of registration as an NBFC under Section 45 IA of the RBI Act was cancelled by the RBI's letter dated December 21, 2012. Subsequently, our Company is in the process of filing an application with the

RBI for registering our Company as a CIC. For further details, see “Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank” on page 203. Our Company established a wholly owned subsidiary ETPL in the year 2015 involved in, among other things, the development of a technology platform for freight, logistics, carriers and related services.

Except as stated above, there have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity

Other than as disclosed in the “Risk Factors- Our indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire”, there have been no defaults that have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, see “Financial Indebtedness” on page 660. Further, none of our loans have been rescheduled or been converted into Equity Shares.

Lock outs and Strikes

There have been no lock outs or strikes at any of the offices of our Company or our Subsidiaries.

Time and Cost Overruns

Our Company has not implemented any projects and has, therefore, not experienced any time or cost overruns in relation thereto.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

For details on the acquisition of certain of our Subsidiaries, see “History and Certain Corporate Matters ” on pages 220 and 221.

Except as stated above, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

Summary of Key Agreements

1. **Shareholders Agreement dated November 4, 2014 entered into between our Company, Aavishkaar, IFIF, MVH, Microventures Investments and Microventures Asia, Lumen, IFC, CDC, FMO, Creation, DEG (collectively the “SHA Investors”) and P.N. Vasudevan**

   Our Company, SHA Investors and P.N. Vasudevan entered into a shareholders’ agreement on November 4, 2014 (the “**Equitas SHA**”) to regulate the relationship and set forth their respective rights and obligations as the holders of Equity Shares pursuant to Subscription Agreements entered into by our Company and our Managing Director, P. N. Vasudevan with Creation, DEG, IFIF, FMO, CDC and IFC on November 4, 2014. The understanding reflected in the Equitas SHA would take precedence over any existing agreement or arrangement, among them in relation to the governance, management and operation of our Company, other than in relation to the agreement between our Company and SIDBI (“**SIDBI SHA**”).

   The Equitas SHA confers certain rights and obligations upon certain SHA Investors, including, *inter alia,* the right to appoint a nominee director and an observer, consent rights with respect to reserved matters, certain affirmative voting rights, tag along right, pre emptive right, right of first refusal and drag along right and certain exit rights. The Equitas SHA terminates with respect to all parties upon completion of an IPO; however certain clauses, including certain indemnities, certain confidentiality and publicity related matters survive termination of the Equitas SHA.

   The Equitas SHA also imposes certain standard obligations on our Company including indemnifying the shareholders (as defined in the Equitas SHA), against any breach in terms of the Equitas SHA or the Articles of Association by our Company.

The Equitas SHA may be terminated at any time either by the mutual written consent of the Investors, P. N. Vasudevan and our Company; or as against any shareholder (as defined in the Equitas SHA), automatically when such Shareholder ceases to hold any Securities.

As mentioned in Part B of the Articles of Association, the rights granted to the SHA Investors shall automatically terminate and cease to have any force and effect and be deemed to fall away on and from the date of listing of the Equity Shares on the Stock Exchanges. For further details on the various rights under the Articles of Association, see "Main Provisions of Articles of Association" on page 811.

2. **Supplemental Shareholders Agreement dated September 21, 2009 entered into between our Company, SIDBI, P. N. Vasudevan, M. Anandan, V. P. Nandakumar and Padma Anandan (collectively, referred to as "Individual Investors"), Aavishkaar, IFIF, Bellwether (together with IFIF referred to as the "Caspian Funds"), MVA, and Kalpathi**

Our Company, SIDBI, Aavishkaar, Caspian Funds, MVA, Kalpathi and the Individual Investors had entered into the SIDBI SHA dated September 21, 2009, pursuant to the subscription of 948,166 Equity Shares by SIDBI. The SIDBI SHA is a supplemental shareholders agreement to a shareholders' agreement dated March 26, 2009 and supersedes the subscription and shareholders agreement dated June 26, 2008 which was entered into between the parties (except SIDBI), to govern their relationship and set forth their respective rights and obligations as the holders of Equity Shares, as well as set forth, certain undertakings and obligations of our Company.

The rights and obligation set forth in the SIDBI SHA shall be applicable exclusively to SIDBI, as all other Parties to the SIDBI SHA have entered into a subsequent shareholders agreement and would therefore not be governed by the SIDBI SHA.

The SIDBI SHA confers certain rights and obligations upon the Investors, including *inter alia* the right to appoint a nominee director, consent rights with respect to reserved matters, certain affirmative voting rights, tag along right, pre emptive right, right of first refusal and drag along right and certain exit rights. Further, our Company shall seek permission from SIDBI in the event of any major change in the management of our Company and our Company shall not float any other Company or subscribe to equity of any other sister concern without the prior approval of SIDBI. SIDBI also reserves the right to appoint external auditors, at any time for the microfinance programme of our Company and to commission systems audit of our Company.

As mentioned in Part B of the Articles of Association, the rights granted to SIDBI shall automatically terminate and cease to have any force and effect and be deemed to fall away on and from the date of listing of the Equity Shares on the Stock Exchanges. For further details on the various rights under the Articles of Association, see "Main Provisions of Articles of Association" on page 811.

Acquisition Agreements

Our Company acquired V.A.P Finance Limited on March 21, 2011 by purchasing 54,994 shares, representing the entire shareholding of V.A.P Finance Limited from the existing shareholders for a total consideration of ₹ 5,114,442.

Our Company acquired Singhivi on July 7, 2011 by purchasing 266,200 shares, representing the entire shareholding of Singhivi from the existing shareholders for a total consideration of ₹ 5,723,300.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing this Red Herring Prospectus.

OUR SUBSIDIARIES

Unless otherwise specified, all information in this section is as of the date of this Red Herring Prospectus.

Our Company has the following existing subsidiaries:

1. Equitas Micro Finance Limited ("**EMFL**");

2. Equitas Finance Limited ("**EFL**");

3. Equitas Housing Finance Limited ("**EHFL**"); and

4. Equitas Technologies Private Limited ("**ETPL**")

Certain of our Subsidiaries, namely EMFL and EHFL are proposed to be amalgamated with EFL to become the Proposed SFB through a court approved scheme of arrangement under applicable law. For details, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank - Our Proposed SFB Corporate Structure" on pages 204 and 205.

Details of the Subsidiaries

1. EMFL

Corporate Information:

EMFL was incorporated on July 7, 1994 under the Companies Act, 1956 as Singhivi Investment & Finance Private Limited. Our Company acquired all the shares of EMFL on July 7, 2011. The microfinance business of our Company was demerged into Singhivi pursuant to a Demerger Scheme with effect from April, 1, 2011. Singhivi was later renamed as Equitas Micro Finance Private Limited and the RoC issued a fresh certificate of incorporation consequent to change of name on February 14, 2013. EMFL was then converted into a public limited company and consequently, its name was changed to Equitas Micro Finance Limited and the RoC issued a fresh certificate of incorporation on September 15, 2015. The current registered office of EMFL is located at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002.

In accordance with the main objects of the Memorandum of Association of EMFL, EMFL, among other things, is involved in the business of micro finance lending and providing finance to the weaker sections of the society, and in financing development activities through long term loans and other means of financing upon such terms and conditions as the company may think fit for the purposes of agricultural development, industrial development, market related activities such as marketing of agricultural, poultry items, etc. and housing development. EMFL has been classified by the RBI as NBFC-Micro Finance Institution (NBFC-MFI) and is a Systemically Important Non Deposit taking NBFC (NBFC-ND-SI). A fresh certificate of registration was issued to EMFL consequent to change of name upon conversion to a public company on October 9, 2015.

Capital Structure:

	No. of Equity shares of ₹ 10 each
Authorised share capital	320,000,000
Issued, subscribed and paid-up capital	198,750,000

Shareholding Pattern:

The shareholding pattern of EMFL is as follows:

Sr. No.	**Name of the shareholder**	**No. of equity shares of ₹ 10 each**	**Percentage of total equity holding (%)**
1.	Equitas Holdings Limited	198,749,994	99.99
2.	S. Bhaskar*	1	Negligible
3.	Mahalingam H. *	1	Negligible
4.	Murthy V.S. *	1	Negligible
5.	Muralidharan S. *	1	Negligible

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
6.	John Alex*	1	Negligible
7.	Raghavan H. K. N. *	1	Negligible
	Total	**198,750,000**	**100.00**

* *As a nominee of our Company*

There are no accumulated profits or losses of EMFL not accounted for by our Company.

2. EFL

Corporate Information:

EFL was incorporated on June 21, 1993 under the Companies Act, 1956 as 'V.A.P Finance Private Limited'. EFL was converted to a public limited company on March 2, 1994. Subsequently, EFL was converted into a private limited company and consequently, its name was changed to V.A.P Finance Private Limited and the RoC issued a fresh certificate of incorporation on March 30, 2011. Our Company acquired EFL on March 21, 2011 and the name of EFL was changed to 'Equitas Finance Private Limited' pursuant to a resolution passed by the shareholders of EFL on August 8, 2011. RoC issued a fresh certificate of incorporation consequent to change of name on August 12, 2011. EFL was then converted into a public limited company and consequently, its name was changed to Equitas Finance Limited and the RoC issued a fresh certificate of incorporation on September 29, 2015. The current registered office of EFL is located at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002.

In accordance with the main objects of the Memorandum of Association of EFL, it is involved in the business of providing finance for purchase of used transport or commercial vehicles, providing finance for reconditioning, repairing, remodelling or redesigning of used vehicles and to provide credit to any person, institution or association for purchase of any property, moveable or immoveable on such terms as it deems expedient by issue of credit or otherwise and to act as financiers with the objective of financing industrial enterprises. EFL has been classified by the RBI as an Asset Finance Company (AFC) and is a Systemically Important Non Deposit Taking NBFC (NBFC-ND-SI). A fresh certificate of registration was issued to EFL consequent to change of name upon conversion to a public company on October 29, 2015.

Capital Structure:

	No. of Equity shares of ₹ 10 each
Authorised share capital	750,000,000
Issued, subscribed and paid-up capital	423,000,000

Shareholding Pattern:

The shareholding pattern of EFL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Equitas Holdings Limited	422,999,985	99.99
2.	S. Bhaskar*	10	Negligible
3.	Mahalingam H. *	1	Negligible
4.	Murthy V. S. *	1	Negligible
5.	Muralidharan S.*	1	Negligible
6.	John Alex*	1	Negligible
7.	Raghavan H. K. N. *	1	Negligible
	Total	**423,000,000**	**100.00**

* *As a nominee of our Company*

There are no accumulated profits or losses of EFL not accounted for by our Company.

3. **EHFL**

Corporate Information:

EHFL was incorporated as Equitas Housing Finance Private Limited on May 14, 2010 under the Companies Act, 1956. EHFL was then converted into a public limited company and consequently, its name was changed to Equitas Housing Finance Limited and the RoC issued a fresh certificate of incorporation on September 18, 2015. The current registered office of EHFL is located at 410A, 4th Floor, Spencer Plaza, Phase II, No. 769, Mount Road, Anna Salai, Chennai 600 002.

In accordance with the main objects of the Memorandum of Association of EHFL, it is involved in the business of providing finance to any person or persons including individuals, societies, company, body corporate, association of persons or body of individuals, jointly or individually, either with or without interest and with or without security to build, construct, erect, purchase, take on lease or otherwise acquire, enlarge, upgrade or repair any houses, flats, row houses, bungalows, rooms, huts, buildings, apartments or any other accommodation for residential or commercial purposes either in total or part thereof or to acquire any free hold or leasehold lands, estate or interest in any property to be used for residential or commercial purposes. EHFL has received a certificate of registration as a non-deposit accepting, housing finance company from National Housing Bank on January 24, 2011. Consequent to the change of name of EHFL to 'Equitas Housing Finance Limited' from Equitas Housing Finance Private Limited, NHB has issued a revised certificate of registration dated January 15, 2016 to EHFL.

Capital Structure:

	No. of Equity shares of ₹ 10 each
Authorised share capital	85,000,000
Issued, subscribed and paid-up capital	40,000,000

Shareholding Pattern:

The shareholding pattern of EHFL is as follows:

Sr. No.	**Name of the shareholder**	**No. of equity shares of ₹ 10 each**	**Percentage of total equity holding (%)**
1.	Equitas Holdings Limited	39,999,994	99.99
2.	S. Bhaskar*	1	Negligible
3.	Mahalingam H. *	1	Negligible
4.	Murthy V. S. *	1	Negligible
5.	Muralidharan S.*	1	Negligible
6.	John Alex*	1	Negligible
7.	Raghavan H. K. N. *	1	Negligible
Total		**40,000,000**	**100.00**

* *As a nominee of our Company*

There are no accumulated profits or losses of EHFL not accounted for by our Company.

4. **ETPL**

Corporate Information:

ETPL was incorporated on October 27, 2015 under the Companies Act, 2013. The current registered office of ETPL is located at 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002.

In accordance with the main objects of the Memorandum of Association of ETPL, it is involved in, among other things, in the development of a technology platform for freight, logistics, carriers and related services which matches demand with supply and where various vendors and customers can be brought together for fulfilment of sales and service between them.

Capital Structure:

	No. of Equity shares of ₹ 10 each
Authorised share capital	50,000,000
Issued, subscribed and paid-up capital	15,000,000

Shareholding Pattern:

The shareholding pattern of ETPL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Equitas Holdings Limited	14,999,999	99.99
2.	H. K. N.Raghavan *	1	Negligible
	Total	**15,000,000**	**100.00**

* *As a nominee of our Company*

There are no accumulated profits or losses of ETPL not accounted for by our Company.

Other companies

1. Equitas B2B Trading Private Limited

Equitas B2B Trading Private Limited was a subsidiary of our Company. Pursuant to the application made by our Company dated March 31, 2015 the RoC passed an order on May 13, 2015 striking off the name of Equitas B2B Trading Private Limited from register of companies and Equitas B2B was dissolved.

Other Confirmations

The equity shares of none of our Subsidiaries are listed nor have the Subsidiaries been refused listing on any stock exchange in India or abroad.

None of our Subsidiaries have made any public or rights issue of equity shares in the last three years.

None of our Subsidiaries have become sick companies under the meaning of SICA and are not under winding up.

Interest of the Subsidiaries in our Company

None of our Subsidiaries have any business interest in our Company except as stated in "Business" and "Related Party Transactions" on pages 187 and 262, respectively. For further details of the transactions between our Company and our Subsidiaries, see "Related Party Transactions" on page 262.

Material Transactions

Other than as disclosed in "Related Party Transactions" on page 262, there are no sales or purchase between any of the Subsidiaries and our Company where such sales or purchase exceed in value in the aggregate 10% of the total sales or purchase of our Company.

Common Pursuits

We are a non-systemically important core investment company. We undertake our business through our Subsidiaries and accordingly, there are no common pursuits between our Company and the Subsidiaries.

MANAGEMENT

In terms of the Articles of Association, our Company is required to have not more than 15 Directors. As on the date of this Red Herring Prospectus, our Board comprises of 13 Directors.

The following table sets forth details regarding our Board:

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships
N. Rangachary ***Father's name***: (Late) R. Nambi Iyengar ***Designation***: Non-executive Chairman and Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 for a term up to May 6, 2020. Initially appointed as the Chairman on July 26, 2007. ***DIN***: 00054437 ***Occupation***: Retired Government employee ***Nationality***: Indian ***Address***: C-101, B Wing, RNS Santhi Nivas, Near RNS Motors, Tumkur Road, Bengaluru 560 022	77	**Private limited companies**: 1. MTAR Technologies Private Limited; 2. Pegasus Assets Reconstruction Private Limited; 3. Srinidhi Investment Advisors Private Limited; and 4. Swamy & Swamy Business Services Private Limited **Public limited companies**: 1. Central Depository Services (India) Limited; 2. CDSL Ventures Limited; 3. CDSL Insurance Repository Limited; 4. Orient Green Power Company Limited; 5. Sakthi Auto Component Limited; 6. Salzer Electronics Limited; 7. Roots Multi Clean Limited
Arun Ramanathan ***Father's name***: R. V. Ramanathan ***Designation***: Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 for a term up to May 6, 2020. Initially appointed as a Director on November 2, 2011 ***DIN***: 00308848 ***Occupation***: Retired Government employee ***Nationality***: Indian ***Address***: 6A, 6th West Cross Street, Shenoy Nagar, Chennai 600 030	66	**Public limited companies**: 1. L&T Infra Debt Fund Limited; 2. Religare Enterprises Limited; 3. Equitas Micro Finance Limited; and 4. L&T FinCorp Limited

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships
Jayshree Ashwinkumar Vyas ***Father's name***: Ashwinkumar Vyas ***Designation***: Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 for a term up to November 11, 2019. Initially appointed as a Director on November 12, 2014. ***DIN***: 00584392 ***Occupation***: Professional ***Nationality***: Indian ***Address***: No. 1, Sunview Apartment, Opposite Purnanand Ashram, Ishwar Bhuvan, Navrangpura, Ahmedabad 380 014	62	**Private limited companies**: 1. Invest India Micro Pension Services Private Limited 2. Ananya Finance for Inclusive Growth Private Limited 3. Ananya Social Development Services **Public limited companies**: 1. Sewa Nirman Construction Workers Company Limited; 2. Sewa Grih Rin Limited; 3. Central Depository Services (India) Limited; and 4. BSE Sammaan CSR Limited **Other Directorship** 1. Sewa Trade Facilitation Centre; and 2. Rajasthan Shram Sarathi Association
P. T. Kuppuswamy ***Father's name***: P.T. Krishnaswamy ***Designation***: Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 for a term up to May 6, 2020. Initially appointed as Director on November 2, 2011. ***DIN***: 00032309 ***Occupation***: Professional ***Nationality***: Indian ***Address***: 3A, Sun Pride Apartments, 9/5 Ganapathy Colony, 2nd Street, Gopalapuram S.O., Chennai 600 086	72	**Public limited companies**: 1. Roots Multi Clean Limited; and 2. Equitas Finance Limited
Y. C. Nanda ***Father's name***: Tekchand Nanda ***Designation***: Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 for a term up to May 6, 2020. Initially appointed as Director	72	**Private limited companies**: 1. Access Holdings Venture India Private Limited **Public limited companies**: 1. Bandhan Financial Services Limited;

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships
on August 9, 2011. ***DIN***: 01643316 ***Occupation***: Professional ***Nationality***: Indian ***Address***: Flats Nos. 1304 – 1305, Bolivian Alps, A – Wing , Bhakti Park, Wadala (East) , Mumbai 400 037		2. Bandhan Financial Holdings Limited; 3. Equitas Micro Finance Limited; 4. Micro Credit Rating International Limited; and 5. Suuti Tech Options Limited
P.V. Rajaraman ***Father's name***: Papagudi S. Venkatachalam ***Designation***: Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 for a term up to May 6, 2020. Initially appointed as Director on November 2, 2011. ***DIN***: 01658641 ***Occupation***: Retired Government employee ***Nationality***: Indian ***Address***: R 202, Atrium Apartment, 22, Kalakshetra Road, Chennai 600 041	72	**Public limited companies**: 1. Equitas Housing Finance Limited
Vinod Kumar Sharma ***Father's Name***: Kripa Shanker Sharma ***Designation***: Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 with a term up to May 6, 2020. Initially appointed as Director on August 2, 2013. ***DIN***: 02051084 ***Occupation***: Retired Executive Director, RBI ***Nationality***: Indian ***Address***: B 804, Park Titanium, Park Street, Kalewadi Phata, Behind Wisdom World School, Pune 411 057	63	**Public limited companies**: 1. Firstsource Solutions Limited; 2. Equitas Finance Limited; 3. Indian Commodity Exchange Limited; and 4. IL&FS Trust Company Limited
N. Srinivasan	61	**Private limited companies**: 1. Access Holding Ventures India Private

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships
Father's name: S. Narasimhan ***Designation:*** Independent Director ***Term***: Appointed as an Independent Director on June 29, 2015 with a term up to May 6, 2020, Initially appointed as Director on January 25, 2011. ***DIN**:* 01501266 ***Occupation***: Professional ***Nationality***: Indian ***Address***: T2, 403, Kapil Malhar, Baner Road, Baner, Pune 411 045		Limited; and 2. Samunnati Financial Intermediation & Services Private Limited **Public limited companies**: 1. RGVN (North East) Microfinance Limited; and 2. Equitas Micro Finance Limited **Producer company**: 1. Vasundhara Agri-Horti Producer Company Limited
Paolo Brichetti ***Father's name***: Guido Brichetti ***Designation***: Non-executive and non-Independent Director ***Term***: Liable to retire by rotation. Initially appointed as director on November 1, 2008. ***DIN***: 01908040 ***Occupation***: Professional ***Nationality***: Italian ***Address***: 34, Berenstraat 1016 GH, Amsterdam	52	**Foreign companies**: 1. CreditAccess Asia, NV, The Netherlands; 2. PT Konsultasi Mikro Ventura, Indonesia; 3. Holfinbi Limited Cyprus; 4. Legnoplast Sas, Italy; 5. MicroVentures Philippines Financing Company, Inc. The Philippines; 6. PT Bina Artha Ventura, Indonesia; and 7. Stichting CreditAccess Asia **Private limited companies**: 1. MV Microfin Private Limited; and 2. Grameen Koota Financial Services Private Limited
S. Ramakrishnan ***Father's name***: Sundaram Kallidaikurichi Ramakrishnan ***Designation***: Non-executive and non-Independent Director ***Term***: Liable to retire by rotation. Initially appointed as director on November 6, 2015. ***DIN***: 02650040 ***Occupation***: Professional	59	**Public limited companies:** 1. Equitas Micro Finance Limited; and 2. Spandana Sphoorty Financial Limited **Other directorships:** 1. U P Financial Corporation

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships
Nationality: Indian ***Address***: Flat No. 201, SIDBI Officers Apartment, 16 MMM Marg, Lucknow 226 001		
Nagarajan Srinivasan ***Father's name***: Subramanian Nagarajan ***Designation***: Non-executive and non-Independent Director. ***Term***: Liable to retire by rotation. Initially appointed as director on December 18, 2013. ***DIN***: 01480303 ***Occupation***: Professional ***Nationality***: Indian ***Address***: 64, 31st Cross, Jaya Nagar, VII Block, Bengaluru 560 082	53	**Private limited companies**: 1. Rainbow Children's Medicare Private Limited; 2. CDC India Advisers Private Limited; 3. Utkarsh Micro Finance Private Limited; and 4. Pristine Logistics & Infraprojects Private Limited
Viswanatha Prasad Subbaraman ***Father's name*****:** V. G. Subbaraman ***Designation:*** Non-executive and non-Independent Director ***Term***: Liable to retire by rotation. Initially appointed as Director on November 1, 2008. ***DIN***: 00574928 ***Occupation***: Business ***Nationality***: Indian ***Address:*** Flat 104, Manbhum Opus, 8-2-614, Road Number 11, Banjara Hills, Hyderabad 500 034	49	**Foreign companies:** 1. VGS Holdings Limited **Private limited companies**: 1. Caspian Impact Investment Adviser Private Limited; and 2. Caspian Impact Investments Private Limited **Public limited companies**: 1. Equitas Housing Finance Limited; and 2. Janalakshmi Financial Services Limited
P. N. Vasudevan ***Father's name:*** Pathangi Narasimhan ***Designation:*** Managing Director ***Term***: Re-appointed for a period of five years with effect from May 9, 2012 to May 8, 2017. Director since inception. ***DIN***: 01550885	53	**Private limited companies**: 1. Alpha Micro Finance Consultants Private Limited 2. Equitas Technologies Private Limited **Public limited companies:** 1. Equitas Finance Limited;

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships
Occupation: Business ***Nationality****:* Indian ***Address***: Flat 1A 1st Floor, 2nd Block, Kences Enclave No. 1, Ramakrishna Street T. Nagar, Chennai 600 017		2. Equitas Housing Finance Limited; and 3. Equitas Micro Finance Limited 4. Indian Housing Finance Companies' Association Limited (Under the process of striking off)

Arrangement or understanding with major shareholders, customers, suppliers or others

Other than our directors, Paolo Brichetti, S. Ramakrishnan, Nagarajan Srinivasan and Viswanatha Prasad Subbaraman who have been appointed pursuant to an arrangement with the major shareholders, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors:

N. Rangachary is an independent Director of our Company and the Chairman of our Board. He was appointed as the Chairman on July 26, 2007 and Independent Director of our Company on June 29, 2015. He is a fellow member of the Institute of Chartered Accountants of India, the Institute of Cost Accountants of India, and Institute of Company Secretaries of India. In the past, he has served as the Chairman of Central Board of Direct Taxes and Chairman of the IRDAI. He has also served as the Advisor to the Government of Andhra Pradesh on Finance. He was a member of the Expert Committee on General Anti-Avoidance Rules (GAAR) and headed the Committee to Review Taxation of Development Centres and the IT Sector, a high level committee set up by the Prime Minister in the year 2012 for bringing clarity on taxation issues, pertaining to the information technology sector and development-related centres.

Arun Ramanathan is an independent Director of our Company. He was appointed as a non-executive Director of our Company on November 2, 2011 and re-appointed as an Independent Director of our Company on June 29, 2015. He obtained his Bachelor's degree in Science from University of Madras and obtained his Masters degree in Philosophy from University of Cambridge. He also obtained a Masters degree in Science (Nuclear Physics) from Andhra University, Waltair and a Masters degree in Business Administration from University of Madras. Further, he is an associate member from the Institute of Cost Accountants of India. Prior to his becoming a Director of our Company, he was a member of the Indian Administrative Service from 1973 to 2009 and during his tenure, he held various positions in industry, finance, commercial taxes, civil supplies, consumer affairs, transport, cooperatives, fisheries, silk and personnel and general administration. He also served as the Secretary (Chemicals & Petrochemicals) GoI, Secretary (Financial Services) GoI, and was the Union Finance Secretary at Superannuation.

Jayshree Ashwinkumar Vyas is an independent Director of our Company. She was appointed as an additional Director of our Company on November 12, 2014 and was appointed as an independent director on June 29, 2015. She is a qualified chartered accountant from the Institute of Chartered Accountants of India and has been the managing director of Shri Mahila Sewa Sahakari Bank Limited since 1986.

P. T. Kuppuswamy is an independent Director of our Company. He was appointed as a non-executive Director on November 2, 2011 and re-appointed as an independent Director of our Company on June 29, 2015. He holds a Bachelors degree in Commerce from University of Madras and is a qualified chartered accountant from the Institute of Chartered Accountants of India and a qualified company secretary from the Institute of Company Secretaries of India. He has extensive experience in the banking and financial services sector having worked with Canara Bank for over three decades and Karur Vysya Bank. He was managing director and chief executive officer of Karur Vysya Bank till May 31, 2011.

Y.C. Nanda is an independent Director of our Company. He was appointed as a non-executive Director of our Company on August 9, 2011 and re-appointed as an independent Director of our Company on June 29, 2015. He holds a Masters degree in Commerce from University of Delhi. He is also a certified associate of the Indian Institute of Bankers. Prior to joining our Company, he was involved in the banking and financial services sector. He was appointed as managing director of NABARD and was appointed as the chairman of NABARD in the year 2000. He has also served as a full time member of the National Commission of Farmers set up by the Government of India. He was also a chairman of the Working Group on Outreach of Institutional Finance, Cooperatives and Risk Management for the 11th Five Year Plan and a member of the Working Group on Outreach of Institutional Finance, Cooperatives and Risk Management for 12th Five Year Plan.

P. V. Rajaraman is an independent Director of our Company. He was appointed as a non-executive Director of our Company on November 2, 2011 and re-appointed as an independent Director of our Company on June 29, 2015. He holds a Bachelors degree in Science (Physics) as well as a Masters degree in Science (Physics) from the University of Madras. He also holds M.A. in Management Studies (Developing Countries) from the University of Leeds. He was a member of the Indian Administrative Service from 1967 to 2004. He has more than three decades of experience in the Indian Administrative Service and has served in various capacities including collector, Erode district, managing director of India Cements, chairman and managing director of Tamil Nadu Housing Board, commissioner of Sugar, Secretary to the Government of Tamil Nadu in the Commercial Taxes, Home and Finance departments, chairman of Tamil Nadu Industrial Investment Corporation. He has also served as a director on the boards of Small Industries Development Bank of India, Hindustan Petroleum Corporation Limited and Indbank Merchant Banking Services Limited. He is a recipient of a Padma Shri Award from the President of India in 2015 for distinguished service.

Vinod Kumar Sharma is an independent Director of our Company. He was appointed as non-executive Director of our Company on August 2, 2013 and independent director of our Company on June 29, 2015. He holds a Bachelors degree in Science as well as a Masters degree in Science (Physics) from Saugor University. Prior to joining our Company, he 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.

N. Srinivasan is an independent Director of our Company. He was appointed as Director of our Company on January 25, 2011 and was re-appointed as an independent Director of our Company on June 29, 2015. He holds a Bachelors degree in Economics from University of Madras and a Masters degree in Economics from Madurai Kamaraj University. He is also a certified associate of Indian Institute of Bankers. Prior to joining the Board of our Company, he was the chief general manager at NABARD. He has also authored a book on microfinance.

Paolo Brichetti is a non-Executive and non-Independent Director of our Company and was appointed on November 1, 2008. He attended a course on international business at City of London Polytechnic. He was the Chief Executive Officer of CTM Altromercato Soc. Coop. for nine years. He is the founder and Managing Director of MicroVentures Stichting, which evolved into the current CreditAccess Asia N.V. Group.

S. Ramakrishnan is a non-executive and non-independent Director of our Company. He was appointed as a Director with effect from November 6, 2015. He holds a Bachelors degree in Science (Physics) from University of Madras and Masters Degree in Financial Management from University of Bombay and he is a certified associate of the Indian Institute of Bankers. He has over 30 years of banking experience in various public sector institutions, such as nationalized banks, Export Credit Guarantee Corporation of India Ltd., IDBI, and SIDBI.

Nagarajan Srinivasan is a non-executive and non-independent Director of our Company. He was appointed as Director of our Company on December 18, 2013. He holds a Masters degree in Economics from University of Madras and a postgraduate diploma in Business Administration from Warwick School of Business. He is the head - South Asia for CDC India Advisers which is a wholly owned subsidiary of CDC Group plc, London, which is a development Financial Institution wholly owned by the UK Government. He is presently based out of India and advises CDC Group on equity and debt financing transactions in South Asia. He has also served as a director with Actis, a global private equity fund and prior to that worked for CDC in sub-Saharan Africa.

Viswanatha Prasad Subbaraman is a non-executive and non-independent Director of our Company. He was appointed as a Director of our Company on November 1, 2008. He holds a Masters degree in Management Studies from Birla Institute of Technology and Science, Pilani. He is the first director, promoter and managing director of Caspian Impact Investment Adviser Private Limited (formerly known as Caspian Advisors Private Limited). He also serves as a director on the board of Janalakshmi Financial Services Limited since 2008. He was a director on the board of VBHC Value Homes Private Limited from 2013 till March 2, 2016. Further, he is also a member of the investment committee of Prospero Microfinanzas Fund, L.P. Prior to founding Caspian, he was managing director of Bhartiya Samruddhi Finance Limited (BASIX) for five years.

P. N. Vasudevan is the Managing Director of our Company. He has been a Director of our Company since inception and the Managing Director of our Company since July 26, 2007. He holds a Bachelors degree in Science from University of Madras. He is a qualified company secretary from the Institute of Company Secretaries of India. He has extensive experience in the financial services sector and had served as the Head – Consumer Banking Group in Development Credit Bank Limited, for more than one and half years. He has also worked for about two decades in Cholamandalam Investment and Finance Co Limited, part of the Murugappa Group, where he joined as a management trainee and resigned as vice president and business head of vehicle finance. He was also the chairman of the managing committee of the South India Hire Purchase Association for the Financial Year 2006.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

None of our Directors have been identified as wilful defaulters by the RBI.

Terms of Appointment of the Executive Directors

P. N. Vasudevan

P. N. Vasudevan is a Director of our Company since incorporation. He was appointed as the Managing Director of our Company by a resolution of the Board on July 26, 2007 for a period of five years. He was re-appointed as the Managing Director of our Company pursuant to a resolution passed by the Board of our Company on May 9, 2012 for a further period of five years. Pursuant to the employment agreement dated July 27, 2012 and the resolution passed by our Board on May 9, 2012, P.N Vasudevan was not paid any remuneration by our Company as he was paid remuneration by our Subsidiaries. Pursuant to the resolution of the Board on February 5, 2015 and Shareholders on June 29, 2015, there was a partial modification to the terms of appointment and P.N. Vasudevan was entitled to remuneration as specified below:

Sl. No.	Remuneration	Details
1.	Basic Salary	₹ 0.16 million per month
2.	Allowance (including house rent allowance)	₹ 0.22 million per month
3.	LTA	Nil
4.	Perquisites	*Medical reimbursement* Domiciliary expenses incurred for self and family to be reimbursed at actuals. Premium payable for medical insurance for hospitalization would be in accordance with our Company’s rules and will not exceed ₹ 25,000 per annum

Sl. No.	Remuneration	Details
		Personal accident insurance Personal accident insurance shall be as per our Company's group scheme and pure life cover for a sum assured not exceeding ₹ 0.5 million *Club membership and fees* Admission and annual fees for one club *Company Car* Provision of company car as per company's car scheme in force from time to time and a company driver *Reimbursements* Reimbursement of expenses incurred for travelling, boarding and lodging in respect of official travel and use of telephone at residence other than personal long distance calls shall not be considered as perquisites

Payment of Companys' contribution to provident fund/gratuity/superannuation fund and encashment of leave (at the end of tenure) will not be included in computation of remuneration.

Further, our Company has also executed a Share Allotment Agreement whereby P. N. Vasudevan was entitled to be allotted 2,000,000 Equity Shares at face value in addition to the remuneration payable. P. N. Vasudevan in accordance with certain performance parameters as specified under the Share Allotment Agreement was allotted 1,160,333 Equity Shares on July 30, 2010 and 340,000 Equity Shares on May 9, 2014. The Share Allotment Agreement has since expired.

Payment or benefit to Directors of our Company

The sitting fees / other remuneration paid to our Directors in Financial Year 2015 are as follows:

1. **Remuneration to Executive Directors**

The aggregate value of the remuneration paid to the Executive Director in the Financial Year 2015 is ₹ 0.79 million*. The remuneration amount mentioned above is only for the period from February 4, 2015 to March 31, 2015.

* *Our Executive Director's remuneration was paid by EMFL till February 3, 2015. The total remuneration paid by EMFL for was ₹ 3,894,035 (this does not include the employer contribution towards provident fund aggregating to ₹ 230,399).*

2. **Remuneration to Non Executive Directors**

Further, pursuant to the resolution passed by our Board on February 5, 2015, the Chairman of the Board was paid a remuneration of ₹ 1 million for the Financial Year 2015. Further, non-executive Directors of our Company who are not on the board of directors of any of our Subsidiaries, were paid a remuneration of ₹ 0.25 million. Further, if a Director has been on the Board for a part of the year the remuneration shall be pro-rated. Non-executive Directors of our Company who are also on the Board of our Subsidiaries were not paid any remuneration by our Company and were paid remuneration only by the Subsidiaries.

Further, non-executive Directors are entitled to receive sitting fees for attending meetings of the Board or any of its committees. The non-executive Directors are entitled to sitting fee of ₹ 20,000 for every meeting of the Board they attend. Additionally the non-executive Directors are entitled to sitting fees for every Committee meeting they attend. The break up of the sitting fees for Committee meetings are as follows:

S.No.	Name of the Committee	Sitting Fees (in ₹)
1.	Audit & Risk Management Committee	15,000
2.	Small Finance Bank Committee	15,000
3.	Business Committee	15,000
4.	Resources Committee	7,500
5.	Other committees of the Board	10,000

The remuneration paid to the Directors of our Company for the Financial Year 2015 is as follows:

Name	Remuneration payable (in ₹)	Remuneration payable by subsidiaries (in ₹)	Sitting Fees (in ₹)
N. Rangachary	1,000,000	Nil	120,000
Jayshree Ashwinkumar Vyas(1)	95,800[1]	Nil	20,000
Paolo Brichetti	250,000	Nil	145,000
Nagarajan Srinivasan	250,000	Nil	205,000
Arun Ramanathan	Nil	1,000,000	447,500
P. T. Kuppuswamy	Nil	1,000,000	447,500
Y.C. Nanda	Nil	500,000	210,000
P. V. Rajaraman	Nil	500,000	235,000
Vinod Kumar Sharma(2)	24,600	450,000[2]	190,000
N. Srinivasan	Nil	500,000	255,000
Viswanatha Prasad Subbaraman	Nil	250,000	190,000
S. Ramakrishnan	Nil	Nil	Nil

(1) *Aggregate amount payable for the period from November 12, 2014 to March 31, 2015.*
(2) *He was appointed on the Board of our Subsidiary Equitas Finance Limited on May 7, 2014. Accordingly, remuneration of an amount aggregating to ₹ 24,600 was paid by our Company for period April 1, 2014 to May 6, 2014 and an amount aggregating to ₹ 4,50,000 was paid by our Subsidiary, Equitas Finance Limited.*

Except as disclosed below, as on the date of this Red Herring Prospectus, none of our Directors hold any Equity Shares of our Company:

Shareholding of Directors in our Company	Number of Equity Shares held
P. N. Vasudevan	8,532,999

For further details in relation to the options granted to our Directors, see "Capital Structure – Details of the Equity Shares held by our Directors" on page 122.

Our Articles of Association do not require our Directors to hold any qualification shares.

Shareholding of Directors in Subsidiaries

None of our Directors hold any shares in our Subsidiaries.

Appointment of relatives of Directors to any office or place of profit

Except as disclosed in this Red Herring Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

Bonus or profit sharing plan of the Director

There is no profit sharing plan for the Directors. Our Company makes certain performance linked bonus payment for each financial year to certain Directors as per their terms of employment.

Interest of Directors

All Directors may be deemed to be interested to the extent of travel expenses and other out-of-pocket expenses being borne by our Company for attending meetings of the Board of Directors or a committee thereof, site visits and other company related expenses and the remuneration paid by our Company or the Subsidiaries.

None of our Directors other than P. N. Vasudevan may be regarded as interested in the Equity Shares or any Employee Stock Options held by them. However, they may be interested to the extent of Equity Shares that may be subscribed or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. None of our Directors other than P. N. Vasudevan may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares and preference shares, if any.

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

None of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Further, our Directors have no interest in any property acquired within two years from the date of this Red Herring Prospectus or proposed to be acquired by our Company.

Except as stated in "Related Party Transactions" on page 262 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

No loans have been availed by our Directors or the Key Management Personnel from our Company.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Y. C. Nanda	July 1, 2013	Re-appointment as a Director
P. V. Rajaraman	July 1, 2013	Re-appointment as a Director
Vinod Kumar Sharma	August 2, 2013	Appointment as an Additional Independent Director[1]
Nagarajan Srinivasan	December 18, 2013	Appointment as a Director
P. T. Kuppuswamy	July 18, 2014	Re-appointment as a Director
Arun Ramanathan	July 18, 2014	Re-appointment as a Director
Jayshree Ashwinkumar Vyas	November 12, 2014	Appointment as Additional Director
Gary Jit Meng Ng	December 24, 2014	Resignation
N. Rangachary	June 29, 2015	Re-appointed as an Independent Director as per Section 149 of the Companies Act, 2013
Arun Ramanathan	June 29, 2015	Re-appointed as Independent Director as per Section 149 of the Companies Act, 2013

Name	Date of Appointment/ Change/ Cessation	Reason
Jayshree Ashwinkumar Vyas	June 29, 2015	Appointed as an Independent Director as per Section 149 of the Companies Act, 2013
P. T. Kuppuswamy	June 29, 2015	Re-appointed as Independent Director as per Section 149 of the Companies Act, 2013
Y. C. Nanda	June 29, 2015	Re-appointed as Independent Director as per Section 149 of the Companies Act, 2013
P. V. Rajaraman	June 29, 2015	Re-appointed as Independent Director as per Section 149 of the Companies Act, 2013
Vinod Kumar Sharma	June 29, 2015	Re-appointed as Independent Director as per Section 149 of the Companies Act, 2013
N. Srinivasan	June 29, 2015	Re-appointed as Independent Director as per Section 149 of the Companies Act, 2013
N. Raman	November 6, 2015	Resignation
S. Ramakrishnan	November 6, 2015	Appointment as a Director

[1] *The Shareholders approved the regularisation of Vinod Kumar Sharma as an Independent Director on July 18, 2014*

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has 13 Directors. In compliance with the requirements of the SEBI Listing Regulations, our Chairman is a non-executive Independent Director and we have one executive Director, 12 non-executive Directors including eight Independent Directors on our Board.

Borrowing Powers of Board

Pursuant to the resolution dated February 5, 2016 passed by our Board of Directors, P.N. Vasudevan, the Managing Director of our Company is authorised to extend guarantee or offer security, from time to time, to banks and other lenders who lend monies to any of the Subsidiaries up to ₹30,000 million outstanding at any time.

Committees of the Board

In addition to the committees of the Board detailed below our Board of Directors may, from time to time constitute committees for various functions.

Audit & Risk Management Committee

The members of the Audit & Risk Management Committee are:

1. P.T. Kuppuswamy (Chairman);

2. Y. C. Nanda;

3. N. Srinivasan;

4. Vinod Kumar Sharma; and

5. Jayashree S. Iyer (Secretary).

The Audit Committee was constituted on April 28, 2008. It was renamed as Audit & Risk Management Committee by our Board on October 27, 2010 and was reconstituted on November 7, 2012 and November 6, 2015. The terms of reference were modified pursuant to a resolution by our Board on August 7, 2015 and on February 5, 2016. The Audit & Risk Management Committee meetings were held four times during the preceding financial year.

The scope and function of the Audit & Risk Management Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference include the following:

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory auditor and internal auditors of the Company;

(c) Approval of payment to statutory auditors for any other services rendered by statutory auditors;

(d) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

    (iii) Major accounting entries involving estimates based on the exercise of judgment by Management;

    (iv) Significant adjustments made in the financial statements arising out of audit findings;

    (v) Compliance with accounting and other legal requirements relating to financial statements;

    (vi) Disclosure of any related party transactions;

    (vii) Modified opinion(s) in the draft audit report.

(e) Reviewing, with the Management, the quarterly financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (preferential issue, rights issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(h) Approval or any subsequent modification of transactions of the Company with related parties;

(i) Scrutiny of inter-corporate loans and investments;

(j) Valuation of undertakings or assets of the Company, wherever it is necessary;

(k) Evaluation of internal financial controls and Risk Management Systems;

(l) Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;

(m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) Discussion with internal auditors any significant findings and follow up thereon;

(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) To review the functioning of the whistle blower mechanism;

(s) Approval of appointment of the CFO (*i.e.*, the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(t) Review the financial statements, in particular the investments made by the subsidiary Company;

(u) Laying down and review of procedures relating to risk assessment and risk minimization to ensure that executive management control risk through means of a properly defined framework;

(v) Review and monitoring of implementation and functioning of the Policy for Prevention of Sexual harassment at work place; and

(w) Carrying out any other function as is mentioned in the terms of reference of the Audit & Risk Management Committee.

The Audit & Risk Management Committee shall mandatorily review the following information:

(i) Management discussion and analysis of financial condition and result of operations;

(ii) Statement of significant related party transactions (as defined by the Audit & Risk Management Committee), submitted by Management;

(iii) Management letters/ letters of internal control weaknesses issued by the statutory auditor;

(iv) Internal audit reports relating to internal control weaknesses;

(v) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit & Risk Management Committee; and

(vi) Statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

The powers of the Audit & Risk Management Committee shall include the following:

(i) To investigate any activity within its terms of reference;

(ii) To seek information from any employee;

(iii) To obtain outside legal or other professional advice; and

(iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The quorum for the Audit & Risk Management Committee shall be one third of the committee or two members, whichever is higher.

Nomination, Remuneration & Governance Committee

The members of the Nomination, Remuneration & Governance Committee are:

1. P.V. Rajaraman (Chairman);

2. Arun Ramanathan;

3. Paolo Brichetti;

4. Vinod Kumar Sharma;

5. N. Srinivasan; and

6. Viswanatha Prasad Subbaraman.

The Compensation Committee was constituted on December 15, 2007. It was thereafter renamed as ‘Remuneration & Nomination Committee’ on October 28, 2009. The Governance Committee was constituted on October 27, 2010. The Governance Committee and the Remuneration & Nomination Committee were merged and renamed as Nomination, Remuneration & Governance Committee by our Board on May 7, 2015. The scope and function of the Nomination, Remuneration & Governance Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference were modified pursuant to a resolution by our Board on February 5, 2016. The terms of reference of the Nomination, Remuneration & Governance Committee include the following:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy of Board diversity;

(d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and evaluation of Director’s performance;

(e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(f) Fixing and revision of remuneration payable to the Managing and whole-time Directors of the Company from time to time;

(g) Administration and superintendence in connection with the employees stock option scheme (the Scheme) under the broad policy and framework laid down by the Company and/or by the Board of Directors;

(h) Formulate from time to time specific parameters relating to the Scheme, including,

    (i) The quantum of options to be granted under the Scheme to a particular eligible employee or to category or group of eligible employees and in aggregate;

    (ii) Determination of eligibility conditions and selection of eligible employees to whom options may from time to time be granted hereunder;

    (iii) The vesting period and the exercise period within which the eligible employee should exercise the options and those options would lapse on failure to exercise the options within the exercise period;

    (iv) The conditions under which options vested in eligible employee may lapse in case of termination of employment for misconduct;

    (v) The specified time period within which the eligible employee shall exercise the vested options in the event of termination or resignation of an eligible employee;

    (vi) The right of an eligible employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

    (vii) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, etc;

    (viii) Make rules by which all options including non-vested options vest immediately in case of sale, transfer or takeover of the Company or amalgamation of the Company with any other company, etc. and provide for rules related to exercise period under such circumstances;

    (ix) Make rules related to performance based vesting of such part of the options granted to eligible employees as the Committee may decide;

    (x) To prescribe, amend and rescind rules and regulations relating to the Scheme;

    (xi) To construe, clarify and interpret the terms of the scheme and options granted pursuant to the Scheme.

(i) To study the report issued by CRISIL on the Governance rating as well as the Guidelines on Corporate Governance and Corporate Social Responsibility issued by Ministry of Corporate Affairs, SEBI and other authorities.

(j) To study the best practices and benchmarks of leading Indian corporate as well as international best practices.

(k) To recommend to the Board the draft set of governance guidelines to achieve the highest level of governance at par with global benchmarks.

(l) Based on approval by the Board, to oversee the implementation of the same, both at the Board level and Management level.

The quorum for the Nomination, Remuneration & Governance Committee shall be one third of the Nomination, Remuneration & Governance Committee or two members, whichever is higher.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

1. P. T. Kuppuswamy (Chairman);
2. Arun Ramanathan;
3. P. V. Rajaraman; and
4. P. N. Vasudevan.

The Stakeholders Relationship Committee was constituted by our Board on August 7, 2015. The scope and functions of the Stakeholder Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference were modified pursuant to a resolution by our Board on February 5, 2016.

The terms of reference of the Stakeholders Relationship Committee includes the following:

(a) Consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

(b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(c) Issue of duplicate certificates and new certificates on split/consolidation/renewal; and

(d) Carrying out any other function as prescribed under the SEBI Listing Regulations.

The quorum for the Stakeholders Relationship Committee shall be one third of the Committee or two members, whichever is higher.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility are:

1. Arun Ramanathan (Chairman);
2. P. V. Rajaraman;
3. Y. C. Nanda; and
4. Nagarajan Srinivasan.

The Corporate Social Responsibility Committee was constituted by our Board on May 9, 2014. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013.

The terms and reference of the Corporate Social Responsibility Committee include the following:

(a) Review the mission of the organisation from time to time and ensure it stays aligned to changing context of the Organisation;

(b) Ensure alignment of the business goals and objectives of the Company in line with the mission of the Organisation;

(c) Bring specific focus on certain excluded segments of client community and set benchmark for the same;

(d) Review all the social activities of the Company and suggest to the Board of Trustees suitable measures for enhancing the efficacy of these activities;

(e) Deploy such tools of measurement as maybe relevant and available from time to time to study the impact of the social performance activities of the Company and benchmark the same with other MFIs in India and around the world;

(f) Disseminate information related to the social performance of the Organisation in such manner as deemed appropriate;

(g) Review the amount spent on social activities and advise the Board on its efficacies; and

(h) To formulate and recommend to the Board the CSR policy of the Company.

The quorum for the Corporate Social Responsibility Committee shall be one third of total members or two whichever is higher.

Business Committee

The members of the Business Committee are:

1. Viswanatha Prasad Subbaraman, (Chairman);
2. Y.C. Nanda;
3. P.T. Kuppuswamy;
4. Paolo Brichetti; and
5. P.N. Vasudevan.

The Business Committee was constituted by our Board on January 23, 2010. The terms of reference of the Business Committee include the following:

To review and submit its recommendations to the Board on the following matters:

(i) Annual business plan;

(ii) Revision in annual business plans; and

(iii) New business initiatives proposed to be undertaken by the Company.

Resources Committee

The members of the Resources Committee are:

1. P. T. Kuppuswamy (Chairman);
2. Arun Ramanathan; and
3. P.N. Vasudevan.

The Resources Committee was constituted by a meeting of our Board on November 1, 2008 as the Committee of the Board of Directors and was later renamed as Resourcing Committee on October 28, 2009. The Resourcing Committee was later renamed as Resources Committee by our Board on November 12, 2014. The terms of reference of the Resources Committee include the following:

(a) Extend guarantee to banks and other lenders who lend monies to any of the subsidiaries of the Company up to such limits as may be approved by the Board from time to time.

(b) Open and close current and other accounts of the Company with various banks.

(c) Operate such current and other accounts, authorize officials and authorized persons to operate such accounts on behalf of the Company, vary such instructions on authorization from time to time and do all such things and deeds as may be required to open, maintain, operate and close current and other accounts of the Company with Banks.

Small Finance Bank Committee

The members of the Small Finance Bank Committee are:

1. Arun Ramanathan (Chairman);
2. P. T. Kuppuswamy;
3. Nagarajan Srinivasan;
4. N. Srinivasan;
5. P. V. Rajaraman; and
6. Vinod Kumar Sharma.

The Small Finance Bank Committee was constituted by a resolution passed by our Board on November 30, 2014 and reconstituted pursuant to a resolution dated December 27, 2014. The Small Finance Bank Committee was further reconstituted pursuant to a resolution dated February 5, 2015 and November 6, 2015. The terms of reference were modified pursuant to a resolution by our Board on November 6, 2015. The terms of reference of the Small Finance Bank Committee include the following:

(a) To do forward planning for the Small Finance Bank and guide the Company for being ready to convert into the bank.

(b) To suggest administrative set up for the proposed SFB.

(c) To suggest any other changes that may be required for conversion into a bank.

(d) To guide management on appointment of senior level positions.

(e) To oversee the process of merger of three subsidiaries to form a Small Finance Bank.

(f) To review periodically the status of compliance of the conditions stipulated by the RBI in its in-principle approval for setting up a Small Finance Bank.

(g) Any other matter connected with the above and such other matters as may be delegated by the Board from time to time.

The quorum for the Small Finance Bank Committee shall be one third of total members or two, whichever is higher.

IPO Committee

The members of the IPO Committee are as follows:

1. P. V. Rajaraman (Chairman);
2. Arun Ramanathan;
3. Nagarajan Srinivasan;
4. P. N. Vasudevan;
5. Paolo Brichetti; and
6. Viswanatha Prasad Subbaraman.

The IPO Committee was constituted by a resolution passed by our Board on May 9, 2014 and was re-constituted pursuant to a resolution by our Board on October 5, 2015. The terms of reference of the IPO Committee include the following:

(a) To decide on the timing and subject to the applicable provisions of the Articles of Association of the Company the pricing and all the terms and conditions of the issue of the Equity Shares for the Issue, including the number of the Equity Shares to be issued in the Issue, price and any discount as allowed under Applicable Laws that may be fixed and determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;

(b) To ascertain and determine, subject to the applicable provisions of the Articles of Association of the Company, the quantum of shares to be offered for sale (OFS) by the existing shareholders of the Company which will form part of the Issue, decide on the size, timing, pricing and any discount as allowed under applicable laws that may be fixed and determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;

(c) To approve appointment and arrangement with the book running lead managers ("BRLMs"), underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrar(s), legal advisors, advertising agency(ies) and any other agencies or persons or intermediaries to the Issue and authorize one or more officers of the Company to negotiate, finalise and amend the terms of their appointment, including but not limited to execution of the mandate letter with the BRLMs, negotiation, finalisation and execution and if required, amendment of the issue agreement with the BRLMs, etc.;

(d) To approve and authorize one or more officers of the Company to negotiate, finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement, agreements with the registrar to the Issue and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding or any amendments thereto and other instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Issue;

(e) To approve and adopt the DRHP, the RHP, the Prospectus, the Bid-cum-Application Form, the preliminary and final international wrap for the issue of Equity Shares and authorize one or more officers of the Company to take all such actions as may be necessary for filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities;

(f) To approve making of applications, if necessary, to the Reserve Bank of India, the Foreign Investment Promotion Board or to any other statutory or governmental authorities in connection with the Issue and to authorize one or more officers of the Company to take all such actions as may be necessary for filing of these applications;

(g) To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the listing agreement to be entered into by the Company with the relevant stock exchanges;

(h) To authorize one or more officers of the Company to seek, if required, the consent of the lenders to the Company, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in relation to the Issue;

(i) To authorize one or more officers of the Company to open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to execute all documents/deeds as may be necessary in this regard;

(j) To authorize one or more officers of the Company to open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to execute all documents/deeds as may be necessary in this regard;

(k) To determine and finalise, subject to the Articles of Association of the Company, the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Issue (including issue price for anchor investors), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and the selling shareholders (to the extent applicable) and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including any alteration, addition or making any variation in relation to the Issue;

(l) To approve issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s) and authorize one or more officers of the Company to sign all or any of the aforestated documents;

(m) To authorize one or more officers of the Company to finalize applications for listing of the shares in one or more recognised stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

(n) To authorize one or more officers of the Company to do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar & transfer agents and such other agencies, as may be required in this connection and to negotiate, finalize, settle, execute and deliver all or any of the afore-stated documents;

(o) To approve and authorize one or more officers of the Company to finalize the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

(p) To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;

(q) To authorize withdrawing of the DRHP, RHP and the Issue at any stage, if deemed necessary;

(r) To settle any question, difficulty or doubt that may arise in connection with the Issue including the issue and allotment of the Equity Shares as aforesaid and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may in its absolute discretion deem fit;

(s) To authorize one or more officers of the Company to negotiate, finalize, settle, execute and deliver any and all other documents, certificates, confirmations, letters or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

The quorum for the IPO Committee is one third of the total members or two whichever is higher.

Management Organization Structure

Key Management Personnel

The details of the key management personnel, in addition to the Managing Director of our Company, as of the date of this Red Herring Prospectus are as follows:

P. N. Vasudevan is the Managing Director of our Company. For further details in relation to P. N. Vasudevan, see "Management – Brief Biographies of Directors" from pages 239 to 241.

S. Bhaskar was appointed as the Chief Financial Officer of our Company on November 1, 2014. He joined the Equitas Group on October 15, 2007. He holds a Bachelors degree in Science from University of Madras and is also a qualified chartered accountant from the Institute of Chartered Accountants of India. He started his career with Pricewaterhouse & Co., where he worked for one and a half years. He later moved to Cholamandalam Investment and Finance Company Limited where he worked for two decades. Prior to joining Equitas Group, he was the Group Treasurer and Senior Vice President – Audit for the Murugappa Group, Chennai. During the Financial Year 2015, he was paid gross compensation of ₹ 2.21 million (for the period from November 1, 2014 to March 31, 2015).

Jayashree S. Iyer was appointed as Company Secretary and the Compliance Officer of our Company on November 1, 2014. She joined the Equitas Group on October 1, 2011. She holds a Bachelors degree in Law and a Masters degree in Commerce (Accounts and Taxation) from the Devi Ahilya Vishwavidyalaya, Indore. She is a qualified company secretary from the Institute of Company Secretaries of India and a fellow of Insurance Institute of India. She has worked with Oriental Insurance Company Limited for over two decades. Prior to joining our Company, she worked with Hyundai Motor India Limited as the company secretary. During the Financial Year 2015, she was paid gross compensation of ₹ 0.57 million (for the period from November 1, 2014 to March 31, 2015).

P.N. Vasudevan, S. Bhaskar and Jayashree S. Iyer are permanent employees of our Company. In addition, the following persons holding office in certain of our Subsidiaries namely, EMFL, EHFL and EFL will also be considered Key Management Personnel:

John Alex is the Group Head-Social Initiatives. He joined the Equitas Group on November 5, 2008. He holds a Bachelors degree in Science (Agriculture) from Andhra Pradesh Agricultural University. Prior to joining our Company, he worked for about 25 years with Indian Overseas Bank from where he took his voluntary retirement as Chief Manager. His experience also includes four years of service as gazetted officer in Tamil Nadu Government service. During the Financial Year 2015, he was paid gross compensation of ₹ 2.97 million.

B. Mohanan is the Head-Operations of EMFL. He joined the Equitas Group on October 1, 2008. He holds a Bachelors degree in Commerce from University of Madras and a Masters degree in Business Administration from Annamalai University. Prior to joining EMFL, he has worked in various NBFCs like Cholamandalam DBS Finance Limited, GMAC Financial Services India Limited, India Cements Capital & Finance Limited, and Apple Credit Corporation Limited. During the Financial Year 2015, he was paid gross compensation of ₹ 4.3 million.

H.K.N. Raghavan is the Chief Executive Officer of EMFL. He joined the Equitas Group on December 8, 2008. He holds a Bachelors degree in Commerce from Osmania University and Executive Program in Business Management from Indian Institute of Management, Calcutta. Prior to joining EMFL, he had worked in various fast-moving consumer goods companies like Hindustan Unilever Limited, Agro Tech Foods Provident Fund, Henkel SPIC India Limited, Dabur Foods Limited and Subhiksha Trading Services Limited. During the Financial Year 2015, he was paid gross compensation of ₹ 5.78 million.

H. Mahalingam is the President and Group Chief Technology Officer of EMFL. He joined the Equitas Group on September 7, 2007. He holds a Masters degree in Science (Statistics) from University of Madras. He also holds a certification in Oracle from BiTech Training and Overseas Projects Services. Prior to joining our Group, he was the Chief Manager for Kothari Safe Deposits Limited and the Chief Manager-Information Technology at Cholamandalam Investment and Finance Company Limited. During the Financial Year 2015, he was paid gross compensation of ₹ 4.16 million.

N. Sridharan is the Chief Financial Officer of EMFL. He joined the Equitas Group on August 16, 2010. He holds a Bachelors degree in Commerce from University of Madras and is also a qualified chartered accountant from the Institute of Chartered Accountants of India. He has over three decades of experience in finance and accounts. He started his career with CMC Limited in 1986 and he was Deputy General Manager- Finance and Internal Audit at the time of resignation. His prior experience includes SRA Systems Limited as General Manager- Finance for nine years and was associated with Subhiksha Trading Services Limited as Vice President – MIS and Commercial Control. During the Financial Year 2015, he was paid gross compensation of ₹ 4.68 million.

S. Muralidharan is the Group Head-Human Resources. He joined the Equitas Group on August 16, 2007. He holds a Bachelors degree in Mechanical Engineering from Bharathiar University and Masters degree in Business Administration from Bharathidasan University. He started his career with Ashok Leyland Limited and has worked with Cholamandalam Investment and Finance Company Limited and Citicorp Finance (India) Limited. Prior to joining the Equitas Group, he was with Datamatics Staffing Services for seven years. During the Financial Year 2015, he was paid gross compensation of ₹ 3.97 million.

S. Sethupathy is the Head-Centralized Process Centre division of EFL. He joined the Equitas Group on September 17, 2007. He holds a Bachelors degree in Mechanical Engineering from Bangalore University and Masters in Business Administration from Indira Gandhi National Open University. Prior to joining EMFL he held various positions at HMT Limited, Sundaram Fasteners Limited, Sab Wabco India Limited, Jai Parabolic Springs Limited and Yuken India Limited. During the Financial Year 2015, he was paid gross compensation of ₹ 3.36 million.

V. S. Murthy is the Chief Executive Officer of EFL. He joined the Equitas Group on November 10, 2010. He holds a Bachelors degree in Commerce and a Masters degree in Business Administration from Osmania University. His prior experience includes working with Cholamandalam DBS Finance Limited and Dhandapani Finance Limited as the Head – Secured Loans. He joined the Equitas group in November 2010 to head Educational Initiatives and was given additional responsibility of Micro Finance - Branch Operations in January 2012. During the Financial Year 2015, he was paid gross compensation of ₹ 4.71 million.

Arcot Sravanakumar is the Head Retail Initiatives of EMFL. He joined the Equitas Group on November 25, 2010. He holds a Bachelors degree in Commerce from Sri Venkateshwara University, Tirupathi and has participated in the Management Development Program on Personal Growth and Effectiveness Lab from XLRI, Jamshedpur. Prior to joining Equitas Group he has worked for 19 years in various consumer goods companies like Hindustan Unilever Limited, Nestle India Limited, Henkel SPIC India Limited, Reliance Industries Limited and Pantaloon Retail (India) Limited. During the Financial Year 2015, he was paid gross compensation of ₹ 4.91 million.

None of our Key Management Personnel have been selected pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Except for that of P.N.Vasudevan, none of the appointment or deputation letters issued to the Key Management Personnel specify the term of office of the Key Management Personnel.

Shareholding of Key Management Personnel

For details of the shareholding of our Key Management Personnel see “Capital Structure” on page 122.

All of our Key Management Personnel (other than P. N. Vasudevan) have also been granted employee stock options under Equitas ESOS Schemes. For further details, see “Capital Structure - Notes to Capital Structure- Employee Stock Option Plans” from pages 122 to 131.

None of our Key Management Personnel are related to each other.

Bonus or profit sharing plan of the Key Management Personnel

There is no profit sharing plan for the Key Management Personnel. Our Company makes certain performance linked bonus payment for each financial year to certain key management personnel as per their terms of employment.

Interests of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any, and in relation to our Managing Director to the extent of shares allotted to him in accordance with the Share Allotment Agreement. The Key Management Personnel may be regarded as interested in the Equity Shares that may be subscribed by or Allotted to them under the Equitas ESOS Scheme. For further details relating to Equity Shares allotted to Key Management Personnel under Equitas ESOS Scheme, see “Capital Structure” on page 122. All the Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Changes in our Key Management Personnel

The changes in our Key Management Personnel in the last three years have been split between those who have been internally transferred or promoted and those who have resigned.

Key Management Personnel who have been promoted or transferred internally are as follows:

Name	Date of Joining	Date of appointment/ transfer/ promotion	Current Designation
B. Mohanan	October 1, 2008	October 1, 2013	Head- Operations, EMFL
S Muralidharan	August 16, 2007	April 1, 2014	Group Head – Human Resources
Arcot Sravanakumar	November 25, 2010	April 1, 2014	Head Retail Initiatives, EMFL
S. Bhaskar	October 15, 2007	November 1, 2014	Chief Financial Officer of our Company
Jayashree S. Iyer	October 1, 2011	November 1, 2014	Company Secretary of our Company
N. Sridharan	August 16, 2010	November 1, 2014	Chief Financial Officer, EMFL
V. S. Murthy	November 10, 2010	January 29, 2015	Chief Executive Officer, EFL
H. K. N. Raghavan	December 8, 2008	February 4, 2015	Chief Executive Officer, EMFL
S. Sethupathy	September 17, 2007	May 1, 2015	Head-Centralized Process Centre
N. Ramesh	January 29, 2011	May 1, 2015	Re-designated from Head – Centralised Process Centre, EFL

Key Management Personnel who resigned are as follows:

Name	Date of Resignation
Naveen Vashisht	June 30, 2013
V. G. Suchindran	August 31, 2013
K P Venkatesh	December 3, 2013
Ashutosh Atre	May 9, 2014
Ravi Kumar Doddala	March 24, 2015
E. Varathkanth	See Note 1

[1] *E.Varathkanth has submitted his resignation letter to our Company on January 2, 2016. His relieving date would be as mutually decided by him and our Company.*

Payment or Benefit to officers of our Company

Except as stated otherwise in this Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Employee Stock Option Plans

For details in relation to the Equitas ESOP 2015, see "Capital Structure" on page 122 and 123.

OUR GROUP COMPANIES

In terms of the SEBI Regulations and in terms of the policy of materiality defined by our Board pursuant to the resolution dated October 5, 2015, the entities which constitute part of the related parties of our Company under Accounting Standard 18 as per the Restated Financial Statements (except such companies that are consolidated in accordance with Accounting Standard 21) have been considered as Group Companies. The following are our Group Companies:

1. Equitas Dhanyakosha India; and

2. Equitas Development Initiatives Trust.

A. Details of the Group Companies

1. Equitas Development Initiatives Trust

Information

EDIT was created through an irrevocable trust deed dated February 4, 2008 at Chennai. EDIT is registered as a public charitable trust with registration number being 251/2008. The main objects of EDIT are to provide, promote and contribute to the overall development and wellbeing of the community through focusing on women, to develop and implement programmes for women's economic, social and political empowerment; to run own educational institutions and institutions in the areas of livelihood enhancement, vocational training, entrepreneurship, personality development, communication skills and leadership, to provide health related services to the public, to run and maintain homes for children, aged people and disabled and to contribute to rural development and poverty reduction.

Interest of the promoter

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations.

Financial Information

The relevant details of operating results of EDIT for the last three Financial Years are as follows:

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2015	2014	2013
Corpus fund	28.38	6.35	6.33
Income	46.25	38.33	29.23
Excess/ (deficit) of income over expenditure	3.79	5.35	(5.54)

B. Details of Group Companies with negative net worth

1. Equitas Dhanyakosha India

Corporate Information

EDK was incorporated on May 14, 2009 under Section 25 of the Companies Act, 1956. The main object of EDK is to provide food security and nutrition related education to low income households.

Interest of the promoter

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations.

Financial Information

The relevant details of operating results of EDK for the last three Financial Years are as follows:

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2015	2014	2013
Equity capital	0.0002	0.0002	0.0002
Reserves (excluding revaluation reserves) and Surplus	(38.89)	(41.22)	(39.51)
Revenue from Operations & Other Income	249.46	203.07	167.02
Profit/ (Loss) after tax	2.28	(1.75)	(12.49)
Earning per share (face value ₹ 10 each) (Basic)	0.11	(0.09)	(0.62)
Earning per share (face value ₹ 10 each) (Diluted)	0.11	(0.09)	(0.62)
Net asset value per share	(1.94)	(2.06)	(1.97)

Nature and Extent of Interest of Group Companies

(a) ***In the promotion of our Company***

None of our Group Companies have any interest in the promotion of any business interest or other interests in our Company.

(b) ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies with our Company

There are no common pursuits between any of our Group Companies and our Company.

Related Business Transactions within the Group Companies and significance on the financial performance of our Company

For more information, see "Related Party Transactions" on page 262.

Significant Sale/Purchase between Group Companies and our Company

None of our Group Companies is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of the Draft Red Herring Prospectus with SEBI. Further, none of our Group Companies fall under the definition of sick industrial companies under SICA and none of them is under winding up.

Loss making Group Companies

None of our Group Companies have incurred loss in the preceding Financial Year.

Other confirmations

None of the Group Companies are listed on any stock exchange or have made any public or rights issue of securities in preceding three years.

None of the Group Companies have been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

None of the Group Companies have been identified as wilful defaulters by the RBI or other authorities.

RELATED PARTY TRANSACTIONS

For details of related party transactions during the last five Financial Years and the nine months ended December 31, 2015, as per the requirements under Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, see "Financial Statements-Restated Unconsolidated Statement of Related Party-Annexure 32" and "Financial Statements – Restated Consolidated Statement of Related Parties-Annexure 33" from page 342 and 430 respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "Financial Indebtedness" on page 660.

We have not declared any dividends in any of the Financial Years preceding the filing of this Red Herring Prospectus.

Our past practices with respect to the declaration of dividend are not necessarily indicative of our future dividend declaration.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with the Restated Unconsolidated Financial Statements, the Restated Consolidated Financial Statements and the Restated Subsidiary Financial Statements beginning on pages 294, 355 and 442, respectively, as well as the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 187 and 663, respectively.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

EQUITAS HOLDINGS LIMITED ON A CONSOLIDATED BASIS

The following financial and statistical information relates to our Company on a consolidated basis and should be read in conjunction with our Restated Consolidated Financial Statements beginning on page 355:

Return on Equity and Assets

The following table sets forth, for the periods indicated, selected financial information relating to the return on equity and assets for our Company on a consolidated basis:

	Fiscal					Nine months ended December 31, 2015
	2011	2012	2013	2014	2015	
	(₹ in million, except percentages)					
Net Profit	285.16	(34.74)	319.00	743.37	1,066.26	1,203.66
Average Total Assets (1)	8,601.44	9,639.70	14,073.75	23,027.47	36,082.12	51,307.53
Average Net Worth (2)	2,867.14	3,020.25	3,870.97	6,068.04	9,561.48	12,317.54
Total Debt (3)	5,918.78	5,637.88	12,743.66	18,491.63	30,321.75	41,548.79
Average Debt (4)	5,118.38	5,778.33	9,190.77	15,617.65	24,406.69	35,935.27
Return on Average Assets (%) (5)#	3.32%	(0.36%)	2.27%	3.23%	2.96%	3.13%
Return on Average Net Worth (%) (6)#	9.95%	(1.15%)	8.24%	12.25%	11.15%	13.03%
Average Debt / Average Net Worth	1.78	1.91	2.37	2.57	2.55	2.92
Average Net Worth as a percentage of Average Total Assets	33.33%	31.33%	27.50%	26.35%	26.50%	24.01%
Earnings Per Share (7)	2.18	(0.26)	2.10	3.99	4.48	4.47
Book Value Per Share	67.93	68.03	81.70	102.13	43.54	47.98

\# Return on Average Assets and Return on Average Net Worth in the nine months ended December 31, 2015 have been presented on an annualized basis.

1. Average Total Assets represents the average of our total assets on a consolidated basis as of the last day of the relevant period and our total assets on a consolidated basis as of the last day of the previous period.
2. Average Net Worth represents the average of our Net Worth on a consolidated basis as of the last day of the relevant period and our net worth on a consolidated basis as of the last day of the previous period.

3. Total Debt represents the aggregate of all our borrowings (non-convertible debentures, term loans from banks and other parties) on a consolidated basis as of the last day of the relevant period.
4. Average Debt represents the average of our total debt on a consolidated basis as of the last day of the relevant period and our total debt on a consolidated basis as of the last day of the previous period.
5. Return on Average Assets is calculated as the Net Profit on a consolidated basis for the relevant period as a percentage of Average Total Assets on a consolidated basis in such period.
6. Return on Average Net Worth is calculated as the Net Profit on a consolidated basis for the relevant period as a percentage of Average Net Worth on a consolidated basis in such period.
7. Earnings per Share has been provided on an undiluted basis and does not factor in the effect of ESOPs and other dilutive events. Earnings per Share for the nine months ended December 31, 2015 has not been annualized.

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for our Company on a consolidated basis:

	Fiscal					**Nine months ended December 31, 2015**
	2011	**2012**	**2013**	**2014**	**2015**	
	(₹ in million, except percentages)					
AUM[1]	7,938.96	8,238.80	14,838.24	24,856.40	40,098.80	55051.85
On-Book AUM [2]	6,267.95	6,160.05	12,134.90	21,231.55	34,646.24	50,138.80
Off-Book AUM[3]	1,671.01	2,078.75	2,703.34	3,624.85	5,452.56	4,913.05
AUM Growth (%)	NA	3.78%	80.10%	67.52%	61.32%	37.29%
Average AUM[4]	6,994.40	8,088.88	11,538.52	19,847.32	32,477.60	47,575.33
Disbursements[5]	9,024.49	7,682.14	14,878.61	23,844.44	36,063.09	36,697.51
Disbursement Growth (%)*	NA	(14.87)%	93.68%	60.26%	51.24%	1.76%
Total Loan Accounts[6]	1,430,406	1,244,630	1,440,201	1,965,729	2,516,647	2,884,435
Interest Income[7]	2,220.13	1,810.67	2,545.90	4,355.32	6,868.12	7,231.38
Other Income[8]	171.90	175.82	285.83	479.85	691.14	715.64
Total Income[9]	2,392.03	1,986.49	2,831.73	4,835.17	7,559.26	7,947.02
Interest Expense[10]	688.29	642.14	1,076.28	1,895.21	2,947.02	3,082.73
Net Interest Income[11]	1,531.84	1,168.53	1,469.62	2,460.11	3,921.10	4,148.65
Operating Expense[12]	986.46	1,186.58	1,259.94	1,617.98	2,472.36	2,547.09
Cost of Funds[13]#	13.45%	11.11%	11.71%	12.14%	12.07%	11.44%
Credit Cost[14]	276.88	49.92	89.11	183.87	504.32	445.04
Yield[15]#	31.74%	22.38%	22.06%	21.94%	21.15%	20.27%
Spread[16]#	18.29%	11.27%	10.35%	9.80%	9.08%	8.83%
Net Interest Margin[17]#	21.90%	14.45%	12.74%	12.40%	12.07%	11.63%
Operating Expense / Average AUM#	14.10%	14.67%	10.92%	8.15%	7.61%	7.14%
Gross NPA	42.33	73.22	33.25	155.06	374.29	669.16
Gross NPA / On-Book AUM (%)	0.68%	1.19%	0.27%	0.73%	1.08%	1.33%
Net NPAs	24.72	7.62	22.01	129.68	278.28	488.66
Net NPAs / On-Book AUM (%)	0.39%	0.12%	0.18%	0.61%	0.80%	0.97%

Cost of Funds, Yield, Spread, Net Interest Margin and Operating Expense / Average AUM in the nine months ended December 31, 2015 have been presented on an annualized basis.

* Disbursements Growth for the nine months ended December 31, 2015 has not been annualized.

1. AUM represents receivables under financing activities as well as assets securitized / assigned as of the end of the relevant period.
2. On-Book AUM represents receivables under financing activities as of the end of the relevant period.
3. Off-book AUM represents the aggregate amount of assets securitized / assigned as of the end of the relevant period.

4. Average AUM represents the average of our AUM as of the last day of the relevant period and our AUM as of the last day of the previous period.
5. Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period.
6. Total Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period.
7. Interest Income represents interest income from loans to customers and the interest spread on securitization / assignment of receivables in the relevant period.
8. Other Income represents interest on deposits, processing fees and other fee income in the relevant period.
9. Total Income represents the sum of Interest Income and Other Income in the relevant period.
10. Interest Expense represents the interest cost on borrowings, loan processing fees and other borrowing-related costs in the relevant period.
11. Net Interest Income represents Interest Income in the relevant period reduced by Interest Expense in such period.
12. Operating Expense represents employee cost, other administrative and operating cost and depreciation and amortization expenses in the relevant period.
13. Cost of Funds represents the ratio of Interest Expense in the relevant period to the Average Debt in such period
14. Credit Cost represents non-performing asset provisions, standard asset provisions, and write-offs in the relevant period.
15. Yield represents the ratio of Interest Income in the relevant period to the Average AUM in such period
16. Spread represents the difference between the Yield and the Cost of Funds in the relevant period.
17. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM in the relevant period.

Productivity Ratios

The following table sets forth, for the periods indicated, certain productivity ratios for our Company on a consolidated basis:

	As at March 31,					Nine months ended December 31, 2015
	2011	2012	2013	2014	2015	
Number of branches	281	334	365	432	505	539
Number of employees	2,492	2,716	3,148	4,477	6,275	8,067
Number of loan accounts	1,430,406	1,244,630	1,440,201	1,965,729	2,516,647	2,884,435
Closing AUM per branch (₹ in Million)	28.25	24.67	40.65	57.54	79.40	102.13
Closing AUM per employee (₹ in Millions)	3.19	3.03	4.71	5.55	6.39	6.82
Closing AUM per loan account (₹ in Thousand)	5.54	6.62	10.30	12.64	15.93	19.09
Disbursement per branch[(1)] (₹ in Millions)	32.12	23.00	40.76	55.20	71.41	68.08
Disbursement per employee[(2)] (₹ in Millions)	3.62	2.83	4.73	5.33	5.75	4.55

1. Disbursement per branch represents aggregate loans disbursed in the relevant period divided by the aggregate number of branches as at the end of such period.
2. Disbursement per employee represents aggregate loans disbursed in the relevant period divided by the aggregate number of employees as at the end of such period.

Geographical Spread of Loan Accounts

The following table sets forth the geographic spread of our Company based on number of loan accounts on a consolidated basis:

State	Number of Loan Accounts											
	As at March 31, 2011	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	Nine months ended December 31, 2015	% of Total
Gujarat	36,065	2.52%	59,434	4.78%	49,519	3.45%	71,551	3.64%	99,056	3.94%	114,620	3.97%
Karnataka	-	-	6	0.00%	643	0.04%	14,130	0.72%	71,958	2.86%	160,619	5.57%
Madhya Pradesh	14,940	1.04%	47,119	3.79%	84,784	5.89%	146,949	7.48%	182,340	7.25%	186,388	6.46%
Maharashtra	194,435	13.59%	179,695	14.44%	177,705	12.34%	288,906	14.70%	390,699	15.52%	422,647	14.65%
Pondicherry	27,576	1.93%	13,133	1.06%	21,931	1.52%	48,198	2.45%	31,657	1.26%	33,484	1.16%
Rajasthan	60,867	4.26%	107,961	8.66%	111,372	7.73%	124,359	6.33%	121,950	4.85%	136,699	4.74%
Tamil Nadu	1,096,523	76.66%	836,764	67.23%	992,469	68.91%	1,268,620	64.54%	1,613,173	64.09%	1,809,362	62.74%
Andhra Pradesh	-	-	339	0.03%	996	0.07%	1328	0.07%	1908	0.08%	3,015	0.10%
Telangana	-	-	179	0.01%	571	0.04%	1146	0.06%	1522	0.06%	1,076	0.04%
Chattisgarh	-	-	-	-	211	0.01%	542	0.03%	963	0.04%	13,597	0.47%
Delhi	-	-	-	-	-	-	-	-	346	0.01%	622	0.02%
Punjab	-	-	-	-	-	-	-	-	521	0.02%	1,146	0.04%
Haryana	-	-	-	-	-	-	-	-	554	0.02%	1,160	0.04%
Total	**1,430,406**	**100.00%**	**1,244,630**	**100.00%**	**1,440,201**	**100.00%**	**1,965,729**	**100.00%**	**2,516,647**	**100.00%**	**2,884,435**	**100.00%**

Sources of Funding

The following table sets out our sources of funding on a consolidated basis:

(₹ in million, except percentage)

	As at March 31, 2011	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at December 31, 2015	% of Total
Non-Convertible Debentures												
Secured	-	-	500.00	8.86%	740.00	5.81%	2,320.00	12.55%	4,710.00	15.53%	8,148.75	19.61%
Unsecured	-	-	500.00	8.86%	500.00	3.92%	500.00	2.70%	1,200.00	3.95%	2,700.00	6.50%
Term Loans/Working Capital Loans – Secured												
Financial Institutions	2,439.36	41.21%	1,427.42	25.33%	1,319.33	10.35%	1,159.80	6.27%	4,648.49	15.33%	6,939.70	16.70%
Banks	3,479.42	58.79%	3,210.46	56.95%	10,184.33	79.92%	14,363.05	77.68%	19,495.51	64.30%	23,760.34	57.19%
Term Loans/Commercial Papers – Unsecured												
Financial Institutions	-	-	-	-	-	-	-	-	90.00	0.30%	-	-
Banks	-	-	-	-	-	-	148.78	0.80%	177.75	0.59%	-	-
Total	**5,918.78**	**100.00%**	**5,637.88**	**100.00%**	**12,743.66**	**100.00%**	**18,491.63**	**100.00%**	**30,321.75**	**100.00%**	**41,548.79**	**100.00%**

Classification of Assets

The Prudential Norms Directions prescribed by the RBI, among other matters, require us to observe the classification of our assets; treatment of NPAs; and provisioning against NPAs. For further information, see "Regulations and Policies" on page 210 and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Accounting Policies" from page 668.

The following table sets forth certain information regarding classification of our assets and provisioning:

Asset Classification	As at March 31,					As at December 31, 2015
	2011	2012	2013	2014	2015	
	(₹ in million)					
Loan Outstanding (gross)						
Standard Assets	6,225.61	6,086.83	12,101.65	21,076.49	34,271.95	49,469.64
Sub-Standard Assets	27.34	8.02	21.82	143.16	321.83	520.64
Doubtful Assets	15.00	65.20	11.43	11.90	52.46	148.52
Total Loans Outstanding (gross)	**6,267.95**	**6,160.05**	**12,134.90**	**21,231.55**	**34,646.24**	**50,138.80**
Provisions						
Standard Assets	77.83	68.54	126.20	172.43	250.50	401.97
Sub-Standard Assets	3.97	1.42	4.46	14.72	66.55	113.82
Doubtful Assets	13.64	64.08	6.81	11.45	29.47	66.68
Total Provisions	95.44	134.04	137.47	198.60	346.52	582.47
Loan Outstanding (net)						
Standard Assets	6,147.78	6,018.29	11,975.45	20,904.06	34,021.45	49,067.67
Sub-Standard Assets	23.36	6.60	17.36	128.44	255.28	406.82
Doubtful Assets	1.36	1.12	4.62	0.45	22.99	81.84
Total Loans Outstanding (net)	6,172.50	6,026.01	11,997.43	21,032.95	34,299.72	49,556.33

EQUITAS MICRO FINANCE LIMITED

Return on Equity and Assets

The following table sets forth, for the periods indicated, selected financial information relating to the return on equity and assets for EMFL:

	Fiscal					Nine months ended December 31, 2015
	2011*	2012	2013	2014	2015	
	(₹ in million, except percentages)					
Net Profit	300.91	182.43	275.12	565.49	685.48	585.93
Average Total Assets (1)	8,608.47	8,937.28	11,148.49	15,827.45	19,841.68	26,676.58
Average Net Worth (2)	2,875.19	2,529.21	2,286.67	2,831.74	3,457.22	4,092.93
Total Debt(3)	5,918.71	5,269.43	10,583.37	13,175.20	16,276.37	24,826.80
Average Debt(4)	5,118.34	5,594.07	7,926.40	11,879.29	14,725.79	20,551.59
Return on Average Assets (%)(5)#	3.50%	2.04%	2.47%	3.57%	3.45%	2.93%
Return on Average Net Worth (%)(6)#	10.47%	7.21%	12.03%	19.97%	19.83%	19.09%
Average Debt / Average Net Worth	1.78	2.21	3.47	4.20	4.26	5.02
Average Net Worth as a percentage of Average Total Assets	33.40%	28.30%	20.51%	17.89%	17.42%	15.34%
Earnings Per Share(7)	2.30	1.16	1.52	2.85	3.45	2.95
Book Value Per Share	68.30	11.23	12.83	15.67	19.12	22.07

* EHL de-merged its microfinance business into EMFL on April 1, 2011. Accordingly, the selected statistical information with respect to fiscal 2011 in the table above relates to the EHL unconsolidated

financial statements which includes microfinance business and is therefore not strictly comparable with the results of operations in the subsequent periods. The selected statistical information with respect to fiscal 2012, 2013, 2014 and 2015 and the nine months ended December 31, 2015 in the table above relates to the microfinance business.

\# Return on Average Assets and Return on Average Net Worth in the nine months ended December 31, 2015 have been presented on an annualized basis.

1. Average Total Assets represents the average of total assets of EMFL as of the last day of the relevant period and total assets of EMFL as of the last day of the previous period.
2. Average Net Worth represents the average of the net worth of EMFL as of the last day of the relevant period and the net worth of EMFL as of the last day of the previous period.
3. Total Debt represents the aggregate of all borrowings (non-convertible debentures, term loans from banks and other parties) as of the last day of the relevant period.
4. Average Debt represents the average of the total debt of EMFL as of the last day of the relevant period and the total debt of EMFL as of the last day of the previous period.
5. Return on Average Assets is calculated as the Net Profit for the relevant period as a percentage of Average Total Assets in such period.
6. Return on Average Net Worth is calculated as the Net Profit for the relevant period as a percentage of Average Net Worth in such period.
7. Earnings per Share for the nine months ended December 31, 2015 has not been annualized.

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for EMFL:

	Fiscal					Nine months ended December 31, 2015
	2011*	2012	2013	2014	2015	
	(₹ in million, except percentages)					
AUM(1)	7,937.95	7,239.66	11,346.61	15,030.05	21,439.53	29,347.99
On-Book AUM (2)	6,267.94	5,160.91	8,643.27	11,856.65	16,232.46	26,549.76
Off-Book AUM(3)	1,670.01	2,078.75	2,703.34	3,173.40	5,207.07	2,798.23
AUM Growth (%)	NA	(8.80)%	56.73%	32.46%	42.64%	36.89%
Average AUM(4)	6,994.65	7,588.81	9,293.14	13,188.33	18,234.79	25,393.76
Disbursements(5)	9,019.54	6,612.71	11,491.36	15,054.80	21,290.42	22,424.40
Disbursement Growth%**	NA	26.68%)	73.78%	31.01%	41.42%	5.33%
Total Loan Accounts(6)	1,430,406	1,241,453	1,428,752	1,935,003	2,449,694	2,782,147
Interest Income(7)	2,220.58	1,755.45	2,095.69	3,086.03	4,017.62	3,959.12
Other Income(8)	160.89	144.25	203.01	330.16	362.20	366.40
Total Income(9)	2,381.47	1,899.70	2,298.70	3,416.19	4,379.82	4,325.52
Interest Expense(10)	688.28	627.10	949.40	1,473.40	1,869.99	1,843.93
Net Interest Income(11)	1,532.30	1,128.35	1,146.29	1,612.63	2,147.63	2,115.19
Operating Expense(12)	961.30	950.57	882.70	1,027.74	1,378.96	1,445.80
Cost of Funds(13)#	13.45%	11.21%	11.98%	12.40%	12.70%	11.96%
Credit Cost(14)	276.87	43.87	59.92	55.12	89.57	122.07
Yield(15)#	31.75%	23.13%	22.55%	23.40%	22.03%	20.79%
Spread(16)#	18.30%	11.92%	10.57%	11.00%	9.33%	8.83%
Net Interest Margin(17)#	21.91%	14.87%	12.33%	12.23%	11.78%	11.11%
Operating Expense / Average AUM#	13.74%	12.53%	9.50%	7.79%	7.56%	7.59%
Gross NPA	42.33	68.55	2.33	11.68	12.54	43.92
Gross NPA / On-Book AUM (%)	0.68%	1.33%	0.03%	0.10%	0.08%	0.17%
Net NPAs	24.72	4.07	1.04	2.88	3.78	12.58
Net NPAs / On-Book AUM (%)	0.39%	0.08%	0.01%	0.02%	0.02%	0.05%

* EHL de-merged its microfinance business into EMFL on April 1, 2011. Accordingly, the selected statistical information with respect to fiscal 2011 in the table above relates to the EHL unconsolidated financial statements which includes microfinance business and is therefore not strictly comparable with

the results of operations in the subsequent periods. The selected statistical information with respect to fiscal 2012, 2013, 2014 and 2015 and the nine months ended December 31, 2015 in the table above relates to the microfinance business.

\# Cost of Funds, Yield, Spread, Net Interest Margin and Operating Expense / Average AUM in the nine months ended December 31, 2015 have been presented on an annualized basis.

** Disbursements Growth for the nine months ended December 31, 2015 has not been annualized.

1. AUM represents receivables under financing activities as well as assets securitized / assigned as of the end of the relevant period.
2. On-Book AUM represents receivables under financing activities as of the end of the relevant period.
3. Off-book AUM represents the aggregate amount of assets securitized / assigned as of the end of the relevant period.
4. Average AUM represents the average of our AUM as of the last day of the relevant period and our AUM as of the last day of the previous period.
5. Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period.
6. Total Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period.
7. Interest Income represents interest income from loans to customers and the interest spread on securitization / assignment of receivables in the relevant period.
8. Other Income represents interest on deposits, processing fees and other fee income in the relevant period.
9. Total Income represents the sum of Interest Income and Other Income in the relevant period.
10. Interest Expense represents the interest cost on borrowings, loan processing fees and other borrowing-related costs in the relevant period.
11. Net Interest Income represents Interest Income in the relevant period reduced by Interest Expense in such period.
12. Operating Expense represents employee cost, other administrative and operating cost and depreciation and amortization expenses in the relevant period.
13. Cost of Funds represents the ratio of Interest Expense in the relevant period to the Average Debt in such period.
14. Credit Cost represents non-performing asset provisions, standard asset provisions, write-offs and losses in the relevant period.
15. Yield represents the ratio of Interest Income in the relevant period to the Average AUM in such period.
16. Spread represents the difference between the Yield in the relevant period and the Cost of Funds in such period.
17. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM in the relevant period. Please note that Net Interest Margin does not represent “Margin Cap” as defined by the RBI.

Sources of Funding

The following table sets forth certain information relating to the sources of funding for EMFL:

(₹ in million, except percentage)

	As at March 31, 2011*	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	Nine months ended December 31, 2015	% of Total
Non-Convertible Debentures												
Secured	-	-	500.00	9.49%	740.00	6.99%	1,240.00	9.41%	1,430.00	8.79%	3,548.75	14.29%
Unsecured	-	-	500.00	9.49%	500.00	4.72%	500.00	3.80%	800.00	4.91%	2,300.00	9.26%
Term Loans/Working Capital loans – Secured												
Financial Institutions	2,439.29	41.21%	1,097.50	20.83%	1,203.70	11.37%	659.78	5.01%	1,377.84	8.47%	3,402.20	13.70%
Banks	3,479.42	58.79%	3,171.93	60.19%	8,139.67	76.92%	10,775.42	81.78%	12,668.53	77.82%	15,575.86	62.74%
Total	**5,918.71**	**100.00%**	**5,269.43**	**100.00%**	**10,583.37**	**100.00%**	**13,175.20**	**100.00%**	**16,276.37**	**100.00%**	**24,826.81**	**100.0%**

* EHL de-merged its microfinance business into EMFL on April 1, 2011. Accordingly, the selected statistical information with respect to fiscal 2011 in the table above relates to the EHL unconsolidated financial statements which includes microfinance business and is therefore not strictly comparable with the results of operations in the subsequent periods. The selected statistical information with respect to fiscal 2012, 2013, 2014 and 2015 and the nine months ended December 31, 2015 in the table above relates to the microfinance business.

Capital Adequacy

EMFL is subject to the CAR requirements prescribed by the RBI. As of December 31, 2015, EMFL was required to maintain a minimum CAR of 15.00%, based on the total capital to risk-weighted assets. The following table sets forth certain information relating to the CAR of EMFL as of the periods indicated:

(₹ in million, except percentage)

Particulars	As at March 31,					As at December 31, 2015
	2011	2012	2013	2014	2015	
Tier I Capital	2,910.67	1,944.71	2,329.61	2,548.03	3,332.87	3,944.47
Tier II Capital	43.06	589.64	492.80	429.13	630.80	2,144.10
Total Capital	**2,953.73**	**2,534.35**	**2,822.41**	**2,977.16**	**3,963.67**	**6,088.57**
Total Risk Weighted Assets	**7,444.22**	**8,084.56**	**10,384.27**	**12,993.08**	**18,736.38**	**28,970.49**
Capital Adequacy Ratio						
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	39.10%	24.05%	22.43%	19.61%	17.79%	13.62%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	0.58%	7.30%	4.75%	3.30%	3.36%	7.40%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**39.68%**	**31.35%**	**27.18%**	**22.91%**	**21.15%**	**21.02%**

Classification of Assets

Loans are classified and provided for in accordance with EMFL management estimates and internal policies of EMFL, subject to the minimum classification and provisioning norms required under the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011, as amended. The following table sets forth certain information relating to the asset classification followed by EMFL as at December 31, 2015:

Asset Classification	Period of Overdue
Standard Assets	Not Overdue or Overdue for less than 30 days
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 30 days and more but less than 90 days
Doubtful Assets	Overdue for 90 days and more
Loss Assets	Assets which are identified as loss asset by our Company or the internal auditor or the external auditor or by the Reserve Bank of India.

"Overdue" refers to interest and/or principal and/or installment/ insurance premium remaining unpaid from the day it became receivable.

Provisioning and Write-offs

Statutory provisions are required to be made in respect of sub-standard, doubtful and loss assets as per the directions, circulars and notifications issued by the RBI. The following are the provisioning norms applied by EMFL as at December 31, 2015:

Asset Classification	Provisioning Percentage
1. Standard Assets	1.25%
2. Non-Performing Assets (NPA)	
a. Sub-Standard Assets	
i. Overdue for 30 days and more but less than 60 days	10.00%
ii. Overdue for 60 days and more but less than 90 days	25.00%
b. Doubtful Assets	
iii. Doubtful Assets – Overdue for 90 days and more but less than 120 days	50.00%
iv. Doubtful Assets – Overdue for 120 days and more	100.00%
3. Loss Assets	100.00%

The following table sets forth certain information relating to the classification of the assets by EMFL:

Asset Classification	As at March 31,					As at December 31, 2015
	2011	2012	2013	2014	2015	
	(₹ In million)					
Loan Outstanding (gross)						
Standard Assets	6,225.60	5,092.36	8,640.94	11,844.97	16,219.92	26505.84
Sub-Standard Assets	27.34	4.07	1.08	2.90	3.63	12.57
Doubtful Assets	15.00	64.48	1.25	8.78	8.91	31.35
Total Loans Outstanding (gross)	**6,267.94**	**5,160.91**	**8,643.27**	**11,856.65**	**16,232.46**	26,549.76
Provisions						
Standard Assets	77.83	63.66	108.01	148.07	202.76	331.32
Sub-Standard Assets	3.97	0.72	0.18	0.45	0.60	1.91
Doubtful Assets	13.64	63.76	1.11	8.36	8.17	29.43
Total Provisions	**95.44**	**128.14**	**109.30**	**156.88**	**211.53**	362.66
Loan Outstanding (net)						
Standard Assets	6,147.77	5,028.70	8,532.93	11,696.90	16,017.16	26,174.52
Sub-Standard Assets	23.37	3.35	0.90	2.45	3.03	10.66
Doubtful Assets	1.36	0.72	0.14	0.42	0.74	1.92
Total Loans Outstanding (net)	**6,172.50**	**5,032.77**	**8,533.97**	**11,699.77**	**16,020.93**	**26,187.10**

The following table sets forth certain information relating to the NPA portfolio of EMFL:

(₹ in million, except percentage)

	As at March 31,					As at December 31, 2015
	2011	2012	2013	2014	2015	
Gross NPAs at the close of the period	**42.33**	**68.55**	**2.33**	**11.68**	**12.54**	**43.92**
Total provisions at the opening of the period	2.89	17.39	64.48	1.29	8.80	8.76
Additional provisions during the period	15.59	47.09	3.36	7.65	7.99	23.50
Utilization / Reversal during the period	(0.87)	-	(66.55)	(0.14)	(8.03)	(0.92)
Total provisions at the close of the period	**17.61**	**64.48**	**1.29**	**8.80**	**8.76**	**31.34**
Net NPAs	**24.72**	**4.07**	**1.04**	**2.88**	**3.78**	**12.58**
On-Book AUM	6,267.94	5,160.91	8,643.27	11,856.65	16,232.46	26,549.76
Gross NPAs / On-Book AUM (%)	0.68%	1.33%	0.03%	0.10%	0.08%	0.17%
Net NPAs / On-Book AUM (%)	0.39%	0.08%	0.01%	0.02%	0.02%	0.05%
Total provisions / Gross NPAs (%)	41.60%	94.06%	55.36%	75.34%	69.86%	71.36%

Productivity Ratios

The following table sets forth certain productivity ratios with respect to the microfinance business operated by EMFL:

	As at March 31,					As at December 31, 2015
	2011*	2012	2013	2014	2015	
Number of branches	281	264	286	323	361	391
Number of employees	2,492	2,159	2,402	3,074	3,922	5134
Number of loan accounts	1,430,406	1,241,453	1,428,752	1,935,003	2,449,694	2,782,147
Closing AUM per branch (₹ in Millions)	28.25	27.32	39.67	46.53	59.39	75.06
Closing AUM per employee (₹ in Millions)	3.19	3.35	4.72	4.89	5.47	5.72
Closing AUM per loan account (₹ in thousands)	5.55	5.83	7.94	7.77	8.75	10.55
Disbursement per branch(1) (₹ in Millions)	32.10	25.05	40.18	46.61	58.98	57.35
Disbursement per employee(2) (₹ in Millions	3.62	3.06	4.78	4.90	5.43	4.37

* EHL de-merged its microfinance business into EMFL on April 1, 2011. Accordingly, the selected statistical information with respect to fiscal 2011 in the table above relates to the EHL unconsolidated financial statements which includes microfinance business and is therefore not strictly comparable with the results of operations in the subsequent periods. The selected statistical information with respect to fiscal 2012, 2013, 2014 and 2015 and the nine months ended December 31, 2015 in the table above relates to the microfinance business.

\# EMFL sources business entirely through its staff and branches and does not employ any direct selling agents. However, the staff of EMFL is engaged in sourcing business for EFL and EHFL. As a result, the productivity ratios in this table are not comparable with those of the other businesses.

1. Disbursement per branch represents aggregate microfinance loans disbursed in the relevant period divided by the aggregate number of branches involved in the microfinance business as at the end of such period.
2. Disbursement per employee represents aggregate microfinance loans disbursed in the relevant period divided by the aggregate number of employees involved in the microfinance business as at the end of such period.

Geographical Spread of Loan Accounts

The following table sets forth the geographic spread of the microfinance business based on number of loan accounts:

State	Number of Loan Accounts											
	As at March 31, 2011*	% of Total	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at December 31, 2015	% of Total
Gujarat	36,065	2.52%	59,310	4.78%	48,865	3.42%	69,641	3.60%	96,244	3.93%	110,863	3.98%
Karnataka	-	-	-	-	-	-	11,763	0.61%	67,318	2.75%	154,537	5.55%
Madhya Pradesh	14,940	1.04%	46,851	3.77%	83,798	5.87%	145,113	7.50%	179,190	7.31%	182,060	6.54%
Maharashtra	194,435	13.59%	179,199	14.43%	176,079	12.32%	283,507	14.65%	380,236	15.52%	407,576	14.66%
Pondicherry	27,576	1.93%	13,111	1.06%	21,795	1.53%	47,786	2.47%	29,209	1.19%	29,450	1.06%
Rajasthan	60,867	4.26%	107,703	8.68%	110,504	7.73%	122,694	6.34%	119,928	4.90%	134,193	4.82%
Tamil Nadu	1,096,523	76.66%	835,279	67.28%	987,711	69.13%	1,254,499	64.83%	1,577,569	64.40%	1,751,215	62.95%
Chhattisgarh	-	-	-	-	-	-	-	-	-	-	12,253	0.44%
Total	**1,430,406**	**100.00%**	**1,241,453**	**100.00%**	**1,428,752**	**100.00%**	**1,935,003**	**100.00%**	**2,449,694**	**100.00%**	**2,782,147**	**100.00%**

* EHL de-merged its microfinance business into EMFL on April 1, 2011. Accordingly, the selected statistical information with respect to fiscal 2011 in the table above relates to the EHL unconsolidated financial statements which includes microfinance business and is therefore not strictly comparable with the results of operations in the subsequent periods. The selected statistical information with respect to fiscal 2012, 2013, 2014 and 2015 and the nine months ended December 31, 2015 in the table above relates to the microfinance business.

EQUITAS FINANCE LIMITED

Return on Equity and Assets

The following table sets forth, for the periods indicated, selected financial information relating to return on equity and assets for EFL:

	Fiscal				Nine months ended December 31, 2015
	2012*	2013	2014*	2015	
	(₹ in million, except percentages)				
Net Profit	(122.96)	31.88	157.95	342.26	593.62
Average Total Assets (1)	551.15	2,352.80	6,362.71	14,507.87	21,725.98
Average Net Worth (2)	264.19	993.66	2,213.26	4,587.47	6,554.83
Total Debt(3)	528.45	2,060.30	5,829.46	13,163.29	15,262.45
Average Debt(4)	528.45	1,294.38	3,944.88	9,496.38	14,212.87
Return on Average Assets (%)(5) #	(22.31%)	1.35%	2.48%	2.36%	3.64%
Return on Average Net Worth (%)(6) #	(46.54%)	3.21%	7.14%	7.46%	12.07%
Average Debt / Average Net Worth	2.00	1.30	1.78	2.07	2.17
Average Net Worth as a percentage of Average Total Assets	47.93%	42.23%	34.78%	31.62%	30.17%
Earnings Per Share	(4.25)	0.31	0.90	1.12	1.40
Book Value Per Share	7.89	9.97	12.12	14.79	16.19

* The vehicle finance business commenced operations in August 2011and the MSE finance business commenced in May 2013, and accordingly the selected statistical information in the year of commencement of these businesses does not reflect a full year of operations and is not comparable to the selected statistical information relating to subsequent financial years.

\# Return on Average Assets and Return on Average Net Worth in the nine months ended December 31 , 2015 have been presented on an annualized basis. Average Total Assets represents the average assets of EFL as of the last day of the relevant period and as of the last day of the previous period.

1. Average Net Worth represents the average of net worth of EFL as of the last day of the relevant period and as of the last day of the previous period.
2. Total Debt represents the aggregate of all borrowings (non-convertible debentures, term loans from banks and other parties) as of the last day of the relevant period.
3. Average Debt represents the average debt of EFL as of the last day of the relevant period and total debt of EFL as of the last day of the previous period.
4. Return on Average Assets is calculated as the Net Profit for the relevant period as a percentage of Average Total Assets in such period.
5. Return on Average Net Worth is calculated as the Net Profit for the relevant period as a percentage of Average Net Worth in such period.
6. Earnings per Share for the nine months ended December 31, 2015 has not been annualized.

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for EFL:

	Fiscal				Nine months ended December 31, 2015
	2012*	2013	2014*	2015*	
	(₹ in million, except percentages)				
AUM(1)	916.98	3,045.24	8,889.28	16,863.94	23,411.41
On-Book AUM (2)	916.98	3,045.24	8,437.55	16,618.45	21,296.59
Off-Book AUM(3)	-	-	451.73	245.49	2,114.82
AUM Growth (%)	-	232.09%	191.90%	89.71%	38.83%
Average AUM(4)	916.98	1,981.11	5,967.17	12,876.52	20,137.68
Disbursements(5)	987.21	3,001.92	8,182.29	13,648.41	13,514.89
Disbursement Growth%**	NA	204.08%	172.57%	66.80%	-0.98%
Total Loan Accounts(6)	3,100	11,051	29,109	63,842	98,266
Interest Income(7)	53.69	424.78	1,155.55	2,625.97	3,030.67

	Fiscal				Nine months ended December 31, 2015
	2012*	2013	2014*	2015*	
	(₹ in million, except percentages)				
Other Income(8)	8.62	50.46	161.29	338.97	359.22
Total Income(9)	62.31	475.24	1,316.84	2,964.94	3,389.89
Interest Expense(10)	18.62	145.32	436.06	1,043.67	1,142.64
Net Interest Income(11)	35.07	279.46	719.49	1,582.30	1,888.03
Operating Expense(12)	166.87	310.42	509.71	993.35	1019.09
Cost of Funds(13)#	3.52%	11.23%	11.05%	10.99%	10.72%
Credit Cost(14)	5.70	27.20	126.56	407.08	314.32
Yield(15)#	5.86%	21.44%	19.37%	20.39%	20.07%
Spread(16)#	2.33%	10.21%	8.31%	9.40%	9.35%
Net Interest Margin(17)#	3.82%	14.11%	12.06%	12.29%	12.50%
Operating Expense / Average AUM#	18.20%	15.67%	8.54%	7.71%	6.75%
Gross NPA	4.60	30.95	137.99	332.05	555.95
Gross NPA / On-Book AUM (%)	0.50%	1.02%	1.64%	2.00%	2.61%
Net NPAs	3.57	20.97	121.42	249.78	418.62
Net NPAs / On-Book AUM (%)	0.39%	0.69%	1.44%	1.50%	1.97%

* The vehicle finance business commenced operations in August 2011 and the MSE finance business commenced in May 2013, and accordingly the selected statistical information with respect to fiscal 2012 and 2014 may not strictly be comparable to the selected statistical information relating to subsequent financial periods.

\# Cost of Funds, Yield, Spread, Net Interest Margin and Operating Expense / Average AUM in the nine months ended December 31, 2015 have been provided on an annualized basis.

** Disbursements Growth for the nine months ended December 31, 2015 has not been annualized.

1. AUM represents receivables under financing activities as well as assets securitised / assigned (with respect to the vehicle finance business) as of the end of the relevant period.
2. On-Book AUM represents receivables under financing activities as of the end of the relevant period.
3. Off-book AUM represents the aggregate amount of assets securitised / assigned (with respect to the vehicle finance business) as of the end of the relevant period.
4. Average AUM represents the average of our AUM as of the last day of the relevant period and our AUM as of the last day of the previous period.
5. Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period.
6. Total Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period.
7. Interest Income represents interest income from loans to customers and the interest spread on securitization / assignment of receivables in the relevant period.
8. Other Income represents interest on deposits, processing fees and other fee income in the relevant period.
9. Total Income represents the sum of Interest Income and Other Income in the relevant period.
10. Interest Expense represents the interest cost on borrowings, loan processing fees and other borrowing-related costs in the relevant period.
11. Net Interest Income represents Interest Income in the relevant period reduced by Interest Expense in such period.
12. Operating Expense represents employee cost, other administrative and operating cost and depreciation and amortization expenses in the relevant period.
13. Cost of Funds represents the ratio of Interest Expense in the relevant period to the Average Debt in such period.
14. Credit Cost represents non-performing asset provisions, standard asset provisions, write-offs and losses in the relevant period.
15. Yield represents the ratio of Interest Income in the relevant period to the Average AUM in such period.
16. Spread represents the difference between the Yield in the relevant period and the Cost of Funds in such period.
17. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM in the relevant period.

Sources of Funding

The following table sets forth certain information relating to the sources of funding for EFL:

(₹ in million, except percentages)

	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at December 31, 2015	% of Total
Non-Convertible Debentures										
Secured	-	-	-	-	1,080.00	18.53%	3,280.00	24.92%	4,600.00	30.14%
Unsecured	-	-	-	-	-	-	400.00	3.04%	400.00	2.62%
Term Loans/ Working Capital loans – Secured										
Financial Institutions	329.92	62.43%	115.63	5.61%	500.00	8.58%	2,974.37	22.60%	3,163.59	20.73%
Banks	38.53	7.29%	1,944.67	94.39%	3,280.67	56.27%	6,241.17	47.41%	7,098.86	46.51%
Term Loans/ Commercial Papers – Unsecured										
Financial Institutions	-	-	-	-	-	-	90.00	0.68%		
Banks	-	-	-	-	148.79	2.55%	177.75	1.35%		
Others*	160.00	30.28%	-	-	820.00	14.07%	-	-		
Total	**528.45**	**100.00%**	**2,060.30**	**100.00%**	**5,829.46**	**100.00%**	**13,163.29**	**100.00%**	**15,262.45**	**100.00%**

* Others include loans from EHL and inter-corporate deposits from EMFL

Capital Adequacy

EFL is subject to the CAR requirements prescribed by the RBI. As of December 31, 2015, EFL was required to maintain a minimum CAR of 15.00%, based on total capital to risk-weighted assets. The following table sets forth certain information relating to the CAR of EFL as of the dates indicated:

(₹ in million, except percentage)

Particulars	As at March 31,				As at
	2012	2013	2014	2015	December 31, 2015
Tier I Capital	453.74	1,452.76	2,844.29	6,138.17	6,568.78
Tier II Capital	4.56	15.89	-	417.47	360.19
Total Capital	**458.30**	**1,468.65**	**2,844.29**	**6,555.64**	**6,928.97**
Total Risk Weighted Assets	**955.31**	**3,134.65**	**8,676.69**	**16,969.98**	**22,031.05**
Capital Adequacy Ratio					
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	47.50%	46.35%	32.78%	36.17%	29.82%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	0.48%	0.51%	0.00%	2.46%	1.63%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**47.98%**	**46.86%**	**32.78%**	**38.63%**	**31.45%**

Classification of Assets

Loans are classified as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended. The following table sets forth certain information relating to the asset classification followed by EFL as at December 31, 2015:

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 5 months
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 5 months and more but less than or equal to 21 months
Doubtful Assets	Overdue for more than 21 months
Loss Assets	Assets which are identified as loss asset by our Company or the internal auditor or the external auditor or by the Reserve Bank of India.

'Overdue' refers to interest and / or principal and / or instalment / insurance premium remaining unpaid from the day it became receivable.

Provisioning and Write-offs

Statutory provisions are required to be made in respect of sub-standard, doubtful and loss assets as per the directions, circulars and notifications issued by the RBI. EFL makes provision on loans as per Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended. The following are the provisioning norms applied by EFL as at December 31, 2015:

Asset Classification	Provisioning Percentage
Standard Assets	
Not Overdue and Overdue for less than 5 months	0.30%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for five months and more but less than or equal to 21 months	10.00%
Doubtful Assets	

Asset Classification	Provisioning Percentage
Unsecured portion of loan amount	100.00%
Secured portion of loan amount	
Up to one year from the date of being doubtful	20.00%
More than one year and up to three years from the date of being doubtful	30.00%
More than three years from the date of being doubtful	50.00%
Loss Assets	100.00%

The following table sets forth certain information relating to the classification of the assets by EFL:

Asset Classification	As at March 31,				As at December 31, 2015
	2012*	2013	2014*	2015	
	(₹ In million)				
Loan Outstanding (gross)					
Standard Assets	912.38	3,014.29	8,299.56	16,286.40	20,740.64
Sub-Standard Assets	3.95	20.74	134.68	293.85	450.87
Doubtful Assets	0.65	10.21	3.31	38.20	105.08
Total Loans Outstanding (gross)	**916.98**	**3,045.24**	**8,437.55**	**16,618.45**	**21,296.59**
Provisions					
Standard Assets	4.56	15.89	20.64	40.53	61.62
Sub-Standard Assets	0.71	4.29	13.47	62.31	103.33
Doubtful Assets	0.32	5.69	3.10	19.96	34.00
Total Provisions	**5.59**	**25.87**	**37.21**	**122.80**	**198.95**
Loan Outstanding (net)					
Standard Assets	907.82	2,998.40	8,278.92	16,245.87	20,679.02
Sub-Standard Assets	3.24	16.45	121.21	231.54	347.54
Doubtful Assets	0.33	4.52	0.21	18.24	71.08
Total Loans Outstanding (net)	**911.39**	**3,019.37**	**8,400.34**	**16,495.65**	**21,097.64**

* The vehicle finance business commenced operations in August 2011 and the MSE finance business commenced in May 2013, and accordingly the selected statistical information with respect to fiscal 2012 and 2014 may not strictly be comparable to the selected statistical information relating to subsequent financial periods.

The following table sets forth certain information relating to the NPA portfolio of EFL:

(₹ in million, except percentage)

	As at March 31,				As at December 31, 2015
	2012*	2013	2014*	2015	
Gross NPAs at the close of the period	4.60	30.95	137.99	332.05	555.95
Total provisions at the opening of the period	0.23	1.03	9.98	16.57	82.28
Additional provisions during the period	1.03	9.98	16.57	95.60	105.79
Utilization / Reversal during the period	(0.23)	(1.03)	(9.98)	(29.90)	(50.74)
Total provisions at the close of the period	**1.03**	**9.98**	**16.57**	**82.27**	**137.33**
Net NPAs	**3.57**	**20.97**	**121.42**	**249.78**	**418.62**
On-Book AUM	916.98	3,045.24	8,437.55	16,618.45	21,296.59
Gross NPAs / On-Book AUM (%)	0.50%	1.02%	1.64%	2.00%	2.61%
Net NPAs / On-Book AUM (%)	0.39%	0.69%	1.44%	1.50%	1.97%
Total provisions / Gross NPAs (%)	22.39%	32.25%	12.01%	24.78%	24.70%

VEHICLE FINANCE BUSINESS (OPERATED BY EQUITAS FINANCE LIMITED)

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for the vehicle finance business carried on by EFL:

	Fiscal				Nine months ended December 31, 2015
	2012*	2013	2014	2015*	
	(₹ in million, except percentages)				
AUM[1]	916.98	3,045.24	8,014.66	11,754.08	14,056.25
On-Book AUM [2]	916.98	3,045.24	7,562.93	11,508.59	14,032.05
Off-Book AUM[3]	-	-	451.73	245.49	24.20
AUM Growth (%)	-	232.09%	163.19%	46.66%	19.59%
Average AUM[4]	916.98	1,981.11	5,529.95	9,884.28	12,905.17
Disbursements[5]	987.21	3,001.92	7,280.32	9,015.19	8,298.81
Disbursement Growth%**	NA	204.08%	142.52%	23.83%	(7.95)%
Total Loan Accounts[6]	3,100	11,051	26,877	41,644	52,274
Interest Income[7]	53.69	424.78	1,100.44	2,052.60	1,955.87
Credit Cost[8]	5.70	27.20	124.37	395.66	298.35
Gross NPA	4.60	30.95	137.99	332.05	533.25
Gross NPA / On-Book AUM (%)	0.50%	1.02%	1.82%	2.80%	3.80%
Net NPAs	3.57	20.97	121.43	242.14	398.19
Net NPAs / On-Book AUM (%)	0.39%	0.69%	1.61%	2.10%	2.84%

* The vehicle finance business commenced operations in August 2011, and accordingly the selected statistical information for the vehicle finance business relating to fiscal 2012 does not reflect a full year of operations and is not comparable to the selected statistical information relating to subsequent financial years.

** Disbursements Growth for the nine months ended December 31, 2015 has not been annualized.

1. AUM represents receivables under financing activities as well as assets securitised / assigned (with respect to the vehicle finance business) as of the end of the relevant period.
2. On-Book AUM represents receivables under financing activities as of the end of the relevant period.
3. Off-book AUM represents the aggregate amount of assets securitised / assigned (with respect to the vehicle finance business) as of the end of the relevant period.
4. Average AUM represents the average of our AUM as of the last day of the relevant period and our AUM as of the last day of the previous period.
5. Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period.
6. Total Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period.
7. Interest Income represents interest income from loans to customers and the interest spread on securitization / assignment of receivables in the relevant period.
8. Credit Cost represents non-performing asset provisions, standard asset provisions, write-offs and other credit losses in the relevant period.

Provisioning and Write-offs

The following table sets forth certain information relating to the NPA portfolio in the vehicle finance business:

(in ₹million, except percentage)

	As at March 31,				As at December 31, 2015
	2012*	2013	2014	2015	
Gross NPAs at the close of the period	4.60	30.95	137.99	323.58	533.25
Total provisions at the opening of the period	0.23	1.03	9.98	16.57	81.43
Additional provisions during the period	1.03	9.98	16.57	94.75	98.10
Utilization / Reversal during the period	(0.23)	(1.03)	(9.98)	(29.90)	(44.47)
Total provisions at the close of the period	1.03	9.98	16.57	81.42	135.06
Net NPAs	3.57	20.97	121.43	242.16	398.19
On-Book AUM	916.98	3,045.24	7,562.93	11,508.59	14,032.05
Gross NPAs / On-Book AUM (%)	0.50%	1.02%	1.82%	2.80%	3.80%
Net NPAs / On-Book AUM (%)	0.39%	0.69%	1.61%	2.10%	2.84%
Total provisions / Gross NPAs (%)	22.39%	32.25%	12.01%	25.16%	25.33%

* The vehicle finance business commenced operations in August 2011, and accordingly the selected statistical information for the vehicle finance business relating to fiscal 2012 does not reflect a full year of operations and is not comparable to the selected statistical information relating to subsequent financial years.

Productivity Ratios

The following table sets forth certain productivity ratios with respect to the vehicle finance business operated by EFL:

	As at March 31,				As at December 31, 2015
	2012*	2013	2014	2015	
Number of branches	62	71	98	131	134
Number of employees(1)	491	674	1,292	2,235	2,774
Number of loan accounts	3,100	11,051	26,877	41,644	52,274
Closing AUM per branch (₹ in millions)	14.79	42.89	81.78	89.73	104.89
Closing AUM per employee (₹ in millions)	1.87	4.52	6.20	5.26	5.07
Closing AUM per loan account (₹ in millions)	0.30	0.28	0.30	0.28	0.27
Disbursement per branch(2) (₹ in millions)	15.92	42.28	74.29	68.82	61.93
Disbursement per employee(1)(3)(₹ in millions)	2.01	4.45	5.63	4.03	2.99

* The vehicle finance business commenced operations in August 2011, and accordingly the selected statistical information for the vehicle finance business relating to fiscal 2012 does not reflect a full year of operations and is not comparable to the selected statistical information relating to subsequent financial years.

1. The vehicle finance business derives a portion of business from direct selling agents that do not reflect as employees and accordingly the productivity ratios of the vehicle finance business may not be comparable to those of the other businesses.
2. Disbursement per branch represents aggregate vehicle finance loans disbursed in the relevant period divided by the aggregate number of branches involved in the vehicle finance business as at the end of such period.
3. Disbursement per employee represents aggregate vehicle finance loans disbursed in the relevant period divided by the aggregate number of employees involved in the vehicle finance business as at the end of such period.

Geographical Spread of Loan Accounts

The following table sets forth the geographic spread of the vehicle finance business based on number of loan accounts:

State	Number of Loan Accounts									
	As at March 31, 2012*	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at December 31, 2015	% of Total
Andhra Pradesh	339	10.94%	996	9.01%	1,328	4.94%	1,908	4.58%	3,015	5.77%
Chattisgarh	0	0.00%	211	1.91%	542	2.02%	963	2.31%	1,344	2.57%
Delhi	0	0.00%	0	0.00%	0	0.00%	346	0.83%	622	1.19%
Gujarat	124	4.00%	654	5.92%	1,878	6.99%	2,625	6.13%	3,130	5.99%
Haryana	0	0.00%	0	0.00%	0	0.00%	554	1.33%	1,160	2.22%
Karnataka	6	0.19%	620	5.61%	2,294	8.54%	4,429	10.64%	5,679	10.86%
Madhya Pradesh	268	8.65%	986	8.92%	1,836	6.83%	2,552	6.31%	2,909	5.56%
Maharashtra	496	16.00%	1,626	14.71%	5,232	19.47%	8,076	19.39%	10,120	19.36%
Pondicherry	22	0.71%	136	1.23%	338	1.26%	676	1.62%	1,045	2.00%
Punjab	0	0.00%	0	0.00%	0	0.00%	521	1.25%	1,146	2.19%
Rajasthan	258	8.32%	868	7.85%	1665	6.19%	1,868	4.49%	2,128	4.07%
Tamil Nadu	1,408	45.42%	4,383	39.67%	10,618	39.50%	15,604	37.47%	18,900	36.16%
Telangana	179	5.77%	571	5.17%	1,146	4.26%	1,522	3.65%	1,076	2.05%
Total	**3,100**	**100.00%**	**11,051**	**100.00%**	**26,877**	**100.00%**	**41,644**	**100.0%**	**52,274**	**100.00%**

* The vehicle finance business commenced operations in August 2011, and accordingly the selected statistical information for the vehicle finance business relating to fiscal 2012 does not reflect a full year of operations and is not comparable to the selected statistical information relating to subsequent financial years.

MSE FINANCE BUSINESS (OPERATED BY EQUITAS FINANCE LIMITED)

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for the MSE finance business carried on by EFL:

	Fiscal		Nine months ended December 31, 2015
	2014*	2015	
	(₹ in million, except percentages)		
AUM[1]	874.34	5,109.86	9,355.17
On-book AUM	874.34	5,109.86	7,264.54
Off-book AUM	-	-	2090.63
Average AUM[2]	-	2,992.10	7,232.38
AUM Growth (%)	-	484.42%	83.08%
Disbursements[3]	901.97	4,633.22	5,216.08
Disbursement Growth%**	-	413.69%	12.58%
Total Loan Accounts[4]	2,232	22,198	45992
Interest Income[5]	55.11	573.37	1,074.79
Credit Cost[6]	2.19	11.41	15.97
Gross NPA	-	8.48	22.70
Gross NPA / AUM (%)	-	0.17%	0.31%
Net NPAs	-	7.63	20.43
Net NPAs / AUM (%)	-	0.15%	0.28%

* The MSE finance business commenced in May 2013 and accordingly the selected statistical information for the MSE finance business relating to fiscal 2014 does not reflect a full year of operations and may not be comparable to the selected statistical information relating to fiscal 2015.

** Disbursements Growth for the nine months ended December 31, 2015 has not been annualized.

1. AUM represents receivables under financing activities as of the end of the relevant period.
2. Average AUM represents the average of our AUM as of the last day of the relevant period and our AUM as of the last day of the previous period.
3. Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period.
4. Total Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period.
5. Interest Income represents interest income from loans to customers in the relevant period.
6. Credit Cost represents non-performing asset provisions, standard asset provisions, write-offs and other credit losses in the relevant period.

Provisioning and Write-offs

The following table sets forth certain information relating to the NPA portfolio in the MSE finance business:

(₹ in million, except percentage)

	As at March 31, 2015	As at December 31, 2015
Gross NPAs at the close of the period	8.48	22.70
Total provisions at the opening of the period	-	0.85
Additional provisions during the period	0.85	7.69
Utilization / Reversal during the period	-	6.27
Total provisions at the close of the period	0.85	2.27
Net NPAs	7.63	20.43
On-Book AUM	5,109.85	7,264.54
Gross NPAs / On-Book AUM (%)	0.17%	0.31%
Net NPAs / On-Book AUM (%)	0.15%	0.28%
Total provisions / Gross NPAs (%)	10.02%	10.00%

Productivity Ratios

The following table sets forth certain productivity ratios with respect to the MSE finance business operated by EFL:

	As at March 31,		As at December 31, 2015
	2014*	2015	
Number of branches[(1)]	98	131	134
Number of employees[(1)]	1,292	2,235	2,774
Number of loan accounts	2,232	22,198	45,992
Closing AUM per branch (₹ in millions)	8.92	39.01	69.81
Closing AUM per employee (₹ in millions)	0.68	2.28	3.33
Closing AUM per loan account (₹ in millions)	0.39	0.23	0.20
Disbursement per branch [(2)] (₹ in millions)	9.20	35.37	38.93
Disbursement per employee[(1) (3)] (₹ in millions)	0.70	2.07	1.88

* The MSE finance business commenced in May 2013 and accordingly the selected statistical information for the MSE finance business relating to fiscal 2014 does not reflect a full year of operations and may not be comparable to the selected statistical information relating to fiscal 2015.

1. The MSE finance business derives significant business from cross sales and shares resources with the vehicle finance business. Accordingly the productivity ratios of the MSE finance business may not be comparable to those of the other businesses. The MSE business partially derives business from direct selling agents that do not reflect as employees.

2. Disbursement per branch represents aggregate MSE loans disbursed in the relevant period divided by the aggregate number of branches involved in the MSE business as at the end of such period.

3. Disbursement per employee represents aggregate MSE loans disbursed in the relevant period divided by the aggregate number of employees involved in the MSE business as at the end of such period.

Geographical Spread of Loan Accounts

The following table sets forth the geographic spread of the MSE finance business based on number of loan accounts:

State	Number of Loan Accounts					
	As at March 31, 2014*	% of Total	As at March 31, 2015	% of Total	As at December 31, 2015	% of Total
Gujarat	19	0.85%	187	0.84%	627	1.36%
Karnataka	24	1.08%	99	0.45%	225	0.49%
Madhya Pradesh	-	-	598	2.69%	1,419	3.09%
Maharashtra	128	5.73%	2,223	10.01%	4,737	10.30%
Pondicherry	74	3.32%	1,770	7.97%	2,958	6.43%
Rajasthan	-	-	154	0.69%	378	0.82%
Tamil Nadu	1,987	89.02%	17,167	77.35%	35,648	77.51%
Total	**2,232**	**100.00%**	**22,198**	**100.00%**	**45,992**	**100.00%**

***** The MSE finance business commenced in May 2013 and accordingly the selected statistical information for the MSE finance business relating to fiscal 2014 does not reflect full year of operations and may not be comparable to the selected statistical information relating to fiscal 2015.

EQUITAS HOUSING FINANCE LIMITED

Return on Equity and Assets

The following table sets forth, for the periods indicated, selected financial information relating to return on equity and assets for EHFL:

	Fiscal				Nine months ended December 31, 2015
	2012	2013	2014	2015	
	(₹ in million, except percentage)				
Net Profit	(46.65)	7.09	14.92	22.07	11.97
Average Total Assets (1)	105.96	335.63	801.17	1,531.76	2,237.41
Average Net Worth (2)	102.77	252.99	363.99	382.49	399.51
Total Debt(3)	-	150.00	696.94	1,552.07	2,029.53
Average Debt(4)	-	75.00	423.47	1,124.51	1,790.80
Return on Average Assets (%)(5)#	(44.03%)	2.11%	1.86%	1.44%	0.71%
Return on Average Networth (%)(6)#	(45.39%)	2.80%	4.10%	5.77%	3.99%
Average Debt / Average Net Worth	-	0.30	1.16	2.94	4.48
Average Net Worth as a percentage of Average Total Assets	96.99%	75.38%	45.43%	24.97%	17.86%
Earnings Per Share	(5.95)	0.24	0.37	0.55	0.30
Book Value Per Share	7.47	8.91	9.29	9.84	10.14

\# Return on Average Assets and Return on Average Net Worth in the nine months ended December 31, 2015 have been presented on an annualized basis.

1. Average Total Assets represents the average of EHFL assets as of the last day of the relevant period and total assets as of the last day of the previous period.
2. Average Net Worth represents the average of the net worth of EHFL as of the last day of the relevant period and the net worth of EHFL as of the last day of the previous period.
3. Total Debt represents the aggregate of all borrowings (non-convertible debentures, term loans from banks and other parties) as of the last day of the relevant period.
4. Average Debt represents the average of the total debt of EHFL as of the last day of the relevant period and total debt of EHFL as of the last day of the previous period.
5. Return on Average Assets is calculated as the Net Profit for the relevant period as a percentage of Average Total Assets in such period.

	Fiscal				Nine months ended December 31, 2015
	2012	2013	2014	2015	
	(₹ in million, except percentages)				
AUM(1)	82.08	446.40	937.33	1,795.35	2,292.46
AUM Growth (%)	-	443.86%	109.98%	91.54%	27.69%
Average AUM(2)	82.08	264.24	691.87	1,366.34	2,043.90
Disbursements(3)	82.22	385.33	607.35	1,124.26	758.22
Disbursement Growth%*	-	368.71%	57.62%	85.11%	(32.56)%
Total Loan Accounts(4)	77	398	1,617	3,111	4,022
Interest Income(5)	2.40	37.23	113.83	224.52	241.59
Other Income(6)	10.34	14.91	17.55	32.13	23.30
Total Income(7)	12.74	52.14	131.38	256.65	264.89
Interest Expense(8)	-	2.78	43.83	133.76	151.46
Net Interest Income(9)	2.40	34.45	70.00	90.76	90.13
Operating Expense(10)	59.33	57.33	64.55	83.14	86.39
Cost of Funds(11)#	-	3.71%	10.35%	11.89%	11.28%
Credit Cost(12)	0.34	1.98	2.22	7.67	8.63
Yield(13)#	2.92%	14.09%	16.45%	16.43%	15.76%
Spread(14)#	2.92%	10.38%	6.10%	4.54%	4.48%
Net Interest Margin(15)#	2.92%	13.04%	10.12%	6.64%	5.88%
Operating Expense / Average AUM#	72.28%	21.70%	9.33%	6.08%	5.64%

	Fiscal				Nine months ended December 31, 2015
	2012	2013	2014	2015	
	(₹ in million, except percentages)				
Gross NPA	-	-	5.37	29.72	69.29
Gross NPA / On-Book AUM (%)	-	-	0.57%	1.66%	3.02%
Net NPAs	-	-	4.56	24.73	57.47
Net NPAs / On-Book AUM (%)	-	-	0.49%	1.38%	2.51%

6. Return on Average Net Worth is calculated as the Net Profit for the relevant period as a percentage of Average Net Worth in such period.

7. Earnings per share for the nine months ended December 31, 2015 has not been annualized.

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for EHFL:

Cost of Funds, Yield, Spread, Net Interest Margin and Operating Expense / Average AUM in the nine months ended December 31, 2015 have been presented on an annualized basis.

* Disbursements Growth for the nine months ended December 31, 2015 has not been annualized.

1. AUM represents receivables under financing activities as well as assets securitised / assigned as of the end of the relevant period.
2. Average AUM represents the average of our AUM as of the last day of the relevant period and our AUM as of the last day of the previous period.
3. Disbursements represent the aggregate of all loan amounts extended to customers in the relevant period.
4. Total Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period.
5. Interest Income represents interest income from loans to customers in the relevant period.
6. Other Income represents interest on deposits, processing fees and other fee income in the relevant period.
7. Total Income represents the sum of Interest Income and Other Income in the relevant period.
8. Interest Expense represents the interest cost on borrowings, loan processing fees and other borrowing-related costs in the relevant period.
9. Net Interest Income represents Interest Income in the relevant period reduced by Interest Expense in such period.
10. Operating Expense represents employee cost, other administrative and operating cost and depreciation and amortization expenses in the relevant period.
11. Cost of Funds represents the ratio of Interest Expense in the relevant period to the Average Debt in such period.
12. Credit Cost represents non-performing asset provisions, standard asset provisions, write-offs and losses in the relevant period.
13. Yield represents the ratio of Interest Income in the relevant period to the Average AUM in such period.
14. Spread represents the difference between the Yield in the relevant period and the Cost of Funds in such period.
15. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM in the relevant period.

Sources of Funding

The following table sets forth certain information relating to the sources of funding for EHFL:

(₹ in million, except percentages)

	As at March 31, 2012	% of Total	As at March 31, 2013	% of Total	As at March 31, 2014	% of Total	As at March 31, 2015	% of Total	As at December 31, 2015	% of Total
Term Loans/ Working capital loans – Secured										
Financial Institutions	-	-	-	-	-	-	296.28	19.09%	373.91	18.42%
Banks	-	-	100.00	66.67%	306.94	44.04%	585.79	37.74%	1,085.62	53.49%
Term Loans – Unsecured										
Loan from EHL and inter-corporate deposits	-	-	50.00	33.33%	390.00	55.96%	670.00	43.17%	570.00	28.09%
Total	-	-	150.00	100.00%	696.94	100.00%	1,552.07	100.00%	2,029.53	100.0%

Capital Adequacy

EHFL is subject to the CAR requirements prescribed by the NHB. The following table sets forth certain information relating to the CAR of EHFL as of the dates indicated:

(₹ in million, except percentages)

Particulars	As at March 31,				As at December 31, 2015
	2012	2013	2014	2015	
Tier I Capital	147.64	331.27	353.36	381.85	391.74
Tier II Capital	0.33	2.31	3.73	7.22	9.02
Total Capital	**147.97**	**333.58**	**357.09**	**389.07**	**400.76**
Total Risk Weighted Assets	**73.58**	**320.88**	**583.14**	**1,193.94**	**1,248.11**
Capital Adequacy Ratio					
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	200.65%	103.24%	60.60%	31.98%	31.39%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	0.45%	0.72%	0.64%	0.60%	0.72%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**201.10%**	**103.96%**	**61.24%**	**32.58%**	**32.11%**

Classification of Assets

EHFL classifies and provides for loans in accordance with the classification and provisioning norms prescribed under the Housing Finance Companies (NHB) Directions, 2010, as amended. The following table sets forth certain information relating to the asset classification followed by EHFL as at December 31, 2015:

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than or equal to 90 days.
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.
Doubtful Assets	Remains a sub-standard asset for a period exceeding 12 months
Loss Assets	Assets which are identified as loss asset by our Company or the internal auditor or the external auditor or by NHB.

Provisioning and Write-offs

Statutory provisions are required to be made in respect of sub-standard, doubtful and loss assets as per the directions, circulars and notifications issued by the NHB. The following are the provisioning norms applied by EHFL as at December 31, 2015:

Asset Classification	Provisioning Percentage
Standard Assets	
i- Commercial Real Estate -Residential /housing	0.75%
ii- Commercial Real Estate-Others	1.00%
Other assets – Other than i & ii above	0.40%
Non-Performing Assets (NPA)	
Substandard Assets	
Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.	15%
Doubtful Assets (period for which the asset has been considered as doubtful) – Secured	
a. Up to one year	25%
b. One to three years	40%
c. More than three years	100%
Doubtful Assets – Unsecured	100%
Loss Assets	100%

The following table sets forth certain information relating to the classification of the assets by EHFL:

Asset Classification	As at March 31,				As at December 31, 2015
	2012	2013	2014	2015	
	(₹ In million)				
Loan Outstanding (gross)					
Standard Assets	82.08	446.40	931.96	1,765.63	2,223.17
Sub-Standard Assets	-	-	5.37	24.35	57.20
Doubtful Assets	-	-	-	5.37	12.09
Total Loans Outstanding (gross)	**82.08**	**446.40**	**937.33**	**1,795.35**	**2,292.46**
Provisions					
Standard Assets	0.34	2.30	3.72	7.23	9.03
Sub-Standard Assets	-	-	0.81	3.62	8.58
Doubtful Assets	-	-	-	1.34	3.24
Total Provisions	**0.34**	**2.30**	**4.53**	**12.19**	**20.85**
Loan Outstanding (net)					
Standard Assets	81.74	444.10	928.24	1,758.40	2,214.14
Sub-Standard Assets	-	-	4.56	20.73	48.62
Doubtful Assets	-	-	-	4.00	8.85
Total Loans Outstanding (net)	**81.74**	**444.10**	**932.80**	**1,783.13**	**2,271.61**

The following table sets forth certain information relating to the NPA portfolio of EHFL:

(₹ in million, except percentages)

	As at March 31,				As at December 31, 2015
	2012	2013	2014	2015	
Gross NPAs at the close of the period	-	-	5.37	29.72	69.29
Total provisions at the opening of the period	-	-	-	0.81	4.99
Additional provisions during the period	-	-	0.81	4.97	8.59
Utilization / Reversal during the period	-	-	-	(0.80)	(1.76)
Total provisions at the close of the period	-	-	0.81	4.98	11.82
Net NPAs	-	-	4.56	24.73	57.47

	As at March 31,				As at
On-Book AUM	82.08	446.40	937.33	1,795.35	2,292.46
Gross NPAs / On-Book AUM (%)	-	-	0.57%	1.66%	3.02%
Net NPAs / On-Book AUM (%)	-	-	0.49%	1.38%	2.51%
Total provisions / Gross NPAs (%)	-	-	15.08%	16.76%	17.05%

Productivity Ratios

The following table sets forth certain productivity ratios with respect to the Housing finance business operated by EHFL:

	As at March 31,				As at December 31, 2015
	2012	**2013**	**2014**	**2015**	
Number of branches[(1)]	8	8	11	13	14
Total number of employees[(1)]	66	72	111	118	159
Number of customers	77	398	1,617	3,111	4,022
Closing AUM per branch (₹ in Millions)	10.26	55.80	85.21	138.10	163.75
Closing AUM per employee (₹ in Millions)	1.24	6.20	8.44	15.21	14.42
Closing AUM per loan account (₹ in Millions)	1.07	1.12	0.58	0.58	0.57
Disbursement per branch[(1)] [(2)] (₹ in Millions)	10.28	48.17	55.21	86.48	54.16
Disbursement per employee[(1)] [(3)] (₹ in Millions)	1.24	5.35	5.47	9.53	4.77

1. The housing finance business derives business from direct selling agents that do not reflect as employees. The housing finance business also derives business from cross sales and shares resources with the microfinance business. Accordingly, the productivity ratios of the housing finance business may not be comparable to those of the other businesses.
2. Disbursement per branch represents aggregate housing loans disbursed in the relevant period divided by the aggregate number of branches involved in the housing business as at the end of such period.
3. Disbursement per employee represents aggregate housing loans disbursed in the relevant period divided by the aggregate number of employees involved in the housing business as at the end of such period.

Geographical Spread of Loan Accounts

The following table sets forth the geographic spread of the housing finance business based on number of loan accounts:

State	Number of Loan Accounts									
	As at March 31, 2012	**% of Total**	**As at March 31, 2013**	**% of Total**	**As at March 31, 2014**	**% of Total**	**As at March 31, 2015**	**% of Total**	**As at December 31, 2015**	**% of Total**
Gujarat	-	-	-	-	13	0.81%	-	-	-	-
Karnataka	-	-	23	5.78%	49	3.03%	112	3.60%	178	4.43%
Maharashtra	-	-	-	-	39	2.41%	164	5.28%	214	5.32%
Pondicherry	-	-		-	-	-	2	0.06%	31	0.77%
Tamil Nadu	77	100.00%	375	94.22%	1,516	93.75%	2,833	91.06%	3,599	89.48%
Total	**77**	**100.00%**	**398**	**100.00%**	**1,617**	**100.00%**	**3,111**	**100.00%**	**4,022**	**100.00%**

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON RESTATED UNCONSOLIDATED FINANCIAL STATEMENTS AS REQUIRED UNDER SECTION 26 OF PART I OF CHAPTER III OF COMPANIES ACT, 2013, READ WITH RULE 4 to 6 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

TO THE BOARD OF DIRECTORS OF

Equitas Holdings Limited
(Formerly known as Equitas Holdings Private Limited)
Phase II, 4th Floor,
F-39, Spencer Plaza,
No. 769 Anna Salai,
Chennai 600 002.

Dear Sirs,

1. We have examined the attached Restated Unconsolidated Financial Information of Equitas Holdings Limited, formerly known as Equitas Holdings Private Limited ('**the Company**'), which comprises of the Restated Unconsolidated Summary Statement of Assets and Liabilities as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, the Restated Unconsolidated Summary Statement of Profit and Loss and the Restated Unconsolidated Summary Statement of Cash Flows for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and the Summary of Significant Accounting Policies (the "**Restated Unconsolidated Financial Statements**") as approved by the Board of Directors of the Company at their meeting held on February 5, 2016 for the purpose of inclusion in the Red Herring Prospectus (**"RHP"**) prepared by the Company in connection with the proposed initial public offering ("**IPO**") of its equity shares including an Offer for Sale of equity shares by the Selling Shareholders of Rs.10 each at such premium, arrived at by book building process (referred to as the "**Issue**"), as may be decided by the Company's Board of Directors, prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**the Rules**"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI-ICDR Regulations**").

2. We have examined such Restated Unconsolidated Financial Statements taking into consideration

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our addendum to engagement letter dated October 1, 2015 in connection with the proposed IPO of the Company; and

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. These Restated Unconsolidated Financial Statements have been extracted by the management from the Audited Standalone Financial Statements as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, and for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by Board of Directors at their meetings held on February 5, 2016, May 7, 2015, May 9, 2014, May 4, 2013, May 9, 2012 and May 13, 2011 respectively.

4. Based on our examination, we report that:

    a) The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 as set out in Annexure-1 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 –Summary Statement of Adjustments to Standalone Audited Financial Statements.

    b) The Restated Unconsolidated Summary Statement of Profit and Loss of the Company for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-2 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Standalone Audited Financial Statements.

    c) The Restated Unconsolidated Summary Statement of Cash Flows of the Company for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-3 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Standalone Audited Financial Statements.

    Based on the above, and according to the information and explanations given to us, we are of the opinion that the Restated Unconsolidated Financial Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate.

    Further, there are no changes in the Significant Accounting Policies adopted by the Company in the financial years / periods covered by this report which would require adjustment in the Restated Unconsolidated Financial Statements.

    There are no extra-ordinary items that need to be disclosed separately in the Restated Unconsolidated Financial Statements.

    There were no qualifications in the Auditors' report for the relevant reporting periods which require any adjustments to the Restated Unconsolidated Financial Statements.

5. We have also examined the following Restated Unconsolidated Financial Statements of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 5, 2016 as at and for the nine months ended December 31, 2015 and as at and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

    (a) Annexure 5 - Summary Statement of Adjustments to Standalone Audited Financial Statements;

    (b) Annexure 6 - Restated Unconsolidated Summary Statement of Share Capital;

    (c) Annexure 7– Restated Unconsolidated Summary Statement of Reserves & Surplus;

    (d) Annexure 8 –Restated Unconsolidated Summary Statement of Long Term Borrowings;

    (e) Annexure 9- Restated Unconsolidated Summary Statement of Other Long Term Liabilities;

    (f) Annexure 10– Restated Unconsolidated Summary Statement of Long Term Provisions;

    (g) Annexure 11- Restated Unconsolidated Summary Statement of Current Maturities of Long Term Borrowings;

    (h) Annexure 12 – Restated Unconsolidated Summary Statement of Other Current Liabilities;

    (i) Annexure 13 – Restated Unconsolidated Summary Statement of Short Term Provisions;

    (j) Annexure 14 - Restated Unconsolidated Summary Statement of Fixed Assets;

    (k) Annexure 15 –Restated Unconsolidated Summary Statement of Non-Current Investments;

(l) Annexure 16 - Restated Unconsolidated Summary Statement of Deferred Tax Asset;

(m) Annexure 17- Restated Unconsolidated Summary Statement of Long Term Receivables under Financing Activities;

(n) Annexure 18- Restated Unconsolidated Summary Statement of Long Term Loans and Advances;

(o) Annexure 19- Restated Unconsolidated Summary Statement of Other Non-Current Assets;

(p) Annexure 20- Restated Unconsolidated Summary Statement of Current Investments;

(q) Annexure 21- Restated Unconsolidated Summary Statement of Short Term Receivables under Financing Activities;

(r) Annexure 22- Restated Unconsolidated Summary Statement of Cash and Cash Equivalents;

(s) Annexure 23- Restated Unconsolidated Summary Statement of Short Term Loans and Advances;

(t) Annexure 24- Restated Unconsolidated Summary Statement of Other Current Assets;

(u) Annexure 25- Restated Unconsolidated Summary Statement of Revenue from Operations;

(v) Annexure 26- Restated Unconsolidated Summary Statement of Other Income;

(w) Annexure 27- Restated Unconsolidated Summary Statement of Finance Costs;

(x) Annexure 28- Restated Unconsolidated Summary Statement of Employee Benefits Expense;

(y) Annexure 29- Restated Unconsolidated Summary Statement of Other Expenses;

(z) Annexure 30- Restated Unconsolidated Summary Statement of Provisions and Write Offs;

(aa) Annexure 31- Restated Unconsolidated Summary Statement of Commitments and Contingencies;

(bb) Annexure 32- Restated Unconsolidated Summary Statement of Related Party Transactions;

(cc) Annexure 33- Restated Unconsolidated Summary Statement of Earnings Per Share;

(dd) Annexure 34- Restated Unconsolidated Summary Statement of Provisions and Loan Losses;

(ee) Annexure 35 – Restated Unconsolidated Summary Statement of Securitisation, Assignment;

(ff) Annexure 36- Unconsolidated Summary Statement of Key Financial Indicators;

(gg) Annexure 37- Unconsolidated Summary Statement of Accounting Ratios;

(hh) Annexure 38- Unconsolidated Summary Statement of Capitalisation; and

(ii) Annexure 39- Unconsolidated Summary Statement of Tax Shelter.

In our opinion, the Restated Unconsolidated Financial Statements and the above Restated Unconsolidated Financial Information contained in Annexures 5 to 39 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure 4, are prepared after making adjustments and regroupings / reclassifications as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: February 5, 2016

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 1

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

Particulars	Annexure References	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
EQUITY AND LIABILITIES							
Share Holders' Funds							
Share capital	6	2,694.57	2,688.74	726.22	577.64	444.29	444.25
Reserves & surplus	7	6,900.29	6,869.22	5,591.50	3,781.47	2,526.35	2,589.82
		9,594.86	**9,557.96**	**6,317.72**	**4,359.11**	**2,970.64**	**3,034.07**
Share Application Money pending allotment	6.1	**16.35**	**1.22**	**3.40**	**-**	**0.07**	**0.02**
Non- Current Liabilities							
Long term borrowings	8	-	-	-	-	-	1,866.67
Other long term liabilities	9	-	-	-	-	-	9.36
Long term provisions	10	1.68	1.48	-	-	-	21.57
		1.68	**1.48**	**-**	**-**	**-**	**1,897.60**
Current Liabilities							
Current maturities of long term borrowings	11	-	-	-	-	-	4,052.04
Trade payables		10.14	6.18	2.84	1.78	4.38	65.61
Other current liabilities	12	4.23	1.77	1.63	1.75	0.38	370.92
Short term provisions	13	2.70	1.99	0.37	0.35	0.51	265.78
		17.07	**9.94**	**4.84**	**3.88**	**5.27**	**4,754.35**
TOTAL		**9,629.96**	**9,570.60**	**6,325.96**	**4,362.99**	**2,975.98**	**9,686.04**
ASSETS **Non-Current Assets**							
Fixed Assets							
Tangible assets	14	244.09	250.35	183.35	164.29	149.15	186.45
Intangible assets		0.23	-	0.01	0.02	-	31.68
Capital Work in Progress		6.11	1.80	25.69	5.06	0.58	1.19
		250.43	**252.15**	**209.05**	**169.37**	**149.73**	**219.32**
Non-Current investments	15	8,458.59	8,308.59	5,312.95	4,063.59	2,614.05	137.13
Deferred tax asset (Net)	16	1.45	1.12	-	-	-	48.13
Long term receivables under financing activities	17	-	-	-	-	-	1,455.62
Long term loans and advances	18	666.95	708.70	710.68	29.61	31.50	264.48
Other non-current assets	19	-	-	-	-	-	190.74
		9,377.42	**9,018.41**	**6,023.63**	**4,093.20**	**2,645.55**	**2,096.10**
Current Assets							
Current investments	20	88.00	215.00	-	-	-	-
Short term receivables	21	-	-	-	-	-	4,812.32

Particulars	Annexure References	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
under financing activities							
Cash and cash equivalents	22	98.65	83.24	90.96	50.15	17.07	2,313.63
Short term loans and advances	23	65.80	1.69	1.75	50.27	161.35	98.48
Other current assets	24	0.09	0.11	0.57	-	2.28	146.19
		252.54	**300.04**	**93.28**	**100.42**	**180.70**	**7,370.62**
TOTAL		**9,629.96**	**9,570.60**	**6,325.96**	**4,362.99**	**2,975.98**	**9,686.04**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 2

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Million)

Particulars	Annexure References	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
A- INCOME							
Revenue from operations	25	66.49	89.17	28.84	26.85	15.45	2,377.59
Other income	26	-	-	-	-	-	3.88
Total		**66.49**	**89.17**	**28.84**	**26.85**	**15.45**	**2,381.47**
B- EXPENDITURE							
Finance costs	27	-	-	-	-	-	688.28
Employee benefits expense	28	10.81	7.00	-	-	-	439.37
Diminution in value of investments		-	3.20	-	-	16.80	-
Investments written off		20.00					
Less : Written off out of provision made		20.00					
Depreciation and amortisation expense	14	6.38	7.35	4.73	3.46	2.65	47.96
Other expenses	29	17.15	33.50	11.31	6.02	7.29	473.97
Provisions and write offs	30		-	-	-	-	276.87
Total		**34.34**	**51.05**	**16.04**	**9.48**	**26.74**	**1,926.45**
Profit / (Loss) before tax as per audited financial statements (A-B)		**32.15**	**38.12**	**12.80**	**17.37**	**(11.29)**	**455.02**
Restatement Adjustments		-	-	-	-	-	-
Profit / (Loss) before tax as restated		**32.15**	**38.12**	**12.80**	**17.37**	**(11.29)**	**455.02**
C- Tax expense							
Current tax	16	14.39	22.38	8.06	6.80	4.91	170.46
Deferred tax		(0.33)	(1.12)	-	-	-	(19.84)
Adjustments pursuant to scheme of arrangement		-	-	-	-	48.13	-
Taxation relating to earlier periods		-	0.30	1.71	3.58	-	-
Total		**14.06**	**21.56**	**9.77**	**10.38**	**53.04**	**150.62**
D- Restatement adjustments relating to tax							
Adjustment on account of prior period taxes	6	-	0.30	1.71	3.58	0.80	(3.49)
Total		-	**0.30**	**1.71**	**3.58**	**0.80**	**(3.49)**
Total tax expense, as restated (C-D)		**14.06**	**21.26**	**8.06**	**6.80**	**52.24**	**154.11**
Profit/(Loss) after tax, as restated		**18.09**	**16.86**	**4.74**	**10.57**	**(63.53)**	**300.91**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 3
RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
A. Cash Flow from Operating Activities						
Profit/ (Loss) Before Tax, as restated	32.15	38.12	12.80	17.37	(11.29)	455.02
Adjustments for:						
Depreciation and amortization expense	6.38	7.35	4.73	3.46	2.65	47.96
Diminution in value of investments	-	3.20	-	-	16.80	-
Wealth Tax	-	0.27	0.35	0.17	0.35	0.50
Provision for standard receivables under financing activities (Net)	-	-	-	-	-	18.15
Provision for sub standard receivables under financing activities (Net)	-	-	-	-	-	14.50
Provision for credit enhancements on assets derecognized (Net)	-	-	-	-	-	5.03
Loss Assets written off	-	-	-	-	-	239.19
Provision for Prompt Payment Rebate (Net)	-	-	-	-	-	60.35
Provision for doubtful advances	-	-	-	-	-	2.38
Finance costs	-	-	-	-	-	688.28
Interest income on loans to related parties	(55.31)	(79.82)	(21.68)	(11.72)	(3.58)	(0.40)
Interest income on deposits with banks	(5.24)	(6.47)	(2.66)	(3.64)	(11.33)	(70.05)
Interest Spread on securitisation / Assignment of Receivables	-	-	-	-	-	(234.98)
Gain on sale of current investments (Net)	(5.94)	(2.88)	(4.50)	(11.49)	(0.54)	(30.20)
Gain on sale of fixed Assets	-	-	-	-	-	(0.07)
Operating Profit / (Loss) before Changes in Working Capital	**(27.96)**	**(40.23)**	**(10.96)**	**(5.85)**	**(6.94)**	**1,195.66**
Adjustments for (increase) / decrease in operating assets:						
Receivables under financing activites	-	-	-	-	-	(2,173.89)
Long term loans and advances	99.66	9.95	(679.94)	-	-	(4.01)
Short term loans and advances	(64.09)	0.07	48.52	111.11	(164.99)	(56.46)
Other non-current assets	-	-	-	-	-	-
Other current Assets	-	-	-	2.26	(2.26)	(148.22)
Bilateral Assignments and Securitisation of Assets (net)	-	-	-	-	-	731.94

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Adjustments for increase / (decrease) in operating liabilities:						
Other long term liabilities	-	-	-	-	(9.36)	9.36
Trade payables	3.95	3.32	1.06	(2.64)	(61.23)	48.81
Long term provisions	0.20	1.47	-	-	-	-
Other current liabilities	2.46	0.32	(0.03)	(0.02)	325.15	16.45
Short term provisions	0.71	1.45	-	-	(257.26)	-
Cash Flow from / (used in) operating activities	**14.93**	**(23.65)**	**(641.35)**	**104.86**	**(176.89)**	**(920.36)**
Finance cost paid	-	-	-	-	-	(668.82)
Interest income on loans to related Parties	55.31	79.82	21.68	11.73	3.58	0.40
Interest income on deposits with banks	5.25	6.94	2.09	3.66	15.24	53.60
Gain on sale of current investments (Net)	5.94	2.88	4.50	11.49	0.54	30.20
Direct taxes paid	(14.76)	(22.87)	(9.74)	(7.33)	(5.81)	(201.66)
Net Cash Flow generated from / (used in) Operations	**66.67**	**43.12**	**(622.82)**	**124.41**	**(163.34)**	**(1,706.64)**
B. Cash Flow from Investing Activities						
Capital expenditure including capital Advances	(62.21)	(58.21)	(44.28)	(19.62)	(31.38)	(149.43)
Proceeds from sale of fixed assets	0.01	-	-	-	0.44	0.56
Proceeds from sale of current investments	1,668.02	1,017.60	-	-	-	-
Investments in equity shares of subsidiaries	(150.00)	(2,998.84)	(1,249.36)	(1,449.54)	(995.72)	(135.13)
Purchase of current Investments	(1,541.02)	(1,232.60)				
Subsidiaries						
Bank Deposits (Net) (lien marked)	-	-	(75.00)	15.38	(15.38)	335.44
Net Cash flow from/ (Used in) Investing Activities	**(85.20)**	**(3,272.05)**	**(1,368.64)**	**(1,453.78)**	**(1,042.04)**	**51.44**
C. Cash Flow from Financing Activities						
Proceeds from fresh issue of equity share capital, including securities Premium	18.05	3,285.18	1,995.33	1,406.35	0.08	19.20
Share Application money received	16.35	1.22	3.40	-	0.07	0.02
Share issue expenses	(0.46)	(65.20)	(41.46)	(28.52)	-	-
Long term borrowings taken	-	-	-	-	-	5,377.00
Long term borrowings repaid	-	-	-	-	-	(3,776.26)
Net Cash Flow From Financing Activities	**33.94**	**3,221.20**	**1,957.27**	**1,377.83**	**0.15**	**1,619.96**

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	15.41	(7.72)	(34.19)	48.46	(1,205.23)	(35.24)
Cash and Cash Equivalents at the Beginning of the period / year	8.24	15.96	50.15	1.69	2,111.67	1,980.20
Cash and Bank Balance adjusted Pursuant to Scheme of Arrangement	-	-	-	-	(904.75)	-
Cash and Cash Equivalents at the End of the Period / Year	**23.65**	**8.24**	**15.96**	**50.15**	**1.69**	**1,944.96**
Note:						
The reconciliation to the Cash and Cash Equivalents is as follows:						
Cash and Cash Equivalents as per Annexure 22	98.65	83.24	90.96	50.15	17.07	2,313.63
Less: Deposits with Original Maturity over a period of 3 months	75.00	75.00	75.00	-	15.38	368.67
Cash and Cash Equivalents (as defined in AS 3 Cash Flow Statement) as at the End of the Year	**23.65**	**8.24**	**15.96**	**50.15**	**1.69**	**1,944.96**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 4

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Background

The statement of restated unconsolidated assets and liabilities as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and restated unconsolidated statement of profit and loss and cash flow for the Nine months ended December 31, 2015 and years ended on March 31, 2015, 2014, 2013, 2012 and 2011 (hereinafter collectively referred to as "Restated Summary Statements") relate to Equitas Holdings Limited ("the Company") and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies and relevant stock exchanges in connection with its proposed Initial Public Offering.

These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule III to the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

4.2 CORPORATE INFORMATION

EQUITAS HOLDINGS LIMITED (formerly known as Equitas Holdings Private Limited) was incorporated on 22 June 2007.

After de-merger as referred to in Annexure 4.1, the Company became an investment company holding investments in the subsidiary companies as per the Reserve Bank of India (RBI) regulations. The Company after the demerger, apart from holding investments in its subsidiary companies, was providing financial support by way of loans to its subsidiaries and providing guarantees on behalf of its subsidiaries. The Company is a "Not Systematically Important Core Investment Company" (CIC).

The Reserve Bank of India vide its order date 3 December 2012 had approved the Company's application for cancellation of certificate of registration No. N-07-00768 dated 13 March 2008 considering that the Company is Not Systemically Important Core Investment Company and is eligible for exemption from registration under section 45IA of Reserve Bank of India Act, 1934.

The Reserve Bank of India (RBI) has granted the Company an 'in-principle' approval for establishing a 'Small Finance Bank' (SFB).

One of the conditions precedent for the issuance of the banking license by the RBI is the merger of the wholly owned subsidiaries of the Company namely Equitas Micro Finance Limited (EMFL), Equitas Finance Limited (EFL) and Equitas Housing Finance Limited (EHFL) to form the SFB. It is therefore proposed to merge EMFL and EHFL with EFL, for which 'in principle' approval has been accorded by the Board of the respective Companies at their meeting held on November 26, 2015.

In order to comply with this requirement of the RBI, the Scheme of Amalgamation will be presented before the Hon'ble High Court of Judicature at Madras. The Company, after the completion of the merger and with other terms and conditions prescribed by the RBI in its 'in-principle' approval, would apply to the RBI for commencing business as a SFB. Upon confirmation of the same by the RBI, the effective date of the merger of the entities will be the date immediately preceding the date of commencement of banking business.

SIGNIFICANT ACCOUNTING POLICIES

4.3.1 Basis of Accounting

The Unconsolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The unconsolidated financial statements have been prepared on accrual basis under the historical cost convention.

4.3.2 Use of Estimates

The preparation of the unconsolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the unconsolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3.3 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.3.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

4.3.5 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life of the fixed assets

Tangible Assets:

Buildings - 20 Years

Computer Equipments – 3 Years

Vehicles - 4 Years

Assets individually costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

Intangible assets are amortised on a straight line basis over their estimated useful life as follows:

Software - Lower of license period or 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern

4.3.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a) Interest Income on Loans granted is recognised under the internal rate of return method.

b) Interest Income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

c) Dividend income is accounted for when the right to receive it is established.

d) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

4.3.7 Tangible and Intangible Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

4.3.8 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items of the Company, outstanding at balance sheet dates are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of Exchange Differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Restated Unconsolidated Profit and Loss.

4.3.9 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

4.3.10 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plan:

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as it falls due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial Valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Restated Unconsolidated Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Statement of Restated Unconsolidated Assets and Liabilities represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

4.3.11 Employee Stock Compensation Cost

Deferred employee stock compensation cost for stock options is recognised as per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to the employee stock options using the intrinsic value method. The compensation cost, if any, is amortised uniformly over the vesting period of the options.

4.3.12 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

4.3.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rental income / expenses under operating leases arrangements are recognised in the Statement of Restated Unconsolidated Profit and Loss on a straight-line basis.

4.3.14 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

4.3.15 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Statement of Restated Unconsolidated Assets and Liabilities date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Restated Unconsolidated Profit and Loss.

4.3.16 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Restated Unconsolidated Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Restated Unconsolidated Profit and Loss, to the extent the amount was previously charged to the Statement of Restated Unconsolidated Profit and Loss. In case of revalued assets such reversal is not recognised.

4.3.17 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

4.3.18 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4.3.19 Classification and Provisions of Loan Portfolio

The policy followed by the Company for classification and provision of its loan portfolio for the year ended 31 March 2011 is as under:

a) Loans are classified and provided for as per the Company's Policy and Management's estimates, subject to the minimum classification and provisioning norms.

Classification of Loans

Asset Classification	Period of Overdue
Standard Assets	Not Overdue or Overdue for less than 30 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 30 days and more but less than 90 days
Doubtful Assets	Overdue for 90 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

"Overdue" refers to interest and/or principal and/or installment/ Insurance premium remaining unpaid from the day it became receivable.

b) **Provisioning Norms for Loans**

Asset Classification	Provisioning Percentage
Standard Assets	1.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 30 days and more but less than 60 days	10%
Overdue for 60 days and more but less than 90 days	25%
Doubtful Assets	
Doubtful Assets – Overdue for 90 days and more but less than 120 days	50%
Doubtful Assets – Overdue for 120 days and more	100%
Loss Assets	100%

Under exceptional circumstances, Management may renegotiate loans by rescheduling repayment terms for customers who have defaulted in repayment but who appear willing and able to repay their loans under a longer term agreement. Rescheduled Standard Assets are classified / provided for as Sub-Standard Assets as per policy stated above which classification / provisioning is retained for a period of one year of satisfactory performance. Rescheduled NPAs are not upgraded but are retained at the original classification / provisioning for a period of 1 year of satisfactory performance.

4.3.20 Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013 / Section 78 of the Companies Act, 1956, as applicable, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of unconsolidated profit and loss

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 4.1

SCHEME OF ARRANGEMENT

Equitas Holdings Limited ("the Company") (formerly known as Equitas Holdings Private Limited / Equitas Micro Finance India Private Limited) was a non-banking finance company (NBFC) engaged in microfinance business. The Company de-merged its microfinance business into its wholly owned subsidiary, Singhivi Investment & Finance Private Limited (SIFPL) during the financial year 2011-12. The de-merger was done through a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 was approved by the Madras High Court (the "Scheme"), was effected to comply with the revised regulations applicable to microfinance companies which requires NBFCs carrying on microfinance business to deploy not less than 85% of its net assets in the microfinance business. The demerger which came into effect from 21 January 2012 pursuant to the Court Order and is applicable from 1 April 2011, the appointed date of demerger as specified in the scheme of arrangement. Thus the Company carried on the business of microfinance on behalf of SIFPL till the effective date as per the scheme.

The assets and liabilities transferred by the Company pursuant to the Scheme of Arrangement are as follows:

(Rs. In Million)

Particulars	Balance as at 1 April 2011
Fixed Assets	
- Gross Block	183.26
- Accumulated Depreciation	(81.08)
Fixed Assets (Net Block)	102.18
Investments	2.00
Micro Finance Loans	6,199.61
Installments and Other Dues from Borrowers (Unsecured Loan)	21.11
Micro Finance Loans given as Credit Enhancement for Loans Assigned	47.09
Other Loans	0.13
Loan to Equitas Dhanyakosha India	15.24
Cash and Bank Balances	1,273.42
Other Current Assets	303.31
Loans to Investment Division	3.58
Loans and Advances	180.45
Total Assets – A	**8,148.12**
Secured Loans	5,918.71
Current Liabilities	442.58
Provisions	286.83
Total Liabilities – B	**6,648.12**
Net (A-B) (Refer Note Below)	**1,500 .00**

Note:

Pursuant to the Scheme of Arrangement, SIFPL has allotted 150,000,000 fully paid up Equity Shares of Rs. 10 each at par to the Company as consideration for the transfer of the Micro Finance business.

EQUITAS HOLDINGS LIMITED
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ANNEXURE 5

SUMMARY STATEMENT OF ADJUSTMENTS TO STANDALONE AUDITED FINANCIAL STATEMENTS

(Rs. In Million)

Adjustments for	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Prior period taxes (Refer Note 1)	-	0.30	1.71	3.58	0.80	(3.49)
Total	**-**	**0.30**	**1.71**	**3.58**	**0.80**	**(3.49)**

1. **Prior period items**

In the financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012, and March 31, 2011 audited financial statements had a provision towards tax relating to earlier years. These provisions were recorded in the year when identified. However, for the purposes of restated summary statements, such prior period adjustment have been adjusted in respective year to which the provision relates to

2. **Material Regrouping**

With effect from April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 in accordance with the requirements applicable for the Nine months ended December 31, 2015.

Appropriate adjustments have been made in the Restated unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the quarter ended June 30, 2015, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 6

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF SHARE CAPITAL

Particulars	As at 31 December 2015		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)
Share Capital												
(a) Authorised												
Equity shares of Rs.10 each	365,000,000	3,650.00	290,000,000	2,900.00	93,500,000	935.00	63,500,000	635.00	63,500,000	635.00	53,500,000	535.00
Compulsorily Convertible Preference Shares of Rs.10 each	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00
Total	**375,000,000**	**3,750.00**	**300,000,000**	**3,000.00**	**103,500,000**	**1,035.00**	**73,500,000**	**735.00**	**73,500,000**	**735.00**	**63,500,000**	**635.00**
(b) Issued, Subscribed and Fully Paid-up												
Equity shares of Rs.10 each	269,457,179	2,694.57	268,873,695	2,688.74	72,621,737	726.22	57,763,932	577.64	44,428,904	444.29	44,425,049	444.25
Total	**269,457,179**	**2,694.57**	**268,873,695**	**2,688.74**	**72,621,737**	**726.22**	**57,763,932**	**577.64**	**44,428,904**	**444.29**	**44,425,049**	**444.25**

EQUITAS HOLDINGS LIMITED
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ANNEXURE 6.1

Details of Share application money pending allotment

As at December 31, 2015

The Company had received Rs. 16.35 million as at December 31, 2015 from current employees towards exercise of options under the employees stock options scheme.. Pending allotment of shares, the amount received has been shown as "Share application Money pending allotment".

As at March 31, 2015

The Company has received Rs.1.22 million as at March 31, 2015 from few employees towards exercise of options under the employees stock option scheme. Pending allotment of shares, the amount received has been shown as "Share application Money pending allotment".

As at March 31, 2014

The Company had received Rs. 3.40 million from Mr. P N Vasudevan , Managing Director towards the share application money for the exercise under the preferential offer. Pending allotment, the amount received has been shown as "Share application Money pending allotment".

As at March 31, 2012

Pursuant to the Employee Stock Option (ESOP) Scheme, the Company has received the Share Application Money of Rs. 0.07 million from employees towards subscription of 3,781 Equity Shares of Rs. 10 each at various exercise prices, which were granted to employees under the ESOP Scheme. Pending allotment, the amount received from the employees have been shown as “Share Application Money Pending Allotment”.

As at March 31, 2011

Pursuant to a Employee Stock Option (ESOP) Scheme the Company had received the Share Application Money of Rs. 0.02 million from two employees towards subscription of 1,485 Equity Shares of Rs. 10 each at various exercise prices, which was granted to employees under the ESOP Scheme. Pending allotment, the amount received from the employee has been shown as “Share Application Money Pending Allotment”

EQUITAS HOLDINGS LIMITED
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ANNEXURE 7

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF RESERVES & SURPLUS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
(a) Securities Premium Account						
Opening Balance	6,371.57	5,110.71	3,305.42	2,060.87	2,060.81	2,060.69
Add: Additions during the Year	13.44	2,800.69	1,846.75	1,273.07	0.06	0.12
Less: Share Issue Expenses	(0.46)	(65.20)	(41.46)	(28.52)	-	-
Less: Utilised for issuing Bonus Shares	-	(1,474.63)	-	-	-	-
Closing Balance	**6,384.55**	**6,371.57**	**5,110.71**	**3,305.42**	**2,060.87**	**2,060.81**
(b) Statutory Reserve						
Opening Balance	116.43	113.12	112.51	111.11	111.11	50.21
Add: Amount Transferred from Restated unconsolidated Profit and Loss	-	3.31	0.61	1.40	-	60.90
Closing Balance	**116.43**	**116.43**	**113.12**	**112.51**	**111.11**	**111.11**
(c) Restated unconsolidated Profit and Loss						
Opening Balance	381.22	367.67	363.54	354.37	417.90	180.79
Less: Adjustments on restatement of opening balance of Reserves	-	-	-	-	-	(2.90)
Add: Restated Profit for the Year	18.09	16.86	4.74	10.57	(63.53)	300.91
Less: Appropriations						
- Transfer to Statutory Reserve	-	(3.31)	(0.61)	(1.40)	-	(60.90)
Net Surplus in the Restated unconsolidated Profit and Loss	**399.31**	**381.22**	**367.67**	**363.54**	**354.37**	**417.90**
	6,900.29	**6,869.22**	**5,591.50**	**3,781.47**	**2,526.35**	**2,589.82**

Note: As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax of the Company every year. The financials for the Nine month ended December 31, 2015 are condensed financial statements, and hence transfer to statutory reserve will be made at the year end.

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ANNEXURE 8

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Long term Borrowings						
Term Loans from Banks - Secured	-	-	-	-	-	730.34
Term Loans from Other Parties – Secured	-	-	-	-	-	1,136.33
-	-	-	-	-	-	**1,866.67**

Note:

Details of Term Loans from Banks

(Rs. In Million)

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
11% to 14.75%	Secured	-	-	-	-	-	3,479.42
Total		-	-	-	-	-	**3,479.42**
Less:Current Maturities of Long-term borrowings		-	-	-	-	-	(2,749.08)
Total		-	-	-	-	-	**730.34**

Details of Term Loans from Banks

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities and Lien on specified Fixed Deposits with Banks.

(b) The Company has not defaulted in the repayment of dues to banks.

(c) As per the terms of agreement entered into by the Company for some of the Borrowings, the Company should not declare / pay dividend to the Shareholders without the express consent from the Banks in case of overdue to the Banks in loan installments / interest payments.

Details of Term Loans from Other Parties

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
11.16%- 15.50%	Secured					-	2,439.29
Total		-	-	-	-	-	**2,439.29**
Less:Current Maturities of Long-term borrowings					-	-	(1,302.96)
Total		-	-	-	-	-	**1,136.33**

Details of Term Loans from Others Parties- Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities.

(b) The Company has not defaulted in the repayment relating to Term Loans from banks and other parties

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ANNEXURE 9

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF OTHER LONG TERM LIABILITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Other long term liabilities						
- Gain on Securitisation / Assignment of Receivables	-	-	-	-	-	1.63
- Interest Strip Retained on Assignment of Receivables	-	-	-	-	-	7.73
-	**-**	**-**	**-**	**-**	**-**	**9.36**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 10

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF LONG TERM PROVISIONS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Long term provisions						
Contingent Provision for Standard Receivables under financing activities	-	-	-	-	-	18.15
Provision for Sub-Standard and Doubtful Receivables under financing activities	-	-	-	-	-	0.55
Provision for Credit Enhancements on assets de -recognised	-	-	-	-	-	2.87
Gratuity	1.68	1.48				
	1.68	**1.48**	**-**	**-**	**-**	**21.57**

EQUITAS HOLDINGS LIMITED
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ANNEXURE 11

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CURRENT MATURITIES OF LONG TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Current maturities of long term borrowings						
Term Loans from Banks - Secured	-	-	-	-	-	2,749.08
Term Loans from Other Parties - Secured	-	-	-	-	-	1,302.96
(Refer Annexure 9 - Statement of Restated Unconsolidated Long Term Borrowings for the details of security, interest rates and terms of repayments etc)	**-**	**-**	**-**	**-**	**-**	**4,052.04**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 12

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Other current liabilities						
Statutory Remittances	3.12	0.65	0.33	0.37	0.38	10.83
Payable on Purchase of Fixed Assets	1.11	1.12	1.30	1.38	-	-
Provision for gratuity	-	-	-	-	-	-
Interest Accrued But Not Due on Borrowings	-	-	-	-	-	50.23
Advance instalments from borrowers	-	-	-	-	-	0.74
Unamortised Income	-					
- Gain on Securitisation / Assignment of Receivables	-	-	-	-	-	97.20
- Interest Strip Retained on Assignment of Receivables		-	-	-	-	73.86
Amounts Payable to Assignees for Assets De-recognised	-	-	-	-	-	138.06
	4.23	**1.77**	**1.63**	**1.75**	**0.38**	**370.92**

EQUITAS HOLDINGS LIMITED
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ANNEXURE 13

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Short term provisions						
Provision for employee benefits						
Provision for Compensated Absences	2.43	1.72	-	-	-	13.36
Provision for Gratuity	-	-	-	-	-	8.01
Others						
Contingent Provision for Standard Receivables under financing activities	-	-	-	-	-	59.68
Provision for Sub-Standard and Doubtful Receivables under financing activities	-	-	-	-	-	16.84
Provision for Credit Enhancements on assets de-recognised	-	-	-	-	-	18.02
Provision for Prompt Payment Rebate	-	-	-	-	-	149.34
Provision for Wealth Tax	0.27	0.27	0.37	0.35	0.51	0.53
	2.70	**1.99**	**0.37**	**0.35**	**0.51**	**265.78**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 14

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF FIXED ASSETS

Current Period **(Rs. In million)**

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	As at 1 April 2015	Additions	Disposals	As at 31 December 2015	As at 1 April 2015	For the Period	Eliminated on Disposal of Assets	As at 31 December 2015	As at 31 December 2015
Tangible Assets – Owned									
Land - Freehold	109.72	-	-	109.72	-	-	-	-	109.72
Buildings - Given under Operating Lease	156.39	-	-	156.39	18.57	5.88	-	24.45	131.94
Computer Equipments	0.09	0.04	-	0.13	0.01	0.02	-	0.03	0.10
Office Equipments	0.06	0.07	0.05	0.08	0.04	0.02	0.04	0.02	0.06
Vehicles	2.91	-	-	2.91	0.20	0.44	-	0.64	2.27
Sub Total	**269.17**	**0.11**	**0.05**	**269.23**	**18.82**	**6.36**	**0.04**	**25.14**	**244.09**
Intangible Assets – Acquired									
Computer Software	0.02	0.25	-	0.27	0.02	0.02	-	0.04	0.23
Sub-Total	**0.02**	**0.25**	**-**	**0.27**	**0.02**	**0.02**	-	**0.04**	0.23
Grand Total	**269.19**	**0.36**	**0.05**	**269.50**	**18.84**	**6.38**	**0.04**	**25.18**	**244.32**

Financial year 2014-15 **(Rs. In million)**

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	As at 1 April 2014	Additions	Disposals	As at 31 March 2015	As at 1 April 2014	For the Year	Eliminated on Disposal of Assets	As at 31 March 2015	As at 31 March 2015
Tangible Assets – Owned									
Land - Freehold	94.43	15.29	-	109.72	-	-	-	-	109.72
Buildings - Given under Operating Lease	100.34	56.05	-	156.39	11.46	7.11	-	18.57	137.82
Computer Equipments	-	0.09	-	0.09	-	0.01	-	0.01	0.08
Office Equipments	0.06	0.00	-	0.06	0.02	0.02	-	0.04	0.02
Vehicles	-	2.91	-	2.91	-	0.20	-	0.20	2.71
Sub Total	**194.83**	**74.34**	**-**	**269.17**	**11.48**	**7.34**	**-**	**18.82**	**250.35**
Intangible Assets – Acquired									
Computer Software	0.02	-	-	0.02	0.01	0.01	-	0.02	-
Sub-Total	**0.02**	**-**	**-**	**0.02**	**0.01**	**0.01**	**-**	**0.02**	**-**
Grand Total	**194.85**	**74.34**	**-**	**269.19**	**11.49**	**7.35**	**-**	**18.84**	**250.35**

Financial year 2013-14 **(Rs. In million)**

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	As at 1 April 2013	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	For the year	Eliminated on Disposal of Assets	As at 31 March 2014	As at 31 March 2014
Tangible Assets - Owned									
Land - Freehold	94.43	-	-	94.43	-	-	-	-	94.43
Buildings - Given under Operating Lease	76.56	23.78	-	100.34	6.76	4.70	-	11.46	88.88

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	As at 1 April 2013	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	For the year	Eliminated on Disposal of Assets	As at 31 March 2014	As at 31 March 2014
Office Equipments	0.06	-	-	0.06	-	0.02	-	0.02	0.04
Sub Total	**171.05**	**23.78**	-	**194.83**	**6.76**	**4.72**	-	**11.48**	**183.35**
Intangible Assets - Acquired									
Computer Software	0.02	-	-	0.02	-	0.01	-	0.01	0.01
Sub-Total	**0.02**	-	-	**0.02**	-	**0.01**	-	**0.01**	**0.01**
Grand Total	**171.07**	**23.78**	-	**194.85**	**6.76**	**4.73**	-	**11.49**	**183.36**

Financial year 2012-13 **(Rs. In million)**

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	As at 1 April 2012	Additions	Disposals	As at 31 March 2013	As at 1 April 2012	For the year	Eliminated on Disposal of Assets	As at 31 March 2013	As at 31 March 2013
Tangible Assets - Owned									
Land - Freehold	94.43	-	-	94.43	-	-	-	-	94.43
Buildings - Given under Operating Lease	58.02	18.54	-	76.56	3.30	3.46	-	6.76	69.80
Office Equipments	-	0.06	-	0.06	-	-	-	-	0.06
Sub Total	**152.45**	**18.60**	-	**171.05**	**3.30**	**3.46**	-	**6.76**	**164.29**
Intangible Assets - Acquired									
Computer Software	-	0.02	-	0.02	-	-	-	-	0.02
Sub-Total	-	**0.02**	-	**0.02**	-	-	-	-	**0.02**
Grand Total	**152.45**	**18.62**	-	**171.07**	**3.30**	**3.46**	-	**6.76**	**164.31**

Financial year 2011-12 **(Rs. In million)**

Particulars	Gross Block					Accumulated Depreciation and Amortisation					Net Block
	As at 1 April 2011	Additions	Disposals	Transfer through Scheme of Arrangement	As at 31 March 2012	As at 1 April 2011	For the year	Eliminated on Disposal of Assets	Transfer through Scheme of Arrangement	As at 31 March 2012	As at 31 March 2012
Tangible Assets - Owned											
Land - Freehold	94.43	-	-	-	94.43	-	-	-	-	-	94.43
Buildings - Given under Operating Lease	21.73	36.29	-	-	58.02	0.82	2.48	-	-	3.30	54.72
Leasehold Improvements	20.21	-	-	(20.21)	-	11.58	-	-	(11.58)	-	-
Computer Equipments	83.06	-	-	(83.06)	-	31.29	-	-	(31.29)	-	-
Furniture and Fixtures	16.71	-	-	(16.71)	-	13.02	-	-	(13.02)	-	-
Office Equipments	9.77	-	-	(9.77)	-	5.65	-	-	(5.65)	-	-
Vehicles	3.48	-	0.90	(2.58)	-	0.58	0.17	0.46	(0.29)	-	-
Sub Total	**249.39**	**36.29**	**0.90**	**(132.33)**	**152.45**	**62.94**	**2.65**	**0.46**	**(61.83)**	**3.30**	**149.15**
Intangible Assets - Acquired											
Computer Software	50.93	-	-	(50.93)	-	19.25	-	-	(19.25)	-	-
Sub Total	**50.93**	-	-	**(50.93)**	-	**19.25**	-	-	**(19.25)**	-	-
Grand Total	**300.32**	**36.29**	**0.90**	**(183.26)**	**152.45**	**82.19**	**2.65**	**0.46**	**(81.08)**	**3.30**	**149.15**

Financial year 2010-11 **(Rs. In million)**

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	As at 1 April 2010	Additions	Disposals	As at 31 March 2011	As at 1 April 2010	For the year	Eliminated on Disposal of Assets	As at 31 March 2011	As at 31 March 2011
Tangible Assets – Owned									

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	As at 1 April 2010	**Additions**	**Disposals**	**As at 31 March 2011**	**As at 1 April 2010**	**For the year**	**Eliminated on Disposal of Assets**	**As at 31 March 2011**	**As at 31 March 2011**
Land - Freehold	58.26	36.17	-	94.43	-	-	-	-	94.43
Buildings - Given under Operating Lease	-	21.73	-	21.73	-	0.82	-	0.82	20.91
Leasehold Improvements	13.92	6.35	0.06	20.21	5.76	5.83	0.01	11.58	8.63
Computer Equipments	37.64	45.86	0.44	83.06	12.95	18.70	0.36	31.29	51.77
Furniture and Fixtures	9.02	7.72	0.03	16.71	6.48	6.56	0.02	13.02	3.69
Office Equipments	4.90	4.90	0.03	9.77	2.65	3.00	-	5.65	4.12
Vehicles	2.20	2.58	1.30	3.48	0.83	0.72	0.97	0.58	2.90
Sub Total	**125.94**	**125.31**	**1.86**	**249.39**	**28.67**	**35.63**	**1.36**	**62.94**	**186.45**
Intangible Assets – Acquired									
Computer Software	31.48	19.45	-	50.93	6.92	12.33	-	19.25	31.68
Sub Total	**31.48**	**19.45**	**-**	**50.93**	**6.92**	**12.33**	**-**	**19.25**	**31.68**
Grand Total	**157.42**	**144.76**	**1.86**	**300.32**	**35.59**	**47.96**	**1.36**	**82.19**	**218.13**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 15

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF NON CURRENT INVESTMENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Non-Current Investments						
Investment in Equity Shares of Subsidiaries - (Trade & Unquoted) - at Cost						
Equity Shares of Equitas Housing Finance Limited of Rs. 10 each Fully Paid up	400.00	400.00	400.00	400.00	200.00	60.00
Equity Shares of Equitas B2B Trading Private Limited of Rs. 10 each Fully Paid up	-	20.00	20.00	20.00	20.00	20.00
Less: Diminution in Value of Investments	-	(20.00)	(16.80)	(16.80)	(16.80)	-
	-	-	3.20	3.20	3.20	20.00
Equity Shares of Equitas Finance Limited of Rs.10 each Fully Paid up	5,853.34	5,853.34	2,854.50	1605.14	605.13	55.13
Equity Shares of Equitas Micro Finance Limited of Rs.10 each Fully Paid up.	2,055.25	2,055.25	2,055.25	2,055.25	1,805.72	-
Equity Shares of Equitas Technologies Private Limited of Rs.10 each Fully Paid up	150.00					
Investment in Equity Shares of Other Entities - (Trade & Unquoted) - at Cost						
Equity Shares of Alpha Micro Finance Consultants Private Limited	-	-	-	-	-	2.00
	8,458.59	**8,308.59**	**5,312.95**	**4,063.59**	**2,614.05**	**137.13**

Note : As at 31 March 2015, Equitas B2B Trading Private limited had filed a petition for voluntary winding up petition with Ministry of Corporate Affairs in accordance with the Companies Act, 2013. During the period, the Ministry of Corporate Affairs had approved the same and the investment was written off in full, out of provision made in earlier years.

EQUITAS HOLDINGS LIMITED
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ANNEXURE 16

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF DEFERRED TAX ASSET

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Deferred Tax Assets						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	0.10	-	-	-	-	1.99
Provision for Standard Receivables under Financing Activities	-	-	-	-	-	25.25
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	-	-	-	-	-	5.64
Provision for Credit Enhancements on Assets De-Recognized	-	-	-	-	-	6.78
Employee Benefits	1.35	1.12	-	-	-	6.94
Others		-	-	-	-	1.53
	1.45	**1.12**	**-**	**-**	**-**	**48.13**

Note: Deferred Tax Asset arising out of Long Term Capital loss on account of write off of investments in Equitas B2B Trading Private Limited has not been recognised, in the absence of virtual certainty that there would be Long Term Capital Gains in future to offset the carried forward loss.

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 17

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF LONG TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Long term Receivables under financing activities						
Micro Finance Loans – Unsecured	-	-	-	-	-	1,440.88
Micro Finance Loans given as credit Enhancements for Loans assigned – Unsecured	-	-	-	-	-	14.74
	-	**-**	**-**	**-**	**-**	**1,455.62**
Note:						
(a) Of the above:						
- Considered Good	-	-	-	-	-	1,430.12
- Considered Doubtful (Sub-Standard and Doubtful Receivables under Financing Activities as per Company's Provisioning Norms.)	-	-	-	-	-	25.50
(b) Receivables related to the directors or promoters or the issuers	-	-	-	-	-	-

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 18

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF LONG TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Long term loans and advances						
Capital Advances	65.12	7.59	-	0.23	2.33	6.63
Loans and Advances to Related Parties	570.00	670.00	680.00	-	-	3.33
Security Deposits	0.64	0.29	0.26	0.30	0.30	30.97
Advance Tax (Net of provisions)	31.19	30.82	30.42	29.08	28.87	27.53
Loans and Advances to Employees						
- Secured, Considered Good	-	-	-	-	-	2.08
- Unsecured, Considered Good	-	-	-	-	-	1.69
- Considered Doubtful	-	-	-	-	-	0.36
Less : Provision for Doubtful Advances to Employees	-	-	-	-	-	0.36
	-	-	-	-	-	3.77
Inter Corporate Deposits Under Lien - Unsecured, Considered Good		-	-	-	-	192.25
	666.95	**708.70**	**710.68**	**29.61**	**31.50**	**264.48**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 19

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF OTHER NON CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Other non current assets						
Interest Accrued But Not Due- on Deposits with Banks / Others	-	-	-	-	-	16.29
Interest Strip Retained on Assignment of Receivables	-	-	-	-	-	7.73
Bank Deposits having Maturity beyond 12 months	-	-	-	-	-	166.72
	-	**-**	**-**	**-**	**-**	**190.74**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 20

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CURRENT INVESTMENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Current Investments						
Investments in Mutual Funds (quoted)	88.00	215.00				
Book Value of Actual Investments	**88.00**	**215.00**	**-**	**-**	**-**	**-**
Note						
Market value of Quoted Investments	88.04	215.20	-	-	-	-

Details of Investments in Mutual Funds as on 31 December 2015			
Name of the Scheme	**No. of Units**	**Face Value**	**As at 31 December 2015**
		(Rs.)	**(Rs .In Millions)**
Reliance Mutual Fund-Liquid- TP-Direct Growth	24,310.437	1000	88.00
Total			**88.00**
Aggregate Market Value of Quoted Investments as at 31 December 2015 - Rs 88.04 million.			

Details of Investments in Mutual Funds as on 31 March 2015			
Name of the Scheme	**No. of Units**	**Face Value**	**As at 31 March 2015**
		(Rs.)	**(Rs .In Millions)**
Tata Liquid Fund	44,553.683	1,000	115.00
Kotak Floater Fund	43,614.383	1,000	100.00
Total			**215.00**
Aggregate Market Value of Quoted Investments as at 31 March 2015 - Rs 215.20 million.			

EQUITAS HOLDINGS LIMITED
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ANNEXURE 21

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF SHORT TERM RECEIVABLES UNDER FINANCING ACTVITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Short term Receivables under financing activities						
Micro Finance Loans - Unsecured	-	-	-	-	-	4,758.73
Micro Finance Loans given as Credit Enhancements for Loans De-recognised- Unsecured	-	-	-	-	-	32.35
Gold Loans – Secured	-	-	-	-	-	0.13
Instalments overdue on Other loans - Unsecured						
- More than six months from the date these were due for payment	-	-	-	-	-	10.12
- Others	-	-	-	-	-	10.99
	-	**-**	**-**	**-**	**-**	**4,812.32**
(a) Of the above:						
Considered Good	-	-	-	-	-	4,795.48
Considered Doubtful (Sub-Standard and Doubtful Receivables under financing activities as per Company's Provisioning Norms)	-	-	-	-	-	16.84
(b) Receivables related to the directors or promoters or the issuers	-	-	-	-	-	-

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 22

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Cash and Cash Equivalents						
Cash on Hand	0.02	-	-	-	-	-
Balances with Banks						
- In Current Accounts	23.63	8.24	15.96	50.15	1.69	594.76
- In Deposits Accounts - Free of Lien	-	-	-	-	-	1,350.20
- In Deposits Accounts - under Lien	75.00	75.00	75.00	-	15.38	368.67
	98.65	**83.24**	**90.96**	**50.15**	**17.07**	**2,313.63**
Notes:						
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	23.65	8.24	15.96	50.15	1.69	1,944.96
The above does not include bank deposits whose maturity period is more than 12 months. Refer Annexure 20	-	-	-	-	-	166.72

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 23

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Short term loans and advances						
Prepaid Expenses	2.54	1.65	1.59	-	-	16.97
Loans and advances to related parties	-	-	-	50.00	161.24	11.67
Loans and advances to employees						
- Secured, Considered Good	-	-	-	-	-	6.41
- Unsecured, Considered Good	-	-	-	-	-	7.27
- Considered Doubtful	-	-	-	-	-	0.27
Less : Provision for Doubtful Advances to Employees	-	-	-	-	-	0.27
	-	-	-	-	-	13.68
Balances with Government Authorities - Service Tax Input Credit - Unsecured, Considered Good	-	-	-	-	-	12.50
Inter Corporate Deposits - Unsecured, Considered Good	-	-	-	-	-	37.59
Other Advances	63.26	0.04	0.16	0.27	0.11	6.07
	65.80	**1.69**	**1.75**	**50.27**	**161.35**	**98.48**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 24

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Other current assets						
Interest Accrued But Not Due						
- on Deposits with Banks	0.09	0.11	0.57	-	0.02	23.71
- on Loans given to Related Parties	-	-	-	-	2.26	0.23
- on Receivable from Financing Activities	-	-	-	-	-	37.39
Gold coins	-	-	-	-	-	0.02
Interest Strip Retained on Assignment of Receivables	-	-	-	-	-	79.31
Insurance Claims Receivable						
- Unsecured, Considered Good	-	-	-	-	-	5.53
- Unsecured, Considered Doubtful	-	-	-	-	-	1.78
Less : Provision for Doubtful Claims	-	-	-	-	-	1.78
	-	-	-	-	-	5.53
	0.09	**0.11**	**0.57**	**-**	**2.28**	**146.19**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 25

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	For the Nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Revenue From Operations						
Interest Income:						
- from loans - Micro Finance	-	-	-	-	-	1,985.60
- from loans / deposits to Related Parties	55.31	79.82	21.68	11.72	3.58	0.40
- from Bank Deposits	5.24	6.47	2.66	3.64	11.33	70.05
Processing and Other Fees	-	-	-	-	-	56.36
Interest spread on Securitisation / Assignment of Receivables	-	-	-	-	-	234.98
Gain on Sale of Current Investments in Mutual Funds	5.94	2.88	4.50	11.49	0.54	30.20
	66.49	**89.17**	**28.84**	**26.85**	**15.45**	**2,377.59**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 26

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF OTHER INCOME

(Rs. In Million)

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Other income						
Rental Income	-	-	-	-	-	2.44
Miscellaneous Income	-	-	-	-	-	1.44
	-	**-**	**-**	**-**	**-**	**3.88**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 27

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF FINANCE COSTS

(Rs. In Million)

Particulars	For the Nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Finance Costs						
Interest on Loans	-	-	-	-	-	665.56
Loan Processing Fees and Other Borrowing Costs	-	-	-	-	-	22.72
	-	**-**	**-**	**-**	**-**	**688.28**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 28

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(Rs. In Million)

Particulars	For the Nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
EMPLOYEE BENEFITS EXPENSE						
Salaries	10.07	5.30	-	-	-	370.23
Contribution to Provident Fund and other funds	0.65	1.66	-	-	-	36.53
Staff Welfare Expenses	0.09	0.04	-	-	-	32.61
	10.81	**7.00**	**-**	**-**	**-**	**439.37**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 29

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF OTHER EXPENSES

(Rs. In Million)

Particulars	For the Nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Rent	0.11	0.13	0.13	0.19	-	31.04
Electricity Charges	-	-	-	-	-	4.13
Rates and Taxes	2.43	14.90	1.60	0.07	0.52	1.58
Insurance	2.71	3.47	1.96	0.16	-	8.74
Software & Other Maintenance Expenses		0.09	0.06	0.04	-	23.79
Repairs and Maintenance – Buildings	0.12	0.29	0.14	-	0.09	0.16
Repairs and Maintenance – Others	0.03	0.06	0.02	0.03	-	6.97
Cash Management Charges	-	-	-	-	-	23.62
Travelling and Conveyance	1.76	1.28	0.56	0.31	0.62	39.74
Communication Expenses	0.06	0.08	0.15	0.07	-	27.28
Printing and Stationery	0.20	0.20	0.10	0.12	0.01	26.01
Advertisement and Business Promotion	0.30	0.25	0.03	0.14	0.06	4.85
Legal and Professional Charges	3.91	5.52	1.50	1.22	1.51	22.58
Non Executive Directors Remuneration and Sitting Fees	3.71	4.73	2.55	1.64	3.47	5.14
Corporate Social Responsibility – Donations	0.70	0.90	-	-	-	15.22
Auditors' Remuneration (Net of Service Tax)	1.03	1.22	1.34	1.09	0.66	2.14
Prompt Payment Rebate (Net)	-	-	-	-	-	148.44
Centre head fees expenses	-	-	-	-	-	60.05
Miscellaneous Expenses	0.08	0.38	1.17	0.94	0.35	22.49
	17.15	**33.50**	**11.31**	**6.02**	**7.29**	**473.97**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 30

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROVISIONS AND WRITE OFFS

(Rs. In Million)

Particulars	For the Nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Contingent Provision for Standard Receivables Under Financing Activities (Net)	-	-	-	-	-	18.15
Provision for Sub-standard and Doubtful Receivables Under Financing Activities(Net)	-	-	-	-	-	14.50
Provision for Credit Enhancements on Assets De- Recognised (Net)	-	-	-	-	-	5.03
Loss Assets Written Off	-	-	-	-	-	239.19
	-	**-**	**-**	**-**	**-**	**276.87**

Note:

During the previous year ended 31 March 2011, the Management has reviewed the recoverability of Micro Finance Loans given to customers located in the State of Andhra Pradesh taking into account the situation prevailing there after the enactment of the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2010. Based on such review, the Company's outstanding micro finance dues of Rs. 237.77 million in Andhra Pradesh was considered irrecoverable by the Management and, accordingly, the same was fully written off. This amount is included in the Loss Assets Written Off amounting to Rs. 239.19 million.

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 31

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF COMMITMENTS AND CONTIGENCIES

(Rs. In. Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Contingent Liabilities: (to the extent not provided for)						
Guarantees	18,470.00	19,100.00	13,230.00	11,170.00	5,390.00	96.89
Income Tax Demand	4.14	4.14	4.14	-	-	-
Service Tax		-	-	-	-	12.59
Commitments:						
- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	13.74	56.79	23.85	17.81	15.22	16.37
- Other Commitments	95.99	-	-	-	-	-

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 32

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF RELATED PARTY TRANSACTIONS

Related Party Transactions

Names of Related Parties and Nature of Relationship

Description of Relationship	Party
Enterprises over which company or Key management personnel is able to exercise significant influence.	Equitas Development Initiatives Trust
	Equitas Dhanyakosha India
Key Management Personnel	Mr. P.N.Vasudevan, Managing Director Mr. S.Bhaskar,Group Chief Financial Officer (from 01 November 2014)
Subsidiaries	Equitas Housing Finance Limited
	Equitas B2B Trading Private Limited (upto 31 March 2015)
	Equitas Finance Limited
	Equitas Micro Finance Limited
	Equitas Technologies Private Limited

Note:

Related party relationships are as identified by the Management.

Transactions with the Related Parties

(Rs. In. Million)

Transaction	Related Party	As on 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
Income							
Interest on Loans / Deposit to Related Party	Equitas Housing Finance Limited	54.64	38.42	4.79	1.85	-	-
	Equitas Dhanyakosha India	-	-	-	-	-	0.40
	Equitas Finance Limited	0.67	41.40	16.89	9.87	2.80	-
	Equitas Micro Finance Limited	-	-	-	-	0.78	-
Rental Income	Equitas Development Initiatives Trust	-	Rs. 36	Rs. 48	Rs. 48	Rs. 44	2.44
Sale of Assets	Equitas B2B Trading Limited	-	-	-	-	-	0.52
Recovery of Expenses	Equitas Housing Finance Limited	0.02	0.02	0.06	0.06	-	-
	Equitas Finance Limited	0.28	0.24	0.16	0.20	-	-
	Equitas	-	-	-	-	-	3.09

Transaction	Related Party	As on 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
	Development Initiatives Trust						
	Equitas Dhanyakosha India	-	-	-	-	-	5.86
	Equitas B2B Trading Private Limited	-	-	-	-	-	1.94
	Equitas Micro Finance Limited	0.45	0.40	0.36	0.64	-	
Reimbursement of Preliminary Expenses	Equitas Housing Finance Limited	-	-	-	-	-	1.11
	Equitas B2B Trading Limited	-	-	-	-	-	0.21
Expenses							
Remuneration to Key Managerial Personnel	Mr. P.N.Vasudevan, Managing Director	3.65	0.79	-	-	-	4.91
	Mr. S.Bhaskar,Group Chief Financial Officer (from 01 November 2014)	4.25	2.21	-	-	-	-
Donations	Equitas Development Initiatives Trust	0.70	0.90	-	-	-	15.22
Reimbursement of Expenses	Equitas Micro Finance Limited	0.12	0.51	2.28	6.68	-	-
	Equitas Finance Limited	-	0.02	-	-	-	-
	Equitas Development Initiatives Trust		-	0.00	-	-	-
	Equitas Technologies Pvt Ltd.,	3.89					
Purchase of Food Items	Equitas Dhanyakosha India	-	-	-	-	-	0.98

Transaction	Related Party	As on 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
Other Transactions							
Issue of Equity Shares	Mr. P.N.Vasudevan, Managing Director	-	3.40	-	-	-	11.60
Loans Given	Equitas Housing Finance Limited	300.00	825.00	275.00	190.00	-	-
	Equitas Micro Finance Limited	-	-	-	-	250.00	-
	Equitas Dhanyakosha India	-	-	-	-	-	15.00
	Equitas Finance Limited	200.00	450.00	850.00	552.50	210.00	-

Transaction	Related Party	As on 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
Loans Recovered	Equitas Housing Finance Limited	400.00	295.00	185.00	140.00	-	-
	Equitas Micro Finance Limited	-	-	-	-	250.00	-
	Equitas Finance Limited	200.00	990.00	310.00	712.50	50.00	-
Investment in Equity Shares of Subsidiaries, including premium	Equitas Housing Finance Limited	-	-	-	200.00	140.00	60.00
	Equitas Technologies Pvt Ltd.,	150.00					
	Equitas Finance Limited	-	2,998.84	1,249.36	1,000.01	550.00	50.00
	Equitas Micro Finance Limited	-	-	-	249.53	1,800.00	-
	Equitas B2B Trading Private Limited	-	-	-	-	-	20.00
Recovered and paid on behalf of Customers	Equitas Dhanyakosha India	-	-	-	-	-	3.33
Purchase of fixed assets	Equitas Micro Finance Limited	-	1.10	-	-	-	-
Other Recovery	Equitas Housing Finance Limited	-	-	-	-	-	0.26
	Equitas Micro Finance Limited	-	-	-	-	1.26	-
Diminution in Value of Investments	Equitas B2B Trading Private Limited		3.20	-	-	16.80	-
Balance as at Nine months/ Year End							
Receivable	Equitas Housing Finance Limited - Loan	570.00	670.00	140.00	50.00	-	-
	Equitas Finance Limited - Loan - Interest (accrued)	- -	- -	540.00 -	- -	160.00 2.26	- -
	Equitas Micro Finance Limited - Pass through	-	-	-	-	1.26	-
	Equitas Dhanyakosha India - Loan - Interest (accrued)	- -	- -	- -	- -	- -	15.00 0.24
Payable	Equitas Micro Finance Limited - Reimbursement of Expenses	-	1.10	0.06	-	-	-
	Equitas Finance Limited	-	-	-	-	-	-
	Equitas Housing Finance Limited	-	-	-	-	-	-
	Equitas Development Initiatives Trust - Donation	-	-	-	-	-	2.22

Transaction	Related Party	As on 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
Corporate Guarantees	Equitas Housing Finance Limited	1,740.00	1,140.00	320.00	100.00	-	-
	Equitas Finance Limited	14,380.00	13,900.00	5,740.00	3,070.00	600.00	-
	Equitas Dhanyakosha India	-	-	-	-	-	25.00
	Equitas Micro Finance Limited	2,350.00	4,060.00	7,170.00	8,000.00	4,790.00	-
Deposits under lien given as security for overdraft facilities	Equitas Dhanyakosha India	75.00	75.00	75.00	-	-	-

Notes: The Company accounts for costs incurred by or on behalf of related parties based on the actual invoice / debit notes raised and accruals as confirmed by such related parties.

EQUITAS HOLDINGS LIMITED
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ANNEXURE 33

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF EARNINGS PER SHARE

a) Basic

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme Of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Total operations						
Restated Profit/ (loss) after Tax- Rs. In Million	18.09	16.86	4.74	10.57	(63.53)	300.91
Weighted Average Number of Equity Shares	269,159,617	238,176,746	186,159,948	152,028,240	133,281,489	130,893,003
Earnings Per Share (Basic) - in Rs. (not annualized for Half year)#	0.07	0.07	0.03	0.07	(0.48)	2.30
Face Value Per Share - in Rs.	10	10	10	10	10	10

b) Diluted

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)*	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Total Operations						
Restated Profit after Tax attributable to Equity Shareholders - Rs. In Million	18.09	16.86	4.74	10.57	-	300.91
Weighted Average Number of Equity Shares for Basic EPS	269,159,617	238,176,746	186,159,948	152,028,240	-	130,893,003
Add: Effect of Warrants and ESOPs which are Dilutive	992,919	475,447	5,405,328	5,406,687	-	8,835,537
Weighted Average Number of Equity Shares for Dilutive EPS#	270,152,536	238,652,193	191,565,276	157,434,927	-	139,728,540
Earnings Per Share (Diluted)- in Rs (not annualized for Half year)	0.07	0.07	0.02	0.07	-	2.15
Face Value Per Share - in Rs.	10	10	10	10	-	10

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

adjusted for Bonus issue of shares for all financial years

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 34

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROVISIONS AND LOAN LOSSES

CHANGES IN PROVISIONS

(Rs. Million)

S. No.	Asset classification	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
a.	**Opening balance**						
	Contingent Provision for Standard Assets under financing activities	-	-	-	-	77.83	59.68
	Provision for Sub-Standard / Doubtful Receivables under financing activities	-	-	-	-	17.39	2.89
	Provision for Credit Enhancements on assets de-recognised	-	-	-	-	20.89	15.86
	Provision for Prompt Payment Rebate	-	-	-	-	149.34	88.99
b.	**Additional provision**						
	Contingent Provision for Standard Assets under financing activities	-	-	-	-	-	21.12
	Provision for Sub-Standard / Doubtful Receivables under financing activities	-	-	-	-	-	15.37
	Provision for Credit Enhancements on assets de-recognised	-	-	-	-	-	18.79
	Provision for Prompt Payment Rebate	-	-	-	-	-	64.77
c.	**Utilisation / Reversal**						
	Contingent Provision for Standard Assets under financing activities	-	-	-	-	77.83	2.97
	Provision for Sub-Standard / Doubtful Receivables under financing activities	-	-	-	-	17.39	0.87
	Provision Credit Enhancements on assets dereg	-	-	-	-	20.89	13.76
	Provision for Prompt Payment Rebate	-	-	-	-	149.34	4.42
d.	**Closing balance**						
	Contingent Provision for Standard Assets under	-	-	-	-	-	77.83

S. No.	Asset classification	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
	financing activities						
	Provision for Sub-Standard / Doubtful Receivables under financing activities	-	-	-	-	-	17.39
	Provision for Credit Enhancements on assets de-recognised	-	-	-	-	-	20.89
	Provision for Prompt Payment Rebate	-	-	-	-	-	149.34

LOAN PORTFOLIO AND PROVISIONS

(Rs. In Million)

S. No.	Asset classification	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
a.	**Standard Assets**						
	Loan outstanding (Gross)	-	-	-	-	-	6,225.60
	Provision for assets	-	-	-	-	-	(77.83)
	Loan outstanding (Net)	-	-	-	-	-	6,147.77
b.	**Sub-Standard Assets**						
	Loan outstanding (Gross)	-	-	-	-	-	27.33
	Provision for assets	-	-	-	-	-	(3.97)
	Loan outstanding (Net)	-	-	-	-	-	23.36
c.	**Doubtful Assets**						
	Loan outstanding (Gross)	-	-	-	-	-	15.00
	Provision for assets	-	-	-	-	-	(13.64)
	Loan outstanding (Net)	-	-	-	-	-	1.36

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 35
UNCONSOLIDATED SUMMARY STATEMENT OF SECURITISATION, ASSIGNMENT

(Rs. In Million)

Securitisation

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Total Number of Loan Assets Securitized during the Year	-	-	-	-	-	105,402
Book Value of Loans Assets Securitized during the Year (Rs. In Million)	-	-	-	-	-	864.22
Sale Consideration Received during the Year (Rs. In Million)	-	-	-	-	-	985.99
Total Gain on account of Securitization to be Amortised over the Life of the Receivables during the Year (Rs. In Million)	-	-	-	-	-	121.78
Gain Recognised in the Profit and Loss Account during the Year (including amortization of Unamortised Income) (Rs. In Million)	-	-	-	-	-	98.51
Quantum of Credit Enhancement provided during the Year in the form of Deposits (Rs. In Million)	-	-	-	-	-	99.98

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Un-amortised Income as at Year End	-	-	-	-	-	55.19
Quantum of Credit Enhancement as at Year End	-	-	-	-	-	99.98

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Assets De-Recognised during the Year (Rs. In Million)	-	-	-	-	-	1,056.48

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Consideration Received during the Year (Rs. In Million)	-	-	-	-	-	1,123.78
Cash Collaterals provided as First Loss and Second Loss Facility during the Year (Rs. In Million)	-	-	-	-	-	131.62
Micro Finance Loans Subordinated as Credit Enhancements for Assets De-Recognised (Rs. In Million)	-	-	-	-	-	47.08
Excess Interest Strip Subordinated as Credit Enhancements for Assets De-Recognised (Rs. In Million)	-	-	-	-	-	60.89
Total Gain on Assignment to be Amortised over the Life of the Receivables during the Year (Including Excess Interest Strip Retained) (Rs. In Million)	-	-	-	-	-	162.64
Gain Recognised in the Statement of Profit and Loss during the Year (including amortisation of Unamortised Income) (Rs. In Million)	-	-	-	-	-	136.47

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Total Outstanding amount of Assets De-recognised as at year end (Rs. In Million)	-	-	-	-	-	1,671.01
Un-amortised Income as at year end (Rs. In Million)	-	-	-	-	-	125.22
Cash Collaterals as at year end (Rs. In Million)	-	-	-	-	-	177.99
Micro Finance Loans Subordinated as Credit Enhancements for Assets De-Recognised (Rs. In Million)	-	-	-	-	-	47.09
Excess Interest Spread Receivable Subordinated as Credit Enhancements for Assets De-Recognised as at year end (Rs. In Million)	-	-	-	-	-	60.89

EQUITAS HOLDINGS LIMITED
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ANNEXURE 36

UNCONSOLIDATED SUMMARY STATEMENT OF KEY FINANCIAL INDICATORS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Net tangible Assets*	9,628.28	9,569.48	6,325.95	4,362.97	2,975.98	9,606.23
Monetary Assets #	186.65	298.24	90.96	50.15	17.07	2,313.63
Pre-tax operating profit, as restated	32.15	38.12	12.80	17.37	(11.29)	455.02
Net Worth	9,594.86	9,557.96	6,317.72	4,359.11	2,970.64	3,034.07

**Net tangible assets= Total Assets-Intangible Assets-Deferred Tax*

Monetary assets= Cash and cash equivalents+ Current investments

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 37

UNCONSOLIDATED SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Book Value per share (Net Worth / Number of shares)	35.61	35.55	86.99	75.46	66.86	68.30
Return on Net Worth (Restated profit/ (loss) after tax / Shareholder's Funds)	0.19%	0.18%	0.08%	0.24%	-2.14%	9.92%

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 38

UNCONSOLIDATED SUMMARY STATEMENT OF CAPITALISATION

(Rs. In Million)

	Pre-Offer as at December 31, 2015	**Pre-Offer as at March 31, 2015**	**Adjusted for the post-Offer**
Shareholders' Funds			
Equity Share Capital	2,694.57	2,688.74	**[●]**
Reserves and Surplus	6,900.29	6,869.22	**[●]**
Total Shareholders' Funds (A)	9,594.86	9,557.96	**[●]**
Debt			**[●]**
Long Term Borrowings	-	-	**[●]**
Short Term Borrowings	-	-	**[●]**
Other Borrowings (Current maturity of long term borrowings)	-	-	**[●]**
Total Debt (B)	-	-	**[●]**
Total (A+B)	9,594.86	9,557.96	**[●]**
Long-term debt/equity ratio	-	-	**[●]**
Total debt/equity ratio	-	-	**[●]**

EQUITAS HOLDINGS LIMITED
(Formerly known as Equitas Holdings Private Limited)

ANNEXURE 39

UNCONSOLIDATED SUMMARY STATEMENT OF TAX SHELTER **(Rs. In Million)**

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Restated profit before tax	32.15	38.12	12.80	17.37	(11.29)	455.01
Tax Rate	33.063%	32.445%	32.445%	32.445%	30.90%	33.2175%
Tax thereon at the above rate	10.63	12.37	4.15	5.64	(3.49)	151.14
Permanent differences	**2.27**	6.44	2.38	0.04	-	1.39
Timing differences	**1.49**	3.58	1.53	1.12	-	17.92
Total tax expense	**14.39**	**22.39**	**8.06**	**6.80**	**(3.49)**	**170.45**
Current Tax	**14.39**	**22.39**	**8.06**	**6.80**	**4.91**	**170.45**
Adjustments pursuant to scheme of arrangement	-	-	-	-	48.13	-

INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS AS REQUIRED UNDER SECTION 26 OF PART I OF CHAPTER III OF COMPANIES ACT, 2013, READ WITH RULE 4 to 6 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

TO THE BOARD OF DIRECTORS OF

Equitas Holdings Limited
(Formerly known as Equitas Holdings Private Limited)
Phase II, 4th Floor,
F-39, Spencer Plaza,
No. 769 Anna Salai,
Chennai 600 002.

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Equitas Holdings Limited, formerly known as Equitas Holdings Private Limited ('the Company'), and its subsidiaries (collectively known as "Group"), which comprises of the Restated Consolidated Summary Statement of Assets and Liabilities as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and the Summary of Significant Accounting Policies (the "**Restated Consolidated Financial Statements**") as approved by the Board of Directors of the Company at their meeting held on February 5, 2016 for the purpose of inclusion in the Red Herring Prospectus (**"RHP"**) prepared by the Company in connection with the proposed initial public offering (IPO) of its equity shares including an Offer for Sale of equity shares by the Selling Shareholders of Rs.10 each at such premium, arrived at by book building process (referred to as the "**Issue**"), as may be decided by the Company's Board of Directors, prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**the Rules**"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI-ICDR Regulations**").

2. We have examined such Restated Consolidated Financial Statements taking into consideration

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our addendum to engagement letter dated October 1, 2015 in connection with the proposed IPO of the Company; and

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. These Restated Consolidated Financial Statements have been extracted by the management from the Audited Consolidated Financial Statements as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by Board of directors at their meetings held on February 5, 2016, May 7, 2015, May 9, 2014, May 4, 2013, October 5, 2015 and October 5, 2015 respectively.

4. We did not audit the Financial Statements of certain subsidiaries for the financial years ended March 31, 2014, 2013, 2012 and 2011 whose share of total assets, total revenues, and net cash flows, as considered in the Restated Consolidated Financial Statements, for the relevant years is tabulated below:

Amount in Rs. million

Particulars	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Total Assets	10,166	4,164	1,054	68
Revenues	1,448	528	70	9
Net Cash Inflows	(70)	395	35	8

The Financial Statements and other financial information for these subsidiaries, have been audited by other auditors, whose reports have been furnished to us by the management, and our opinion on the Restated Consolidated Financial Statements in so far as it relates to the affairs of such subsidiaries is based solely on the report of such other auditors.

5. Based on our examination, we report that:

   a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 as set out in Annexure-1 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Consolidated Audited Financial Statements.

   b) The Restated Consolidated Summary Statement of Profit and Loss of the Group for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-2 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Consolidated Audited Financial Statements.

   c) The Restated Consolidated Summary Statement of Cash Flows of the Group for nine months ended December 31, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-3 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Consolidated Audited Financial Statements.

Based on the above, and according to the information and explanations given to us, we are of opinion that the Restated Consolidated Financial Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate.

Further, changes in the Significant Accounting Policies adopted by the Group in the financial years covered by this report and more fully described in Annexure 5 - Summary Statement of Adjustments to Consolidated Audited Financial Statements, have been given effect to in the Restated Consolidated Financial Statements, retrospectively in the respective financial years / periods to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.

There are no extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Statements.

There were no qualifications in the Auditors' report for the relevant reporting periods which require any adjustments to the Restated Consolidated Financial Statements.

6. We have also examined the following Restated Consolidated Financial Statements of the Group set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 5, 2016 as at and for the nine months ended December 31, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

(a) Annexure 5 - Summary Statement of Adjustments to Consolidated Audited Financial Statements;

(b) Annexure 6 - Restated Consolidated Summary Statement of Share Capital;

(c) Annexure 7– Restated Consolidated Summary Statement of Reserves and Surplus;

(d) Annexure 8 –Restated Consolidated Summary Statement of Long Term Borrowings;

(e) Annexure 9- Restated Consolidated Summary Statement of Other Long Term Liabilities;

(f) Annexure 10– Restated Consolidated Summary Statement of Long Term Provisions;

(g) Annexure 11 – Restated Consolidated Summary Statement of Short Term Borrowings;

(h) Annexure 12- Restated Consolidated Summary Statement of Current Maturities of Long Term Borrowings;

(i) Annexure 13 – Restated Consolidated Summary Statement of Other Current Liabilities;

(j) Annexure 14 – Restated Consolidated Summary Statement of Short Term Provisions;

(k) Annexure 15 - Restated Consolidated Summary Statement of Fixed Assets;

(l) Annexure 16 –Restated Consolidated Summary Statement of Non-Current Investments;

(m) Annexure 17 - Restated Consolidated Summary Statement of Deferred Tax Assets;

(n) Annexure 18- Restated Consolidated Summary Statement of Long Term Receivables under Financing Activities;

(o) Annexure 19- Restated Consolidated Summary Statement of Long Term Loans and Advances;

(p) Annexure 20- Restated Consolidated Summary Statement of Other Non-Current Assets;

(q) Annexure 21- Restated Consolidated Summary Statement of Current Investments;

(r) Annexure 22- Restated Consolidated Summary Statement of Short Term Receivables under Financing Activities;

(s) Annexure 23- Restated Consolidated Summary Statement of Cash and Cash Equivalents;

(t) Annexure 24- Restated Consolidated Summary Statement of Short Term Loans and Advances;

(u) Annexure 25- Restated Consolidated Summary Statement of Other Current Assets;

(v) Annexure 26- Restated Consolidated Summary Statement of Revenue from Operations;

(w) Annexure 27- Restated Consolidated Summary Statement of Other Income;

(x) Annexure 28- Restated Consolidated Summary Statement of Finance Costs;

(y) Annexure 29- Restated Consolidated Summary Statement of Employee Benefits Expense;

(z) Annexure 30- Restated Consolidated Summary Statement of Other Expenses;

(aa) Annexure 31- Restated Consolidated Summary Statement of Provisions and Write Offs;

(bb) Annexure 32- Restated Consolidated Summary Statement of Commitments and Contingencies;

(cc) Annexure 33- Restated Consolidated Summary Statement of Related Party Transactions;

(dd) Annexure 34- Restated Consolidated Summary Statement of Earnings Per Share;

(ee) Annexure 35- Restated Consolidated Summary Statement of Provisions and Loan Losses;

(ff) Annexure 36 - Restated Consolidated Summary Statement of Segment Reporting;

(gg) Annexure 37- Consolidated Summary Statement of Key Financial indicators;

(hh) Annexure 38- Consolidated Summary Statement of Accounting Ratios; and

(ii) Annexure 39- Consolidated Summary Statement of Capitalisation.

In our opinion, the Restated Consolidated Financial Statements and the above restated consolidated financial information contained in Annexures 5 to 39 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure 4, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: February 5, 2016

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 1

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Millions)

Particulars	Annexure References	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
EQUITY AND LIABILITIES							
Share Holders' Funds							
Share capital	6	2,694.57	2,688.74	726.22	577.64	444.29	444.25
Reserves & surplus	7	10,234.20	9,017.56	6,690.43	4,141.78	2,578.23	2,573.72
		12,928.77	**11,706.30**	**7,416.65**	**4,719.42**	**3,022.52**	**3,017.97**
Share Application Money Pending Allotment	6.1	**16.35**	**1.22**	**3.40**	**-**	**0.07**	**0.02**
Non- Current Liabilities							
Long term borrowings	8	23,603.46	14,569.99	6,759.15	6,403.94	2,950.01	1,866.67
Other long term liabilities	9	466.89	128.26	87.37	44.45	100.05	9.36
Long term provisions	10	207.87	194.76	78.63	83.83	46.66	21.86
		24,278.22	**14,893.01**	**6,925.15**	**6,532.22**	**3,096.72**	**1,897.89**
Current Liabilities							
Short term borrowings	11	3,350.57	4,180.96	3,767.85	2,044.46	638.53	-
Current Maturities of long term borrowings	12	14,594.76	11,570.80	7,964.63	4,295.26	2,049.34	4,052.11
Trade payables		384.51	215.28	136.56	92.26	79.07	73.29
Other current liabilities	13	1,864.73	1,748.48	1,043.47	683.26	437.08	371.15
Short term provisions	14	548.57	332.52	257.95	172.39	284.89	258.74
		20,743.14	**18,048.04**	**13,170.46**	**7,287.63**	**3,488.91**	**4,755.29**
TOTAL		**57,966.48**	**44,648.57**	**27,515.66**	**18,539.27**	**9,608.22**	**9,671.17**
ASSETS							
Non-Current Assets							
Fixed Assets							
Tangible assets	15	474.06	423.51	230.99	206.06	213.07	188.55
Intangible assets		29.11	27.17	12.92	24.57	36.72	32.04
Capital work in Progress		6.11	16.51	28.44	5.74	0.57	9.04
		509.28	**467.19**	**272.35**	**236.37**	**250.36**	**229.63**
Goodwill on Consolidation		5.35	5.35	5.35	5.35	5.35	2.30
Non-current investments	16	2.00	2.00	2.00	36.01	2.00	2.00
Deferred tax asset (Net)	17	329.19	223.87	149.05	139.32	62.75	48.44
Long term receivables under financing activities	18	25,342.21	18,116.92	10,004.81	4,944.89	2,162.99	1,455.61
Long term loans and Advances	19	348.60	191.44	180.38	239.60	260.88	267.22
Other non-current assets	20	735.05	624.86	573.80	454.48	495.31	190.74
		27,271.68	**19,164.44**	**10,915.39**	**5,819.65**	**2,989.28**	**1,966.31**
Current Assets							
Current investments	21	1,763.01	1,755.00	34.01	39.47	-	-

Particulars	Annexure References	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Short term receivables under financing activities	22	24,796.59	16,529.32	11,226.74	7,190.01	3,997.06	4,812.33
Cash and Cash equivalents	23	2,801.21	5,573.85	4,147.07	4,459.93	1,844.58	2,417.45
Short term loans and advances	24	281.00	219.59	276.25	332.07	251.37	98.50
Other current assets	25	1,052.99	939.18	643.85	461.77	275.57	146.95
		30,694.80	**25,016.94**	**16,327.92**	**12,483.25**	**6,368.58**	**7,475.23**
TOTAL		**57,966.48**	**44,648.57**	**27,515.66**	**18,539.27**	**9,608.22**	**9,671.17**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 2

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Millions)

Particulars	Annexure References	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
CONTINUING OPERATIONS							
A – Income							
Revenue from operations	26	7,913.48	7,550.64	4,824.28	2,821.53	1,980.60	2,388.14
Other income	27	33.54	8.62	10.89	10.20	5.89	3.89
Total		**7,947.02**	**7,559.26**	**4,835.17**	**2,831.73**	**1,986.49**	**2,392.03**
B – Expenditure							
Finance costs	28	3,082.73	2,947.02	1,895.21	1,076.28	642.14	688.29
Purchase of stock in trade		-	-	-	-	-	9.70
Employee benefits expense	29	1,640.49	1,550.97	1,003.08	780.45	638.32	452.05
Other expenses	30	810.11	837.10	552.94	409.89	475.69	476.24
Depreciation and amortization expenses	15	96.49	84.29	61.96	69.60	72.57	48.47
Provisions and write offs	31	445.04	504.32	183.87	89.11	49.92	276.88
Total		**6,074.86**	**5,923.70**	**3,697.06**	**2,425.33**	**1,878.64**	**1,951.63**
C-Profit before tax as per audited financial statements (A-B)		1,872.16	1,635.56	1,138.11	406.40	107.85	440.40
Restatement Adjustments	5	-	-	-	(8.76)	8.76	-
D-Profit before tax as Restated		**1,872.16**	**1,635.56**	**1,138.11**	**397.64**	**116.61**	**440.40**
E-Tax expense / (Benefit)							
Current tax		773.82	640.50	404.65	152.40	123.32	170.91
Deferred tax		(105.32)	(74.82)	(9.73)	(76.57)	(23.25)	(19.67)
Deferred Tax Adjustments pursuant to scheme of Arrangement		-	-	-	-	48.13	-
Taxation of earlier periods		-	0.30	1.70	3.58	(0.51)	-
Total		**668.50**	**565.98**	**396.62**	**79.41**	**147.69**	**151.24**
F-Restatement adjustments relating to Tax							
Adjustment on account of prior period taxes	5	-	0.30	1.70	3.58	1.31	(4.00)
Tax impact on restatement adjustments		-	-	-	2.83	(2.83)	-
Total		-	**0.30**	**1.70**	**0.75**	**4.14**	**(4.00)**
Total tax expense as restated (E-F)		**668.50**	**565.68**	**394.92**	**78.66**	**143.55**	**155.24**

Particulars	Annexure References	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
Profit / (Loss) after tax from continuing operations as restated D-(E+F)		**1,203.66**	**1,069.88**	**743.19**	**318.98**	**(26.94)**	**285.16**
DISCONTINUING OPERATIONS							
Profit / (Loss) Before Tax from Discontinuing Operations		-	(3.53)	0.25	0.02	(7.80)	-
Tax Expense of Discontinuing Operations		-	0.09	0.07	-	-	-
Profit/ (Loss) after tax from discontinuing operations		**-**	**(3.62)**	**0.18**	**0.02**	**(7.80)**	**-**
Profit / (Loss) - TOTAL OPERATIONS		**1,203.66**	**1,066.26**	**743.37**	**319.00**	**(34.74)**	**285.16**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 3

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. In Millions)

	Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
A.	**Cash Flow from Operating Activities**						
	Profit Before Tax, as restated	1,872.16	1,635.56	1,138.11	406.40	107.85	440.40
	Adjustments for:						
	Depreciation and amortisation expense	96.49	84.29	61.96	69.60	72.57	48.47
	Contingent Provision for standard receivables under Financing Activities (Net)	151.47	78.07	46.23	57.67	(9.28)	18.15
	Provision for sub-standard and Doubtful Receivables under Financing Activities (Net)	84.48	77.89	14.90	12.05	48.12	14.51
	Provision for credit enhancements on assets de-recognised (Net)	(26.77)	24.95	6.76	8.15	5.10	5.03
	Provision for repossessed assets	5.64	30.59	28.92	3.28	-	
	Loss assets written off (Net)	39.44	40.62	11.77	7.96	5.98	239.20
	Provision for prompt payment rebate (Net)	-	-	0.09	10.34	122.24	60.35
	Provision for doubtful loans and advances / insurance claims (Net)	5.20	1.37	0.97	2.04	1.21	2.38
	Finance costs	3,082.73	2,947.02	1,895.21	1,076.28	642.13	665.56
	Wealth Tax	-	-	0.35	0.17	0.35	0.50
	Interest income on deposits with banks / others	(84.36)	(92.08)	(135.95)	(83.48)	(84.92)	(72.85)
	Interest Income on Pass Through Certificates	-	(3.20)	(2.51)	(2.21)	-	-
	Interest income on Loans / deposits to related parties	-	(0.37)	(7.04)	(7.56)	(3.13)	
	Interest spread on securitisation / assignment of receivables	(502.08)	(467.69)	(282.08)	(233.79)	(227.79)	(234.98)
	Gain on sale of current investments (Net)	(72.17)	(63.53)	(28.81)	(50.77)	(58.29)	(30.27)
	Dividend income from current investments	-	-	-	(0.05)	-	-
	(Gain) / loss on sale of fixed assets (Net)	(0.18)	(0.67)	0.16	-	(0.24)	(0.07)
	Operating Profit before Changes in Working Capital	**4,652.05**	**4,292.86**	**2,749.04**	**1,276.53**	**621.90**	**1,156.38**
	Changes in Working Capital:						
	Adjustments for (increase) / decrease in operating assets:						
	Long term receivables under	(7,295.43)	(8,112.12)	(5,059.91)	(2,781.91)	(707.37)	(2,173.89)

	Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the Year Ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
	financing activities						
	Long term loans and advances	13.68	22.56	51.01	11.80	14.98	(151.37)
	Short-Term receivables under financing activities	(8,268.30)	(5,302.57)	(4,126.81)	(3,267.19)	809.29	
	Short term loans and advances	(88.33)	(77.35)	24.35	(80.21)	(152.87)	0.01
	Other current assets	(119.27)	(227.12)	(88.21)	(123.57)	(17.81)	(59.72)
	Bilateral Assignment and Securitisation of Assets (Net)	276.54	898.01	288.44	233.12	290.18	731.42
	Adjustments for increase / (decrease) in operating liabilities:						
	Other long term Liabilities	26.57	20.70	11.41	(5.88)	31.23	-
	Long term provisions	0.20	1.48	(14.40)	14.77	9.83	0.99
	Trade payables	161.73	78.75	47.00	13.12	12.62	-
	Other current liabilities	172.98	232.70	193.47	137.25	124.64	56.72
	Short term provisions	19.65	21.91	22.68	(112.83)	(133.95)	10.13
	Cash flow from / (used in) operations	**(10,447.93)**	**(8,150.19)**	**(5,901.93)**	**(4,685.45)**	**902.61**	**(429.33)**
	Interest income on deposits / other loans	159.46	91.16	177.10	56.25	86.49	54.61
	Gain on sale of current investments (Net)	72.17	63.53	28.81	-	-	-
	Finance costs paid	(2,901.15)	(2,875.88)	(1,774.99)	(1,018.76)	(649.60)	(646.09)
	Direct Taxes paid	(795.54)	(675.48)	(409.21)	(161.05)	(124.06)	(201.79)
	Net Cash Flow from/ (used in) operating activities	**(13,912.89)**	**(11,546.86)**	**(7,880.23)**	**(5,809.01)**	**221.22**	**(1,222.60)**
B.	**Cash Flow from Investing Activities**						
	Capital Expenditure including capital advances	(203.20)	(283.55)	(100.47)	(49.91)	(118.22)	(153.62)
	Proceeds from sale of fixed Assets	3.90	1.39	0.62	0.82	1.51	0.56
	Bank Balances not considered as Cash and Cash Equivalents (Net)	251.71	(295.93)	921.09	(1,129.21)	(653.50)	(304.66)
	Purchase of Long term investments	-	-	39.47	(73.49)	5.72	(5.12)
	Purchase of current investments	(8.01)	(1,755.00)	(8,919.19)	(10,676.53)	(11,445.41)	(9,623.03)
	Proceeds from sale of current investments		34.01	8,919.19	10,727.29	11,503.70	9,653.22
	Dividend Income from current Investments				0.05		
	Net Cash Flow from / (used in) Investing Activities	**44.40**	**(2,299.08)**	**860.71**	**(1,200.98)**	**(706.20)**	**(432.65)**
C.	**Cash Flow from Financing Activities**						
	Proceeds from issue of share capital including Securities	18.05	3,285.18	1,995.33	1,406.35	441.70	19.20

	Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012 (Refer Note on Scheme of Arrangement)	For the year ended 31 March 2011 (Refer Note on Scheme of Arrangement)
	Premium						
	Share Application Money Received	16.35	1.22	3.40	-	-	0.02
	Long term borrowings taken	21,350.00	23,322.25	8,255.76	8,255.76	3,060.00	5,377.00
	Long term borrowings repaid	(9,392.54)	(11,905.23)	(4,231.20)	(2,555.91)	(3,979.43)	(3,776.26)
	Short term borrowings taken (Net)	(830.39)	405.28	1,723.39	1,405.94	638.53	-
	Share Issue Expenses	(0.46)	(65.20)	(41.46)	(28.52)		-
	Net Cash Flow From Financing Activities	**11,161.01**	**15,043.51**	**7,705.24**	**8,483.62**	**160.80**	**1,619.96**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	**(2,707.48)**	**1,197.57**	**685.72**	**1,473.63**	**(329.90)**	**(35.28)**
	Cash and Cash Equivalents at the Beginning of the Period/Year	4,971.98	3,774.41	3,088.69	1,615.06	1,944.96	1,980.24
	Cash and Cash Equivalents at the End of the Period/Year	**2,264.50**	**4,971.98**	**3,774.41**	**3,088.69**	**1,615.06**	**1,944.96**
	Notes:						
(i)	The reconciliation to the Cash and Cash Equivalents as per Annexure 23						
	Cash and Cash Equivalents (as per restated consolidated assets and liabilities - Annexure 23)	2,801.21	5,573.85	4,147.07	4,459.93	1,844.58	2,417.45
	Less: Deposits with Original Maturity over a period of 3 months	31.48	0.11	3.69	909.83	85.40	103.82
	Less: Lien Marked Deposits	505.23	601.76	368.97	461.41	144.12	368.67
	Cash and Cash Equivalents (as defined in AS 3 - Cash Flow Statements) as at the End of the Year	**2,264.50**	**4,971.98**	**3,774.41**	**3,088.69**	**1,615.06**	**1,944.96**
(ii)	The Consolidated Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.						

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 4
SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Background

The statement of restated consolidated assets and liabilities as at December 31,2015, March 31, 2015, 2014, 2013, 2012 and 2011 and restated statement of consolidated profit and loss and cash flow for the Nine months ended December 31, 2015 and years ended March 31, 2015, 2014, 2013, 2012 and 2011 (hereinafter collectively referred to as “Restated Summary Statements”) relate to Equitas Holdings Limited, (formerly known as “Equitas Holding Private Limited”) (“the Company”) and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), Registrar of Companies and relevant stock exchanges in connection with its proposed Initial Public Offering. These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule III to the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”).

4.2 CORPORATE INFORMATION

Equitas Holdings Limited (“the Company”) was incorporated on 22 June 2007. After de-merger as detailed in Annexure 4.1, the Company became an investment company holding investments in the subsidiary companies as per the Reserve Bank of India (RBI) regulations. The Company apart from holding investments in its subsidiary companies, also provides financial support by way of loans to its subsidiaries and providing guarantees on behalf of its subsidiaries. (The Company is a “Not Systematically Important Core Investment Company” (CIC)).

The Reserve Bank of India vide its order date 3 December 2012 had approved the Company’s application for cancellation of certificate of registration No. N-07-00768 dated 13 March 2008 considering that the Company is Not Systemically Important Core Investment Company and is eligible for exemption from registration under section 45IA of Reserve Bank of India Act, 1934.

During the period, the Reserve Bank of India had provided an “in-principle” approval to set up a Small Finance bank to the Holding Company One of the conditions precedent for the issuance of the banking license by the RBI is the merger of its wholly owned subsidiaries to form the SFB. Accordingly, it was proposed to merge Equitas Micro Finance Limited and Equitas Housing Finance Limited with Equitas Finance Limited, for which ‘in principle’ approval has been accorded by the Board of Directors of the respective Companies at their meeting held on November 26, 2015.

In order to comply with this requirement of RBI, the Scheme of Amalgamation is being presented before the Hon’ble High Court of Judicature at Madras. After the completion of the merger of the two Companies with Equitas Finance Limited and after complying with other terms and conditions prescribed in the RBI in its ‘in-principle’ approval, EHL would apply to the RBI for commencing business as a SFB. Upon confirmation of the same by the RBI, the effective date of the merger of the entities will be the date immediately preceding the date of commencement of banking business.

During the period the Company has incorporated a newly wholly owned subsidiary M/s Equitas Technologies Private Limited.

The Company has four operating subsidiaries engaged in the business of Micro Finance, Vehicle Finance, Housing Finance and Freight Aggregator.

Name of the entity	Relationship	Country of Incorporation	% of voting power
Equitas Micro Finance Limited (EMFL)	Subsidiary	India	100%
Equitas Finance Limited (EFL)	Subsidiary	India	100%
Equitas Housing Finance Limited (EHFL)	Subsidiary	India	100%
Equitas Technologies Private Limited(ETPL)	Subsidiary	India	100%
Equitas B2B Trading Private Limited (B2B) (upto 31 March 2015)	Subsidiary	India	100%

4.3 SIGNIFICANT ACCOUNTING POLICIES

4.3.1 Basis of Accounting

The restated consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent for the Nine months ended 31 December 2015 and all five years.

The Company and some of the Subsidiaries are Non-Banking Finance Companies. These entities follow the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for the respective category of Non-Banking Finance Company. The Subsidiary which is a Housing Finance Company follows the guidelines issued by National Housing Bank.

One of the subsidiaries of the Company, Equitas B2B Trading Private Limited had filed for voluntary winding up with the Registrar of Companies, Chennai on 31 March 2015 as the Board of Directors decided not to carry on the business of that subsidiary. Therefore, the financial statements of that subsidiary for the year ended 31 March 2015 have not been prepared on the basis that the Company is a Going Concern. Since the winding up petition has been approved, the investment is written off fully, in the books of the Company, out of provisions made in earlier years.

Principles of Consolidation

The Consolidated Financial Statements relate to Equitas Holdings Limited (the Company) and its Subsidiary Companies (collectively referred to as the Group).The Consolidated Financial Statements have been prepared on the following basis:

a) The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses unless cost cannot be recovered, as per Accounting Standard 21 – Consolidated Financial Statements.

b) The Financial Statements of the Subsidiaries used in the Consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March/31 December

c) The excess of Cost to the Group of its Investment in the Subsidiaries over the Company's portion of the Equity is recognised in the Financial Statements as Goodwill, being an asset in the Consolidated Financial Statement. The carrying value of Goodwill is tested for impairment as at the end of each reporting period. The goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

d) The excess of the Company's portion of Equity of the Subsidiaries on the acquisition date over its Cost of Investment is treated as Capital Reserve.

4.3.2 Use of Estimates

The preparation of the restated consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3.3 Inventories

Traded Inventories comprising of vegetables are valued at lower of cost and net realizable value. Cost is determined on the basis of First in First out Basis (FIFO).

Cost includes freight, taxes and duties incurred for bringing the goods to the present location and condition.

As the items traded by B2B are perishable in nature, there are no slow / non-moving items.

4.3.4 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.3.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

4.3.6 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Tangible Assets:

Buildings - 20 Years

Furniture and Fixtures - 3 Years

Office Equipments - 3 Years

Vehicles - 4 Years

Assets individually costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

Leasehold Improvements are depreciated over the remaining primary lease period or 3 years whichever is lower.

Intangible assets are amortised on a straight line basis over their estimated useful life as follows:

Software - Lower of license period or 3 years.

4.3.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

a) Interest Income on Loans granted is recognised under the internal rate of return method. Income on Non-performing Assets is recognized only when realized and any interest accrued until the asset became a Non-performing Asset and remaining overdue is de-recognized by reversing the interest income.

b) In case of EMFL, Loan Processing Fee is recognized over the life of the loan on a straight line basis. In other subsidiaries it is recognized as income in the year in which the loan is sanctioned.

c) In case of ETPL, Transaction Fees on freight is recognized upon delivery of the transported goods on accrual basis.
Activation Charges for registering transporters / goods suppliers is recognized on accrual basis on registration

d) In accordance with the RBI Guidelines on Securitisation Transaction, gains arising from assignment / securitisation are amortised over the life of the underlying portfolio loans. In case of any loss the same is recognised in the Statement of restated consolidated profit and loss immediately.

e) Interest Income on deposits / investments is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

f) Grants are recognised as income on fulfillment of the terms of the Grant Agreement.

g) Dividend income is accounted for when the right to receive it is established.

h) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

4.3.8 Tangible and Intangible Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

4.3.9 Repossessed Assets

Repossessed Assets are valued at the lower of cost and estimated net realizable value.

4.3.10 Foreign currency transactions and translations

Initial recognition
Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date
Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

Treatment of Exchange Difference
Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of restated consolidated profit and loss.

4.3.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

4.3.12 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plan:

The Group's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plan:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of restated consolidated profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short term employee benefits:

The undiscounted amount of short -term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period/year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

4.3.13 Employee Stock Compensation Cost

Employee stock compensation cost for stock options is recognised as per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to the employee stock options using the intrinsic value method. The compensation cost, if any, is amortised uniformly over the vesting period of the options.

4.3.14 Borrowing Costs

Borrowing costs include interest, ancillary costs that the Group incurs in connections with the arrangement of borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of restated consolidated profit and loss at the time of availment of the Loan.

4.3.15 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which Separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities.

4.3.16 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rental income / expenses under operating lease arrangements are recognised in the Statement of restated consolidated profit and loss on a straight-line basis.

4.3.17 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period/year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

4.3.18 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable Income tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.

4.3.19 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of restated consolidated profit and loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

4.3.20 Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the

alance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the restated consolidated financial statements.

4.3.21 Classification and Provisions of Loan Portfolio

This policy was followed by Equitas Micro Finance Limited, when the entity was an operating Entity in 2010-2011

(i) EMFL

a) Loans are classified and provided for as per EMFL's Policy and Management's estimates, subject to the minimum classification and provisioning norms as per the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011.

Classification of Loans

Asset Classification	Period of Overdue
Standard Assets	Not Overdue or Overdue for less than 30 days
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 30 days and more but less than 90 days
Doubtful Assets	Overdue for 90 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

"Overdue" refers to interest and/or principal and/or installment/ Insurance premium remaining unpaid from the day it became receivable.

b) **Provisioning Norms for Loans**

Asset Classification	Provisioning Percentage
Standard Assets	1.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 30 days and more but less than 60 days	10%
Overdue for 60 days and more but less than 90 days	25%
Doubtful Assets	
Doubtful Assets – Overdue for 90 days and more but less than 120 days	50%

Doubtful Assets – Overdue for 120 days and more	100%
Loss Assets	100%

c) Provisioning Norms for Loans - As Per RBI Guidelines [*Non-Banking Financial Companies - Micro Finance Institutions (Reserve Bank) Directions, 2011]*

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of the following:

1% of the outstanding loan portfolio or

50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

(ii) EFL

a) Loans are classified as per EFL's Policy and Management's estimates, subject to the minimum classification required as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Classification of Loans

As at 31 December 2015

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 5 months
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 5 months and above but less than or equal to 21 months
Doubtful Assets	Overdue for more than 21 months
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

As at 31 March 2015 and 2014

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 6 months
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 6 months and more but less than or equal to 24 months
Doubtful Assets	Overdue for more than 24 months
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

As at 31 March 2013, 2012 and 2011

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 90 days
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 90 days and more but less than 180 Days Any R C books not endorsed in favour of the company for 61 days and more but less than 91 days from the date of Disbursement
Doubtful Assets	Overdue for 180 days and more Any R C books not endorsed in favour of the company for 91 days and more from the date of Disbursement
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

'Overdue' refers to interest and / or principal and / or installment / insurance premium remaining unpaid from the day it became receivable.

b) **Provisioning Norms for Loans**
As at 31 December 2015

Asset Classification	Provisioning Percentage
Standard Assets	
Not Overdue and Overdue for less than 5 months	0.30%

Asset Classification	Provisioning Percentage
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 5 months and above but less than or equal to 21 months	10%
Doubtful Assets	
- un secured portion of loan amount	100%
Secured portion of loan amount	
- Up to one year from the date of doubtful	20%
- from one year to three year	30%
- more than three year	50%
Loss Assets	100%

As at 31 March 2015 and 2014

Asset Classification	Provisioning Percentage
Standard Assets	
Not Overdue and Overdue for less than 6 months	0.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 6 months and more but less than or equal to 24 months	10.00%
Doubtful Assets	
Unsecured portion of loan amount	100.00%
Secured portion of loan amount	
Up to one year from the date of being doubtful	20.00%
More than one year and up to three years from the date of being doubtful	30.00%
More than three years from the date of being doubtful	50.00%
Loss Assets	100.00%

As at 31 March 2013, 2012 and 2011

Asset Classification	Provisioning Percentage
1. Standard Assets	
Exposure on vehicles manufactured after 1997	0.50%
Exposure on vehicles manufactured on or before 1997	2.50%
2. Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 90 days and more but less than 120 days	10.00%
Overdue for 120 days and more but less than 180 days	25.00%
Any Registration Certificate not endorsed in favour of the company for 91 days and more but less than 121 days from the date of disbursement	25.00%
Doubtful Assets	
Doubtful Assets – Overdue for 180 days and more but less than 366 days.	50.00%
Any Registration Certificate not endorsed in favour of the company for 121 days and more but less than 151 days from the date of disbursement.	50.00%
Doubtful Assets – Overdue for 366 days and more.	50.00%
Any Registration Certificate not endorsed in favour of the company for 151 days or more from the date of disbursement.	100.00%

Asset Classification	Provisioning Percentage
In addition to above 100% to the extent to which the advance is not covered by the realisable value of the Security	100.00%
Loss Assets	100.00%

Note: Income on NPAs are recognised only when realised

(iii) EHFL

a) Loans are classified and provided for as per EHFL's Policy and Management's estimates, subject to the minimum classification and provisioning norms classification and provisioning norms prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Classification of Loans

As at 31 March 2015, 2014 and Nine Months Ended 31 December 2015

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than or equal to 90 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.
Doubtful Assets	Remains a sub-standard asset for a period exceeding 12 months
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by NHB.

As at 31 March 2013, 2012 and 2011

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 75 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 75 days and more but less than 365 Days
Doubtful Assets	Overdue for 365 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by NHB.

"Overdue" refers to interest and / or principal and / or installment remaining unpaid from the day it became receivable.

Provisioning Norms for Housing Loans and Non Housing Loans followed by the Company

As at 31 March 2015, 2014 and 31 December 2015

Asset Classification	Provisioning Percentage
Standard Assets	
Commercial Real Estate - Residential Housing	0.75%
Commercial Real Estate – Other	1.00%
other than i and ii above	0.40%
Non Performing Assets (NPA)	
Substandard Assets	
Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.	15%

Asset Classification	Provisioning Percentage
Doubtful Assets (period for which the asset has been considered as doubtful) – Secured	
Up to one year	25%
One to three years	40%
More than three years	100%
Doubtful Assets – Unsecured	100%
Loss Assets	100%

As at 31 March 2013, 2012 and 2011

Asset Classification	Provisioning Percentage
Standard Assets (Residential Mortgages)	0.40%
Standard Assets (Non Housing Loans)	1.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 75 days and more but less than 180 days	20%
Overdue for 180 days and more but less than 365 days	30%
Doubtful Assets – Secured	
Doubtful Assets – Overdue for 1 year and more but less than 2 years	50%
Doubtful Assets – Overdue for 2 years and more	100%
Doubtful Assets – UnSecured	100%
Loss Assets	100%

Note: Income on NPAs is recognised only when realised.

(iv) Under exceptional circumstances, Management may renegotiate loans by rescheduling repayment terms for customers who have defaulted in repayment but who appear willing and able to repay their loans under a longer term agreement. Rescheduled Standard Assets are classified / provided for as Sub-Standard Assets as per (b) above which classification / provisioning is retained for a period of 1 year of satisfactory performance. Rescheduled Non Performing Assets are not upgraded but are retained at the original classification / provisioning for a period of 1 year of satisfactory performance.

4.3.22 Provision for Credit Enhancements on Assets De-Recognised

Provision for Credit Enhancements on Assets De-Recognised is made based on the Management's estimates on the outstanding amount of assets de-recognised from the books of the Group as at the balance sheet date.

Loans Provisioning Percentage

EMFL 1.25%

EFL 0.30% (upto March 31, 2015- 0.25%)

4.3.23 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted and to the extent there is no uncertainty in receiving the claims.

4.3.24 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

4.3.25 Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013 / Section 78 of the Companies Act, 1956, as applicable, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

4.3.26 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 4.1

SCHEME OF ARRANGEMENT

Equitas Holdings Limited ("the Company") (formerly known as "Equitas Holdings Private Limited" / "Equitas Micro Finance India Private Limited") was a non-banking finance company (NBFC) engaged in microfinance business. The Company de-merged its microfinance business into its wholly owned subsidiary, Equitas micro Finance Limited formerly known as Singhivi Investment & Finance Private Limited (SIFPL) during the financial year 2011-12. The de-merger was done through a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 was approved by the Madras High Court (the "Scheme"), was effected to comply with the revised regulations applicable to microfinance companies which requires NBFCs carrying on microfinance business to deploy not less than 85% of its net assets in the microfinance business. The demerger which came into effect from 21 January 2012 pursuant to the Court Order and is applicable from 1 April 2011, the appointed date of demerger as specified in the scheme of arrangement. Thus the Company carried on the business of microfinance on behalf of SIFPL till the effective date as per the scheme.

The assets and liabilities transferred by the Company pursuant to the Scheme of Arrangement are as follows:

Particulars	
Balance as at 1 April 2011	**(Rs. In Millions)**
Fixed Assets	
- Gross Block	183.26
- Accumulated Depreciation	(81.08)
Fixed Assets (Net Block)	102.18
Investments	2.00
Micro Finance Loans	6,199.61
Micro Finance Loans given as Credit Enhancement for Loans Assigned	47.09
Installments and Other Dues from Borrowers (Unsecured Loan)	21.11
Other Loans	0.13
Loan to EquitasDhanyakosha India	15.24
Cash and Bank Balances	1,273.42
Other Current Assets	303.31
Loans to Investment Division	3.58
Loans and Advances	180.45
Total Assets - A	**8,148.12**
Secured Loans	5,918.71
Current Liabilities	442.58
Provisions	286.83
Total Liabilities - B	**6,648.12**
Net (A-B)	**1,500.00**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 5

SUMMARY STATEMENT OF ADJUSTMENTS TO CONSOLIDATED AUDITED FINANCIAL STATEMENTS

(Rs. In Millions)

Adjustments for	As at December 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Processing fee (Refer Note 1)	-	-	-	(8.76)	8.76	-
Tax Adjustment on Restatement (Refer Note 1)	-	-	-	(2.83)	2.83	-
Prior period taxes (Refer Note 2)	-	0.30	1.70	3.58	1.31	(4.00)

1. **Changes in Accounting Policy**

During the year ended March 31, 2013, EFL had changed its accounting policy for income recognition of processing fees. Hitherto, the processing fees was recognised as income over the period of loan contract, however from 1 April 2012, the same has been recognised as income in the year in which the loan was sanctioned. In the financial statements for the year ended March 31, 2013, this change in recognition of processing fees had been identified as change in accounting policy. For the purpose of restated consolidated summary statements, this change in accounting policy has been appropriately adjusted in the respective years to which the transactions pertain to, including necessary adjsutments to tax expense..

2. **Prior period items**

In the financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 audited financial statement of the Company and EHFL had a provision towards tax relating to earlier years. These provisions were recorded in the year when identified. However, for the purposes of restated summary statements, such prior period adjustment has been adjusted in respective year to which the provision relates to.

3. **Material Regrouping**

With effect from April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 in accordance with the requirements applicable for the year ended March 31, 2015, and Nine months ended 31 December 2015.

Appropriate adjustments have been made in the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at the Nine months ended December 31, 2015 and for the year ended March 31, 2015, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 6

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHARE CAPITAL

Particulars	As at 31 December 2015		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Number of shares	Amount (Rs. In Millions)	Number of shares	Amount (Rs. In Millions)	Number of shares	Amount (Rs. In Millions)	Number of shares	Amount (Rs. In Millions)	Number of shares	Amount (Rs. In Millions)	Number of shares	Amount (Rs. In Millions)
Share capital												
(a)Authorised												
Equity shares of Rs.10 each	365,000,000	3,650.00	290,000,000	2,900.00	93,500,000	935.00	63,500,000	635.00	63,500,000	635.00	53,500,000	535.00
Compulsorily Convertible Preference Shares of Rs.10 each	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00
Total	**375,000,000**	**3,750.00**	**300,000,000**	**3,000.00**	**103,500,000**	**1,035.00**	**73,500,000**	**735.00**	**73,500,000**	**735.00**	**63,500,000**	**635.00**
(b)Issued, Subscribed and Fully Paid- up												
Equity shares of Rs.10 each	269,457,179	2,694.57	268,873,695	2,688.74	72,621,737	726.22	57,763,932	577.64	44,428,904	444.29	44,425,049	444.25
Compulsorily Convertible Preference Shares of Rs. in 10 each			-	-	-	-	-	-	-	-	-	-
Total	**269,457,179**	**2,694.57**	**268,873,695**	**2,688.74**	**72,621,737**	**726.22**	**57,763,932**	**577.64**	**44,428,904**	**444.29**	**44,425,049**	**444.25**

ANNEXURE 6.1

Share application money pending allotment

December 2015

The Company had received Rs. 16.35 million as at December 31, 2015 from current employees towards exercise of options under the employees stock options scheme . Pending allotment of shares, the amount received has been shown as "Share application Money pending allotment".

March 2015

The Company has received Rs.1.22 million as at March 31, 2015 from few employees towards exercise of options under the employees stock option scheme. Pending allotment of shares, the amount received has been shown as "Share application Money pending allotment".

March 2014

The Company had received Rs. 3.40 million from Mr. P N Vasudevan , Managing Director towards the share application money for the exercise under the preferential offer. Pending allotment, the amount received has been shown as "Share application Money pending allotment".

March 2012

Pursuant to the Employee Stock Option (ESOP) Scheme, the Company has received the Share Application Money of Rs. 0.07 million from employees towards subscription of 3,781 Equity Shares of Rs. 10 each at various exercise prices, which were granted to employees under the ESOP Scheme. Pending allotment, the amount received from the employees have been shown as “Share Application Money Pending Allotment”.

March 2011

Pursuant to the Employee Stock Option (ESOP) Scheme, the Company has received the Share Application Money of Rs. 0.02 million from employees towards subscription of 1,485 Equity Shares of Rs. 10 each at various exercise prices, which were granted to employees under the ESOP Scheme. Pending allotment, the amount received from the employees have been shown as “Share Application Money Pending Allotment”.

EQUITAS HOLDINGS LIMITED
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ANNEXURE 7

RESTATED CONSOLIDATED SUMMARY STATEMENT OF RESERVES AND SURPLUS

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012 (Refer Note on Scheme of Arrangement)	As at 31 March 2011 (Refer Note on Scheme of Arrangement)
Reserves and Surplus						
Securities Premium Account						
Opening Balance	6,371.56	5,110.70	3,305.41	2,060.86	2,060.80	2,060.68
Add: Additions during the Period/Year	13.44	2,800.69	1,846.75	1,273.07	0.06	0.12
Less: Share Issue Expenses	(0.46)	(65.20)	(41.46)	(28.52)	-	-
Less: Utilised for issuing bonus shares		(1,474.63)	-	-	-	-
Closing Balance	**6,384.54**	**6,371.56**	**5,110.70**	**3,305.41**	**2,060.86**	**2,060.80**
Statutory Reserve						
Opening Balance	575.11	361.68	213.37	147.79	111.29	50.37
Add: Amount Transferred from Statement of Profit and Loss during the Period/Year	-	213.43	148.31	65.58	36.50	60.92
Closing Balance	**575.11**	**575.11**	**361.68**	**213.37**	**147.79**	**111.29**
General Reserve						
Opening Balance	39.19	39.19	39.19	39.19	-	-
Add: Additions during the Period/Year	-	-	-	-	39.19	-
Closing Balance	**39.19**	**39.19**	**39.19**	**39.19**	**39.19**	**-**
Surplus in the Statement of Profit and Loss						
Opening Balance	2,031.70	1,178.87	583.81	330.39	401.63	177.39
Add: Profit for the Period/Year, as Restated	1,203.66	1,066.26	743.37	319.00	(34.74)	285.16
- Transfer to Statutory Reserve	-	213.43	148.31	65.58	36.50	60.92
Net Surplus in the Statement of Profit and Loss	**3,235.36**	**2,031.70**	**1,178.87**	**583.81**	**330.39**	**401.63**
	10,234.20	**9,017.56**	**6,690.43**	**4,141.78**	**2,578.23**	**2,573.72**

Note:
As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company and one of its subsidiary is required to create a reserve fund at the rate of 20% of the Profit after Tax of the Company every year. The financials for the Nine month ended December 31, 2015 are condensed financial statements prepared based on AS-25, and hence transfer to statutory reserve will be made at the year end.

As per Section 29 C of the National Housing Bank Act, 1987, one of the subsidiary is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. The financials for the Nine months ended December 31, 2015 are condensed financial statements prepared based on AS-25, and hence transfer to statutory reserve will be made at the year end.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 8
RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term borrowings						
Non-Convertible Debentures - Secured	6,934.10	3,417.37	1,560.00	740.00	-	-
Term Loans from Banks - Secured	9,364.53	6,812.88	4,164.69	4,575.36	1,772.41	730.34
Term Loans from Other Parties - Secured	4,604.83	3,139.74	534.46	588.58	677.60	1,136.33
Non-Convertible Debentures - Unsecured	2,700.00	1,200.00	500.00	500.00	500.00	-
	23,603.46	**14,569.99**	**6,759.15**	**6,403.94**	**2,950.01**	**1,866.67**
Of the above, unsecured borrowings are from Financial Institutions	2,700.00	1,200.00	500.00	500.00	500.00	-
	2,700.00	**1,200.00**	**500.00**	**500.00**	**500.00**	**-**

Details of Non-Convertible Debentures

(Rs. In Millions)

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
11%- 14%	Secured	8,148.75	4,710.00	2,070.00	740.00	-		Out of the total debentures, Rs. 10,613.75 Million are listed in BSE Limited as at 31 December 2015
14-16%	Unsecured - Subordinated Debt	2,700.00	1,200.00	500.00	500.00	500.00	-	Eligible for inclusion in Tier II capital as per RBI Guidelines
		10,848.75	**5,910.00**	**2,570.00**	**1,240.00**	**500.00**	-	
Less: Current Maturities of Long-term borrowings		(1,214.65)	(1,292.63)	(510.00)	-	-		
Total		**9,634.10**	**4,617.37**	**2,060.00**	**1,240.00**	**500.00**	-	

1. The Secured, Redeemable, Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities.
2. The Group has not defaulted in the repayment of dues to Debenture holders.
3. As per the terms of Trust deed for the NCD's issued by the Company amounting to Rs 5,198.75 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Debenture holders/Trustee in case of dues to Debenture holders/Trustee

Details of Term Loans from Banks

Coupon Rate	Tenure (in months)	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
11%-15%	24 to 63	20,409.77	15,682.30	10,993.99	8,139.87	3,171.93	3,479.42	
Less: Current Maturities of Long-term borrowings		(11,045.24)	(8,869.42)	(6,829.30)	(3,564.51)	(1,399.52)	(2,749.08)	
Total		**9,364.53**	**6,812.88**	**4,164.69**	**4,575.36**	**1,772.41**	**730.34**	

1. The loans are secured by hypothecation of specified Receivables under financing activities and lien on specified fixed deposits with Banks.
2. As per the terms of agreement entered into by the Company for Borrowings amounting to Rs 10,400.81Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Banks in case of overdue to the Banks in loan installments / interest payments.
3. The Group has not defaulted in the repayment of dues to banks.

Details of Term Loans from other parties

(Rs. In Millions)

Coupon Rate	Tenure (in months)	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
11.75%-15.5%	20 to 61	6,939.70	4,548.49	1,159.79	1,319.33	1,327.42	2,439.36	
Less: Current Maturities of Long-term borrowings		(2,334.87)	(1,408.75)	(625.33)	(730.75)	(649.82)	(1,303.03)	
Total		**4,604.83**	**3,139.74**	**534.46**	**588.58**	**677.60**	**1,136.33**	

1. The loans are secured by hypothecation of specified Receivables under Financing Activities and Lien on specified Inter-Corporate Deposits.
2. The Group has not defaulted in the repayment of dues relating to term loans from other parties.
3. As per the terms of agreement entered into by the Company for Borrowings amounting to Rs 200 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Financial Institutions in case of overdue to the Financial insitutions in loan installments / interest payments.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 8

RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

(Rs. In Millions)

Particulars	As at 31 December 2015	Long Term Borrowings of Holding Company and Subsidiaries				
		Equitas Holdings Limited	Equitas Micro Finance Limited	Equitas Finance Limited	Equitas Housing Finance Limited	Equitas B2B Trading Private Limited
Long term borrowings						
Non-Convertible Debentures - Secured	6,934.10	-	3,373.75	3,560.35	-	-
Term Loans from Banks - Secured	9,524.53	-	5,812.68	2,696.62	1,015.23	-
Term Loans from Other Parties - Secured	4,444.83	-	2,240.27	2,053.03	151.53	-
Non Convertible Debentures - Unsecured	2,700.00	-	2,300.00	400.00	-	-
	23,603.46	**-**	**13,726.70**	**8,710.00**	**1,166.76**	**-**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATELIMITED")

ANNEXURE 8

RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM

BORROWINGS

EQUITAS FINANCE LIMITED

Details of Non-Convertible Debentures issued by the Company

a) Repayment Terms

(Rs. In Millions)

Coupon Rate [% p.a.]	Final Maturity Date	Debenture details		As at 31 December 2015	As at 31 March 2015	Listed / Unlisted status	Date of Redemption, if Option available to exercise	Issued at Par / Premium
		Nos.	Face value					
Secured Non-Convertible Debentures								
12.70%	30-Jun-19	500	10,00,000	500.00	500.00	Listed	30 June 2017	Par *
12.00%	25-Nov-17	580	10,00,000	580.00	580.00	Listed	Not applicable	Par *
Zero	30-Aug-16	200	10,00,000	200.00	200.00	Listed	Not applicable	Premium
12.50%	29-Sep-16	100	10,00,000	90.00	100.00	Listed	Not applicable	Par *
12.50%	29-Sep-16	150	10,00,000	135.00	150.00	Unlisted	Not applicable	Par *
13.70%	30-Sep-19	100	10,00,000	100.00	100.00	Listed	30 September 2017	Par *
12.50%	30-Sep-17	50	10,00,000	50.00	50.00	Listed	Not applicable	Par *
12.50%	30-Sep-16	50	10,00,000	45.00	50.00	Listed	Not applicable	Par *
12.50%	30-Oct-16	50	10,00,000	50.00	50.00	Listed	Not applicable	Par *
12.50%	30-Oct-16	100	10,00,000	100.00	100.00	Unlisted	Not applicable	Par *
12.50%	31-Jan-17	400	10,00,000	250.00	400.00	Listed	Not applicable	Par *
12.13%	26-Feb-20	1,000	10,00,000	1,000.00	1000.00	Listed	26 Feb 2017, 26 Aug 2017, 26 Feb 2018, 26 Aug 2018, 26 Feb 2019, 26 Aug 2019.	Par *
11.66%	28-Jul-18	750	10,00,000	750.00	-	Listed	30 Jul2018	Par*
11.66%	14-Aug-18	750	10,00,000	750.00	-	Listed	14 Aug2018	Par*
Total				**4,600.00**	**3,280.00**			
Less: Current Maturities of long term Borrowings(Refer Annexure 12)				(1039.65)	(867.63)			
Long term portion				**3,560.35**	**2,412.37**			
Unsecured Subordinated Debentures								
14.95%	30-Apr-21	400	10,00,000	400.00	400.00	Listed	Not applicable	Par
Total		**400**		**400.00**	**400.00**			

* Guaranteed by Equitas Holdings Limited (Holding Company)

(b) Non Convertible Debentures are secured with first ranking exclusive charge on the hypothecated Receivables under financing activities in favour of the Trustee for the benefit of the debenture holders. Out of the above, debentures amounting to Rs.4,365.00 Million are listed in BSE Limited, as on 31 December 2015.

(c) NCD of Rs.400 millions is unsecured, subordinated debt and listed which is eligible for inclusion as Tier II Capital as per extant RBI Guidelines.

(d) The Company has not defaulted in the repayment of dues to the debenture holders.

Details of Term Loans from Banks – Secured

(a) The loans are secured by hypothecation of specified Receivables under financing activities and lien on specified FDs with Banks.

(b) The Company has not defaulted in the repayment of dues to banks.

(c) The details of interest rate, tenor, repayment terms of the Term Loans from Banks are as follows:

Tenure	Repayment Frequency	Interest Rate % p.a.	Fixed or Floating	Remaining Installments as at 31 December 2015	As at 31 December 2015 Rs. in Millions	As at 31 March 2015 Rs. in Millions
54 Months	Quarterly	12.25%	Floating	15	281.25	300.00
36 months	Quarterly	11.95%	Floating	9	245.40	300.00
48 months	Quarterly	12.65%	Floating	13	203.12	250.00
48 months	Quarterly	11.90%	Floating	12	400.00	500.00
60 months	Half Yearly	11.75%	Floating	10	500.00	-
36 months	Quarterly	11.75%	Floating	11	200.00	-
24 months	Monthly	13.10%	Floating	10	62.50	-
36 Months	Quarterly	11.05%	Floating	11	137.50	93.75
48 months	Quarterly	12.75%	Fixed	12	75.00	150.00
48 months	Quarterly	12.40%	Floating	13	121.87	284.20
60 months	Quarterly	12.40%	Floating	15	236.84	218.75
60 months	Quarterly	11.75%	Floating	18	200.00	131.25
48 months	Quarterly	12.70%	Floating	11	171.87	-
48 months	Quarterly	12.90%	Floating	11	103.14	-
60 months	Quarterly	11.30%	Floating	19	500.00	-
60 months	Quarterly	11.80%	Floating	9	150.00	-
48 months	Quarterly	12.00%	Floating	12	159.80	200.00
Total					**3,748.29**	**2,427.95**
Less: Current maturities of long term borrowings (Refer Annexure 12)					(1,051.67)	(594.78)
Long term borrowings from Banks					**2,696.62**	**1,833.17**

5.3 Details of Term Loans from Other Parties – Secured

Tenure	Repayment Frequency	Interest Rate	Remaining Installments as at 30 December 2015	As at 31 December 2015 Rs. in Millions	As at 31 March 2015 Rs. in Millions
42 months	Quarterly	14.00%	8	500.00	500.00
42 months	Quarterly	12.30%	8	400.00	400.00
36 months	Monthly	13.25%	16	99.32	118.75
36 months	Monthly	13.25%	16	24.44	147.77
36 months	Monthly	13.25%	20	30.48	36.42
36 months	Monthly	13.90%	20	100.00	42.09
36 months	Monthly	14.00%	16	248.10	145.00
36 months	Quarterly	11.85%	18	750.00	368.70
48 months	Monthly	13.00%	38	842.50	1,000.00
48 months	Quarterly	13.25%	10	62.50	81.25
48 months	Monthly	13.25%	34	106.25	134.38
Total				**3,163.59**	**2,974.36**
Less: Current maturities of long term borrowings (Refer Note 9)				1,110.56	808.52
Long term borrowings from Other Parties				**2,053.03**	**2,165.84**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 8

RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM

BORROWINGS - EQUITAS MICRO FINANCE LIMITED

Details of Debentures issued by the Company

(a) Repayment terms

Coupon Rate	Maturity Date	Debenture Details		As at 31 December 2015	As at 31 March 2015	Options Available	Options Available
		Nos	Face value	Rs. In Millions	Rs. In Millions		
A. Secured							
12.67%	28 May 2019	600	1,00,000	600.00	600.00	Not applicable	Not applicable
13.40%	11 April 2019	230	1,00,000	230.00	230.00	Put & Call	11Apr 2015 & 11 Apr 2017l
13.70%	25 September 2015	250	1,00,000	-	250.00	Not applicable	Not applicable
13.50%	30 January 2017 - Quarterly Installments Commencing from 30 April 2015	350	1,00,000	218.75	350.00	Not applicable	Not applicable
12.50%	26 May 2017	1000	10,00,000	1,000.00	-	Not applicable	Not applicable
12.50%	16 June 2017	750	10,00,000	750.00	-	Not applicable	Not applicable
12.13%	28 June 2018	750	10,00,000	750.00		Not Applicable	Not applicable
B. Unsecured - Subordinated Debt							
16.00%	30 April 2021	300	1,00,000	300.00	300.00	Not applicable	Not applicable
14.04%	1 June 2019	500	1,00,000	500.00	500.00	Not applicable	Not applicable
13.80%	16 September 2022	300	1,00,000	300.00		Not Applicable	Not Applicable
14.05%	28 September 2022	1200	1,00,000	1200.00		Not Applicable	Not Applicable
				5,848.75	**2,230.00**		
	Less : Current Maturities of Long-Term Borrowings			(175.00)	(425.00)		
	Total			**5,673.75**	**1,805.00**		

(b) The Secured, Redeemable, Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities.

(c) The above Non-Convertible Debentures are listed on BSE Limited. Further, the Company has entered into an agreement with IDBI Trusteeship Services Limited to act as Debentures Trustees for the Debentures.

(d) The Company has not defaulted in the repayment of dues to Debenture holders.

(e) As per the terms of Trust deed for the NCD's issued by the Company amounting to Rs 5,198.75 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Debenture holders/Trustee in case of dues to Debenture holders/Trustee.

Details of Term Loans from Banks - Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities and Lien on specified Fixed Deposits with Banks

(b) The Company has not defaulted in the repayment of dues to banks.

(c) As per the terms of agreement entered into by the Company for Borrowings amounting to Rs.9,674.63 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Banks in case of overdue to the Banks in loan installments / interest payments.

(d) The details of interest rate, tenor, repayment terms of the Term Loans from Banks are as follows:

(Rs. In Millions)

S. No.	Tenor (in Months)	Interest Rate (%)	Repayment Terms	Rate of Interest Fixed /Floating	No. of Installments outstanding as on 31 December 2015	Loan Amount as at 31 December 2015	Loan Amount as at 31 March 2015
1	24	13.50%	Monthly	Fixed	3	51.19	233.33
2	27	13.70%	Monthly	Floating	-	-	10.42
3	27	13.70%	Monthly	Floating	-	-	31.25
4	24	13.70%	Monthly	Fixed	-	-	57.85
5	63	13.50%	Monthly	Floating	0	-	63.49
6	60	12.75%	Quarterly	Floating	5	277.78	444.44
7	60	12.50%	Quarterly	Floating	7	194.44	277.78
8	60	12.25%	Quarterly	Floating	7	194.44	277.78
9	36	13.85%	Monthly	Floating	-	-	111.78
10	24	12.95%	Quarterly	Floating	1	71.43	285.71
11	24	12.75%	Quarterly	Floating	1	31.25	218.75
12	24	12.33%	Quarterly	Floating	1	21.43	85.71
13	24		Monthly	Fixed	0	-	206.25
14	27	13.40%	Monthly	Floating	1	9.89	98.86
15	24	13.50%	Monthly	Fixed	6	120.26	346.79
16	24	13.70%	Quarterly	Floating	-	-	71.43
17	36	13.25%	Quarterly	Floating	5	159.09	254.55
18	24	11.90%	Monthly	Floating	0	-	89.56
19	24	13.65%	Quarterly	Fixed	1	31.25	125.00
20	24	12.50%	Monthly	Floating	4	23.81	440.48
21	24	13.50%	Monthly	Fixed	0	-	153.34
22	24	13.90%	Quarterly	Fixed	-	-	112.50

23	24	13.25%	Quarterly	Floating	0	-	107.14
24	24	12.75%	Quarterly	Floating	1	28.58	114.29
25	24	11.90%	On Maturity	Fixed	1	500.00	500.00
26	24	12.65%	Monthly	Floating	9	375.00	750.00
27	24	12.35%	Monthly	Floating	9	228.57	350.00
28	24	12.43%	Monthly	Floating	12	142.86	250.00
29	24	13.30%	Quarterly	Floating	3	93.75	187.50
30	24	13.50%	Monthly	Fixed	8	285.71	607.14
31	24	11.00%	Monthly	Fixed	15	535.71	750.00
32	28	12.50%	Monthly	Floating	17	354.17	500.00
33	24	13.10%	Monthly	Fixed	9	168.75	337.50
34	24	12.60%	Monthly	Fixed	13	162.50	275.00
35	24	13.25%	Quarterly	Floating	4	142.86	250.00
36	24	13.50%	Quarterly	Fixed	3	180.00	360.00
37	24	13.00%	Quarterly	Fixed	5	325.00	531.25
38	24	12.35%	Quarterly	Floating	5	312.50	500.00
39	27	13.25%	Monthly	Floating	13	173.33	293.33
40	28	12.95%	Monthly	Floating	17	106.25	150.00
41	24	11.90%	Quarterly	Floating	15	187.42	250.00
42	24	13.45%	Monthly	Fixed	8	333.33	708.33
43	24	13.05%	Quarterly	Floating	2	200.00	500.00
44	24	12.65%	Quarterly	Floating	4	142.86	250.00
45	24	13.05%	Monthly	Floating	3	60.00	150.00
46	24	12.00%	Monthly	Fixed	21	962.50	-
47	24	12.15%	Quarterly	Floating	6	642.86	-
48	24	11.50%	Monthly	Fixed	21	641.66	-
49	24	11.75%	Monthly	Fixed	20	500.00	-
50	24	13.45%	Monthly	Fixed	11	275.00	-
51	24	11.80%	Quarterly	Floating	6	257.00	-
52	24	12.00%	Quarterly	Fixed	7	250.00	-
53	24	12.50%	Quarterly	Floating	6	171.43	-
54	24	11.25%	Monthly	Floating	7	1,000.00	-

55	24	11.40%	Quarterly	Floating	7	500.00	-
56	24	11.25%	Quarterly	Floating	7	1,000.00	-
57	24	11.75%	Quarterly	Fixed	8	400.00	-
58	24	11.50%	Quarterly	Floating	7	250.00	-
59	24	11.20%	Monthly	Floating	7	500.00	-
60	24	11.50%	Monthly	Floating	24	2,000.00	-
	Total					**15,575.86**	**12,668.53**
	Less : Current Maturities of Long- Term Borrowings					(9,763.18)	(8,139.42)
	Long Term Borrowings from Banks					**5,812.68**	**4,529.11**

Notes:

(i) Interest rates are on floating / fixed rate basis and is payable on monthly basis. The interest rates disclosed above represents the rate of interest as at 31 December 2015. The repayment of principal portion is on monthly, quarterly and / or bullet basis.

(ii) In addition to the hypothecation of specified Receivables under financing activities, Long-Term loans from Banks amounting to Rs. 984.56 Million (Previous year – Rs.1,429.82 Million) (including the Current Maturities of Long-Term Borrowings) are guaranteed by Equitas Holdings Limited (Holding Company).

(iii) In addition to the hypothecation of specified Receivables under financing activities, the other free assets of the Company have also been provided as collateral security.

5.3 Details of Term Loans from Other Parties - Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities and Lien on specified Inter-Corporate Deposits.

(b) The Company has not defaulted in the repayment of dues relating to Term Loans from other parties.

(c) The details of interest rate, tenor, repayment terms of the Term Loans from other parties are as follows:

S. No.	Tenor (in Months)	Interest Rate (%)	Repayment Terms	Rate of Interest Fixed /Floating	No. of Installments outstanding as on 31December 2015	Loan Amount as at 31December 2015	Loan Amount as at 31 March 2015
1	61	11.75%	Monthly	Fixed	0	-	99.27
2	20	13.75%	Monthly	Fixed	0	-	28.58
3	24	13.00%	Monthly	Fixed	27	675.00	750.00
4	24	10.25%	Half Yearly	Fixed	6	1,000.00	-
5	24	10.00%	Half Yearly	Fixed	31	352.20	-
6		12.00%	Monthly		30	1,000.00	-
7	24	10.00%	Monthly	Fixed	33	375.00	-
8	48	13.45%	Monthly	Fixed	14	-	500.00
						3,402.20	**1,377.85**
	Less : Current Maturities of Long-Term Borrowings					(1,161.93)	(5,77.85)
	Long Term Borrowings from Other Parties					**2,240.27**	**800.00**

Notes:

(i) Interest rates are on both fixed / floating rate basis and is payable on monthly basis. The interest rates disclosed above represents the rate of interest as at 31 December 2015. The repayment of principal portion is on monthly and quarterly basis.

(ii) In addition to the hypothecation of specified Receivables under financing activities, Long-Term loans from Banks amounting to Rs. Nil Million (including the Current Maturities of Long-Term Borrowings) are guaranteed by Equitas Holdings Limited (Holding Company)

(iii) As per the terms of agreement entered into by the Company for Borrowings from others amounting to Rs Nil, the Company should not declare / pay dividend to the Shareholders without the express consent from the parties in case of overdue to the parties in loan installments / interest payments.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 8

RESTATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

EQUITAS HOUSING FINANCE LIMITED
Details of Term Loans from Banks including NHB and other parties – Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities.

(b) The Company has not defaulted in the repayment of dues to banks.

(c) The details of Interest rate, tenor, repayment terms of the Term Loans from banks/Financial institutions/NHB are as follows :

Rs. In Million

Tenor (in Months)	Interest Rate %	No. of Installments Outstanding as on 31 December 2015	Loan Amount as at 31 December 2015	Loan Amount as at 31 March 2015
60	12.65%	13	36.11	44.46
60	12.75%	18	50.00	-
60	12.70%	15	85.00	100.00
96	11.60%	30	150.00	-
66	13.00%	15	37.50	45.00
66	13.00%	19	47.50	50.00
48	11.85%	12	37.50	46.88
60	13.00%	11	27.50	35.00
60	12.35%	14	73.68	89.47
96	11.60%	31	100.00	-
54	12.85%	9	25.00	33.33
54	12.40%	12	13.33	16.67
66	11.90%	12	30.00	37.50
66	11.65%	13	32.50	40.00
66	11.75%	16	40.00	47.50
90	12.00%	28	150.00	-
60	11.25%	18	150.00	-
60	11.90%	18	200.00	-
84	9.65%	25	32.36	36.59
84	9.95%	25	52.80	59.70
84	9.10%	24	29.85	33.60
84	9.30%	24	58.90	66.40
Total			**1,459.53**	**782.10**
Less: Current Maturities of Long-Term Borrowings (Refer Annexure 12)			(292.77)	(157.60)
Long-Term Borrowings from Banks			**1,166.76**	**624.50**

Notes:

(i) Interest rates are on floating rate basis and is payable on monthly basis. The interest rates disclosed above represents the rate of interest as at 31 December 2015. The repayment of principal portion is on a quarterly basis. The Company has not defaulted in repayments of dues.

(ii) In addition to the hypothecation of specified Receivables under financing activities, the above Long-Term loans from Banks amounting to Rs.1,479.54 Million (Previous year - Rs.802.08 Million) (including the Current Maturities of Long-Term Borrowings) are guaranteed by Equitas Holdings Limited (Holding Company).

(iii) As per the terms of agreement entered into by the Company for some of the borrowings, the Company should not declare / pay Dividend to the shareholders without the express consent from the Banks in case of overdue to the Banks in loan installments / interest payments.

(iv) Interest rate on loan from Holding company is 10% to 11%pa payable on a monthly basis. The principal portion repayment is on a bullet repayment basis. The company has not defaulted in repayments of dues. Maturity pattern for the intercompany loan is between 1 to 2 years.

(v) As per the terms of agreement entered into by the Company for some of the Borrowings amounting to Rs. 926.18 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Banks/Financial Institutions in case of overdue to the Banks/Financial institutions in loan installments / interest payments.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 9

RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER LONG TERM LIABILITIES

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other long term liabilities						
Unamortized Income						
- Processing Fee	84.03	57.46	36.76	25.35	31.23	-
- Interest Strip Retained on Assignment of Receivables	-	-	-	-	68.82	7.73
- Interest Strip Retained on Securitisation of Receivables	340.94	52.46	50.61	19.10	-	-
- Gain on Securitisation / Assignment of Receivables	-	-	-	-	-	1.63
Premium on Redemption of Debentures	41.92	18.34	-	-	-	-
	466.89	**128.26**	**87.37**	**44.45**	**100.05**	**9.36**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 10

RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM PROVISIONS

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term provisions						
Provision for employee benefits						
Provision for Gratuity	1.67	1.48	-	29.01	13.73	0.06
Provision - Others						
Contingent Provision for Standard Receivables under financing activities	168.35	103.79	63.32	44.90	22.84	18.15
Provision for Sub-Standard and Doubtful Receivables under financing activities	29.44	74.17	5.83	4.63	0.74	0.78
Provision for Credit Enhancements on assets de-recognised	8.41	15.32	9.48	5.29	9.35	2.87
	207.87	**194.76**	**78.63**	**83.83**	**46.66**	**21.86**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 11

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term borrowings						
Redeemable Non-Convertible Debentures	-	-	250.00	-	500.00	-
From Banks						
Cash Credit - Secured	2,580.57	3,063.21	3,039.06	1,664.46	-	-
Working Capital Demand Loan - Secured	770.00	750.00	330.00	380.00	38.53	-
Overdraft - Unsecured	-	127.75	148.79		100.00	-
Term Loans - Unsecured	-	50.00	-	-	-	-
From Other parties						
Commercial Papers – Unsecured	-	90.00	-	-	-	-
Others- Secured	-	100.00	-	-	-	-
	3,350.57	**4,180.96**	**3,767.85**	**2,044.46**	**638.53**	**-**
Of the above, unsecured borrowings are from						
Banks	-	177.75	148.79	-	100.00	-
Financial Institutions	-	90.00	-	-	-	-
	-	**267.75**	**148.79**	**-**	**100.00**	**-**

(Rs.in Million)

Coupon Rate	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
11.60%-13.7%	-	-	250.00	-	500.00	-

(a) The Secured, Redeemable, Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities.

(b) The above Non-Convertible Debentures are listed on BSE Limited. Further, the Company has entered into an agreement with IDBI Trusteeship Services Limited to act as Debentures Trustees for the Debentures.

(c) The Group has not defaulted in the repayment of dues to Banks and Debenture Holders.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 11

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS

(Rs. In Millions)

Particulars	As at 31 December 2015	Short Term Borrowings of Holding Company and Subsidiaries				
		Equitas Holdings Limited	Equitas Micro Finance Limited	Equitas Finance Limited	Equitas Housing Finance Limited	Equitas B2B Trading Private Limited
From Banks						
Cash Credit – Secured	2,580.57	-	-	2,580.57	-	-
Working Capital Demand Loan – Secured	770.00	-	-	770.00	-	-
Overdraft – Unsecured	-	-	-	-	-	-
Term Loans – Unsecured	-	-	-	-	-	-
From Other parties						
Commercial Papers – Unsecured	-	-	-	-	-	-
Others- Secured	-	-	-	-	-	-
	3,350.57	-	-	**3,350.57**	-	-

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 11

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS

EQUITAS FINANCE LIMITED

(a) Secured loan repayable on demand from banks were primarily secured by loan receivables covered under the financing activity (excluding the assets charged to debenture holders / term lenders on exclusive basis)

Collateral Security - Charge on hypothecation of other free assets / fixed assets owned by the Company; further the loans are guaranteed by Equitas Holdings Limited (Holding Company).

(b) The unsecured overdraft facilities from banks are guaranteed by Equitas Holdings Limited (Holding Company).

(c)

Tenure	Repayment Frequency	Interest Rate	Remaining Installments	As at 31 December 2015 Rs. in Million	As at 31 March 2015 Rs. in Million
Nine months	On Maturity	11.60%	-	-	50.00
Total				-	**50.00**

(d) The Company has not defaulted in the repayment of short term borrowings.

(e) Average interest rate of commercial papers is 13.00% and is repayable within one year.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 11

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM

BORROWINGS

EQUITAS HOUSING FINANCE LIMITED

Details of Short-Term loans from Others - Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities.

(b) The Company has not defaulted in the repayment of dues to other parties.

(c) The Inter Corporate Deposits from related parties carried an interest of 10-11% per annum and the same was repaid during the year ended March 31 2015.

(d) In addition to the hypothecation of specified Receivables under financing activities, the above Short-Term borrowings from others amounting to Rs. Nil (Previous year Rs.100 million) are guaranteed by Equitas Holdings Limited (Holding Company).

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 12

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CURRENT MATURITIES OF LONG TERM BORROWINGS

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Current Maturities of Long Term Borrowings						
Non-Convertible Debentures – Secured	1,214.65	1,292.63	510.00	-	-	-
Term Loans from Banks – Secured	11,045.24	8,869.42	6,829.30	3,564.51	1,399.52	2,749.08
Term Loans from Other Parties – Secured	2,334.87	1,408.75	625.33	730.75	649.82	1,303.03
	14,594.76	**11,570.80**	**7,964.63**	**4,295.26**	**2,049.34**	**4,052.11**

(Refer Annexure 8 - Restated Consolidated Summary Statement of long term borrowings for the details of security, interest rates and terms of repayments etc)

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 12

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CURRENT MATURITIES OF LONG TERM BORROWINGS

(Rs. In Millions)

Particulars	As at 31 December 2015	Current Maturities of Long Term Borrowings of Holding Company and Subsidiaries				
		Equitas Holdings Limited	Equitas Micro Finance Limited	Equitas Finance Limited	Equitas Housing Finance Limited	Equitas B2B Trading Private Limited
Non-Convertible Debentures – Secured	1,214.65	-	175.00	1,039.65	-	-
Term Loans from Banks – Secured	11,085.24	-	9,763.18	1,051.67	270.39	-
Term Loans from Other Parties - Secured	2,294.87	-	1,161.93	1,110.56	22.38	-
	14,594.76	**-**	**11,100.11**	**3,201.88**	**292.77**	**-**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 13

RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other current liabilities						
Security deposits	-	-	-	2.40	-	-
Gratuity	0.15	9.00	0.18	-	-	-
Payable on purchase of Fixed Assets	1.68	4.35	3.27	2.85	0.99	-
Advances Installments from Borrowers	291.74	223.43	32.11	11.11	19.50	0.74
Interest Accrued But Not Due on Borrowings	474.43	267.86	220.50	100.28	42.76	50.23
Unamortised Income						
- Processing Fee	185.93	139.06	100.60	77.90	17.31	-
- Gain on Assignment of Receivables		-	-	-	0.69	97.20
- Interest Strip Retained on Assignment of Receivables	-	-	-	45.66	174.82	73.86
- Interest Strip Retained on Securitisation of Receivables	419.90	435.42	314.29	179.42	-	-
Statutory Remittances	29.51	23.57	25.93	15.13	11.24	11.06
Amount Payable to Assignees for Assets De-recognised	461.39	-	-	115.09	169.77	138.06
Amount Payable to Special Purpose Vehicle for Assets De-recognised	-	645.79	346.59	133.42	-	-
	1,864.73	**1,748.48**	**1,043.47**	**683.26**	**437.08**	**371.15**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 14

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term provisions						
Provision for employee benefits						
Provision for Compensated Absences	132.94	112.89	90.97	52.55	34.77	13.50
Provision for Gratuity	-	-	-	0.70	0.05	-
Provision – Others						
Provision for Income Tax (Net)	0.27	0.53	6.09	2.35	1.90	1.43
Contingent Provision for Standard Receivables under financing activities	233.62	146.71	109.11	81.30	45.38	59.68
Provision for Sub-Standard and Doubtful Receivables under financing Activities	151.06	21.85	20.34	6.64	64.76	16.83
Provision for prompt Payment Rebate	-	-	-	-	121.41	149.28
Provision for Credit Enhancements on assets de-recognised	30.68	50.54	31.44	28.85	16.62	18.02
	548.57	**332.52**	**257.95**	**172.39**	**284.89**	**258.74**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 15

RESTATED CONSOLIDATED SUMMARY STATEMENT OF FIXED ASSETS

(Rs. In Millions)

Financial year 2015-16

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2015	Additions	Disposals	Balance As at 31 December 2015	Balance as at 1 April 2015	For the Period	Eliminated on Disposal of Assets	Balance as at 31 December 2015	Balance as at 31 December 2015
Tangible Assets - Owned									
Land - Freehold	109.72	-	-	109.72	-	-	-	-	109.72
Buildings - Given under Operating Lease	156.39 -	-	-	156.39	18.57	5.88	-	24.45	131.94
Leasehold Improvements	47.68	9.70	-	57.38	27.14	9.50	-	36.64	20.74
Computer Equipment	194.82	80.73	3.89	271.66	128.79	35.33	3.84	160.28	111.38
Furniture and Fixtures	39.50	10.72	0.03	50.19	33.64	9.13	0.03	42.74	7.45
Office Equipment	56.03	19.43	0.60	74.86	33.53	12.74	0.57	45.70	29.16
Vehicles	72.46	18.52	5.03	85.95	11.42	12.07	1.21	22.28	63.67
SubTotal	**676.60**	**139.10**	**9.55**	**806.15**	**253.09**	**84.65**	**5.65**	**332.09**	**474.06**
Intangible Assets									
Computer Software	120.74	13.78	-	134.52	93.57	11.84	-	105.41	29.11
SubTotal	**120.74**	**13.78**	-	**134.52**	**93.57**	**11.84**	-	105.41	**29.11**
Grand Total	**797.34**	**152.88**	**9.55**	**940.67**	**346.66**	**96.49**	**5.65**	**437.50**	**503.17**

Financial year 2014-15

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2015	Balance as at 31 March 2015
Tangible Assets - Owned									
Land - Freehold	94.43	15.29	-	109.72	-	-	-	-	109.72
Buildings - Given under Operating Lease	100.34	56.05	-	156.39	11.46	7.11	-	18.57	137.82
Leasehold Improvements	30.92	25.10	8.34	47.68	27.63	7.80	8.29	27.14	20.54
Computer Equipment	131.44	63.92	0.54	194.82	104.28	25.04	0.53	128.79	66.03
Furniture and Fixtures	29.78	11.06	1.34	39.50	26.78	8.19	1.33	33.64	5.86
Office Equipment	31.45	25.79	1.21	56.03	22.09	12.57	1.13	33.53	22.50
Vehicles	7.42	68.27	3.23	72.46	2.55	11.51	2.64	11.42	61.04
Subtotal	**425.78**	**265.48**	**14.66**	**676.60**	**194.79**	**72.22**	**13.92**	**253.09**	**423.51**
Intangible Assets									
Computer Software	94.42	26.32	-	120.74	81.50	12.07	-	93.57	27.17
Subtotal	**94.42**	**26.32**	**-**	**120.74**	**81.50**	**12.07**	**-**	**93.57**	**27.17**
Grand Total	**520.20**	**291.80**	**14.66**	**797.34**	**276.29**	**84.29**	**13.92**	**346.66**	**450.68**

Financial year 2013-14

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2014	Balance as at 31 March 2014
Tangible Assets - Owned									
Land - Freehold	94.43	-	-	94.43	-	-	-	-	94.43
Buildings - Given under Operating Lease	76.56	23.78	-	100.34	6.76	4.70	-	11.46	88.88
Leasehold Improvements	28.40	2.56	0.04	30.92	23.68	3.98	0.03	27.63	3.29
Computer Equipment	109.44	22.37	0.37	131.44	83.90	20.71	0.33	104.28	27.16
Furniture and Fixtures	24.28	5.58	0.08	29.78	22.01	4.84	0.07	26.78	3.00
Office Equipment	22.76	9.27	0.58	31.45	15.23	7.42	0.56	22.09	9.36
Vehicles	3.45	5.09	1.12	7.42	1.68	1.29	0.42	2.55	4.87
Subtotal	**359.32**	**68.65**	**2.19**	**425.78**	**153.26**	**42.94**	**1.41**	**194.79**	**230.99**
Intangible Assets									
Computer Software	87.05	7.37	-	94.42	62.48	19.02	-	81.50	12.92
Subtotal	**87.05**	**7.37**	**-**	**94.42**	**62.48**	**19.02**	**-**	**81.50**	**12.92**
Grand Total	**446.37**	**76.02**	**2.19**	**520.20**	**215.74**	**61.96**	**1.41**	**276.29**	**243.91**

Financial year 2012-13

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2013	Balance as at 31 March 2013
Tangible Assets - Owned									
Land - Freehold	94.43	-	-	94.43	-	-	-	-	94.43
Buildings - Given under Operating Lease	58.02	18.54	-	76.56	3.30	3.46	-	6.76	69.80
Leasehold Improvements	26.78	1.62	-	28.40	17.30	6.38	-	23.68	4.72
Computer Equipment	99.42	11.11	1.09	109.44	59.64	25.32	1.06	83.90	25.54
Furniture and Fixtures	21.52	3.11	0.35	24.28	18.02	4.34	0.35	22.01	2.27
Office Equipment	18.06	5.08	0.38	22.76	9.61	6.00	0.38	15.23	7.53
Vehicles	4.00	0.79	1.34	3.45	1.29	0.95	0.56	1.68	1.77
SubTotal	**322.23**	**40.25**	**3.16**	**359.32**	**109.16**	**46.45**	**2.35**	**153.26**	**206.06**
Intangible Assets									
Computer Software	79.13	11.00	3.08	87.05	42.41	23.15	3.08	62.48	24.57
SubTotal	**79.13**	**11.00**	**3.08**	**87.05**	**42.41**	**23.15**	**3.08**	**62.48**	**24.57**
Grand Total	**401.36**	**51.25**	**6.24**	**446.37**	**151.57**	**69.60**	**5.43**	**215.74**	**230.63**

Financial year 2011-12

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2012	Balance as at 31 March 2012
Tangible Assets - Owned									
Land - Freehold	94.43	-	-	94.43	-	-	-	-	94.43

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2012	Balance as at 31 March 2012
Buildings - Given under Operating Lease	21.73	36.29	-	58.02	0.82	2.48	-	3.30	54.72
Leasehold Improvements	20.21	7.65	1.08	26.78	11.69	6.37	0.76	17.30	9.48
Computer Equipment	84.30	17.53	2.41	99.42	31.50	29.51	1.37	59.64	39.78
Furniture and Fixtures	16.96	5.43	0.87	21.52	13.13	5.41	0.52	18.02	3.50
Office Equipment	10.14	8.59	0.67	18.06	5.67	4.38	0.44	9.61	8.45
Vehicles	4.58	1.43	2.01	4.00	0.99	1.18	0.88	1.29	2.71
SubTotal	**252.35**	**76.92**	**7.04**	**322.23**	**63.80**	**49.33**	**3.97**	**109.16**	**213.07**
Intangible Assets									
Computer Software	51.39	28.20	0.46	79.13	19.35	23.24	0.18	42.41	36.72
SubTotal	**51.39**	**28.20**	**0.46**	**79.13**	**19.35**	**23.24**	**0.18**	**42.41**	**36.72**
Grand Total	**303.74**	**105.12**	**7.50**	**401.36**	**83.15**	**72.57**	**4.15**	**151.57**	**249.79**

Financial year 2010-11

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2010	Additions	Disposals	Balance as at 31 March 2011	Balance as at 1 April 2010	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2011	Balance as at 31 March 2011
Tangible Assets - Owned									
Land - Freehold	58.26	36.17	-	94.43	-	-	-	-	94.43
Buildings - Given under Operating Lease	-	21.73	-	21.73	-	0.82	-	0.82	20.91
Leasehold Improvements	13.79	6.48	0.06	20.21	5.82	5.88	0.01	11.69	8.52
Computer Equipment	37.71	47.03	0.44	84.30	13.02	18.84	0.36	31.50	52.80
Furniture and Fixtures	9.08	7.90	0.02	16.96	6.54	6.60	0.01	13.13	3.83
Office Equipment	5.24	4.92	0.02	10.14	2.67	3.01	0.01	5.67	4.47
Vehicles	2.32	3.56	1.30	4.58	1.07	0.89	0.97	0.99	3.59
SubTotal	**126.40**	**127.79**	**1.84**	**252.35**	**29.12**	**36.04**	**1.36**	**63.80**	**188.55**
Intangible Assets									
Computer Software	31.48	19.91	-	51.39	6.92	12.43	-	19.35	32.04
SubTotal	**31.48**	**19.91**	**-**	**51.39**	**6.92**	**12.43**	**-**	**19.35**	**32.04**
Grand Total	**157.88**	**147.70**	**1.84**	**303.74**	**36.04**	**48.47**	**1.36**	**83.15**	**220.59**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 16

RESTATED CONSOLIDATED SUMMARY STATEMENT OF NON CURRENT INVESTMENTS

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Investment in Equity Share of Other Entities						
Equity Shares of Alpha Micro Finance Consultants Private Limited	2.00	2.00	2.00	2.00	2.00	2.00
Investment - Others						
11.4% Pass Through Certificates of Series A2 Equitas Microloans Pool ABL	-	-	-	34.01	-	-
	2.00	**2.00**	**2.00**	**36.01**	**2.00**	**2.00**
Aggregate Value of Unquoted Investments	2.00	2.00	2.00	36.01	2.00	2.00

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 17

RESTATED CONSOLIDATED SUMMARY STATEMENT OF DEFERRED TAX ASSETS

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Deferred Tax Assets						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	14.11	9.61	10.56	3.53	(0.44)	1.92
Contingent Provision for Standard Assets under Financing Activities	138.94	86.69	58.27	42.83	20.76	25.25
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	62.47	33.24	8.88	3.83	20.92	5.64
Provision for Credit Enhancements on Assets De –Recognized	13.70	22.79	15.98	11.60	8.43	6.78
Provision for Repossessed Assets	23.68	21.73	10.95	1.11	-	-
Provision for Employee Benefits	72.81	48.12	35.50	26.77	11.01	6.98
Others	3.48	1.69	0.40	3.22	2.07	1.87
Carry Forward Business Losses and Depreciation		-	8.51	46.43	-	-
	329.19	**223.87**	**149.05**	**139.32**	**62.75**	**48.44**

Note: Deferred Tax Asset arising out of Long Term Capital loss on account of write off of investments in Equitas B2B Trading Private Limited has not been recognised, in the absence of virtual certainty that there would be Long Term Capital Gains in future to offset the carried forward loss.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 18

RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs. In Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term Receivables under financing activities						
Micro Finance Loans –Unsecured	9,578.02	5,625.18	3,688.77	2,637.73	1,462.47	1,455.61
Micro Finance Loans subordinated as Credit Enhancements for assets de-recognised – unsecured	-	6.48	49.72	-	-	-
Commercial Vehicle loans – Secured	7,078.07	6,190.92	4,535.85	1,871.66	619.54	-
Commercial Vehicle Finance Loans subordinated as Credit Enhancements for assets de-recognised- secured	193.65	72.12	43.99	-	-	-
Housing Loans-Secured	1,693.92	1,337.25	786.30	376.47	80.98	-
Micro Small Enterprise Loans	6,331.17	4,522.56	-	-	-	-
Other loans- Secured	467.38	362.41	900.18	59.03	-	-
	25,342.21	**18,116.92**	**10,004.81**	**4,944.89**	**2,162.99**	**1,455.61**
Note						
(a) Of the above:						
Considered Good	25,170.67	18,009.40	9,957.47	4,929.50	2,159.80	1,430.12
Considered Doubtful (Sub-Standard and Doubtful Receivables under financing activities as per Company's Provisioning Norms)	171.54	107.52	47.34	15.39	3.19	25.49
(b) Secured means exposures secured wholly or partly by hypothecation of vehicles, hypothecation of machinery & stock and / or equitable mortgage of property.	-	-	-	-	-	-
(c) Receivables related to the directors or promoters or the issuers	-	-	-	-	-	-

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 19

RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term loans and advances						
Capital Advances - Unsecured, Considered Good	66.52	8.44	3.69	0.23	4.89	7.87
Security Deposits						
- Unsecured, Considered Good	64.47	58.21	50.29	35.97	33.90	30.97
- Unsecured, Considered Doubtful	3.27	0.37	0.33	-	-	-
Less : Provision for Doubtful Deposits	3.27	0.37	0.33	-	-	-
	64.47	58.21	50.29	35.97	33.90	30.97
Loans to Related Parties - Unsecured, Considered Good	-	-	9.45	48.65	36.07	3.33
Others Advances - Unsecured, Considered Good	-	-	0.04	0.05	0.21	-
Loans to Employees						
- Secured, Considered Good	2.10	2.17	1.62	1.38	2.26	2.08
- Unsecured, Considered Good	33.91	4.44	1.80	2.10	1.11	1.69
- Unsecured, Considered Doubtful	0.48	0.48	0.08	0.07	0.07	0.36
Less : Provision for Doubtful Loans to Employees	0.48	0.48	0.08	0.07	0.07	0.36
	36.01	6.61	3.42	3.48	3.37	3.77
Deposits - on lien against borrowings - Unsecured, Considered Good	89.75	42.00	-	-	-	-
Inter Corporate Deposits Under Lien - Unsecured, Considered Good	-	-	66.61	77.92	99.00	192.25
Receivables from Assignees for Assets De-recognised - Unsecured, Considered Good	-	-	-	-	42.86	-
Receivables from SPV's for Assets De-recognised - Unsecured, Considered Good	-	-	-	35.12	-	-
MAT Credit entitlement - Unsecured, Considered Good	-	8.59	3.56	-	-	-
Advance Income Tax (Net of provisions)	91.85	67.59	43.32	38.18	40.58	29.03
	348.60	**191.44**	**180.38**	**239.60**	**260.88**	**267.22**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 20

RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER NON CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other non-current assets						
Interest Strip Retained on Securitisation of Receivables	340.94	52.46	50.61	19.10	-	-
Interest Strip Retained on Assignment of Receivables	-	-	-	-	68.82	7.73
Interest Accrued But Not Due						
- on Deposits with Banks / Others	24.97	16.71	33.83	23.52	2.51	16.29
- on Pass through Certificates	-	-	0.39	0.39	-	
Bank Deposits under Lien having Maturity after 12 months	369.14	555.69	488.97	411.47	423.98	166.72
	735.05	**624.86**	**573.80**	**454.48**	**495.31**	**190.74**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 21

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CURRENT INVESTMENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Current portion of long-term investments (At cost):						
11% Pass Through Certificates of Series A2 Equitas Microloans Pool ABL	-	-	34.01	-	-	-
11.40% Pass Through Certificates of Series A2 ZEUS IFMR Capital 2012	-	-	-	39.47	-	-
Other Current Investments:						
Investment in Mutual Funds (Quoted)	1,763.01	1,755.00	-	-	-	-
Book Value of Investments	**1,763.01**	**1,755.00**	**34.01**	**39.47**	**-**	**-**
Note						
Aggregate Market value of Quoted Investments	1,763.95	1,756.19	-	-	-	-

Details of Investments in Mutual Funds as on 31 December 2015			
Name of the Scheme	**No. of Units**	**Face Value**	**As at 31 December 2015**
		(Rs.)	**(Rs .In Millions)**
SBI Premier Liquid Fund – Growth	64,342.733	1,000.00	150.00
IDFC Cash Fund - Direct Plan – Growth	83,158.866	1,000.00	150.00
ICICI Prudential Liquid Fund - Direct – Growth	6,82,752.000	100.00	150.00
HDFC Liquid Fund - Direct Plan-Growth	51,209.701	1,000.00	150.00
Birla Sun Life Cash Plus Fund - Direct Plan – Growth	6,29,423.272	100.00	150.00
Reliance Liquid Fund - TP	41,446.932	1,000.00	150.00

UTI Liquid Fund - Cash Plan	61,702.521	1,000.00	150.00
LIC Nomura MF Liquid Fund	55,740.128	1,000.00	150.00
HDFC Cash Management Fund	48,372.941	1,000.00	150.00
UTI Money Market fund	90,123.639	1,000.00	150.00
Axis Liquid Fund	91,136.075	1,000.00	150.00
Reliance MF Liquid Fund	24,310.437	1,000.00	88.00
SBI Premier Liquid Fund – Growth	4,290.531	1,000.00	10.01
IDFC Cash Fund - Direct Plan – Growth	8,314.139	1,000.00	15.00
Total			**1,763.01**
Aggregate Market Value of Quoted Investments as at 31 December 2015 - Rs 1,763.95 Million.			

Details of Investments in Mutual Funds as on 31March 2015			
Name of the Scheme	**No. of Units**	**Face Value**	**As at 31 March 2015**
		(Rs.)	**(Rs .In Millions)**
Baroda Pioneer Liquid Fund - Direct Plan – Growth	93,501.80	1,000.00	150.00
IDFC Cash Fund - Direct Plan – Growth	88,263.20	1,000.00	150.00
ICICI Prudential Money Market Fund - Direct – Growth	775,563.74	100.00	150.00
SBI Premier Liquid Fund – Growth	68,249.29	1,000.00	150.00
Birla Sun Life Floating Rate Fund - Direct Plan – Growth	805,686.21	100.00	150.00
HDFC Liquid Fund - Direct Plan-Growth	5,434,821.99	10.00	150.00
Tata Liquid Fund - Direct Plan - Growth	58,101.51	1,000.00	150.00
DSP BlackRock Liquidity Fund - Direct Plan	74,988.04	1,000.00	150.00
AXIS Liquid Fund - Direct Plan - Growth	96,762.40	1,000.00	150.00
IDBI Liquid Fund - Direct Plan - Growth	100,069.05	1,000.00	150.00
JM High Liquidity Fund	524,033.486	10.00	20.00
Birla Sunlife Floating Rate Fund- Short Term Plan-Growth-Direct	107,532.316	100.00	20.00
Tata Liquid Fund	44,553.683	1000.00	115.00
Kotak Floater Fund	43,614.383	1000.00	100.00
Total			**1,755.00**
Aggregate Market Value of Quoted Investments as at 31 March 2015 - Rs , 1,756.19 Million.			

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 22

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term Receivables under financing activities						
Micro Finance Loans -Unsecured	16,843.07	10,509.40	8,092.16	6,000.41	3,625.66	4,758.74
Micro Finance Loans subordinated as Credit Enhancements for assets de-recognized – Unsecured	41.04	84.73	18.13	-	14.74	32.36
Vehicle loans – Secured	6,236.12	4,776.28	2,735.15	1,173.57	297.51	-
Housing Loans-Secured	105.18	72.58	31.83	8.22	1.11	-
Gold Loans-Secured	-	-	0.21	2.59	-	0.12
Micro Small Enterprise Loans	792.41	584.90				
Other loans – Secured	26.05	20.20	93.37	3.64	-	-
Installments overdue from borrowers – Unsecured						
- More than Nine months from the date these were due for payment	680.18	219.03	72.75	0.06	52.74	10.12
- Others	72.54	262.20	183.14	1.52	5.30	10.99
	24,796.59	**16,529.32**	**11,226.74**	**7,190.01**	**3,997.06**	**4,812.33**
Note						
(a) Of the above:						
Considered Good	24,298.97	16,262.55	11,119.02	7,172.15	3,927.03	4,795.49
Considered Doubtful (Sub-Standard and Doubtful Receivables under financing activities as per Company's Provisioning Norms)	497.62	266.77	107.72	17.86	70.03	16.84
(b) Receivables related to the directors or promoters or the issuers	-	-	-	-	-	-

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 23

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Cash on Hand	178.88	44.48	29.72	6.29	0.16	0.01
Balances with Banks						
- In Current Accounts	1,892.42	2,276.68	2,494.69	2,432.40	1,314.90	594.76
- In Deposits Accounts - Free of Lien - Maturity less than 3 months	193.20	2,650.82	1,250.00	650.00	300.00	1,350.19
- In Deposits Accounts - Free of Lien - Maturity more than 3 months	31.48	0.11	3.69	909.83	85.40	103.82
- In Deposits Accounts - Under Lien	505.23	601.76	368.97	461.41	144.12	368.67
	2,801.21	**5,573.85**	**4,147.07**	**4,459.93**	**1,844.58**	**2,417.45**
Notes:						
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement	2,264.50	4,971.98	3,774.41	3,088.69	1,615.06	1,944.96

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 24

RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term loans and advances						
Loans to Employees						
- Secured, Considered Good	4.74	3.52	3.40	3.56	4.98	6.41
- Unsecured, Considered Good	33.66	12.87	5.70	5.65	6.69	7.27
- Unsecured, Considered Doubtful	2.91	2.11	1.88	0.91	0.86	0.27
Less : Provision for Doubtful Loans to Employees	2.91	2.11	1.88	0.91	0.86	0.27
	38.40	16.39	9.10	9.21	11.67	13.68
Gratuity	12.19	4.85	2.24	-	-	
Loans to Related Parties - Unsecured, Considered Good	-	-	2.58	18.92	10.89	11.67
Prepaid Expenses - Unsecured, Considered Good	30.63	22.03	32.88	24.66	20.90	16.99
Service Tax Input Credit - Unsecured, Considered Good	4.22	7.51	5.12	4.12	7.15	12.50
Deposits - on lien against borrowings - Unsecured, Considered Good	-	66.61	17.92	-	-	-
Inter Corporate Deposits Under Lien - Unsecured, Considered Good	-	-	-	4.00	93.25	37.59
Travel and Other Advances - Unsecured, Considered Good	161.25	39.79	12.84	9.11	4.55	6.07
MAT Credit entitlement	3.07	-	-	0.48	-	-
Receivables from Assignees for Assets De-recognised - Unsecured, Considered Good	-	-	-	234.96	102.96	-
Receivables from Special Purpose Vehicles for Assets De-recognised - Unsecured, Considered Good	28.56	62.41	193.57	26.61	-	-
Advance Income Tax (Net)	2.68	-	-	-	-	-
	281.00	**219.59**	**276.25**	**332.07**	**251.37**	**98.50**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 25

RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other current assets						
Gold Coins	0.01	0.01	0.01	0.01	0.01	0.02
Interest Accrued But Not Due						
Gratuity	2.08					
- on Receivables under Financing Activities	503.94	390.89	259.18	139.40	56.04	37.39
- on Loans given to Related Parties	-	-	0.07	0.64	0.40	0.23
- on Deposits with Banks / Others	8.27	35.49	13.04	53.50	39.72	24.44
- on Pass through Certificates		-	0.39	1.82	-	-
Repossessed Assets (Net of provisions)	93.89	67.81	42.23	26.79	-	-
IFC Grant receivable	-	3.12	3.01	2.72	-	-
Interest Accrued and Due on Housing Loans	-	-	-	0.01	-	-
Interest Strip Retained on Assignment of Receivables	-	-	-	45.66	174.84	79.34
Interest Strip Retained on Securitisation of Receivables	435.96	435.48	314.34	179.47	-	-
Unamortised discount on Commercial Papers	-	2.38	-	-	-	-
Insurance Claims Receivable						
- Considered Good	8.84	4.00	11.58	11.75	4.56	5.53
- Considered Doubtful	3.86	2.37	1.72	4.60	2.61	1.78
Less : Provision for Doubtful Claims	3.86	2.37	1.72	4.60	2.61	1.78
	8.84	4.00	11.58	11.75	4.56	5.53
	1,052.99	**939.18**	**643.85**	**461.77**	**275.57**	**146.95**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 26

RESTATED CONSOLIDATED SUMMARY STATEMENT OF REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue From Operations						
Interest Income:						
from Loans	6,729.30	6,400.43	4,073.24	2,312.11	1,582.88	1,985.15
from Deposits	84.36	92.08	135.95	83.48	84.61	71.90
Processing and other fees	519.80	511.36	289.57	126.04	15.60	38.49
Interest spread on securitisation	502.08	467.69	282.08	233.79	227.79	234.98
Gain on sale of current investments (Net)	72.17	63.53	28.81	50.77	58.29	30.20
Interest income on Pass through certificates	-	3.20	2.51	2.21	-	-
Revenue Grants	4.87	11.51	11.07	13.07	4.42	-
Miscellaneous Income	0.90	0.84	1.05	0.06	7.01	27.42
	7,913.48	**7,550.64**	**4,824.28**	**2,821.53**	**1,980.60**	**2,388.14**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 27

RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER INCOME

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Other income						
Interest Income						
- on Loans / Deposits to Related Parties	-	0.37	7.04	7.56	3.13	-
- on Loans to Employees	3.93	3.32	1.89	1.74	2.31	-
Net Gain on Sale of Fixed Assets	0.18	0.67	-	-	0.23	0.07
Miscellaneous Income	29.43	4.26	1.96	0.90	0.22	3.82
	33.54	**8.62**	**10.89**	**10.20**	**5.89**	**3.89**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 28

RESTATED CONSOLIDATED SUMMARY STATEMENT OF FINANCE COSTS

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Finance Costs						
Interest on Term Loans	2,170.06	2,415.51	1,576.86	891.06	569.92	665.57
Interest on Non Convertible Debentures	846.41	447.87	284.06	140.38	58.66	-
Loan processing fees and other borrowing costs	66.26	83.64	34.29	44.84	13.56	22.72
	3,082.73	**2,947.02**	**1,895.21**	**1,076.28**	**642.14**	**688.29**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 29

RESTATED CONSOLIDATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Employee Benefits Expense						
Salaries	1,369.46	1,285.59	847.18	661.65	542.43	382.26
Contribution to Provident Fund and other funds	86.60	101.76	54.58	43.51	34.57	31.45
Gratuity Expenses	28.65	1.48	-	-	-	5.50
Staff welfare expenses	155.78	162.14	101.32	75.29	61.32	32.84
	1,640.49	**1,550.97**	**1,003.08**	**780.45**	**638.32**	**452.05**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 30

RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER EXPENSES

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Rent	68.91	67.36	50.23	44.08	40.93	31.65
Brokerage & commission	41.64	48.68	33.60	3.13	0.14	0.29
Rates & taxes	60.71	49.10	29.36	20.09	27.79	3.28
Filling fee	-	14.90	1.60	0.07	0.52	0.04
Insurance	4.49	6.50	3.04	1.83	2.06	8.74
Travelling & conveyance	197.89	201.84	130.46	93.62	62.59	41.35
Printing & stationery	50.34	58.70	41.77	30.87	23.14	26.05
Electricity charges	15.32	15.70	9.12	8.24	5.88	4.17
Postage & courier		11.25	5.53	3.30	0.70	10.63
Cash Management Charges	35.15	42.30	39.66	28.56	25.20	23.62
Communication expenses	73.71	70.45	44.53	35.14	29.24	16.75
Legal & professional charges	69.13	90.27	40.75	30.60	20.15	22.66
Repairs & maintenance-Buildings	0.12	0.29	0.12	-	-	0.50
Repairs & maintenance- Others	23.20	23.28	14.33	11.41	7.50	6.82
Advertisement and Business Promotion	1.38	0.67	0.30	0.59	4.31	4.85
Software and other maintenance expense	57.31	51.91	43.57	33.89	22.80	23.83
Directors' Sitting Fees		2.01	0.44	0.28	0.10	-
Non Executive Directors' Remuneration	18.63	20.58	13.30	8.71	4.29	0.73
Loss on sale of fixed assets (net)		-	0.16	-	0.09	-
Corporate Social Responsibility						
- Donations	55.36	23.50	28.20	16.76	9.12	15.22
- Other Expenditure	3.26	14.89	3.92	-	-	-
Prompt Payment Rebate(Net)	-	-	0.09	10.34	122.24	148.44
Centre Head fees Expenses	-	-	-	15.55	-	60.05
Provision for doubtful advances - Staff loan	5.20	1.37	0.97	2.04	1.21	2.38
Auditors' Remuneration (Net of Service Tax)	4.22	5.71	5.26	4.57	4.34	2.81
Miscellaneous expenses	24.14	15.84	12.63	6.22	61.35	21.38
	810.11	**837.10**	**552.94**	**409.89**	**475.69**	**476.24**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS “EQUITAS HOLDINGS PRIVATE LIMITED”)

ANNEXURE 31

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROVISIONS AND WRITE OFFS

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Provisions and Write - Offs						
Contingent provision for Standard Receivables under financing activities (Net)	151.47	78.06	46.22	57.66	(9.28)	18.15
Provision for Sub-Standard and Doubtful Receivables under financing activities (Net)	84.48	77.89	14.90	12.05	48.12	14.51
Provision against repossessed assets	5.64	30.59	28.92	3.28	-	-
Provision for credit enhancements on assets de -recognised (Net)	(26.77)	24.95	6.76	8.16	5.10	5.03
Loss on sale of repossessed vehicles written-off	190.78	252.22	75.30	-	-	-
Loss on loan assets written-off	39.44	48.64	11.77	74.25	5.98	239.19
Less: Release from Provision for Sub-standard and Doubtful Receivables under Financing Activities	-	(8.03)	-	(66.29)	-	-
	39.44	40.61	11.77	7.96	5.98	239.19
	445.04	**504.32**	**183.87**	**89.11**	**49.92**	**276.88**

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 32

RESTATED CONSOLIDATED SUMMARY STATEMENT OF COMMITMENTS AND CONTIGENCIES

(Rs in Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Contingent Liabilities: (to the extent not provided for)						
Income Tax Demand (Refer Note c below)	6.04	6.04	4.14	2.41	-	-
Provident Fund demand under appeal (Refer Note a below)	18.75	18.75	18.75	18.75	18.75	-
Service Tax (Refer Note b below)	36.40	34.29	27.36	27.73	27.73	12.58
Value added tax	0.05	0.05	-	-	-	
Corporate Guarantees	-	-	-	15.00	20.00	25.00
Commitments:						
Housing / non housing loan sanctioned but not disbursed	195.00	125.25	74.45	70.53	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	14.96	56.79	23.85	17.81	20.47	17.53
-Other Commitments	95.99					
Bank Guarantees	20.00	20.00	-	-	-	-

(a) Provident Fund Demand

An Order dated 22 October 2010 has been received from the Regional Provident Fund Commissioner demanding an amount of Rs.18.75 million towards provident fund payment on the incentives / allowances paid to the employees for the period February 2009 to September 2010. The Group believes that the claim is untenable and, hence, has preferred an appeal with the Employees' Provident Fund Appellate Tribunal and has obtained a stay against the said Order. As per the stay order received from the Employees' Provident Fund Appellate Tribunal, an amount of Rs. 5.63 million has been deposited with the Employees' Provident Fund Organisation and included as part of Security Deposits in Annexure 19 - Long-Term Loans and Advances. As at 31 December 2015, the appeal is pending.

(b) Service Tax

i. The Group has received three show cause notices from the Service Tax authorities disallowing the service tax input credit claimed by the Group during the period 2008-2011 attributable to input services used for providing exempt services to the extent of Rs. 27.74 million. Based on professional advice, the Group replied to the above show cause notice contesting the claim of the Service Tax authorities. There has been no further progress in this matter.

ii. During the year ended 31 March 2015, the Group has received a show cause notice from the Service Tax authorities stating that the service fee charged by the Group as collection agent on the securitized assets for the five years from 2009 to 2014 is not representative of actual consideration for the services rendered and has determine the service tax payable for the above period as Rs. 6.55 million (excluding interest and penalty which is not quantified). During the period the company has received statement of demand for Rs.2.11 million for the same matter said above for the year 2014-15 .Based on professional advice, the Group replied to the above show cause notice contesting the claim of the Service Tax authorities.

(c) Income Tax

While completing the Income Tax Assessment of the Company for the Assessment Years 2011-12 and 2012-13, the Department had disallowed a portion of total expenses under Section 14A of the Income Tax Act stating that a portion of expenses incurred to earn non-taxable income and raised a demand of Rs. 1.91 Million and Rs. 2.23 Million for respective assessment years. The Parent Company has filled an appeal against the disallowance with Commissioner of Income tax - Appeals. The Parent Company has been professionally advised that they have a strong case in their favour& accordingly no provision has been considered necessary for these disputed demands.

While completing the Income Tax assessment for the Assessment Year 2012-13 in case of one of the subsidiaries, the Department has added interest on Non-performing assets on accrual basis and raised a demand of Rs.1.90 Million. The Subsidiary had filed an appeal against the disallowance with Commissioner of Income Tax - Appeals. Based on professional advice, the subsidiary strongly believes that the case will be decided in their favour and hence no provision has been considered.

The amounts are based on demands raised which the Group is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Group's rights for future appeals. No reimbursements are expected.

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 33

RESTATED CONSOLIDATED SUMMARY STATEMENT OF RELATED PARTY TRANSACTIONS

Names of Related Parties and Nature of Relationship

Description of Relationship	Company
Enterprises over which company or Key management personnel is able to exercise significant influence.	EquitasDhanyakosha India
	Equitas Development Initiatives Trust
Key Management Personnel	Mr. P.N.Vasudevan, Managing Director Mr. S.Bhaskar,Group Chief Financial Officer (from 01 November 2014)

Transactions with the Related Parties

(Rs. In Million)

Transaction	Related Party	For the Nine months ended 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
Income							
Interest on Loans / Deposit to Related Party	Equitas Development Initiatives Trust	-	0.37	2.13	2.32	0.75	-
	Equitas Dhanyakosha India	-	-	4.91	5.24	2.28	0.40
Guarantee Commission	Equitas Dhanyakosha India	-	-	0.02	0.05	0.10	-
Rental Income	Equitas Development Initiatives Trust		Rs.36	Rs. 48	Rs. 48	Rs. 44	2.44
Recovery of Expenses	Equitas Dhanyakosha India	-	0.09	0.75	6.06	5.60	-
	Equitas Development Initiatives Trust	-	0.04	0.12	0.28	2.44	-
Expenses							
Staff Welfare Expenses/purcahse of food items	Equitas Dhanyakosha India	9.36	0.07	0.12	0.06	0.11	0.98
Sale of goods	Equitas Dhanyakosha India	-	-	-	-	-	0.04
Remuneration to Key Managerial Personnel	Mr. P.N.Vasudevan, Managing Director	3.65	4.92	-	4.82	4.82	4.91
	Mr. S.Bhaskar,Group Chief Financial Officer (from 01 November 2014)	4.26	2.21	-	-	-	-
Donations	Equitas Development Initiatives Trust	55.36	34.00	28.27	13.76	9.12	15.22
Reimbursement of Expenses	Equitas Dhanyakosha India	0.01	0.04	0.02	0.01	0.00	5.86
	Equitas Development Initiatives Trust	-	-	-	-	-	3.09
Other Transactions							
Issue of Equity Shares	Mr. P.N.Vasudevan	-	3.40	-	-	-	11.60
Loans Given	Equitas Dhanyakosha India	-	-	11.00	22.00	38.00	-
	Equitas Development Initiatives Trust		3.00	5.50	11.70	13.00	-
Loans Recovered	Equitas Dhanyakosha India	-	-	57.73	10.04	18.47	-
	Equitas Development Initiatives Trust	-	15.09	14.31	3.05	0.81	-

Transaction	Related Party	For the Nine Months ended 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
Sale of Fixed Assets	Equitas Dhanyakosha India	-	-	-	0.00	0.01	-
	Equitas Development Initiatives Trust	-	-	-	-	0.27	-
Purchase of Fixed Assets	Equitas Dhanyakosha India	-	-	-	-	-	0.29
Transfer of Staff loans to Related parties on account of employee transfer	Equitas Development Initiatives Trust	-	-	-	0.02	0.01	-
Recovered and paid on behalf of Customers	Equitas Development Initiatives Trust	3.09	4.45	4.86	0.90	0.17	3.33
	Equitas Dhanyakosha India	6.93	13.95	-	-	-	-
Balance as at Period/Year End							
Payable	Equitas Development Initiatives Trust -Donation	-	-	7.98	5.15	2.32	2.22
Receivable	Equitas Dhanyakosha India - Loan	-	-	-	46.73	34.77	15.00
	-Interest (accrued)	-	-	-	0.57	0.38	0.24
	Equitas Development Initiatives Trust - Loan	-	-	12.03	20.83	12.19	-
	-Interest (accured)	-	-	0.07	0.07	0.02	-
Deposits under lien given as security for overdraft facilities	Equitas Dhanyakosha India	75.00	75.00	75.00	-	-	-
Corporate Guarantee Given Outstanding	Equitas Dhanyakosha India	-	-	-	15.00	20.00	25.00

EQUITAS HOLDINGS LIMITED
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ANNEXURE 34
RESTATED CONSOLIDATED SUMMARY STATEMENT OF EARNINGS PER SHARE

Basic

Particulars	For the Nine Months Ended 31 December 2015	For the Year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Continuing operations						
Profit / (loss) after Tax for the Period/Year, as restated - Rs. In Million	1,203.66	1,069.88	743.19	318.98	(26.94)	285.16
Weighted Average Number of Equity Shares	269,159,617	238,176,746	186,159,948	152,028,240	133,281,489	130,893,003
Earnings Per Share (Basic) - in Rs.	4.47	4.49	3.99	2.10	(0.20)	2.18
Face Value Per Share - in Rs.	10	10	10	10	10	10
Total operations						
Profit after Tax for the year, as Restated - Rs. In Million	1,203.66	1,066.26	743.37	319.00	(34.74)	285.16
Weighted Average Number of Equity Shares	269,159,617	238,176,746	186,159,948	152,028,240	133,281,489	130,893,003
Earnings Per Share (Basic) - in Rs.	4.47	4.48	3.99	2.10	(0.26)	2.18
Face Value Per Share - in Rs.	10	10	10	10	10	10

Diluted

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012*	For the year ended 31 March 2011
Continuing operations						
Profit after Tax attributable to EquityShareholders, as Restated - Rs. In Million	1,203.66	1,069.88	743.19	318.98	-	285.16
Weighted Average Number of EquityShares for Basic EPS	269,159,617	238,176,746	186,159,948	152,028,240	-	130,893,003
Add: Effect of Warrants and ESOPs which are Dilutive	992,919	475,447	5,405,328	5,406,687	-	8,835,537
Weighted Average Number of Equity Shares for Dilutive EPS#	270,152,536	238,652,193	191,565,276	157,434,927	-	139,728,540
Earnings Per Share (Diluted) - in Rs	4.46	4.48	3.88	2.03	-	2.04
Face Value Per Share - in Rs.	10.00	10.00	10.00	10.00	-	10.00
Total operations						
Profit after Tax attributable to Equity Shareholders, as Restated - Rs. In Million	1,203.66	1,066.26	743.37	319.00	-	285.16
Weighted Average Number of Equity Shares for Basic EPS	269,159,617	238,176,746	186,159,948	152,028,240	-	130,893,003
Add: Effect of Warrants and ESOPs which are Dilutive	992,919	475,447	5,405,328	5,406,687	-	8,835,537
Weighted Average Number of EquityShares for Dilutive EPS#	270,152,536	238,652,193	191,565,276	157,434,927	-	139,728,540
Earnings Per Share (Diluted) - in Rs.	4.46	4.47	3.88	2.03	-	2.04
Face Value Per Share - in Rs.	10	10.00	10.00	10.00	-	10.00

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

\# Adjusted for Bonus issue for all the financial years

EQUITAS HOLDINGS LIMITED
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ANNEXURE 35

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROVISIONS AND LOAN LOSSES

LOAN PORTFOLIO AND PROVISION FOR STANDARD AND NON PERFORMING ASSETS

(Rs in Millions)

Asset Classification	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Loan Outstanding (gross)						
Standard Assets	49,469.64	34,271.95	21,076.49	12,101.65	6,086.83	6,225.61
Sub-Standard Assets	520.64	321.83	143.16	21.82	8.02	27.33
Doubtful Assets	148.52	52.46	11.90	11.43	65.20	15.00
Provision						
Standard Assets	401.97	250.50	172.43	126.20	68.54	77.83
Sub-Standard Assets	113.82	66.55	14.72	4.46	1.42	3.97
Doubtful Assets	66.68	29.47	11.45	6.81	64.08	13.64
Loan Outstanding (net)						
Standard Assets	49,067.67	34,021.45	20,904.06	11,975.45	6,018.29	6,147.78
Sub-Standard Assets	406.82	255.28	128.44	17.36	6.60	23.36
Doubtful Assets	81.84	22.99	0.45	4.62	1.12	1.36

EQUITAS HOLDINGS LIMITED
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ANNEXURE 35

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROVISIONS AND LOAN LOSSES

CHANGES IN PROVISIONS

(Rs in Millions)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Opening balance						
Contingent Provision for Standard Assets under Financing Activities	250.50	172.43	126.20	68.55	77.83	59.68
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	96.02	26.17	11.27	65.50	17.61	3.10
Provision for Credit Enhancements on Assets De-Recognised	65.86	40.90	34.14	25.99	20.89	15.86
Provision for Prompt Payment Rebate		-	-	121.41	149.33	88.99
Provision for Repossed Assets	62.79	32.20	3.28	-	-	-
Additional Provision						
Contingent Provision for Standard Assets under Financing Activities	272.25	296.77	135.08	110.76	50.34	21.12
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	137.89	108.59	25.02	13.34	48.12	15.38
Provision for Credit Enhancements on Assets De-Recognised	16.05	72.53	36.15	24.93	23.22	18.79
Provision for Prompt Payment Rebate		-	-	10.34	-	64.71
Provision for Repossed Assets	223.53	180.28	32.20	3.28	-	-
Utilization / Reversal						
Contingent Provision for Standard Assets under Financing Activities	(120.78))	(218.71)	(88.86)	(53.10)	(59.95)	(2.97)
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	(53.41)	(38.73)	(10.12)	(67.58)	(0.23)	(0.87)
Provision for Credit Enhancements on Assets De-Recognised	(42.82)	(47.58)	(29.37)	(16.77)	(18.14)	(13.76)
Provision for Prompt Payment Rebate	-	-	-	(131.75)	(27.92)	(4.42)
Provision for Repossed Assets	(217.89)	(149.69)	(3.28)	-	-	-
Closing balance						
Contingent Provision for Standard Assets under Financing Activities	401.97	250.50	172.43	126.20	68.22	77.83
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	180.50	96.02	26.17	11.27	65.50	17.61
Provision for Credit Enhancements on Assets De-Recognised	39.09	65.86	40.92	34.14	25.97	20.89
Provision for Prompt Payment Rebate		-	-	-	121.41	149.28
Provision for Repossed Assets	68.43	62.79	32.20	3.28	-	-

EQUITAS HOLDINGS LIMITED
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ANNEXURE 37

CONSOLIDATED SUMMARY STATEMENT OF KEY FINANCIAL INDICATORS

(Rs in Millions)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Net tangible Assets*	57,602.83	44,392.18	27,348.34	18,370.03	9,503.40	9,588.39
Monetary Assets #	4,564.22	7,328.85	4,147.07	4,459.93	1,844.58	2,417.45
Pre-tax operating profit, from continued operations as restated	1,872.16	1,635.56	1,138.11	397.64	116.61	440.40
Net Worth	12,928.77	11,706.30	7,416.65	4,719.42	3,022.52	3,017.97

* Net tangible assets = Total Assets – Intangible Assets – Deferred Tax – Goodwill on Consolidation
# Monetary assets= Cash and cash equivalents+ Current investments

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 38

CONSOLIDATED SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Book Value per share (Net Worth / Number of shares)	47.98	43.54	102.13	81.70	68.03	67.93
Return on Net Worth (Net Income / Shareholder's Funds)	9.31%	9.11%	10.02%	6.76%	(1.15%)	9.45%

EQUITAS HOLDINGS LIMITED
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ANNEXURE 36
RESTATED CONSOLIDATED SUMMARY STATEMENT ON SEGMENT REPORTING

The Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily Micro Finance, Other Finance and Others. Other Finance consists of Housing Finance and Vehicle Finance. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. The Group has its business only in India, hence there are no Geographical segments.

Particulars	For the period ended 31 December 2015					For the year ended 31 March 2015				
	Business segments			Elimination	Total	Business segments			Elimination	Total
	Micro Finance	Asset Finance	Others			Micro Finance	Asset Finance	Others		
External Revenue	4,252.13	3,649.17	-	-	7,901.30	4,321.20	3,220.08	-	-	7,541.28
Inter-segment revenue	45.47	-	-	(45.47)	-	30.92	-	-	(30.92)	-
Total Revenue	4,297.60	3,649.17	-	(45.47)	7,901.30	4,352.12	3,220.08	-	(30.92)	7,541.28
Segment result	868.24	1,033.05	(5.96)	-	1,895.33	1,041.33	632.76	(3.53)	-	1,670.56
Unallocable Coporate Income					11.17					9.36
Unallocable expenses (net)					(34.34)					(47.88)
Other income (net)					-					-
Profit before taxes					1,872.16					1,632.04
Tax expense					668.50					566.07
Profit for the year					1,203.66					1,065.97
Segment assets	30,987.36	25,841.88	145.34	(6.49)	56,968.09	21,981.56	21,808.21	-	(6.76)	43,783.01
Unallocable assets					998.39					865.43
Total assets					57,966.48					44,648.44
Segment liabilities	26,830.36	18,176.16	2.60	(6.49)	45,002.63	18,336.93	14,600.33	-	(6.76)	32,930.50
Unallocable liabilities					18.77					10.56
Total liabilities					45,021.40					32,941.06
Other information										
Capital expenditure (allocable)	83.33	62.40	-	-	145.73	130.56	91.05	-	(1.95)	2,19.66
Capital expenditure (unallocable)					0.11					72.13
Depreciation and amortisation (allocable)	51.81	38.25	6.43	-	96.49	39.48	37.47	0.00	-	76.95
Depreciation and amortization (unallocabl3)			-	-	6.38	-	-	-	-	7.35
Other significant non-cash expenses			-	-	-	-	-	-	-	-
Other significant non-cash expenses (unallocable)	-	-	-	-	-	-	-	-	-	-

(Rs in Millions)

Particulars	For the year ended 31 March 2015					For the year ended 31 March 2014				
	Business segments			Elimination	Total	Business segments			Elimination	Total
	Micro Finance	Asset Finance	Others			Micro Finance	Asset Finance	Others		
External Revenue	4,321.20	3,220.08	-	-	7,541.28	3,369.91	1,447.20		-	4,817.11
Inter-segment revenue	30.92	-	-	(30.92)	-		-		-	-
Total Revenue	4,352.12	3,220.08	-	(30.92)	7,541.28	3,369.91	1,447.20		-	4,817.11
Segment result	1,041.33	632.76	(3.53)	-	1,670.56	859.94	286.97	0.25	-	1,147.16
UnallocableCoporate Income					9.36					7.16
Unallocable expenses (net)					(47.88)					(16.04)
Other income (net)					-					-
Profit before taxes					1,632.04					1,138.28
Tax expense					566.07					396.71
Profit for the year					1,065.97					741.57
Segment assets	21,981.56	21,808.21	-	(6.76)	43,783.01	17,436.43	10,101.14	3.80	(535.22)	27,006.14
Unallocable assets					865.43					504.56
Total assets					44,648.44					27,510.70
Segment liabilities	18,336.93	14,600.33	-	(6.76)	32,930.50	14,431.79	6,182.94	0.19	(535.22)	20,079.70
Unallocable liabilities					10.56					10.78
Total liabilities					32,941.06					20,090.48
Other information										
Capital expenditure (allocable)	130.56	91.05	-	(1.95)	219.66	23.57	28.67		-	52.24
Capital expenditure (unallocable)					72.13					23.78
Depreciation and amortisation (allocable)	39.48	37.47	0.00	-	76.95	29.36	27.80	0.03	-	57.19
Depreciation and amortisation (unallocable)	-	-	-	-	7.35		-		-	4.73
Other significant non-cash expenses (allocable)	-	-	-	-	-		-		-	-
Other significant non-cash expenses (unallocable)	-	-	-	-	-		-		-	-

Particulars	For the year ended 31 March 2013					For the year ended 31 March 2012				
	Business segments			Elimination	Total	Business segments			Elimination	Total
	Micro Finance	Asset Finance	Others			Micro Finance	Asset Finance	Others		
External Revenue	2,242.63	524.44	3.64		2,770.71	1,855.37	69.79	18.16	-	1,943.32
Inter-segment revenue	9.49	-	11.73	(21.22)	-			3.58	(3.58)	-
Total Revenue	2,252.12	524.44	15.37	(21.22)	2,770.71	1,855.37	69.79	21.74	(3.58)	1,943.32
Segment result	360.09	(20.61)	5.62	-	345.10	219.67	(180.97)	(3.17)	-	35.53
Unallocable Coporate Income					-					-

Particulars	For the year ended 31 March 2013					For the year ended 31 March 2012				
	Business segments			Elimination	Total	Business segments			Elimination	Total
	Micro Finance	Asset Finance	Others			Micro Finance	Asset Finance	Others		
Unallocable expenses (net)										
Other income (net)					61.26					64.52
Profit before taxes					406.36					100.05
Tax expense					79.41					147.98
Profit for the year					326.95					(47.93)
Segment assets	14,030.63	4,101.81	4,337.52	(4,108.24)	18,361.72	8,126.40	1,205.28	2,950.76	(2,777.96)	9,504.48
Unallocable assets					177.53					98.10
Total assets					18,539.25					9,602.58
Segment liabilities	11,559.46	2,304.35	3.69	(50.00)	13,817.50	6,162.83	585.54	4.95	(169.25)	6,584.07
Unallocable liabilities					0.35					1.90
Total liabilities					13,817.85					6,585.97
Other information										
Capital expenditure (allocable)	14.93	15.35	19.62		49.90	15.04	53.57	31.93	-	100.54
Capital expenditure (unallocable)										
Depreciation and amortisation (allocable)	44.05	22.04	3.52	-	69.61	54.11	15.40	3.05	-	72.56
Depreciation and amortisation (unallocable)										
Other significant non-cash expenses (allocable)	-	-	-	-	-	-	-	16.80	(16.80)	-
Other significant non-cash expenses (unallocable)	-	-	-	-	-	-	-	-	-	-

Particulars	For the year ended 31 March 2011				
	Business segments			Elimination	Total
	Micro Finance	Asset Finance	Others		
External Revenue	2,381.48		6.66		2,388.14
Inter- segment revenue					-
Total Revenue	2,381.48	-	6.66	-	2,388.14
Segment result	455.00	-	(14.60)	-	440.40
Unallocable Coporate Income					-
Unallocable expenses (net)					-
Other income (net)					-
Profit before taxes					440.40
Tax expense					155.24
Profit for the year					285.16
Segment assets	9,620.42	-	-	-	9,620.42
Unallocable assets					50.74
Total assets					9,671.16
Segment liabilities	6,653.20				6,653.20
Unallocable liabilities					-

Particulars	For the year ended 31 March 2011				
	Business segments			Elimination	Total
	Micro Finance	Asset Finance	Others		
Total liabilities					6,653.20
Other information					
Capital expenditure (allocable)	144.76	-	-		144.76
Capital expenditure (unallocable)					
Depreciation and amortisation (allocable)	47.95				47.95
Depreciation and amortisation (unallocable)					-
Other significant non-cash expenses (allocable)					-
Other significant non-cash expenses (unallocable)					-

EQUITAS HOLDINGS LIMITED
(FORMERLY KNOWN AS "EQUITAS HOLDINGS PRIVATE LIMITED")

ANNEXURE 39

CONSOLIDATED SUMMARY STATEMENT OF CAPITALISATION

(Rs in Million)

Particulars	Pre-Offer as at December 2015	Pre-Offer as at March 31, 2015	Adjusted for the post-Offer
Shareholders' Funds			
Equity Share Capital	2,694.57	2,688.74	[●]
Reserves & Surplus	10,234.20	9,017.56	[●]
Total Shareholders' Funds (A)	12,928.77	11,706.30	
Debt			
Long Term Borrowings	23,603.46	14,569.99	
Short Term Borrowings	3,350.57	4,180.96	[●]
Other Borrowings (Current maturity of long term borrowings)	14,594.76	11,570.80	[●]
Total Debt (B)	41,548.79	30,321.75	[●]
Total (A+B)	54,477.56	42,028.05	[●]
Long-term debt (excludes current maturities of long term borrowings) /equity ratio	1.83	1.24	
Total debt/equity ratio	3.21	2.59	

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 26 OF PART I OF CHAPTER III OF COMPANIES ACT, 2013, READ WITH RULE 4 to 6 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

TO THE BOARD OF DIRECTORS OF

Equitas Micro Finance Limited
(Formerly known as Equitas Micro Finance Private Limited)
Phase II, 4th Floor,
F-39, Spencer Plaza,
No. 769 Anna Salai,
Chennai 600 002.

Dear Sirs,

1. We have examined the attached Restated Financial Information of Equitas Micro Finance Limited, formerly known as Equitas Micro Finance Private Limited ('**the Company**'), which comprises of the Restated Summary Statement of Assets and Liabilities as at December 31, 2015, March 31, 2015, 2014, 2013 and 2012, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013 and 2012 and the Summary of Significant Accounting Policies (the "**Restated Financial Statements**") as approved by the Board of Directors of the Company at their meeting held on February 4, 2016 for the purpose of inclusion in the Red Herring Prospectus (**"RHP"**) prepared by Equitas Holdings Limited, formerly known as Equitas Holdings Private Limited ("the Holding Company") in connection with the proposed initial public offering (IPO) of its equity shares including an Offer for Sale of equity shares by the Selling Shareholders of Rs.10 each at such premium, arrived at by book building process (referred to as the "**Issue**"), as may be decided by the Holding Company's Board of Directors, prepared in accordance with the provisions of :

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**the Rules**"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI-ICDR Regulations**").

2. We have examined such Restated Financial Statements taking into consideration

   a) The terms of reference and terms of our engagement agreed upon with the Company in accordance with our addendum to engagement letter dated October 1, 2015 in connection with the proposed IPO of the Holding Company; and

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. These Restated Financial Statements have been extracted by the management from the Audited Financial Statements as at December 31, 2015, March 31, 2015, 2014, 2013 and 2012, for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013 and 2012 which have been approved by Board of directors at their meetings held on February 4, 2016, May 6, 2015, May 8, 2014, May 3, 2013 and May 8, 2012 respectively.

4. Based on our examination, we report that:

a) The Restated Summary Statement of Assets and Liabilities of the Company as at December 31, 2015, March 31, 2015, 2014, 2013 and 2012, as set out in Annexure-1 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 –Summary Statement of Adjustments to Audited Financial Statements.

b) The Restated Summary Statement of Profit and Loss of the Company for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013 and 2012, as set out in Annexure-2 to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Annexure 5 –Summary Statement of Adjustments to Audited Financial Statements.

c) The Restated Summary Statement of Cash Flows of the Company for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013 and 2012, as set out in Annexure-3 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 –Summary Statement of Adjustments to Audited Financial Statements.

Based on the above, and according to the information and explanations given to us, we are of opinion that the Restated Financial Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate.

Further, there are no changes in the Significant Accounting Policies adopted by the Company in the financial years / periods covered by this report which would require adjustment in the Restated Financial Statements.

There are no extra-ordinary items that need to be disclosed separately in the Restated Financial Statements.

There were no qualifications in the Auditors' report for the relevant reporting periods which require any adjustments to the Restated Financial Statements.

5. We have also examined the following Restated Financial Statements of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 4, 2016 as at and for the nine months ended December 31, 2015 and for the years ended March 31, 2015, 2014, 2013 and 2012.

(a) Annexure 5 - Summary Statement of Adjustments to Audited Financial Statements;

(b) Annexure 6 - Restated Summary Statement of Share Capital;

(c) Annexure 7– Restated Summary Statement of Reserves & Surplus;

(d) Annexure 8 –Restated Summary Statement of Long Term Borrowings;

(e) Annexure 9- Restated Summary Statement of Other Long Term Liabilities;

(f) Annexure 10– Restated Summary Statement of Long Term Provisions;

(g) Annexure 11 – Restated Summary Statement of Short Term Borrowings;

(h) Annexure 12 - Restated Summary Statement of Current Maturities of Long Term Borrowings;

(i) Annexure 13 – Restated Summary Statement of Other Current Liabilities;

(j) Annexure 14 – Restated Summary Statement of Short Term Provisions;

(k) Annexure 15 - Restated Summary Statement of Fixed Assets;

(l) Annexure 16 – Restated Summary Statement of Non-Current Investments;

(m) Annexure 17 - Restated Summary Statement of Deferred Tax Asset;

(n) Annexure 18 - Restated Summary Statement of Long Term Receivables under Financing Activities;

(o) Annexure 19 - Restated Summary Statement of Long Term Loans and Advances;

(p) Annexure 20 - Restated Summary Statement of Other Non-Current Assets;

(q) Annexure 21 - Restated Summary Statement of Current Investments;

(r) Annexure 22 - Restated Summary Statement of Short Term Receivables under Financing Activities;

(s) Annexure 23 - Restated Summary Statement of Cash and Cash Equivalents;

(t) Annexure 24 - Restated Summary Statement of Short Term Loans and Advances;

(u) Annexure 25 - Restated Summary Statement of Other Current Assets;

(v) Annexure 26 - Restated Summary Statement of Revenue from Operations;

(w) Annexure 27 - Restated Summary Statement of Other Income;

(x) Annexure 28 - Restated Summary Statement of Finance Costs;

(y) Annexure 29 - Restated Summary Statement of Employee Benefit Expenses;

(z) Annexure 30 - Restated Summary Statement of Other Expenses;

(aa) Annexure 31- Restated Summary Statement of Provisions and Write Offs;

(bb) Annexure 32 - Restated Summary Statement of Commitments & Contingencies;

(cc) Annexure 33 - Restated Summary Statement of Related Party Transactions;

(dd) Annexure 34 - Restated Summary Statement of Earnings Per Share;

(ee) Annexure 35 - Restated Summary Statement of Provisions and Loan Losses;

(ff) Annexure 36 - Restated Summary Statement of Capital Adequacy;

(gg) Annexure 37 – Restated Summary Statement of Securitisation / Assignment;

(hh) Annexure 38 - Summary Statement of Key Financial Indicators;

(ii) Annexure 39 - Summary Statement of Accounting Ratios;

(jj) Annexure 40 - Summary Statement of Capitalisation; and

(kk) Annexure 41 - Summary Statement of Tax Shelter.

In our opinion, the Restated Financial Statements and the above Restated Financial Information contained in Annexures 5 to 41 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure 4, are prepared after making adjustments and regroupings / reclassifications as considered appropriate and have been prepared in accordance with the provisions of Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with the Company.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed issue of equity shares of the Holding Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: February 4, 2016

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 1

RESTATED SUMMARY STATEMENT OF ASSETS & LIABILITIES

(Rs. In Million)

Particulars	Annexure References	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
EQUITY AND LIABILITIES						
Shareholders' Funds						
Share capital	6	1,987.50	1,987.50	1,987.50	1,987.50	1,802.66
Reserves and surplus	7	2,398.39	1,812.46	1,126.98	561.49	221.68
		4,385.89	**3,799.96**	**3,114.48**	**2,548.99**	**2,024.34**
Non-Current Liabilities						
Long-term borrowings	8	13,726.70	7,134.12	5,058.48	6,271.41	2,813.35
Other long-term liabilities	9	102.82	103.55	67.99	44.45	100.04
Long-term provisions	10	126.51	85.85	55.80	57.03	39.82
		13,956.02	**7,323.52**	**5,182.27**	**6,372.89**	**2,953.21**
Current Liabilities						
Short-term borrowings	11	-	-	338.39	99.80	500.00
Current Maturities of long-term borrowings	12	11,100.11	9,142.25	7,778.33	4,212.16	1,956.08
Trade payables		211.37	136.19	93.39	64.25	60.34
Other current liabilities	13	1,206.64	1,471.77	837.06	662.97	418.20
Short-term provisions	14	356.22	263.21	202.53	147.39	276.35
		12,874.34	**11,013.42**	**9,249.70**	**5,186.57**	**3,210.97**
TOTAL		**31,216.26**	**22,136.90**	**17,546.45**	**14,108.45**	**8,188.52**
ASSETS						
Non-Current Assets						
Fixed Assets						
Tangible assets	15	135.08	101.11	23.70	25.74	44.35
Intangible assets	15	10.04	13.43	2.13	6.17	17.47
Capital Work in Progress		-	12.70	1.28	-	-
		145.12	**127.24**	**27.11**	**31.91**	**61.82**
Non-current investments	16	2.00	2.00	2.00	36.01	2.00
Deferred tax asset (Net)	17	199.04	137.23	102.05	76.19	62.15
Long-term receivables under financing activities	18	9,578.02	5,631.66	3,738.49	2,638.69	1,462.47
Long-term loans and advances	19	184.56	97.62	128.05	195.63	210.65
Other non-current assets	20	412.90	570.86	534.17	454.48	495.31
		10,521.64	**6,566.61**	**4,531.87**	**3,432.91**	**2,294.40**

Particulars	Annexure References	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Current Assets						
Current investments	21	1,650.00	1,500.00	34.01	39.47	-
Short-term receivables under financing activities	22	16,971.74	10,600.80	8,118.16	6,004.58	3,698.44
Cash and cash equivalents	23	1,504.92	2,682.48	3,654.25	3,926.26	1,684.39
Short-term loans and advances	24	152.30	185.57	776.36	320.25	248.74
Other current assets	25	415.66	601.44	431.80	384.98	262.55
		20,694.62	**15,570.29**	**13,014.58**	**10,675.54**	**5,894.12**
TOTAL		**31,216.26**	**22,136.90**	**17,546.45**	**14,108.45**	**8,188.52**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 2

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Million)

Particulars	Annexure References	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
A - Income						
Revenue from operations	26	4,297.60	4,352.13	3,369.90	2,279.86	1,893.97
Other income	27	27.92	27.69	46.29	18.84	5.73
Total		**4,325.52**	**4,379.82**	**3,416.19**	**2,298.70**	**1,899.70**
B - Expenditure						
Finance costs	28	1,843.93	1,869.99	1,473.40	949.40	627.10
Employee benefit expenses	29	929.41	870.29	633.55	533.41	484.03
Other expenses	30	464.58	469.19	364.83	305.26	412.41
Depreciation and amortisation expenses	15	51.81	39.48	29.36	44.03	54.13
Provisions and write offs	31	122.07	89.57	55.12	59.92	43.87
Total		**3,411.80**	**3,338.52**	**2,556.26**	**1,892.02**	**1,621.54**
Profit before tax as per audited financial statements (A-B)		**913.70**	**1,041.30**	**859.93**	**406.68**	**278.16**
Restated Adjustments		-	-	-	-	-
C- Profit before tax as restated		**913.72**	**1,041.30**	**859.93**	**406.68**	**278.16**
D - Tax expense						
Current tax		389.60	391.00	320.30	145.60	118.70
Deferred tax		(61.81)	(35.18)	(25.86)	(14.04)	(22.97)
Total tax expense as restated		**327.79**	**355.82**	**294.44**	**131.56**	**95.73**
Profit after tax as restated (C-D)		**585.93**	**685.48**	**565.49**	**275.12**	**182.43**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 3

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Cash Flow from Operating Activities					
Profit Before Tax, as restated	913.72	1,041.30	859.93	406.68	278.16
Adjustments:					
Depreciation and Amortisation Expenses	51.81	39.48	29.36	44.03	54.13
Contingent Provision for Standard Receivables under Financing Activities (Net)	128.57	54.69	40.06	44.35	(14.17)
Provision for Sub-standard and Doubtful Receivables under Financing Activities (Net)	22.58	7.99	7.51	3.10	47.09
Provision for Credit Enhancements on Assets De-Recognised (Net)	(30.10)	25.42	5.53	8.15	5.09
Loss Assets Written Off (Net)	1.02	1.47	2.02	4.32	5.86
Prompt Payment Rebate (Net)	-	-	0.09	10.34	122.24
Provision for Doubtful Employee Loans / Insurance Claims (net)	5.20	0.97	0.97	1.96	1.28
Finance Costs	1,843.93	1,869.99	1,473.40	949.40	627.10
Interest Income on Deposits with Banks / Others	(72.75)	(79.01)	(132.50)	(76.82)	(66.97)
Interest Income on Pass Through Certificates	-	(3.20)	(2.51)	(2.21)	-
Interest Income on Loans / Deposits to Related parties	-	(20.95)	(43.45)	(17.04)	(3.13)
Interest Income on Loans to Employees	-	-	(1.49)	(1.48)	(2.17)
Interest Spread on Securitisation / Assignment of Receivables (Net)	(372.59)	(408.44)	(265.86)	(233.79)	(227.79)
Gain on Sale of Current Investments (Net)	(63.71)	(58.47)	(23.42)	(37.22)	(52.76)
Profit on Sale of Fixed Assets (Net)	(0.12)	(0.65)	-	-	(0.32)
Operating Profit before Changes in Working Capital	**2,427.56**	**2,467.94**	**1,949.64**	**1,103.77**	**773.64**
Changes in Working Capital:					
Adjustments for (increase) / decrease in operating assets:					
Long-Term Receivables Under Financing Activities	(3,946.37)	(1,893.16)	(1,099.79)	(1,176.23)	3,344.00
Long-Term Loans and	(76.95)	36.63	75.70	14.67	18.65

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Advances					
Short-Term Receivables Under Financing Activities	(6,371.97)	(2,492.12)	(2,115.61)	(2,376.75)	(2,242.82)
Short-Term Loans and Advances	2.80	463.54	(456.11)	(71.51)	(151.37)
Other Current Assets	(61.94)	(7.61)	(38.53)	(57.16)	106.62
Bilateral Assignment and Securitisation of Assets (Net)	159.42	837.05	265.85	233.09	252.50
Adjustments for increase / (decrease) in operating liabilities:					
Other Long-Term Liabilities	26.57	20.70	11.41	(5.89)	21.87
Long-Term Provisions	-	-	(18.61)	6.53	12.09
Trade Payables	75.18	42.87	29.10	3.93	(5.24)
Other Current Liabilities	74.22	182.24	80.94	138.51	(164.39)
Short-Term Provisions	12.65	10.66	19.33	(116.54)	(144.41)
Cash Flow (Used in) / Generated From Operating Activities	**(7,678.83)**	**(331.30)**	**(1,296.68)**	**(2,303.58)**	**1,821.14**
Gain on Sale of Current Investments (Net)	63.71	58.47	23.42	37.22	52.76
Finance Costs Paid	(1,722.87)	(1,860.20)	(1,428.82)	(892.68)	(587.78)
Interest Received on Deposits / Other loans	93.14	101.61	210.00	61.17	28.09
Direct Taxes Paid	(402.49)	(400.25)	(326.40)	(148.62)	(117.30)
Net Cash Flow (Used in) / Generated From Operating Activities	**(9,647.34)**	**(2,431.67)**	**(2,818.48)**	**(3,246.49)**	**1,196.91**
Cash Flow from Investing Activities					
Capital Expenditure including capital advances	(70.64)	(139.72)	(27.86)	(14.93)	(15.04)
Proceeds from Sale of Fixed Assets	1.07	3.76	0.29	0.80	1.58
Bank Deposits not considered as Cash and Cash Equivalents (Net)	279.44	(262.73)	1,005.18	(1,199.58)	(199.64)
Investment in Pass Through Certificates (Net)	-	34.01	39.47	(73.49)	-
Purchase of Current Investments	(150.00)	(1,500.00)	-	-	-
Net Cash Flow (Used in) / Generated From Investing Activities	**59.87**	**(1,864.68)**	**1,017.08**	**(1,287.20)**	**(213.10)**
Cash Flow from Financing Activities					
Proceeds from Issue of Share Capital	-	-	-	249.53	300.00
Long-Term Borrowings Taken	16,300.00	12,557.27	8,127.97	7,985.76	3,060.00
Long-Term Borrowings Repaid	(7,749.56)	(9,117.71)	(5,774.73)	(2,271.62)	(4,209.28)
Short-Term Borrowings Taken / (Repaid)(Net)	-	(338.39)	238.59	(400.20)	500.00

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Net Cash Flow (Used in) / Generated From Financing Activities	**8,550.44**	**3,101.17**	**2,591.83**	**5,563.47**	**(349.28)**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(1,037.03)**	**(1,195.18)**	**790.43**	**1,029.78**	**634.53**
Cash and Cash Equivalents at the Beginning of the Half year/Year	2,165.10	3,360.28	2,569.85	1,540.07	0.78
Add: Cash and Bank Balance in the nature of Cash and Cash Equivalents received Pursuant to Scheme of Arrangement	-	-	-	-	904.76
Cash and Cash Equivalents at the End of the Period /Year	**1,128.07**	**2,165.10**	**3,360.28**	**2,569.85**	**1,540.07**
Note:					
The reconciliation to the Cash and Cash Equivalents					
Cash and Cash Equivalents (as per Annexure 23)	1,504.92	2,682.48	3,654.25	3,926.26	1,684.39
Less: Deposits with Original Maturity over a period of 3 Months	-	-	-	895.00	0.20
Less: Lien Marked Deposits	376.85	517.38	293.97	461.41	144.12
Cash and Cash Equivalents (as defined in AS 3 - Cash flow statements) as at the Period/ End of the Year	**1,128.07**	**2,165.10**	**3,360.28**	**2,569.85**	**1,540.07**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 4

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Background

The statement of restated assets and liabilities as at 31 December 2015, 31 March 2015, 2014, 2013 and 2012 and restated statement of profit and loss and cash flow for the nine months ended 31 December 2015 and years then ended (hereinafter collectively referred to as "Restated Summary Statements") relate to Equitas Micro Finance Limited ("the Company") and have been prepared specifically for inclusion in the offer document to be filed by the Holding Company Equitas Holdings Limited (EHL) with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies and relevant stock exchanges in connection with its proposed Initial Public Offering.

These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule III to the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

4.2 CORPORATE INFORMATION

Equitas Micro Finance Limited (Formerly known as "Equitas Micro Finance Private Limited") ("EMFLL" / "the Company") was incorporated on 7 July 1994. The Company is a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI).During the year ended 31 March 2014, the Company had obtained registration under the Non-Banking Financial Company - Micro Finance Institution (Reserve Bank) Directions, 2011 vide RBI letter dated 4 October 2013.

The Company was converted to a Public Company vide fresh Certificate of Incorporation dated 15 September 2015, subsequent to which the Company's name got changed from Equitas Micro Finance Private Limited to Equitas Micro Finance Limited.

The Company is engaged in extending micro credit to economically active persons. The Company generally provides small value collateral free loans upto Rs. 40,000 for a tenor of one to two years with fortnightly / monthly repayment. The Company broadly follows the Grameen model with suitable adaptations using the Joint Liability Groups (JLG) framework, where each member of the group guarantees the loan repayment of the other members of the group. All transactions are conducted in the group meetings organised every fortnight / month near the habitats of the members.

The Company also provides collateral free individual loans to the existing borrowers ranging between Rs. 3,000 to Rs. 10,000 as additional loans like educational loans, kirana loans etc.

The Reserve Bank of India ("RBI") has granted an 'in-principle' approval for establishing a 'Small Finance Bank' (SFB) to Equitas Holdings Limited ('the Holding Company').

Equitas Finance Limited (EFL), Equitas Micro Finance Limited (EMFL) and Equitas Housing Finance Limited (EHFL) are the wholly owned subsidiaries of EHL.

One of the conditions precedent for the issuance of the banking license by the RBI is the merger of the above wholly owned subsidiaries to form the SFB. It is therefore proposed to merge EMFL and EHFL with EFL, for which 'in principle' approval has been accorded by the Board of the respective Companies at their meeting held on November 26, 2015.

In order to comply with this requirement of the RBI, the Scheme of Amalgamation will be presented before the Hon'ble High Court of Judicature at Madras. After the completion of the merger of EMFL and EHFL with EFL and after complying with other terms and conditions prescribed by the RBI in its 'in-principle' approval, EHL would apply to the RBI for commencing business as a SFB. Upon confirmation of the same by the RBI, the effective date of the merger of the entities will be the date immediately preceding the date of commencement of banking business.

Since the proposed merger is not yet effective, there is no impact on the restated financial statements as at and for the nine months ended 31 December 2015.

4.3 SIGNIFICANT ACCOUNTING POLICIES

4.3.1 Basis of Accounting

The restated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act 1956, ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistently followed across five years.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI's or more stringent norms.

4.3.2 Use of Estimates

The preparation of the restated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/ Year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3.3 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.3.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4.3.5 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Tangible Assets:
Computer Equipments – 3 Years
Furniture and Fixtures – 3 Years
Office Equipments - 3 Years
Vehicles - 4 Years

Leasehold Improvements are depreciated over the remaining primary lease period or 3 years whichever is lower.

Assets individually costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

Intangible assets are amortised on a straight line basis over their estimated useful life as follows: Software - Lower of license period or 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern

4.3.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Interest Income on Loans granted is recognised under the internal rate of return method. Income on Non-performing Assets is recognized only when realized and any interest accrued until the asset became a Non-performing Asset and remaining overdue is de-recognized by reversing the interest income.

(b) Loan Processing Fee is recognized over the life of the loan on a straight line basis.

(c) In accordance with the RBI Guidelines on Securitisation Transactions, gains arising from assignment/ securitisation are amortised over the life of the underlying portfolio loans. In case of any loss, the same is recognised in the Statement of restated profit and loss account immediately.

(d) Interest Income on deposits / investments is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(e) Grants are recognised as income on fulfilment of the terms of the Grant Agreement.

(f) Dividend income is accounted for when the right to receive it is established.

(g) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

4.3.7 Tangible and Intangible Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

<u>Capital work-in-progress:</u>

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

4.3.8 Foreign currency transactions and translations

Initial Recognition
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement at the Balance Sheet Date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the period/year -end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of Exchange Differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of restated profit and loss account.

4.3.9 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

4.3.10 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plan:

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of restated profit and loss account in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period/year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

4.3.11 Borrowing Costs

Borrowing costs include interest, ancillary costs that the Company incurs in connections with the arrangement of borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of restated profit and loss account at the time of availment of the Loan.

4.3.12 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

4.3.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of restated profit and loss account on a straight-line basis over the lease term.

4.3.14 Earnings per Share

Basic earnings per share is computed by dividing the profit after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period/year . Diluted earnings per share is computed by dividing the profit after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

4.3.15 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the period/year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable Income tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

4.3.16 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of restated profit and loss account.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of restated profit and loss account, to the extent the amount was previously charged to the Statement of restated profit and loss account.

4.3.17 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

4.3.18 Classification and Provisions of Loan Portfolio

(a) Loans are classified and provided for as per EMFLL's Policy and Management's estimates, subject to the minimum classification and provisioning norms as per the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011.

Classification of Loans

Asset Classification	Period of Overdue
Standard Assets	Not Overdue or Overdue for less than 30 days
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 30 days and more but less than 90 days
Doubtful Assets	Overdue for 90 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

"Overdue" refers to interest and/or principal and/or installment/ Insurance premium remaining unpaid from the day it became receivable.

(b) **Provisioning Norms for Loans**

Asset Classification	Provisioning Percentage
Standard Assets	1.25%
Non-Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 30 days and more but less than 60 days	10.00%
Overdue for 60 days and more but less than 90 days	25.00%
Doubtful Assets	
Doubtful Assets – Overdue for 90 days and more but less than 120 days	50.00%
Doubtful Assets – Overdue for 120 days and more	100.00%
Loss Assets	100.00%

(c) Provisioning Norms for Loans - As Per RBI Guidelines [Non-Banking Financial Companies - Micro Finance Institutions (Reserve Bank) Directions, 2011]

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of the following:

1% of the outstanding loan portfolio or

50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

(d) Under exceptional circumstances, Management may renegotiate loans by rescheduling repayment terms for customers who have defaulted in repayment but who appear willing and able to repay their loans under a longer term agreement. Rescheduled Standard Assets are classified / provided for as Sub-Standard Assets as per (b) above which classification / provisioning is retained for a period of 1 year of satisfactory performance. Rescheduled Non-Performing Assets are not upgraded but are retained at the original classification / provisioning for a period of 1 year of satisfactory performance.

4.3.19 Provision for Credit Enhancements on Assets De-Recognised

Provision for Credit Enhancements on Assets De-Recognised is made based on Management estimates @ 1.25% of the outstanding amount of assets de-recognised from the books of the Company as at the Balance Sheet date.

4.3.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

4.3.21 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 4.1

SCHEME OF ARRANGEMENT

Equitas Holdings Limited ("the Company"; formerly known as Equitas Holdings Private Limited / Equitas Micro Finance India Private Limited) was a non-banking finance company (NBFC) engaged in microfinance business. The Company de-merged its microfinance business into its wholly owned subsidiary, Equitas Micro Finance Limited formerly known as Singhivi Investment & Finance Private Limited (SIFPL) during the financial year 2011-12. The de- merger was done through a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 and was approved by the Madras High Court (the scheme). The demerger was effected to comply with the revised regulations applicable to microfinance companies which requires NBFCs carrying on microfinance business to deploy not less than 85% of its net assets in the microfinance business. The demerger which came into effect from 21 January 2012 pursuant to the Court Order was applicable from 1 April 2011, the appointed date of demerger as specified in the scheme. Thus the Company carried on the business of microfinance on behalf of EMFL till the effective date as per the scheme.

The assets and liabilities transferred by the Company pursuant to the Scheme of Arrangement are as follows:

(Rs. In Million)

Particulars	Balance as at 1 April 2011
Fixed Assets	
- Gross Block	183.26
- Accumulated Depreciation	(81.08)
Fixed Assets (Net Block)	102.18
Investments	2.00
Micro Finance Loans	6,199.61
Installments and Other Dues from Borrowers (Unsecured Loan)	21.11
Other Loans	0.13
Loan to Equitas Dhanyakosha India	15.24
Cash and Bank Balances	1,273.42
Micro Finance Loans given as Credit Enhancement for Loans Assigned	47.09
Other Current Assets	303.31
Loans to Investment Division	3.58
Loans and Advances	180.45
Total Assets – A	**8,148.12**
Secured Loans	5,918.71
Current Liabilities	442.58
Provisions	286.83
Total Liabilities – B	**6,648.12**
Net (A-B) (Refer Note Below)	**1,500.00**

Note:

Pursuant to the Scheme of Arrangement, EMFL has allotted 150,000,000 fully paid up Equity Shares of Rs. 10 each at par to the Company as consideration for the transfer of the Micro Finance Undertaking.

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 5

SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

Material Regrouping

W.e.f, April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 in accordance with the requirements applicable for the year ended 31 March 2015 and nine months ended 31 December 2015.

Appropriate adjustments have been made in the Statement of Restated Assets and Liabilities, Profit and Loss account and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at 31 March 2015 and for the nine months ended December 31, 2015, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 6

RESTATED SUMMARY STATEMENT OF SHARE CAPITAL

Particulars	As at 31 December 2015		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012	
	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)
Share Capital										
(a) Authorised										
Equity shares of Rs.10 each	320,000,000	3,200.00	220,000,000	2,200.00	220,000,000	2,200.00	210,000,000	2,100.00	210,000,000	2,100.00
Total	**320,000,000**	**3,200.00**	**220,000,000**	**2,200.00**	**220,000,000**	**2,200.00**	**210,000,000**	**2,100.00**	**210,000,000**	**2,100.00**
(b) Issued, Subscribed and Fully Paid-up										
Equity shares of Rs.10 each	198,750,000	1,987.50	198,750,000	1,987.50	198,750,000	1,987.50	198,750,000	1,987.50	180,266,200	1,802.66
Total	**198,750,000**	**1,987.50**	**198,750,000**	**1,987.50**	**198,750,000**	**1,987.50**	**198,750,000**	**1,987.50**	**180,266,200**	**1,802.66**

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 7

RESTATED SUMMARY STATEMENT OF RESERVES & SURPLUS

(Rs. In Million)

	Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	Reserves and Surplus					
(a)	**Securities Premium Account**					
	Opening Balance	64.69	64.69	64.69	-	-
	Add: Additions during the Period/Year	-	-	-	64.69	-
	Closing Balance	**64.69**	**64.69**	**64.69**	**64.69**	**-**
(b)	**Statutory Reserve**					
	Opening Balance	341.86	204.76	91.66	36.56	0.06
	Add: Amount Transferred from Surplus in Statement of Profit and Loss during the Period/Year	-	137.10	113.10	55.10	36.50
	Closing Balance	**341.86**	**341.86**	**204.76**	**91.66**	**36.56**
(c)	**Surplus in the Statement of Profit and Loss**					
	Opening Balance	1,366.72	818.34	365.95	145.93	0.00
	Add: Restated Profit for the Period/Year	585.93	685.48	565.49	275.12	182.43
	Less: Appropriations					
	- Transfer to Statutory Reserve		137.10	113.10	55.10	36.50
	Net Surplus in the Statement of Profit and Loss	**1,952.65**	**1,366.72**	**818.34**	**365.95**	**145.93**
(d)	**General Reserve**					
	Opening Balance	39.19	39.19	39.19	39.19	-
	Add: Additions	-	-	-	-	39.19
	Closing Balance	**39.19**	**39.19**	**39.19**	**39.19**	**39.19**
		2,398.39	**1,812.46**	**1,126.98**	**561.49**	**221.68**

Note: As per Section 45 -IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. The financials for the nine months ended December 2015 are special purpose financial statements, and hence transfer to statutory reserve will be made at the year end

EQUITAS MICRO FINANCE LIMITED

(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 8

RESTATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Non-Convertible Debentures – Secured	3,373.75	1,005.00	480.00	740.00	-
Non-Convertible Debentures - Unsecured - Subordinated Debt	2,300.00	800.00	500.00	500.00	500.00
Term Loans from Banks – Secured	5,812.68	4,529.12	3,912.74	4,485.91	1,772.41
Term Loans from Other Parties – Secured	2,240.27	800.00	165.74	545.50	540.94
	13,726.70	**7,134.12**	**5,058.48**	**6,271.41**	**2,813.35**
Of the above, unsecured borrowings are from:					
Financial Institutions	2,300.00	800.00	500.00	500.00	500.00
	2,300.00	**800.00**	**500.00**	**500.00**	**500.00**

1 **Note:**

Details of Non-Convertible Debentures

(Rs. In Million)

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	Remarks
12.13%-13.70%	Secured	3,548.75	1,430.00	990.00	740.00	-	
13.80%-16.00%	Unsecured - Subordinated Debt	2,300.00	800.00	500.00	500.00	500.00	
		5,848.75	**2,230.00**	**1,490.00**	**1,240.00**	**500.00**	
Less: Current Maturities of Long-term borrowings		(175.00)	(425.00)	(510.00)	-	-	
Total		**5,673.75**	**1,805.00**	**980.00**	**1,240.00**	**500.00**	

1.1 The Secured, Redeemable, Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities.

1.2 The above Non-Convertible Debentures are listed on Bombay Stock Exchange Limited. Further, the Company has entered into an agreement with IDBI Trusteeship Services Limited to act as Debentures Trustees for the Debentures.

1.3 The Company has not defaulted in the repayment of dues to Debenture holders.

1.4 As per the ,trust deed for the NCD's issued by the company amounting to Rs. 5,198.75 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Debenture holders / Trustees in case of dues to Debentureholders/ Trustees.

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2 Details of Term Loans from Banks

(Rs. In Million)

Coupon Rate	Tenure (in months)	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	Remarks
11.00%-13.90%	24 to 63	15,575.86	12,668.53	10,687.03	8,039.87	3,171.93	
		15,575.86	**12,668.53**	**10,687.03**	**8,039.87**	**3,171.93**	
Less: Current Maturities of Long-term borrowings		(9,763.18)	(8,139.41)	(6,774.29)	(3,553.96)	(1,399.52)	
Total		**5,812.68**	**4,529.12**	**3,912.74**	**4,485.91**	**1,772.41**	

2.1 The loans are secured by hypothecation of specified Receivables under Financing Activities and Lien on specified Fixed Deposits with Banks.

2.2 As per the terms of agreement entered into by the Company for some of the Borrowings amounting to Rs. 9,674.63 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Banks in case of overdue to the Banks in loan installments / interest payments.

2.3 The Company has not defaulted in the repayment of dues to banks.

3 Details of Term Loans from Other Parties

(Rs. In Million)

Coupon Rate	Tenure (in months)	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	Remarks
10.00%-13.75%	24 to 48	3,402.20	1,377.84	659.78	1,203.70	1,097.50	
		3,402.20	**1,377.84**	**659.78**	**1,203.70**	**1,097.50**	
Less: Current Maturities of Long-term borrowings		(1,161.93)	(577.84)	(494.04)	(658.20)	(556.56)	
Total		**2,240.27**	**800.00**	**165.74**	**545.50**	**540.94**	

3.1 Interest rates are on both fixed / floating rate basis and is payable on monthly basis. The interest rates disclosed above represents the rate of interest as at 31 December 2015. The repayment of principal portion is on monthly and quarterly basis.

3.2 The Company has not defaulted in the repayment of dues relating to Term Loans from other parties.

4. The details of interest rate, tenor, repayment terms of the Term Loans from Banks are as follows:

S.No.	Bank Name	Tenor (in Months)	Interest Rate (%)	Security	Whether reschduled (Refer Note if restated)	Repayment Terms	Rate of Interest Fixed /Floating	No. of Installments outstanding as on 31 December 2015	Loan Amount as at 31 December 2015	Less: Current maturities of Long term debt	Balance as at 31 December 2015
1	Axis Bank Limited - Term Loan I	24 months	12.75%	Hypothecation of receivables	No	Quarterly	Floating	1	31.25	31.25	-
2	Axis Bank Limited - Term Loan II	24 months	12.65%	Hypothecation of receivables	No	Monthly	Floating	9	375.00	375.00	-
3	Axis Bank Limited - Term Loan III	24 months	12.35%	Hypothecation of receivables	No	Monthly	Floating	9	228.57	200.00	28.57
4	Axis Bank Limited - Term Loan IV	24 months	11.40%	Hypothecation of receivables	No	Quarterly	Floating	7	500.00	214.29	285.71
5	Axis Bank Limited - Term Loan V	24 months	11.25%	Hypothecation of receivables	No	Quarterly	Floating	7	1,000.00	428.69	571.31
6	Dhanlaxmi Bank Limited	24 months	13.30%	Hypothecation of receivables	No	Quarterly	Floating	3	93.75	93.75	-

7	Dhanlaxmi Bank Limited - Term Loan II	24 months	11.75%	Hypothecation of receivables	No	Quarterly	Fixed	8	400.00	200.00	200.00
8	The Federal Bank Limited - Term Loan I	24 months	12.33%	Hypothecation of receivables	No	Quarterly	Floating	1	21.43	21.43	-
9	The Federal Bank Limited - Term Loan II	24 months	12.43%	Hypothecation of receivables	No	Monthly	Floating	12	142.86	142.86	-
10	HDFC Bank Limited - Term Loan I	24 months	13.50%	Hypothecation of receivables	No	Monthly	Fixed	3	51.19	51.19	-
11	HDFC Bank Limited - Term Loan II	24 months	13.50%	Hypothecation of receivables	No	Monthly	Fixed	8	285.71	285.71	-
12	HDFC Bank Limited - Term Loan III	24 months	11.00%	Hypothecation of receivables	No	Monthly	Fixed	15	535.71	428.54	107.17
13	ICICI Bank Limited	24 months	12.35%	Hypothecation of receivables	No	Quarterly	Floating	5	312.50	250.00	62.50
14	IDFC Limited - Term Loan I	24 months	13.45%	Hypothecation of receivables	No	Monthly	Floating	11	275.00	275.00	-
15	IDFC Limited - Term Loan II	24 Months	12.00%	Hypothecation of receivables	No	Monthly	Floating	21	962.50	550.00	412.50
16	Indusind Bank Limited - Term Loan II	24 months	13.10%	Hypothecation of receivables	No	Monthly	Floating	9	168.75	168.75	-
17	Indusind Bank Limited - Term Loan III	24 months	12.60%	Hypothecation of receivables	No	Monthly	Floating	13	162.50	150.00	12.50
18	Indusind Bank Limited - Term Loan IV	24 months	11.50%	Hypothecation of receivables	No	Monthly	Floating	21	641.67	350.00	291.67
19	Kotak Mahindra Bank Ltd - (ING Vysya Bank Ltd - Term Loan I)	27 months	13.40%	Hypothecation of receivables	No	Monthly	Floating	1	9.89	9.89	-
20	Kotak Mahindra Bank Ltd - (ING Vysya Bank Ltd - Term Loan II)	27 months	13.25%	Hypothecation of receivables	No	Monthly	Floating	13	173.33	160.00	13.33
21	Kotak Mahindra Bank Ltd - Term Loan I	24 months	13.50%	Hypothecation of receivables	No	Monthly	Fixed	6	120.26	120.26	-
22	Kotak Mahindra Bank Ltd - Term Loan II	24 Months	11.75%	Hypothecation of receivables	No	Monthly	Fixed	20	500.00	300.00	200.00
23	Lakshmi Vilas Bank Limited	28 months	12.95%	Hypothecation of receivables	No	Monthly	Floating	17	106.25	75.00	31.25
24	RBL Bank Limited - Term Loan I	24 months	13.05%	Hypothecation of receivables	No	Quarterly	Floating	2	200.00	200.00	-
25	RBL Bank Limited - Term Loan II	24 months	12.65%	Hypothecation of receivables	No	Quarterly	Floating	4	142.86	142.86	-
26	RBL Bank Limited - Term Loan III	24 months	12.15%	Hypothecation of receivables	No	Quarterly	Floating	6	642.86	428.57	214.29
27	RBL Bank Limited - Term Loan III- Trench II	24 months	12.00%	Hypothecation of receivables	No	Quarterly	Fixed	7	250.00	142.86	107.14
28	RBL Bank Limited - Term Loan III- Trench III	24 months	11.50%	Hypothecation of receivables	No	Quarterly	Floating	7	250.00	107.14	142.86
29	The South Indian Bank Limited	24 months	13.25%	Hypothecation of receivables	No	Quarterly	Floating	4	142.86	142.86	-
30	Allahabad Bank	36 months	13.25%	Hypothecation of receivables	No	Quarterly	Floating	5	159.09	127.27	31.82
31	Bank of Maharastra	24 months	11.20%	Hypothecation of receivables	No	Quarterly	Floating	7	500.00	214.20	285.80
32	Canara Bank - Term Loan II	24 months	11.90%	Hypothecation of receivables	No	Monthly	Floating	15	187.42	150.48	36.94
33	IDBI Bank Limited - Term Loan II	60 months	12.75%	Hypothecation of receivables	No	Quarterly	Floating	5	277.77	222.22	55.55
34	IDBI Bank Limited - Term Loan III	60 months	12.50%	Hypothecation of receivables	No	Quarterly	Floating	7	194.44	111.11	83.33
35	IDBI Bank Limited - Term Loan IV	60 months	12.25%	Hypothecation of receivables	No	Quarterly	Floating	7	194.44	111.11	83.33
36	IDBI Bank Limited - Term Loan V	24 months	12.50%	Hypothecation of receivables	No	Monthly	Floating	4	23.81	23.81	-
37	IDBI Bank Limited - Term Loan VI	28 Months	12.50%	Hypothecation of receivables	No	Monthly	Floating	17	354.17	250.00	104.17
38	IDBI Bank Limited - Term Loan VII	24 Months	11.50%	Hypothecation of receivables	No	Monthly	Floating	24	2,000.00	812.50	1,187.50
39	Oriental Bank of Commerce	24 months	12.95%	Hypothecation of receivables	No	Quarterly	Floating	1	71.43	71.43	-
40	State Bank of Travancore	24 months	11.80%	Hypothecation of receivables	No	Quarterly	Floating	6	257.00	172.00	85.00
41	Vijaya Bank	24 months	13.05%	Hypothecation of receivables	No	Monthly	Floating	3	60.00	60.00	-
42	Union Bank of India	24 months	11.25%	Hypothecation of receivables	No	Quarterly	Floating	1	1,000.00	428.70	571.30
43	Bank of America	24 months	11.90%	Hypothecation of receivables	No	Maturity	Fixed	1	500.00	-	500.00
44	The Hongkong and Shanghai Banking Corporation Ltd - TL II	24 months	13.45%	Hypothecation of receivables	No	Monthly	Fixed	8	333.33	333.33	-
45	Standard Chartered Bank - Term Loan II	24 months	13.65%	Hypothecation of receivables	No	Quarterly	Fixed	1	31.25	31.25	-
46	Standard Chartered Bank - Term Loan III	24 months	13.50%	Hypothecation of receivables	No	Quarterly	Fixed	3	180.00	180.00	-
47	Standard Chartered Bank - Term Loan IV	24 months	13.00%	Hypothecation of receivables	No	Quarterly	Fixed	5	325.00	275.00	50.00
48	SBM Bank (Mauritius) Ltd - Term Loan I	24 months	12.75%	Hypothecation of receivables	No	Quarterly	Floating	1	28.58	28.58	-
49	SBM Bank (Mauritius) Ltd - Term Loan II	24 months	12.50%	Hypothecation of receivables	No	Quarterly	Floating	6	171.43	114.29	57.14
									15,575.86	**9,763.18**	**5,812.68**

FINANCIAL INSTITUTION

S.No.	**Bank Name**	**Tenor (in Months)**	**Interest Rate (%)**	**Security**	**Whether reschduled (Refer Note if restated)**	**Repayment Terms**	**Rate of Interest Fixed /Floating**	**No. of Installments outstanding as on 31 December 2015**	**Loan Amount as at 31 December 2015**	**Less: Current maturities of Long term debt**	**Balance as at 31 December 2015**
50	SIDBI - Term Loan II	36 months	13.00%	Hypothecation of receivables	No	Monthly	Fixed	27	675.00	300.00	375.00
51	SIDBI - Term Loan III	24 Months	12.00%	Hypothecation of receivables	No	Monthly	Fixed	30	1,000.00	266.40	733.60

52	NABARD	36 months	10.25%	Hypothecation of receivables	No	Semi Annual	Fixed	6	1,000.00	333.33	666.67
53	MUDRA Ltd	36 months	10.00%	Hypothecation of receivables	No	Monthly	Fixed	31	352.20	136.80	215.40
54	MUDRA Ltd - Term Loan II	36 months	10.00%	Hypothecation of receivables	No	Monthly	Fixed	33	375.00	125.40	249.60
									3,402.20	**1,161.93**	**2,240.27**

	NCD										
1	FMO	8 Years	14.04%	Unsecured - Subordinated	No	Maturity	Fixed	1	500.00	-	500.00
2	UTI International Wealth Creator 4	7 Years	13.00%	Hypothecation of receivables	No	Maturity	Fixed	1	230.00	-	230.00
3	International Finance Corporation	5 Years	12.67%	Hypothecation of receivables	No	Maturity	Fixed	1	600.00	-	600.00
4	Reliance Capital Trustee Co. Ltd - A/c - Reliance Regular Savings Fund - Debt Option	2 years	13.50%	Hypothecation of receivables	No	Quarterly	Fixed	7	218.75	175.00	43.75
5	Maanaveeya Development & Finance Pvt. Ltd	6 years, 1 Month	16.00%	Unsecured - Subordinated	No	Maturity	Fixed	1	300.00	-	300.00
6	ICICI Prudential Regular Savings Plan	2 years	12.50%	Hypothecation of receivables	No	Maturity	Fixed	1	1,000.00	-	1,000.00
7	Kotak Mahindra Trustee Co Ltd	2 years	12.50%	Hypothecation of receivables	No	Maturity	Fixed	1	750.00	-	750.00
8	UTI Mutual Fund	34 Months	12.13%	Hypothecation of receivables	No	Maturity	Fixed	1	750.00	-	750.00
9	RBL Bank Ltd	84 Months	13.80%	Unsecured – Subordinated	No	Maturity	Fixed	1	1200.00	-	1200.00
10	CDC Emerging Markets Ltd	84 Months	14.05%	Unsecured-Subordinated	No	Maturity	Fixed	1	300.00	-	300.00
									5,848.75	**175.00**	**5673.75**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 9

RESTATED SUMMARY STATEMENT OF OTHER LONG TERM LIABILITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Unamortised Income					
- Processing Fee	84.03	57.46	36.76	25.35	31.23
- Interest Strip Retained on Securitisation of Receivables	18.79	46.09	31.23	19.10	-
- Interest Strip Retained on Assignment of Receivables	-	-	-	-	68.81
	102.82	**103.55**	**67.99**	**44.45**	**100.04**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 10

RESTATED SUMMARY STATEMENT OF LONG TERM PROVISIONS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Provision - Employee Benefits					
Provision for Gratuity	-	-	-	18.61	12.09
Provision – Others					
Contingent Provision for Standard Receivables under financing activities	119.92	70.37	46.73	32.98	18.28
Provision for Sub-Standard and Doubtful Receivables under financing activities	1.35	0.34	0.12	0.15	0.10
Provision for Credit Enhancements on assets de-recognised	5.24	15.14	8.95	5.29	9.35
	126.51	**85.85**	**55.80**	**57.03**	**39.82**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 11

RESTATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Redeemable Non-Convertible Debentures (Secured)	-	-	250.00	-	500.00
Cash Credit from Bank - Secured	-	-	88.39	99.80	-
	-	**-**	**338.39**	**99.80**	**500.00**

Note:

1 **Details of Non-Convertible Debentures**

(Rs. In Million)

Coupon Rate	Security	As at 30 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	Remarks
13.70%	Secured	-	-	250.00	-	500.00	

1.1 The Secured, Redeemable, Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities.

1.2 The above Non-Convertible Debentures are listed on BSE Limited. Further, the Company has entered into an agreement with IDBI Trusteeship Services Limited to act as Debentures Trustees for the Debentures.

1.3 The Company has not defaulted in the repayment of dues to Debenture holders.

2 **Details of Cash Credit from Banks**

(Rs. In Million)

Coupon Rate	Tenure (in)	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	Remarks
13.70%	12.00	-	-	88.39	99.80	-	

2.1 The Loan is secured by hypothecation of specified Receivables under Financing Activities.

2.2 The Company has not defaulted in the repayment of dues to Bank.

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 12

RESTATED SUMMARY STATEMENT OF CURRENT MATURITIES OF LONG TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Redeemable Non-Convertible Debentures	175.00	425.00	510.00	-	-
Term Loans – Secured					
From Banks	9,763.18	8,139.41	6,774.29	3,553.96	1,399.52
From Other Parties	1,161.93	577.84	494.04	658.20	556.56
	11,100.11	**9,142.25**	**7,778.33**	**4,212.16**	**1,956.08**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 13

RESTATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Gratuity (Net)	-	9.00	0.18	-	-
Advances Instalments from Borrowers	176.33	144.22	1.78	0.87	7.55
Interest Accrued But Not Due on Borrowings	271.44	150.38	140.59	96.02	39.31
Unamortised Income					
- Processing Fee	185.93	139.06	100.60	77.90	17.30
- Gain on Assignment of Receivables	-	-	-	-	0.69
- Interest Strip Retained on Securitisation of Receivables	197.18	414.77	273.71	179.42	-
- Interest Strip Retained on Assignment of Receivables	-	-	-	45.66	174.82
Statutory Dues	13.84	9.90	17.38	12.19	8.76
Amount Payable to Special Purpose Vehicles for Assets De-recognised	361.92	604.44	302.82	133.42	-
Amount Payable to Assignees for Assets De-recognised	-	-	-	115.09	169.77
Security Deposits Received	-	-	-	2.40	-
	1,206.64	**1,471.77**	**837.06**	**662.97**	**418.20**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 14

RESTATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits					
Provision for Compensated Absences	85.09	72.44	61.78	41.69	27.12
Provision for Gratuity	-	-	-	0.69	0.03
Provision - Others					
Contingent Provision for Standard Receivables under financing activities	211.40	132.39	101.34	75.03	45.38
Provision for Sub-Standard and Doubtful Receivables under financing activities	29.99	8.43	8.69	1.14	64.38
Provision for Credit Enhancements on assets de-recognised	29.74	49.95	30.72	28.84	16.63
Provision for Prompt Payment Rebate	-	-	-	-	121.42
Provision for Tax (Net)	-	-	-	-	1.39
	356.22	**263.21**	**202.53**	**147.39**	**276.35**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Financial year 2015-16 (nine months ended 31 December 2015)

(Rs. In Million)

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2015	Additions	Disposals	Balance as at 31 December 2015	Balance as at 1 April 2015	For the Period	Eliminated on Disposal of Assets	Balance as at 31 December 2015	Balance as at 31 December 2015
Tangible Assets - Owned									
Leasehold Improvements	34.07	7.07	-	41.14	21.74	6.21	-	27.95	13.19
Computer Equipment	139.73	48.14	3.89	183.98	100.85	21.61	3.83	118.63	65.35
Furniture and Fixtures	29.77	7.24	0.03	36.98	26.16	5.80	0.03	31.93	5.05
Office Equipment	32.08	10.39	0.45	42.02	18.63	6.76	0.45	24.94	17.08
Vehicles	39.42	9.28	1.12	47.58	6.58	6.83	0.24	13.17	34.41
Sub-Total	**275.07**	**82.125**	**5.49**	**351.70**	**173.96**	**47.21**	**4.55**	**216.62**	**135.08**
Intangible Assets - Acquired									
Computer Software	68.11	1.21	-	69.32	54.68	4.60	-	59.28	10.04
Sub-Total	**68.11**	**1.21**	**-**	**69.32**	**54.68**	**4.60**	**-**	**59.28**	**10.04**
Grand Total	**343.18**	**83.33**	**5.49**	**421.02**	**228.64**	**51.81**	**4.55**	**275.90**	**145.12**

Financial year 2014-15

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2015	Balance as at 31 March 2015
Tangible Assets - Owned									
Leasehold Improvements	24.71	15.48	6.12	34.07	22.70	5.16	6.12	21.74	12.33
Computer Equipment	100.29	39.98	0.54	139.73	88.00	13.38	0.53	100.85	38.88
Furniture and Fixtures	23.52	6.85	0.60	29.77	21.72	5.04	0.60	26.16	3.61
Office Equipment	17.98	14.72	0.62	32.08	14.05	5.14	0.56	18.63	13.45
Vehicles	5.94	39.31	5.83	39.42	2.27	7.08	2.77	6.58	32.84
Sub-Total	**172.44**	**116.34**	**13.71**	**275.07**	**148.74**	**35.80**	**10.58**	**173.96**	**101.11**
Intangible Assets - Acquired									
Computer Software	53.13	14.98	-	68.11	51.00	3.68	-	54.68	13.43
Sub-Total	**53.13**	**14.98**	**-**	**68.11**	**51.00**	**3.68**	**-**	**54.68**	**13.43**
Grand Total	**225.57**	**131.32**	**13.71**	**343.18**	**199.74**	**39.48**	**10.58**	**228.64**	**114.54**

Financial year 2013-14

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2014	Balance as at 31 March 2014
Tangible Assets - Owned									
Leasehold Improvements	22.99	1.72	-	24.71	20.76	1.94	-	22.70	2.01
Computer Equipment	91.86	8.80	0.37	100.29	74.84	13.49	0.33	88.00	12.29
Furniture and Fixtures	20.12	3.42	0.02	23.52	18.83	2.90	0.01	21.72	1.80
Office Equipment	15.19	3.35	0.56	17.98	11.20	3.41	0.56	14.05	3.93
Vehicles	2.67	3.71	0.44	5.94	1.46	1.01	0.20	2.27	3.67
Sub-Total	**152.83**	**21.00**	**1.39**	**172.44**	**127.09**	**22.75**	**1.10**	**148.74**	**23.70**
Intangible Assets -									

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2014	Balance as at 31 March 2014
Acquired									
Computer Software	50.56	2.57	-	53.13	44.39	6.61	-	51.00	2.13
Sub-Total	**50.56**	**2.57**	**-**	**53.13**	**44.39**	**6.61**	**-**	**51.00**	**2.13**
Grand Total	**203.39**	**23.57**	**1.39**	**225.57**	**171.48**	**29.36**	**1.10**	**199.74**	**25.83**

Financial year 2012-13

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2013	Balance as at 31 March 2013
Tangible Assets - Owned									
Leasehold Improvements	22.08	0.91	-	22.99	16.27	4.49	-	20.76	2.23
Computer Equipment	84.87	8.08	1.09	91.86	55.98	19.92	1.06	74.84	17.02
Furniture and Fixtures	18.27	2.19	0.34	20.12	15.88	3.29	0.34	18.83	1.29
Office Equipment	12.88	2.68	0.37	15.19	8.46	3.11	0.37	11.20	3.99
Vehicles	4.01	-	1.34	2.67	1.17	0.84	0.55	1.46	1.21
Sub-Total	**142.11**	**13.86**	**3.14**	**152.83**	**97.76**	**31.65**	**2.32**	**127.09**	**25.74**
Intangible Assets – Acquired									
Computer Software	52.56	1.08	3.08	50.56	35.09	12.38	3.08	44.39	6.17
Sub-Total	**52.56**	**1.08**	**3.08**	**50.56**	**35.09**	**12.38**	**3.08**	**44.39**	**6.17**
Grand Total	**194.67**	**14.94**	**6.22**	**203.39**	**132.85**	**44.03**	**5.40**	**171.48**	**31.91**

Financial year 2011-12

Particulars	Gross Block					Accumulated Depreciation and Amortisation					Net Block
	Balance as at 1 April 2011	Additions	Disposals	Acquisitions through Scheme of Arrangement	Balance as at 31 March 2012	Balance as at 1 April 2011	For the year	Eliminated on Disposal of Assets	Acquisitions through Scheme of Arrangement	Balance as at 31 March 2012	Balance as at 31 March 2012
Tangible Assets - Owned											
Leasehold Improvements	-	2.95	1.08	20.21	22.08	-	5.45	0.76	11.58	16.27	5.81
Computer Equipment	-	3.74	1.93	83.06	84.87	-	25.86	1.17	31.29	55.98	28.89
Furniture and Fixtures	-	1.94	0.38	16.71	18.27	-	3.16	0.30	13.02	15.88	2.39
Office Equipment	-	3.35	0.24	9.77	12.88	-	2.94	0.13	5.65	8.46	4.42
Vehicles	-	1.43	-	2.58	4.01	-	0.88	-	0.29	1.17	2.84
Sub-Total	**-**	**13.41**	**3.63**	**132.33**	**142.11**	**-**	**38.29**	**2.36**	**61.83**	**97.76**	**44.35**
Intangible Assets - Acquired											
Computer Software	-	1.63	-	50.93	52.56	-	15.84	-	19.25	35.09	17.47
Sub-Total	**-**	**1.63**	**-**	**50.93**	**52.56**	**-**	**15.84**	**-**	**19.25**	**35.09**	**17.47**
Grand Total	**-**	**15.04**	**3.63**	**183.26**	**194.67**	**-**	**54.13**	**2.36**	**81.08**	**132.85**	**61.82**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 16

RESTATED SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Investment in Equity Shares - (Trade & Unquoted) - at Cost					
Equity Shares of Alpha Micro Finance Consultants Private Limited	2.00	2.00	2.00	2.00	2.00
Investment Others - (Trade & Unquoted) - at Cost					
3400 11% Pass Through Certificates of Series A2 Equitas Microloans Pool ABL - February 2013	-	-	-	34.01	-
	2.00	**2.00**	**2.00**	**36.01**	**2.00**

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 17

RESTATED SUMMARY STATEMENT OF DEFERRED TAX ASSET

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Difference between depreciation as per Books of Account and Income Tax Act, 1961	6.80	5.41	7.62	4.74	(0.42)
Provision for Standard Receivables under Financing Activities	114.49	70.17	50.33	36.71	20.65
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	10.85	3.03	2.99	0.44	20.92
Provision for Credit Enhancements on Assets De-Recognized	12.28	22.53	13.48	11.60	8.43
Employee Benefits	51.15	34.41	24.33	19.62	10.76
Others	3.47	1.68	3.30	3.08	1.81
	199.04	**137.23**	**102.05**	**76.19**	**62.15**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 18

RESTATED SUMMARY STATEMENT OF LONG TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Micro Finance Loans- Unsecured	9,578.02	5,625.18	3,688.77	2,637.73	1,462.47
Micro Finance Loans Subordinated as Credit Enhancements for Assets De-recognised- Unsecured	-	6.48	49.72	-	-
Gold Loans – Secured	-	-	-	0.96	-
	9,578.02	**5,631.66**	**3,738.49**	**2,638.69**	**1,462.47**
Note:					
Of the above:					
- Considered Good (Standard Assets)	9,574.63	5,630.87	3,738.12	2,638.34	1,462.23
- Others (Sub-Standard and Doubtful Receivables under Financing Activities as per Company's Provisioning Norms)	3.39	0.79	0.37	0.35	0.24
Receivables related to the directors or promoters or the issuers	-	-	-	-	-

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 19

RESTATED SUMMARY STATEMENT OF LONG TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Capital advance- Unsecured, Considered Good	-	-	3.00	-	-
Security Deposits					
- Unsecured, Considered Good	43.66	40.90	38.85	29.66	30.00
- Unsecured, Considered Doubtful	3.27	0.37	0.33	-	-
Less : Provision for Doubtful Deposits	3.27	0.37	0.33	-	-
	43.66	40.90	38.85	29.66	30.00
Loans to Related Parties - Unsecured, Considered Good	-	-	9.45	48.65	36.07
Loans to Employees					
- Secured, Considered Good	1.39	1.52	1.28	1.24	2.05
- Unsecured, Considered Good	25.15	3.73	1.14	1.42	1.04
- Considered Doubtful	-	-	-	-	0.07
Less : Provision for Doubtful Loans to Employees	-	-	-	-	0.07
	26.54	5.25	2.42	2.66	3.09
Inter Corporate Deposits Under Lien - Unsecured, Considered Good	-	-	-	77.92	99.00
Receivables from Assignees for Assets De-recognised - Unsecured, Considered Good	-	-	-	-	42.49
Receivables from SPV's for Assets De-recognised - Unsecured, Considered Good	-	-	-	35.12	-
Deposits - on lien against borrowings - Unsecured, Considered Good	84.50	34.50	66.61	-	-
Advance Income Tax (Net of Provision)	29.86	16.97	7.72	1.62	-
	184.56	**97.62**	**128.05**	**195.63**	**210.65**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 20

RESTATED SUMMARY STATEMENT OF OTHER NON CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Interest Strip Retained on Securitisation of Receivables	18.79	46.09	31.22	19.10	-
Interest Strip Retained on Assignment of Receivables	-	-	-	-	68.81
Interest Accrued But Not Due					
- on Deposits with Banks / Others	24.97	16.72	33.83	23.52	2.52
- on Pass through Certificates	-	-	0.39	0.39	-
Bank Deposits under Lien having Maturity after 12 months	369.14	508.05	468.73	411.47	423.98
	412.90	**570.86**	**534.17**	**454.48**	**495.31**
Note :					
- Cash collateral for Assets De-recognised	281.64	446.8	368.73	236.47	
- Cash collateral for Term Loans obtained from Banks	87.50	61.25	100.00	175.00	

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 21

RESTATED SUMMARY STATEMENT OF CURRENT INVESTMENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Trade and unquoted					
11% Pass Through Certificates of Series A2 Equitas Microloans Pool ABL	-	-	34.01	-	-
11.40% Pass Through Certificates of Series A2 ZEUS IFMR Capital 2012	-	-	-	39.47	-
Other Current Investments: (Quoted)					
Investment in Mutual Funds	1,650.00	1,500.00	-	-	-
Book Value of Investments	**1,650.00**	**1,500.00**	**34.01**	**39.47**	**-**
Note					
Market value of quoted investments	1,650.90	1,500.92	-	-	-

Details of Investments in Mutual Funds as on 31 December 2015

Name of the Scheme	No. of Units	Face Value	As at 31 December 2015
		(Rs.)	(Rs .In Millions)
SBI Premier Liquid Fund – Growth	64,342.73	1,000.00	150.00
IDFC Cash Fund - Direct Plan – Growth	83,158.87	1,000.00	150.00
ICICI Prudential Liquid Fund - Direct - Growth	682,752.00	100.00	150.00
HDFC Liquid Fund - Direct Plan-Growth	51,209.70	1,000.00	150.00
Birla Sun Life Cash Plus Fund - Direct Plan - Growth	629,423.27	100.00	150.00
Reliance Liquid Fund - TP	41,446.93	1,000.00	150.00
UTI Liquid Fund - Cash Plan	61,702.52	1,000.00	150.00
LIC Nomura MF Liquid Fund	55,740.13	1,000.00	150.00
HDFC Cash Management Fund	48,372.94	1,000.00	150.00
UTI Money Market fund	90,123.64	1,000.00	150.00
Axis Liquid Fund	91,136.07	1,000.00	150.00
Total			**1,650.00**
Aggregate Market Value of Quoted Investments as at 31 December 2015 - Rs 1,650.90 million.			

Details of Investments in Mutual Funds as on 31 March 2015			
Name of the Scheme	**No. of Units**	**Face Value**	**As at 31 March 2015**
		(Rs.)	**(Rs .In Millions)**
Baroda Pioneer Liquid Fund - Direct Plan – Growth	93,501.80	1,000.00	150.00
IDFC Cash Fund - Direct Plan – Growth	88,263.20	1,000.00	150.00
ICICI Prudential Money Market Fund - Direct – Growth	775,563.74	100.00	150.00
SBI Premier Liquid Fund – Growth	68,249.29	1,000.00	150.00
Birla Sun Life Floating Rate Fund - Direct Plan – Growth	805,686.21	100.00	150.00
HDFC Liquid Fund - Direct Plan-Growth	5,434,821.99	10.00	150.00
Tata Liquid Fund - Direct Plan - Growth	58,101.51	1,000.00	150.00
DSP BlackRock Liquidity Fund - Direct Plan	74,988.04	1,000.00	150.00
AXIS Liquid Fund - Direct Plan - Growth	96,762.40	1,000.00	150.00
IDBI Liquid Fund - Direct Plan – Growth	100,069.05	1,000.00	150.00
Total			**1,500.00**
Aggregate Market Value of Quoted Investments as at 31 March 2015 - Rs 1,500.92 million.			

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 22

RESTATED SUMMARY STATEMENT OF SHORT TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Micro Finance Loans- Unsecured - Installments due within one year from the reporting date	16,843.07	10,509.39	8,092.16	6,000.41	3,625.66
Micro Finance Loans Subordinated as Credit Enhancements for Assets De-Recognised- Unsecured	41.04	84.73	18.13	-	14.74
Installments overdue on Micro Finance Loans- Unsecured					
- More than six from the date they were due for payment	16.41	3.67	5.46	0.06	52.74
- Others	71.22	3.01	2.20	1.52	5.30
Gold Loans – Secured					
- Installments due within one year from the reporting date	-	-	0.21	2.59	-
	16,971.74	**10,600.80**	**8,118.16**	**6,004.58**	**3,698.44**
Note:					
Of the above:					
- Considered Good (Standard Assets)	16,931.21	10,589.05	8,106.85	6,002.60	3,630.13
- Considered Doubtful (Sub-Standard and Doubtful Receivables under financing activities as per Company's Provisioning Norms)	40.53	11.75	11.31	1.98	68.31
Receivables related to the directors or promoters or the issuers	-	-	-	-	-

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 23

RESTATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Cash on Hand	111.83	15.22	0.06	0.04	-
Balances with Banks					
- In Current Accounts	943.04	1,049.88	2,110.22	1,919.81	1,240.07
- In Deposits Accounts - Free of Lien (Maturity more than 3 months)	-	-	-	895.00	0.20
- In Deposits Accounts - Free of Lien (Maturity less than 3 months)	73.20	1,100.00	1,250.00	650.00	300.00
- In Deposits Accounts - under Lien	376.85	517.38	293.97	461.41	144.12
	1,504.92	**2,682.48**	**3,654.25**	**3,926.26**	**1,684.39**
Notes :					
(a) Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	1,128.07	2,165.10	3,360.28	2,569.85	1,540.07
(b) Deposits accounts under lien :					
- Cash collateral for assets de-recognised	335.60	448.63	236.47	461.41	-
- Cash collateral for Term loans	41.25	68.75	57.50	-	-

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 24

RESTATED SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Loans to Related Parties- Unsecured, Considered Good	-	-	2.55	18.92	16.62
Loans and Advances to Employees					
- Secured, Considered Good	3.35	2.59	2.72	2.94	4.48
- Unsecured, Considered Good	25.03	9.75	4.40	4.89	6.35
- Unsecured, Considered Doubtful	2.91	2.11	1.88	0.91	0.86
Less : Provision for Doubtful Loans and Advances to Employees	2.91	2.11	1.88	0.91	0.86
	28.38	12.34	7.12	7.83	10.83
Prepaid Expenses - Unsecured, Considered Good	15.23	13.04	23.22	19.26	17.37
Balances with Government Authorities -Service Tax Input Credit - Unsecured, Considered Good	2.35	4.26	3.22	2.22	4.92
Deposits - on lien against borrowings - Unsecured, Considered Good	-	66.61	17.92	-	-
Inter Corporate Deposits with Related Parties - Unsecured, Considered Good	-	-	530.00	4.00	93.25
Supplier and Other Advances - Unsecured, Considered Good	77.78	30.60	6.58	6.45	2.79
Receivables from Assignees for Assets De-recognised - Unsecured, Considered Good	-	-	-	234.96	102.96
Receivables from Special Purpose Vehicles for Assets De-recognised - Unsecured, Considered Good	28.56	58.72	185.75	26.61	-
	152.30	**185.57**	**776.36**	**320.25**	**248.74**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 25

RESTATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Gold Coins	0.01	0.01	0.01	0.01	0.01
Gratuity (Net)	2.08	-	-	-	-
Interest Accrued But Not Due					
- on Receivables under Financing Activities	194.17	140.04	128.18	92.28	43.27
- on Loans given to Related Parties	-	-	0.07	0.64	0.40
- on Deposits with Banks / Others	6.55	35.19	13.04	53.39	39.48
- on Pass through Certificates	-	-	0.39	1.82	-
Interest Strip Retained on Assignment of Receivables	-	-	-	45.66	174.82
Interest Strip Retained on Securitisation of Receivables	197.18	414.77	273.71	179.42	-
Insurance Claims Receivable					
- Considered Good	8.84	4.01	11.60	11.76	4.57
- Considered Doubtful	3.86	2.37	1.72	4.60	2.61
Less : Provision for Doubtful Claims	3.86	2.37	1.72	4.60	2.61
	8.84	4.01	11.60	11.76	4.57
Receivables from Related Parties - Unsecured, Considered Good	6.83	7.42	4.80	-	-
	415.66	**601.44**	**431.80**	**384.98**	**262.55**

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 26

RESTATED SUMMARY STATEMENT OF REVENUE FROM OPERATIONS

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest Income from Loans	3,586.55	3,609.18	2,820.17	1,861.90	1,527.66
Processing and Other Fees	150.77	153.68	116.35	60.30	11.77
Interest spread on Securitisation / Assignment of Receivables	372.57	408.44	265.86	233.79	227.79
Other Operating Revenues					
- Interest Income on Fixed Deposits with Banks / Others	72.75	79.01	132.50	76.82	66.97
- Income on Pass Through Certificates	-	3.20	2.51	2.21	-
- Gain on Sale of Current Investments in Mutual Funds	63.71	58.47	23.42	37.22	52.76
- Business Sourcing and Facilitation	45.47	30.92	-	-	-
- Grant from International Finance Corporation	4.88	8.40	8.06	7.60	-
- Loss Assets Recovered	0.90	0.83	1.03	0.02	7.02
	4,297.60	**4,352.13**	**3,369.90**	**2,279.86**	**1,893.97**

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 27

RESTATED SUMMARY STATEMENT OF OTHER INCOME

(Rs. In Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest Income					
- on Loans / Deposits to Related Parties	-	20.95	43.45	17.04	3.13
- on Loans to Employees	3.07	2.65	1.49	1.48	2.17
Profit on Sale of Fixed Assets (net)	0.12	0.65	-	-	0.32
Miscellaneous Income	24.73	3.44	1.35	0.32	0.11
	27.92	**27.69**	**46.29**	**18.84**	**5.73**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 28

RESTATED SUMMARY STATEMENT OF FINANCE COSTS

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest on Loans	1,383.71	1,609.48	1,255.90	781.72	558.47
Interest on Debentures	426.64	233.20	202.50	140.38	58.66
Loan Processing Fees and Other Borrowing Costs	33.58	27.31	15.00	27.30	9.97
	1,843.93	**1,869.99**	**1,473.40**	**949.40**	**627.10**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 29

RESTATED SUMMARY STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Salaries	767.76	707.73	521.99	443.82	402.87
Contribution to Provident Fund and other funds	63.33	64.09	38.77	32.17	27.61
Staff Welfare Expenses	98.32	98.47	72.79	57.42	53.55
	929.41	**870.29**	**633.55**	**533.41**	**484.03**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 30

RESTATED SUMMARY STATEMENT OF OTHER EXPENSES

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Rent	39.83	43.38	34.29	29.67	27.80
Electricity Charges	8.55	10.66	6.03	5.76	3.93
Rates and Taxes	31.66	20.59	13.65	11.85	19.80
Insurance	1.10	2.47	0.80	1.39	2.02
Software & Other Maintenance Expenses	45.70	41.41	33.25	28.79	20.87
Repairs and Maintenance - Others	14.27	15.76	9.22	7.08	2.58
Cash Management Charges	35.15	40.04	39.66	28.56	25.20
Travelling and Conveyance	112.29	112.97	84.05	60.93	48.32
Communication Expenses	49.48	56.82	37.99	30.41	26.09
Printing and Stationery	38.58	44.82	32.49	26.00	19.98
Advertisement and Business Promotion	0.43	0.42	0.27	0.25	0.60
Legal and Professional Charges	27.21	30.13	21.90	17.93	16.81
Non-Executive Directors Remuneration and Sitting Fees	5.98	8.56	6.61	4.87	0.10
Corporate Social Responsibility					
- Donations	30.56	23.50	28.27	13.76	9.12
- Other Expenditure	3.26	4.39	3.85	3.00	2.83
Auditors' Remuneration	1.81	2.45	2.40	2.39	2.72
Employee Loans and Advances / Insurance Claims Written off	-	0.07	2.55	-	-
Less : Release from Provision for Doubtful Employee Loans and Advances / Insurance Claims		(0.07)	(2.55)	-	-
	-	-	-	-	-
Provision for Doubtful Employee Loans / Insurance Claims	5.20	0.97	0.97	1.96	1.16
Prompt Payment Rebate (Net)	-	-	0.09	10.34	122.24
Bank Charges	6.43	3.38	1.94	1.61	2.08
Centre Leader Fees	-	0.04	0.05	15.55	53.93
Miscellaneous Expenses	7.09	6.43	7.05	3.16	4.23
	464.58	**469.19**	**364.83**	**305.26**	**412.41**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 31

RESTATED SUMMARY STATEMENT OF PROVISIONS AND WRITE OFFS

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Contingent Provision for Standard Receivables Under Financing Activities (Net)	128.57	54.69	40.06	44.35	(14.17)
Provision for Sub-standard and Doubtful Receivables Under Financing Activities	22.58	7.99	7.51	3.10	47.09
Provision for Credit Enhancements on Assets De-recognised (Net)	(30.10)	25.42	5.53	8.15	5.09
Loss Assets Written Off	1.02	9.50	2.02	70.61	5.86
Less: Release from Provision for Sub-standard and Doubtful Receivables Under Financing Activities	-	(8.03)	-	(66.29)	-
	122.07	**89.57**	**55.12**	**59.92**	**43.87**

EQUITAS MICRO FINANCE LIMITED
(Formerly known as "Equitas Micro Finance Private Limited)

ANNEXURE 32

RESTATED SUMMARY STATEMENT OF COMMITMENTS & CONTINGENCIES

(Rs.in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Contingent Liabilities: (to the extent not provided for)					
Income Tax Demand	1.90	1.90	-	-	-
Provident Fund demand under appeal	18.75	18.75	18.75	18.75	18.75
Service Tax	36.40	34.29	27.73	27.73	27.73
Corporate Guarantee to related party	-	-	-	15.00	20.00

(a) Provident Fund Demand

An Order dated 22 October 2010 has been received from the Regional Provident Fund Commissioner demanding an amount of Rs.18.75 Million towards provident fund payment on the incentives / allowances paid to the employees for the period February 2009 to September 2010. The Company believes that the claim is untenable and, hence, has preferred an appeal with the Employees' Provident Fund Appellate Tribunal and has obtained a stay against the said Order. As per the stay order received from the Employees' Provident Fund Appellate Tribunal, an amount of Rs. 5.62 Million has been deposited with the Employees' Provident Fund Organization and included as part of Security Deposits in Annexure 19 - Long-Term Loans and Advances. As at 31 December 2015, the appeal is pending.

(b) Service Tax

The Company has received three show cause notices from the Service Tax authorities disallowing the service tax input credit claimed by the Company during the period 2008-2011 attributable to input services used for providing exempt services to the extent of Rs. 27.74 Million. Based on professional advice, the Company replied to the above show cause notice contesting the claim of the Service Tax authorities. There has been no further progress in this matter. During the year ended 31 March 2015, the Company had received a show cause notice from the Service Tax authorities stating that the service fee charged by the company as collection agent on the securitized assets for the five years from 2009 to 2014 is not representative of actual consideration for the services rendered and has determine the service tax payable for the above period as Rs. 6.55 Million (excluding interest and penalty which is not quantified). During the period the company has received statement of demand for Rs.2.11 Million for the same matter said above for the year 2014-15 .The personal hearing has been called. Based on professional advice, the Company replied and submitted the petition in support of the companies position to the above show cause notice/statement of demand and contesting the claim of the Service Tax authorities.

(c) Income Tax

While completing the Income Tax assessment for the Assessment Year 2012-13 the department has added interest on non-performing assets on accrual basis and raised a demand of Rs.1.90 million. The Company has filed an appeal against the disallowance with Commissioner of Income Tax - Appeals. Based on professional advice, the company has strongly believe that the case will be decided in their favour and hence no provision has been considered.

Note:

The contingent liabilities stated in note (a) and (b) above are based on demands raised on Equitas Holdings Limited (EHL) who is contesting the same with the concerned authorities. These have been assumed by the Company pursuant to Scheme of Demerger during the year ended 31 March 2012. The proceedings of these disputes are being undertaken by the Company in the name of the EHL. However, the Company has agreed to compensate EHL for any losses arising on account of the above contingencies. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company’s rights for future appeals. No reimbursements are expected.

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 33
RESTATED SUMMARY STATEMENT OF RELATED PARTY TRANSACTIONS Names of Related Parties and Nature of Relationship

Description of Relationship	Party
Holding Company	Equitas Holdings Limited
Fellow Subsidiaries	Equitas Finance Limited
	Equitas Housing Finance Limited
	Equitas B2B Trading Private Limited (upto 31 March 2015)
	Equitas Technologies Private Limited
Entities over which company or key management personnel is able to exercise significant influence	Equitas Dhanyakosha India Equitas Development Initiatives Trust
Key Management Personnel	P.N.Vasudevan, Director (Managing Director upto 4 February 2015) N. Sridharan, Chief Financial Officer (from 1 November 2014) HKN Raghavan, Chief Executive Officer (from 4 February 2015)

Note: Related party relationships are as identified by the Management.

Transactions with the Related Parties **(Rs.in Million)**

Transaction	Related Party	For the nine months ended December 2015	2014-15	2013-14	2012-13	2011-12
Income						
Interest on Loans / Deposit to Related Party	Equitas Finance Limited	-	11.27	17.85	9.50	-
	Equitas Housing Finance Limited	-	9.31	18.56	-	-
	Equitas Development Initiatives Trust	-	0.37	2.13	2.32	0.84
	Equitas Dhanyakosha India	-	-	4.91	5.22	2.29
Business Sourcing and Facilitation Fee	Equitas Finance Limited	49.92	28.94	-	-	-
	Equitas Housing Finance Limited	1.83	1.98	-	-	-
Guarantee Commission	Equitas Dhanyakosha India	-	-	0.02	0.04	0.10
Recovery of Expenses	Equitas Holdings Limited	0.16	0.51	2.28	0.84	-
	Equitas Finance Limited	8.39	38.28	46.19	36.47	33.37
	Equitas Housing Finance Limited	1.15	2.89	5.03	6.73	23.37
	Equitas B2B Trading Private Limited	-	0.01	0.00	-	0.16
	Equitas Dhanyakosha India	-	0.09	0.75	6.06	5.60
	Equitas Development Initiatives Trust	-	0.04	0.12	0.28	2.44
	Equitas Technologies Private Limited	-	-	-	-	-
Expenses						

Transaction	Related Party	For the nine months ended December 2015	2014-15	2013-14	2012-13	2011-12
Interest Expense	Equitas Holdings Limited	-	-	-	-	0.79
Staff Welfare Expenses	Equitas Dhanyakosha India	9.36	0.07	0.12	0.06	0.11
	Equitas B2B Trading Private Limited	-	-	-	-	0.02
Reimbursement of Expenses	Equitas Housing Finance Limited	-	0.09	0.22	0.19	0.11
	Equitas Holdings Limited	0.45	-	0.36	0.08	-
	Equitas Finance Limited	0.76	2.62	2.26	0.97	-
Remuneration to Key Managerial Personnel	Mr. P.N.Vasudevan, Director (Managing Director upto 4 February 2015)	-	4.09	4.86	4.82	4.82
	Mr. N. Sridharan, Chief Financial Officer (from 1 November 2014)	4.13	2.18	-	-	-
	Mr. HKN Raghavan, Chief Executive Officer (from 4 February 2015)	5.48	1.03	-	-	-
	Mr. KR Sampathkumar, Company Secretary	0.95		-	-	-
Donations	Equitas Development Initiatives Trust	30.56	23.50	28.27	13.76	9.12
Other Transactions						
Issue of Equity Shares	Equitas Holdings Limited	-	-	-	249.53	1,800.00
Loans Given	Equitas Dhanyakosha India	-	-	11.00	22.00	38.00
	Equitas Development Initiatives Trust	-	3.00	5.50	11.70	13.00
Loans Recovered	Equitas Dhanyakosha India	-	-	57.73	10.04	18.47
	Equitas Development Initiatives Trust	-	15.09	14.31	3.05	0.81
Interest Received	Equitas Dhanyakosha India	-	-	-	-	1.90
	Equitas Development Initiatives Trust	-	-	-	-	0.82
Loans Availed	Equitas Holdings Limited	-	-	-	-	250.00
Loans Repaid	Equitas Holdings Limited	-	-	-	-	250.00
Interest Paid	Equitas Holdings Limited	-	-	-	-	0.79
Inter Corporate Deposit Given	Equitas Finance Limited	-	-	280.00	790.00	-
	Equitas Housing Finance Limited	-	-	320.00	-	-
Inter Corporate Deposit Received back	Equitas Finance Limited	-	280.00	-	-	-

Transaction	Related Party	For the nine months ended December 2015	2014-15	2013-14	2012-13	2011-12
	Equitas Housing Finance Limited		250.00	70.00	790.00	-
Sale of Fixed Assets	Equitas Holdings **Limited**		1.10	-	0.11	0.09
	Equitas Dhanyakosha India		-	-	0.00	0.01
	Equitas Finance Limited		-	0.01	0.71	0.82
	Equitas Development Initiatives Trust		-	-	-	0.24
Purchase of Fixed Assets	Equitas Finance Limited		0.75	0.01	-	-
	Equitas Housing Finance Limited		0.66	-	-	-
	Equitas Holdings Limited		-	-	-	0.44
Transfer of Staff loans to Related parties on account of employee transfer	Equitas Housing Finance Limited	0.06	0.14	-	0.05	0.68
	Equitas B2B Trading Private Limited	-	-	-	-	0.09
	Equitas Development Initiatives Trust	-	-	-	0.02	0.01
	Equitas Finance Limited	0.09	0.48	-	-	0.71
Transfer of Staff loans from related parties	Equitas Housing Finance Limited Equitas Finance Limited	- 0.22	- -	0.01	-	0.08
Recovered and paid on behalf of Customers	Equitas Development Initiatives Trust	3.09	4.45	4.80	0.90	0.17
	Equitas Dhanyakosha India	6.93	13.95	-	-	-
Recovered and paid on behalf of the Company	Equitas Holdings Limited		0.40	-	6.48	-
Guarantees issued / (released) during the period (net)	Equitas Holdings Limited	(1,710.00)	(3,110.00)	(830.00)	3,210.00	4,790.00
Balance as at Period/Year End						
Payable	Equitas Development Initiatives Trust	0.08	-	7.97	5.16	2.32
	Equitas Finance Limited	0.06	0.19	0.14	-	-
	Equitas Housing Finance Limited	-	-	0.02	-	-
	Equitas Holdings Limited	-	-	-	-	1.26
Receivable	Equitas Holdings Limited	-	1.12	0.07	-	-
	Equitas Development Initiatives Trust	-	-	12.09	20.91	12.21
	Equitas Housing Finance Limited	0.35	0.40	250.45	-	2.37

Transaction	Related Party	For the nine Months ended December 2015	2014-15	2013-14	2012-13	2011-12
	Equitas Finance	6.55	5.90	284.26	-	3.36
	Limited					
	Equitas Dhanyakosha	-	-	-	47.30	35.15
	India					
Corporate Guarantee Given Outstanding	Equitas Dhanyakosha India	-	-	-	15.00	20.00
Corporate Guarantee issued by the Holding Company	Equitas Holdings Limited	2,350.00	4,060.00	7,170.00	8,000.00	4,790.00

EQUITAS MICRO FINANCELIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 34

RESTATED SUMMARY STATEMENT OF EARNINGS PER SHARE

BASIC AND DILUTED

(Rs.in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013	For the Year Ended 31 March 2012
Total operations					
Profit after tax restated	585.93	685.48	565.49	275.12	182.43
Weighted Average Number of Equity Shares	198,750,000	198,750,000	198,750,000	180,975,168	157,807,184
Earnings Per Share - in Rs. (not annualized for the period)	2.95	3.45	2.85	1.52	1.16
Face Value Per Share - in Rs.	10.00	10.00	10.00	10.00	10.00

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 35

RESTATED SUMMARY STATEMENT OF PROVISIONS AND LOAN

LOSSES CHANGES IN PROVISION

(Rs. In Million)

S. No.	Asset classification	For nine months ended 31 December 2015	2014-15	2013-14	2012-13	2011-12
a.	**Opening balance**					
	Contingent Provision for Standard Assets under financing activities	202.75	148.06	108.00	63.65	77.82
	Provision for Sub-Standard / Doubtful Receivables under financing activities	8.76	8.80	1.29	64.48	17.39
	Provision for Credit Enhancements on assets de-Recognized	65.08	39.66	34.13	25.98	20.89
b.	**Additional provision**					
	Contingent Provision for Standard Assets under financing activities	245.32	267.53	115.33	92.90	45.79
	Provision for Sub-Standard / Doubtful Receivables under financing activities	23.50	7.99	7.65	3.36	47.09
	Provision for Credit Enhancements on assets de-Recognized	11.92	71.88	34.90	24.92	23.24
c.	**Utilisation / Reversal**					
	Contingent Provision for Standard Assets under financing activities	116.75	212.84	75.27	48.55	59.96
	Provision for Sub-Standard / Doubtful Receivables under financing activities	0.92	8.03	0.14	66.55	-
	Provision for Credit Enhancements on assets de-Recognized	42.02	46.46	29.37	16.77	18.15
d.	**Closing balance**					
	Contingent Provision for Standard Assets under financing activities	331.32	202.75	148.06	108.00	63.65
	Provision for Sub-Standard / Doubtful Receivables under financing activities	31.34	8.76	8.80	1.29	64.48
	Provision for Credit Enhancements on assets de-recognised	34.98	65.08	39.66	34.13	25.98

LOAN PORTFOLIO AND PROVISION FOR STANDARD ASSETS AND NON PERFORMING ASSETS

(Rs. In Million)

S. No.	Asset classification	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
a.	**Standard Assets**					
	Loan outstanding (Gross)	26,505.84	16,219.92	11,844.97	8,640.94	5,092.36
	Provision for assets	331.32	202.76	148.07	108.01	63.66
	Loan outstanding (Net)	26,174.52	16,017.16	11,696.90	8,532.93	5,028.70
b.	**Sub-Standard Assets**					
	Loan outstanding (Gross)	12.57	3.63	2.90	1.08	4.07
	Provision for assets	1.91	0.60	0.45	0.18	0.72
	Loan outstanding (Net)	10.66	3.03	2.45	0.90	3.35
c.	**Doubtful Assets**					
	Loan outstanding	31.35	8.91	8.78	1.25	64.48
	(Gross)					
	Provision for assets	29.43	8.17	8.36	1.11	63.76
	Loan outstanding (Net)	1.92	0.74	0.42	0.14	0.72

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 36

RESTATED SUMMARY STATEMENT OF CAPITAL ADEQUACY

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Tier I Capital	3,944.47	3,332.87	2,548.03	2,329.61	1,944.71
Tier II Capital	2,144.10	630.80	429.13	492.80	589.64
Total Capital	**6,088.57**	**3,963.67**	**2,977.16**	**2,822.41**	**2,534.35**
Total Risk Weighted Assets	**28,970.49**	**18,736.38**	**12,993.08**	**10,384.27**	**8,084.56**
Capital Adequacy Ratio					
Tier I Capital [as a Percentage of Total Risk Weighted Assets (%)]	13.62%	17.79%	19.61%	22.43%	24.05%
Tier II Capital [as a Percentage of Total Risk Weighted Assets (%)]	7.40%	3.36%	3.30%	4.75%	7.30%
Total Capital [as a Percentage of Total Risk Weighted Assets (%)]	**21.02%**	**21.15%**	**22.91%**	**27.18%**	**31.35%**

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 37

RESTATED SUMMARY STATEMENT OF SECURITISATION / ASSIGNMENT

SECURITSATION **(Rs. in million)**

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
No of Special Purpose Vehicle's (SPV's) sponsored by the NBFC for securitisation transactions (Nos.)	9	13	7	3	-
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC (Rs. In Million)	2,798.23	5,207.07	3,173.40	1,966.41	-
Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet					
a) Off-balance sheet exposures (Rs. In Million)					
- First loss	-	-	-	-	-
- Others	-	-	-	-	-
b) On-balance sheet exposures (Rs. In Million)					
- First loss (Cash Collateral)	617.24	895.43	605.20	311.40	-
- First loss (Micro Finance Loans)	41.04	91.20	67.86	-	-
Amount of exposures to securitisation transactions other than MRR					
a) Off-balance sheet exposures (Rs. In Million)					
i) Exposure to own securitisations					
- First loss	-	-	-	-	-
- Others	-	-	-	-	-
b) On-balance sheet exposures (Rs. In Million)					
i) Exposure to own securitisations					
- First loss	-	-	-	-	-
- Others (Receivables from SPV's for Assets De-recognised)	28.56	58.72	152.63	61.73	-
ii) Exposure to third party securitisations					
- First loss	-	-	-	-	-
- Others	-	-	-	-	-

ASSIGNMENT **(Rs. in million)**

Particulars	For the nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Total Number of Loan Assets De-Recognised during the Year	-	-	-	-	196,558
Assets De-Recognised during the	-	-	-	-	2,029.93

Particulars	For the nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Year (Rs. In Million)					
Consideration Received during the Year (Rs. In Million)	-	-	-	-	2,029.93
Cash Collaterals provided as First Loss and Second Loss Facility during the Year (Rs. In Million)	-	-	-	-	386.48
Micro Finance Loans Subordinated as Credit Enhancements for Assets De-Recognised (Rs. In Million)	-	-	-	-	-
Excess Interest Strip Subordinated as Credit Enhancements for Assets De-Recognised (Rs. In Million)	-	-	-	-	263.60
Total Gain on Assignment to be Amortised over the Life of the Receivables during the Year (Including Excess Interest Strip Retained)	-	-	-	-	263.60
Interest spread Recognised in the Statement of Profit and Loss during the Year (including amortization of Unamortised Income)	-	-	32.83	187.80	174.78
Total Outstanding amount of Assets De-recognised as at year end	-	-	-	736.92	2,078.75
Un-amortised Income as at year end	-	-	-	45.66	244.33
Cash Collaterals as at year end	-	-	-	386.48	518.10
Micro Finance Loans Subordinated as Credit Enhancements for Assets De-Recognised	-	-	-	-	14.74
Excess Interest Spread Receivable Subordinated as Credit Enhancements for Assets De-Recognised as at year end	-	-	-	280.62	389.08

EQUITAS MICRO FINANCE LIMITED
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ANNEXURE 38

SUMMARY STATEMENT OF KEY FINANCIAL INDICATORS

(Rs. in Millions)

Particulars	**As at 31 December 2015**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
Net tangible Assets	31,007.18	21,986.24	17,442.27	14,026.09	8,108.90
Monetary Assets #	3,154.92	4,182.48	3,654.25	3,926.26	1,684.39
Pre-tax operating profit, as restated	913.72	1,041.30	859.93	406.68	278.16
Net Worth	4,385.89	3,799.96	3,114.48	2,548.99	2,024.34

* Net tangible assets = Total Assets – Intangible Assets- Deferred Tax

Monetary assets= Cash and cash equivalents+ Current investments

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 39

SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Book Value per share (Net Worth / Number of shares)	22.07	19.12	15.67	12.83	11.23
Return on Net Worth (Net Income / Shareholder's Funds)	13.36%	18.04%	18.16%	10.79%	9.01%

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 40

SUMMARY STATEMENT OF CAPITALISATION

(Rs in Million)

	Pre-Offer as at 31 December 2015	Pre-Offer as at 31 March 2015	Adjusted for the post-Offer
Shareholders' Funds			
Equity Share Capital	1,987.50	1,987.50	[●]
Reserves and Surplus	2,398.39	1,812.46	[●]
Total Shareholders' Funds (A)	4,385.89	3,799.96	
Debt			
Long Term Borrowings	13,726.70	7,134.12	
Short Term Borrowings	-	-	[●]
Other Borrowings (Current maturity of long term borrowings)	11,100.11	9,142.25	[●]
Total Debt (B)	24,826.81	16,276.37	[●]
Total (A+B)	29,212.70	20,076.33	[●]
Long-term debt (excluding current maturities of long term borrowings) /equity ratio	3.13	1.87	[●]
Total debt/equity ratio	5.66	4.28	[●]

EQUITAS MICRO FINANCE LIMITED
(Formerly known as Equitas Micro Finance Private Limited)

ANNEXURE 41

SUMMARY STATEMENT OF TAX SHELTER

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Restated profit before tax	913.72	1041.30	859.93	406.68	278.16
Tax Rate	34.608%	33.99%	33.99%	32.45%	32.45%
Tax thereon at the above rate	316.22	353.95	292.29	131.97	90.26
Permanent differences	10.03	4.76	4.98	3.06	2.76
Timing differences	63.35	32.29	23.03	10.57	25.68
Total	**389.60**	**391.00**	**320.30**	**145.60**	**118.70**
Current Tax	**389.60**	**391.00**	**320.30**	**145.60**	**118.70**

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 26 OF PART I OF CHAPTER III OF COMPANIES ACT, 2013, READ WITH RULE 4 to 6 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

TO THE BOARD OF DIRECTORS OF

Equitas Finance Limited
(Formerly known as Equitas Finance Private Limited)
Phase II, 4th Floor,
F-39, Spencer Plaza,
No. 769 Anna Salai,
Chennai 600 002.

Dear Sirs,

1. We have examined the attached Restated Financial Information of Equitas Finance Limited, formerly known as Equitas Finance Private Limited (‘**the Company**’), which comprises of the Restated Summary Statement of Assets and Liabilities as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and the Summary of Significant Accounting Policies (the “**Restated Financial Statements**”) as approved by the Board of Directors of the Company at their meeting held on February 3, 2016 for the purpose of inclusion in the Red Herring Prospectus (**“RHP”**) prepared by Equitas Holdings Limited, formerly known as Equitas Holdings Private Limited (“**the Holding Company**”) in connection with the proposed initial public offering (“**IPO**”) of its equity shares including an Offer for Sale of equity shares by the Selling Shareholders of Rs.10 each at such premium, arrived at by book building process (referred to as the “**Issue**”), as may be decided by the Holding Company’s Board of Directors, prepared in accordance with the provisions of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“**the Rules**”); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI-ICDR Regulations**").

2. We have examined such Restated Financial Statements taking into consideration

   a) The terms of reference and terms of our engagement agreed upon with the Company in accordance with our addendum to engagement letter dated October 1, 2015 in connection with the proposed IPO of the Holding Company; and

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. These Restated Financial Statements have been extracted by the management from the Audited Financial Statements as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by Board of directors at their meetings held on February 3, 2016, April 30, 2015, May 7, 2014, May 3, 2013, April 27, 2012 and May 7, 2011 respectively. The audits for the years ended March 2014, 2013, 2012 and 2011 were conducted by the previous auditors, whose reports have been furnished to us, and our opinion on the Restated Financial Statements in so far as it relates to the affairs of the Company for the above years is based solely on the report of such other auditors.

4. Based on our examination, we report that:

    a) The Restated Summary Statement of Assets and Liabilities of the Company as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 as set out in Annexure-1 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Audited Financial Statements.

    b) The Restated Summary Statement of Profit and Loss of the Company for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-2 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Audited Financial Statements.

    c) The Restated Summary Statement of Cash Flows of the Company for the nine months ended December 31, 2015 and each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure-3 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Audited Financial Statements.

    Based on the above, and according to the information and explanations given to us, we are of opinion that the Restated Financial Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate.

    Further, changes in the Significant Accounting Policies adopted by the Company in the financial years covered by this report and more fully described in Annexure 5- Summary Statement of Adjustments to Audited Financial Statements, have been given effect to in the Restated Financial Statements, retrospectively in the respective financial years / periods to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.

    There are no extra-ordinary items that need to be disclosed separately in the Restated Financial Statements.

    There were no qualifications in the Auditors' report for the relevant reporting periods which require any adjustments to the Restated Financial Statements.

5. We have also examined the following Restated Financial Statements of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 3, 2016 as at and for the nine months ended December 31, 2015 and as at and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

    (a) Annexure 5 - Summary Statement of Adjustments to Audited Financial Statements;

    (b) Annexure 6 - Restated Summary Statement of Share Capital;

    (c) Annexure 7 – Restated Summary Statement of Reserves & Surplus;

    (d) Annexure 8 – Restated Summary Statement of Long Term Borrowings;

    (e) Annexure 9 - Restated Summary Statement of Other Long Term Liabilities;

    (f) Annexure 10 – Restated Summary Statement of Long Term Provisions;

    (g) Annexure 11 – Restated Summary Statement of Short Term Borrowings;

    (h) Annexure 12 - Restated Summary Statement of Current Maturities of Long Term Borrowings;

    (i) Annexure 13 – Restated Summary Statement of Other Current Liabilities;

    (j) Annexure 14 – Restated Summary Statement of Short Term Provisions;

(k) Annexure 15 - Restated Summary Statement of Fixed Assets;

(l) Annexure 16 - Restated Summary Statement of Deferred Tax Asset;

(m) Annexure 17 - Restated Summary Statement of Long Term Receivables under Financing Activities;

(n) Annexure 18 - Restated Summary Statement of Long Term Loans and Advances;

(o) Annexure 19 - Restated Summary Statement of Other Non-Current Assets;

(p) Annexure 20 - Restated Summary Statement of Short Term Receivables under Financing Activities;

(q) Annexure 21 - Restated Summary Statement of Cash and Cash Equivalents;

(r) Annexure 22 - Restated Summary Statement of Short Term Loans and Advances;

(s) Annexure 23 - Restated Summary Statement of Other Current Assets;

(t) Annexure 24 - Restated Summary Statement of Revenue from Operations;

(u) Annexure 25 - Restated Summary Statement of Other Income;

(v) Annexure 26 - Restated Summary Statement of Finance Costs;

(w) Annexure 27 - Restated Summary Statement of Employee Benefits Expenses;

(x) Annexure 28 - Restated Summary Statement of Other Expenses;

(y) Annexure 29 - Restated Summary Statement of Provisions and Write Offs;

(z) Annexure 30 - Restated Summary Statement of Commitments & Contingencies;

(aa) Annexure 31 - Restated Summary Statement of Related Party Transactions;

(bb) Annexure 32 - Restated Summary Statement of Earnings Per Share;

(cc) Annexure 33 - Restated Summary Statement of Provisions and Loan Losses;

(dd) Annexure 34 - Restated Summary Statement of Capital Adequacy;

(ee) Annexure 35 – Restated Summary Statement of Securitisation;

(ff) Annexure 36 - Summary Statement of Key Financial Indicators;

(gg) Annexure 37 - Summary Statement of Accounting Ratios;

(hh) Annexure 38 - Summary Statement of Capitalisation; and

(ii) Annexure 39 - Summary Statement of Tax Shelter.

In our opinion, the Restated Financial Statements and the above Restated Financial Information contained in Annexures 5 to 39 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure 4, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with the provisions of Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with the Company.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed issue of equity shares of the Holding Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: February 3, 2016

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 1

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs in Million)

Particulars	**Annexure No.**	**As at 31 December 2015**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**	**As at 31 March 2011**
EQUITY AND LIABILITIES							
Share Holders' Funds							
Share capital	6	4,230.00	4,230.00	2,407.00	1,514.60	605.50	55.50
Reserves & surplus	7	2,621.64	2,028.02	509.91	(5.00)	(127.79)	(4.83)
		6,851.64	**6,258.02**	**2,916.91**	**1,509.60**	**477.71**	**50.67**
Non-Current Liabilities							
Long term borrowings	8	8,710.00	6,811.38	1,988.71	43.09	136.66	-
Other long term Liabilities	9	364.07	24.71	19.39	-	-	-
Long term provisions	10	60.33	42.56	18.47	27.01	10.62	0.23
		9,134.40	**6,878.65**	**2,026.57**	**70.10**	**147.28**	**0.23**
Current Liabilities							
Short term borrowings	11	3,350.57	4,080.96	3,709.46	1,944.67	298.53	-
Current maturities of long term borrowings	12	3,201.88	2,270.95	131.29	72.54	93.26	-
Trade payables		160.06	73.85	39.10	21.93	16.29	0.05
Other current liabilities	13	626.45	265.47	200.89	17.92	12.41	-
Short term provisions	14	182.38	116.68	46.94	17.49	5.86	-
		7,521.34	**6,807.91**	**4,127.68**	**2,074.55**	**426.35**	**0.05**
TOTAL		**23,507.38**	**19,944.58**	**9,071.16**	**3,654.25**	**1,051.34**	**50.95**
ASSETS							
Non-Current Assets							
Fixed Assets							
Tangible assets	15	86.19	67.34	22.14	14.38	17.21	0.01
Intangible assets		13.16	8.48	5.35	11.32	18.05	-
Capital work in Progress		-	2.02	1.47	0.69	-	-
		99.35	**77.84**	**28.96**	**26.39**	**35.26**	**0.01**
Deferred tax asset (Net)	16	119.34	80.76	35.14	45.50	-	-
Long term receivables under financing Activities	17	13,604.36	10,785.62	5,368.55	1,871.67	619.46	-
Long term loans and Advances	18	64.58	45.01	11.32	11.34	3.68	0.04
Other non-current assets	19	322.17	47.73	39.64	11.60	31.79	49.50
		14,209.80	**11,036.96**	**5,483.61**	**1,966.50**	**690.19**	**49.55**
Current Assets							
Short term receivables under financing activities	20	7,692.23	5,832.83	3,069.00	1,173.57	297.52	0.23

Particulars	Annexure No.	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents	21	930.18	2,719.27	287.05	433.94	45.24	1.07
Short term loans and Advances	22	53.80	26.76	18.78	9.66	6.15	0.06
Other current assets	23	621.37	328.76	212.72	70.58	12.24	0.04
		9,297.58	**8,907.62**	**3,587.55**	**1,687.75**	**361.15**	**1.40**
TOTAL		**23,507.38**	**19,944.58**	**9,071.16**	**3,654.25**	**1,051.34**	**50.95**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 2

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs in Million)

Particulars	Annexure No.	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
A- Income							
Revenue from operations	24	3,384.40	2,963.55	1,315.96	474.44	62.10	0.01
Other income	25	5.49	1.39	0.88	0.80	0.21	-
Total		**3,389.89**	**2,964.94**	**1,316.84**	**475.24**	**62.31**	**0.01**
B- Expenditure							
Finance Costs	26	1,142.64	1,043.67	436.06	145.32	18.62	-
Employee benefits Expense	27	648.32	628.82	329.52	207.44	115.32	-
Other expenses	28	337.27	332.80	156.63	84.08	38.16	2.29
Depreciation and amortization	15	33.50	31.73	23.56	18.90	13.39	-
Provisions and write Offs	29	314.32	407.08	126.56	27.20	5.70	0.02
Total		**2,476.05**	**2,444.10**	**1,072.33**	**482.94**	**191.19**	**2.31**
Profit before tax as per audited financial statements (A-B)		**913.84**	**520.84**	**244.51**	**(7.70)**	**(128.88)**	**(2.30)**
C-Restatement Adjustments		-	-	-	(8.76)	8.76	-
Profit before tax as restated (A-B-C)		**913.84**	**520.84**	**244.51**	**(16.46)**	**(120.12)**	**(2.30)**
D- Tax expense							
Current tax		358.80	224.20	76.20	-	-	0.02
Deferred tax		(38.58)	(45.62)	10.36	(45.50)	-	-
Taxation of earlier Periods		-	-	-	-	-	-
Fringe benefit tax		-	-	-	-	-	-
Total		**320.22**	**178.58**	**86.56**	**(45.50)**	**-**	**0.02**
Restatement tax adjustments							
Tax impact on restatement adjustments	5	-	-	-	(2.84)	2.84	-
Sub-total		**-**	**-**	**-**	**(2.84)**	**2.84**	**-**
Total tax expense as Restated		**320.22**	**178.58**	**86.56**	**(48.34)**	**2.84**	**0.02**
Profit after tax as restated (A-B-C-D)		**593.62**	**342.26**	**157.95**	**31.88**	**(122.96)**	**(2.32)**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 3

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Rs in Million)

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the Year Ended 31 March 2011
A. Cash Flow from Operating activities						
Profit Before Tax as Restated	**913.84**	**520.84**	**244.51**	**(16.46)**	**(120.12)**	**(2.30)**
Adjustments for:						
Depreciation and Amortisation expense	33.50	31.72	23.56	18.91	13.39	-
Contingent Provision for Standard Receivables under financing activities (Net)	21.09	19.89	4.75	11.33	4.56	-
Provision for Sub-Standard and Doubtful Receivables under financing activities (Net)	55.05	65.71	6.59	8.95	1.03	-
Provision against repossessed assets	5.64	30.59	28.92	3.28	-	-
Provision for Credit Enhancements on assets de-recognised (Net)	3.34	(0.48)	1.24	-	-	-
Loss Assets Written-Off (Net)	38.42	39.15	9.76	1.40	0.11	0.02
Provision for doubtful advances	-	0.40	-	0.08	-	-
Finance costs	1,142.64	1,043.67	436.07	145.32	18.62	-
Interest Income on Deposits with Banks / Others	(3.74)	(4.31)	(0.60)	(2.74)	(3.42)	(0.00)
Income from assets securitised	(129.51)	(59.25)	(16.31)	-	-	-
Gain on sale of current investments (Net)	(0.13)	(0.21)	-	-	(3.75)	-
(Profit) / loss on sale of Fixed Assets (Net)	0.17	(0.02)	0.16	-	0.01	-
Operating Profit/ (loss) before Changes in Working Capital	**2,080.31**	**1,687.70**	**738.65**	**170.07**	**(89.57)**	**(2.28)**
Changes in Working Capital:						
Adjustments for (increase) / decrease in operating assets:						
Long term Receivables	(2,888.88)	(5,512.38)	(3,551.02)	(2,161.87)	(917.06)	-

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the Year Ended 31 March 2011
under financing activities						
Long term loans and advances	(7.98)	(14.17)	0.70	(0.61)	(0.94)	-
Short term receivables under financing activities	(1,859.41)	(2,763.82)	(1,895.43)	-	-	-
Short term loans and advances	(27.06)	(27.99)	30.98	(2.94)	(5.42)	0.01
Other Non-current assets	-	-	-	(2.41)	(3.08)	-
Other Current assets	(54.42)	(92.12)	(118.76)	(22.73)	(20.95)	-
Bilateral Assignment and Securitisation of Assets (Net)	117.18	63.37	8.49	-	-	-
Adjustments for increase / (decrease) in operating liabilities:						
Long term Provisions	-	-	-	8.26	7.28	-
Trade Payables	80.30	25.40	15.83	-	-	-
Other Current Liabilities	78.45	46.72	68.46	6.34	30.56	0.06
Short term Provisions	3.99	8.81	8.22	1.71	1.26	-
Cash Flow used in Operations	**(2,477.52)**	**(6,578.48)**	**(4,693.88)**	**(2,004.18)**	**(997.92)**	**(2.21)**
Interest Income on Deposits / Other loans	3.68	4.20	0.68	2.93	3.49	0.03
Profit on sale of current investments (Net)	0.13	0.21	-	-	-	-
Finance cost paid	(1,027.69)	(980.78)	(362.37)	(146.94)	(12.91)	-
Direct Taxes paid	(369.85)	(244.08)	(75.59)	(5.03)	(0.45)	(0.02)
Net Cash Flow used in operating activities	**(3,871.25)**	**(7,798.93)**	**(5,131.16)**	**(2,153.22)**	**(1,007.79)**	**(2.20)**
B. Cash Flow from Investing activities						
Capital expenditure (including capital advances)	(60.11)	(81.84)	(25.95)	(10.12)	(47.94)	-
Proceeds from sale of fixed Assets	1.72	2.33	0.33	0.01	-	-
(Increase)/decrease in deposits, (net) not considered as cash and cash Equivalents	3.75	(21.16)	(8.64)	20.19	17.71	(46.77)
Purchase of current Investments	-	-	-	-	(1,086.10)	-
Proceeds from sale of current investments	-	-	-	-	1,089.85	-
	-	-	-	-	-	-
Net Cash Flow from / (used in) Investing Activities	**(54.64)**	**(100.67)**	**(34.26)**	**10.08**	**(26.48)**	**(46.77)**

Particulars	For the Nine months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
C. Cash Flow from Financing activities						
Proceeds from issue of Share Capital, including securities premium	-	2,998.84	1,249.36	1,000.01	550.00	50.00
Long term borrowings Availed	3,950.00	9,380.00	2,120.00	170.00	250.00	-
Long term borrowings Repaid	(1,120.44)	(2,417.68)	(115.63)	(284.29)	(20.09)	-
Short term borrowings availed [Net]	(730.39)	361.18	1,764.80	1,646.12	298.53	-
	-					
Net Cash Flow from Financing activities	**2,099.17**	**10,322.34**	**5,018.53**	**2,531.84**	**1,078.44**	**50.00**
Net increase/(Decrease) in Cash and Cash equivalents (A) + (B) + (C)	**(1,826.72)**	**2,422.74**	**(146.89)**	**388.70**	**44.17**	**1.03**
Cash and Cash equivalents at beginning of the period / Year	2,709.79	287.05	433.94	45.24	1.07	0.04
Cash and Cash equivalents at end of the period / year	**883.07**	**2,709.79**	**287.05**	**433.94**	**45.24**	**1.07**
Note:						
The reconciliation to the Cash and Cash equivalents is as follows:						
Cash and Cash Equivalents as per Annexure 21	930.18	2,719.27	287.05	433.94	45.24	1.07
Less: Fixed deposits in banks with Maturity more than 3 months/ Lien Marked Deposits	47.11	9.48	-	-	-	-
Cash and Cash equivalents as per Cash flow statement	**883.07**	**2,709.79**	**287.05**	**433.94**	**45.24**	**1.07**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 4

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Background

The statement of restated assets and liabilities as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and statement of restated profit and loss and cash flow for the nine months ended December 31, 2015 and the years ended March 31, 2015, 2014, 2013, 2012 and 2011 (hereinafter collectively referred to as “Restated Summary Statements”) relate to EQUITAS FINANCE LIMITED (formerly known as, EQUITAS FINANCE PRIVATE LIMTED) (“the Company”) have been prepared specifically for inclusion in the offer document to be filed by the Holding Company Equitas Holdings Limited with the Securities and Exchange Board of India (“SEBI”), Registrar of Companies and relevant stock exchanges in connection with its proposed Initial Public Offering. These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule III to the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”).

4.2 Corporate Information

Equitas Finance Limited (“EFL/Company”) is a Systemically Important Non-Deposit taking Non Banking Finance Company [NBFC-ND-SI] registered with the Reserve Bank of India (RBI) under the category of 'Asset Finance Company'. It is a wholly owned subsidiary of Equitas Holdings Limited (“Holding Company”). The Company commenced used Commercial Vehicle finance business in June 2011 and during FY 2013-14, the Company commenced Small and Micro Enterprise finance and Loan against property finance to borrowers, who do not have access to formal finance source.

The Company was converted to a public company vide a fresh Certificate of Incorporation dated 29 September 2015, subsequent to which the name of the Company changed from Equitas Finance Private Limited to Equitas Finance Limited.

The Reserve Bank of India (RBI) has granted an ‘in-principle’ approval for establishing a ‘Small Finance Bank’ (SFB) to Equitas Holdings Limited.

The Company, Equitas Micro Finance Limited (EMFL) and Equitas Housing Finance Limited (EHFL) are the wholly owned subsidiaries of EHL.
One of the conditions precedent for the issuance of the banking license by the RBI is the merger of the above wholly owned subsidiaries to form the SFB. It is therefore proposed to merge EMFL and EHFL with the Company, for which ‘in principle’ approval has been accorded by the Board of the respective Companies at their meeting held on November 26, 2015.
In order to comply with this requirement of RBI, the Scheme of Amalgamation is being presented before the Hon’ble High Court of Judicature at Madras. After the completion of the merger of EMFL and EHFL with the Company and after complying with other terms and conditions prescribed by the RBI in its ‘in-principle’ approval, EHL would apply to the RBI for commencing business as a SFB. Upon confirmation of the same by the RBI, the effective date of the merger of the entities will be the date immediately preceding the date of commencement of banking business.
Since the proposed merger is not yet effective, there is no impact on the restated financial statements as at and for the nine months ended 31 December 2015.

4.3 Significant Accounting Policies

4.3.1 Basis of preparation of Financial Statements

The Restated Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent across the five years and the nine months ended December 31, 2015.

The Company follows the Prudential Norms for income recognition, asset classification and provisioning as prescribed by the RBI.

4.3.2 Use of Estimates

The preparation of the Restated Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3.3 Cash and Cash Equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.3.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

4.3.5 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical assessment, taking into account the nature of the asset, its estimated usage, its operating conditions, past history of replacement and anticipated technological changes:

Tangible Assets

Office Equipments- 3 years

Computers - 3 years Furniture

& Fittings– 3years Vehicles -

4 years

Leasehold Improvements are depreciated over the remaining primary lease period or 3 years, whichever is lower.

Assets individually costing less than Rs.5000 each are fully depreciated in the year of capitalisation.

Intangible assets are amortised over their estimated useful life as follows:

Software - lower of license period or 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern

4.3.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Interest Income on Loans granted is recognized under the internal rate of return method. Income on Non Performing Assets is recognized only when realized and any interest accrued until such asset became a non performing asset and remaining overdue, is de-recognized totally by reversing the interest income.

ii. On assets securitised / assigned, income is recognised over the life of the underlying assets based on the method prescribed by RBI vide their guidelines dated 21 August 2012.

iii. Loan Processing fee is recognised as income in the period/year in which loan was sanctioned.

iv. All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

v. Additional Finance Charges, Cheque bounce charges, Field visit charges and other penal / servicing charges are recognised as income only on realisation due to uncertainty in its collection.

vi. Profit / loss on sale of investments is recognised at the time of sale or redemption.

4.3.7 Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible asset comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses. Advances paid towards acquisition of fixed assets are included under long term loans and advances.

4.3.8 Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

4.3.9 Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the period/year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Restated Statement of Profit and Loss.

4.3.10 Investments

Investments which are long term in nature are stated at cost, net of provision, if any, for diminution, other than temporary, in the value of investments.

Current investments are valued at lower of cost and fair value.

4.3.11 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plan:

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as it falls due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial Valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Restated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period/year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

4.3.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

4.3.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Restated Statement of Profit and Loss on a straight-line basis.

4.3.14 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period/year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

4.3.15 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the period/year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

4.3.16 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Restated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case, any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Restated Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Restated Profit and Loss. In case of revalued assets such reversal is not recognised.

4.3.17 Borrowing costs

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs in connection with the borrowing of funds, to the extent not directly related to the acquisition of qualifying assets, are charged to the Restated Statement of Profit and Loss at the time of availment of the loan.

4.3.18 Repossessed Assets

Repossessed Assets are valued at the lower of cost and estimated net realizable value.

4.3.19 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the Restated Financial Statements.

Classification of Loan Portfolio

Loans are classified as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

Classification of Loans for the nine months ended 31 December 2015

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than five months
Non Performing Assets (NPA)	
i. Sub-Standard Assets	Overdue for five months and more but less than or equal to 21 months.
ii. Doubtful Assets	Overdue for more than 21 months
iii. Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

'Overdue' refers to interest and / or principal and / or installment / insurance premium remaining unpaid from the day it became receivable.

(b) Classification of Loans for the financial years 2014-15 and 2013-14

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than six months
Non Performing Assets (NPA)	
i. Sub-Standard Assets	Overdue for six months and more but less than or equal to 24 months
ii. Doubtful Assets	Overdue for more than 24 months
iii. Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

'Overdue' refers to interest and / or principal and / or installment / insurance premium remaining unpaid from the day it became receivable.

(c) Classification of Loans for the financial year 2012-13

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 90 days
Non Performing Assets (NPA)	
i. Sub-Standard Assets	Overdue for 90 days and more but less than 180 days Any Registration Certificate not endorsed in favour of the company for 91 days and more but less than 121 days from the date of Disbursement.
ii. Doubtful Assets	Overdue for 180 days and more Any Registration Certificate not endorsed in favour of the company for 121 days and more from the date of Disbursement.
iii. Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

(d) **Classification of Loans for the financial year 2011-12**

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 90 days
Non Performing Assets (NPA)	
i. Sub-Standard Assets	Overdue for 90 days and more but less than 180 days Any R C books not endorsed in favour of the company for 61
ii. Doubtful Assets	Overdue for 180 days and more Any R C books not endorsed in favour of the company for 91 days and more from the date of Disbursement
iii. Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

(b) **Provisioning Norms for Loans**

Provision on loans has been provided as per Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

For the nine months ended 31 December 2015

	Asset Classification	Provisioning Percentage
1	**Standard Assets**	
	Not Overdue and Overdue for less than 5 months	0.30%
2	**Non Performing Assets (NPA)**	
i.	**Sub-Standard Assets**	
	Overdue for 5 months and more but less than or equal to 21 months	10.00%
ii.	**Doubtful Assets**	
	Unsecured portion of loan amount	100.00%
	Secured portion of loan amount	
	Up to one year from the date of being doubtful	20.00%
	More than one year and up to three years from the date of being doubtful	30.00%
	More than three years from the date of being doubtful	50.00%
iii.	**Loss Assets**	100.00%

For the Financial Years 2014-15 and 2013-14

	Asset Classification	Provisioning Percentage
1	**Standard Assets**	
	Not Overdue and Overdue for less than 6 months	0.25%
2	**Non Performing Assets (NPA)**	
i.	**Sub-Standard Assets**	
	Overdue for 6 months and more but less than or equal to 24 months	10.00%
ii.	**Doubtful Assets**	
	Unsecured portion of loan amount	100.00%
	Secured portion of loan amount	
	Up to one year from the date of being doubtful	20.00%
	More than one year and up to three years from the date	30.00%
	of being doubtful	
	More than three years from the date of being doubtful	50.00%
iii.	**Loss Assets**	100.00%

For the Financial Years 2012-13 and 2011-12

	Asset Classification	Provisioning Percentage
	1. Standard Assets	
	i. Exposure on vehicles manufactured after 1997	0.50%
	ii. Exposure on vehicles manufactured on or before 1997	2.50%
	2. Non Performing Assets (NPA)	
	i. **Sub-Standard Assets**	
	- Overdue for 90 days and more but less than 120 days	10.00%
	- Overdue for 120 days and more but less than 180 days	25.00%
	- Any Registration Certificate not endorsed in favour of the company for 91 days and more but less than 121 days from the date of Disbursement	25.00%
	ii. Doubtful Assets	
	- Doubtful Assets – Overdue for 180 days and more but less than 366 days.	50.00%
	- Any Registration Certificate not endorsed in favour of the company for 121 days and more but less than 151 days from the date of disbursement.	50.00%
	- Doubtful Assets – Overdue for 366 days and more.	50.00%
	- Any Registration Certificate not endorsed in favour of the company for 151 days or more from the date of disbursement.	100.00%
	- In addition to above 100% to the extent to which the advance is not covered by the realisable value of the security	100.00%
	iii**. Loss Assets**	100.00%

Note: Income on NPAs are recognised only when realised

Under exceptional circumstances, Management may renegotiate loans by rescheduling repayment terms for customers who have defaulted in repayment but who appear willing and have the ability to repay their loans under a longer term agreement. Rescheduled Standard Assets are classified / provided for as Sub-Standard Assets as per above which classification / provisioning is retained for a period of one year of satisfactory performance. Rescheduled NPAs are not upgraded but are retained at the original classification / provisioning for a period of 1 year of satisfactory performance.

(c) Provision for Credit Enhancements on assets de-recognised

Provision for Credit Enhancements on assets de-recognised is made based on Management estimates at 0.30% (upto March 31, 2015- 0.25%) of the outstanding amount of assets de-recognised from the books of the Company as at the Balance Sheet date.

4.3.20 Service Tax Input Credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

4.3.21 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

EQUITAS FINANCE LIMITED
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ANNEXURE 5

SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

(Rs in Million)

Adjustments for	As at December 31,2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Processing fee (Refer Note 1)	-	-	-	(8.76)	8.76	-
Tax Adjustment on Restatement	-	-	-	(2.84)	2.84	-
Total	**-**	**-**	**-**	**(11.60)**	**11.60**	**-**

1. **Changes in Accounting Policy**

During the year ended March 31, 2013, the Company has changed its accounting policy for income recognition of processing fees. Hitherto, the processing fees was recognised as income over the period of loan contract. However, from 1 April 2012, the same has been recognised as income in the period/year in which the loan was sanctioned. In the financial statements for the year ended March 31, 2013, this change in recognition of processing fees has been identified as change in accounting policy. For the purpose of restated consolidated summary statements, this change in accounting policy has been appropriately adjusted in the respective period/years to which the transactions pertain to.

2. **Material Regrouping**

W.e.f, April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 in accordance with the requirements applicable for the year ended March 31, 2015 and nine months ended December 31, 2015.

Appropriate adjustments have been made in the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the year ended March 31, 2015 and nine months ended December 31, 2015 prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

EQUITAS FINANCE LIMITED
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ANNEXURE 6

RESTATED SUMMARY STATEMENT OF SHARE CAPITAL

Particulars	As at 31 December 2015		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Number of Shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of Shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)	Number of shares	Amount (Rs. In Million)
Share Capital												
Authorised												
Equity shares of Rs.10 each	750,000,000	7,500.00	440,000,000	4,400.00	256,000,000	2,560.00	165,000,000	1,650.00	100,000,000	1,000.00	4,500,000	450.00
Issued, Subscribed and Fully Paid-up												
Equity Shares of Rs.10 each	423,000,000	4,230.00	423,000,000	4,230.00	240,700,000	2,407.00	151,460,000	1,514.60	60,550,000	605.50	555,000	55.50
	423,000,000	**4,230.00**	**423,000,000**	**4,230.00**	**240,700,000**	**2,407.00**	**151,460,000**	**1,514.60**	**60,550,000**	**605.50**	**555,000**	**55.50**

EQUITAS FINANCE LIMITED
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ANNEXURE 7

RESTATED SUMMARY STATEMENT OF RESERVES & SURPLUS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Reserves and Surplus						
Securities Premium Account						
Opening Balance	1,623.71	447.87	90.91	-	-	-
Add: Additions during the period/year	-	1,175.84	356.96	90.91	-	-
Closing Balance	**1,623.71**	**1,623.71**	**447.87**	**90.91**	**-**	**-**
Statutory Reserve						
Opening Balance	108.00	39.40	7.79	0.13	0.13	0.11
Add: Amount Transferred during the period/year	-	68.60	31.61	7.66	-	0.02
Closing Balance	**108.00**	**108.00**	**39.40**	**7.79**	**0.13**	**0.13**
General Reserve						
Opening Balance	0.14	0.14	0.14	0.14	0.14	0.14
Add: Additions		-	-	-	-	-
Closing Balance	**0.14**	**0.14**	**0.14**	**0.14**	**0.14**	**0.14**
Surplus in the Statement of Profit and Loss						
Opening Balance	296.17	22.50	(103.84)	(128.06)	(5.10)	(2.76)
Add: Restated Profit for the period/year	593.62	342.27	157.95	31.88	(122.96)	(2.32)
Less: Appropriations						
- Transfer to Statutory Reserve	-	(68.60)	(31.61)	(7.66)	-	(0.02)
Net Surplus in the Statement of Profit and Loss	**889.79**	**296.17**	**22.50**	**(103.84)**	**(128.06)**	**(5.10)**
	2,621.64	**2,028.02**	**509.91**	**(5.00)**	**(127.79)**	**(4.83)**

Note:

As per Section 45 IC of Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. The financials for the nine months ended 31 December 2015 are condensed financial statements prepared based on AS-25, and hence transfer to statutory reserve will be made at the year end.

EQUITAS FINANCE LIMITED
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ANNEXURE 8

RESTATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term borrowings						
Non Convertible Debentures - Secured	3,560.35	2,412.37	1,080.00	-	-	-
Term Loans from Banks - Secured	2,696.62	1,833.17	-	-	-	-
Term Loans from Other Parties – Secured	2,053.03	2,165.84	368.71	43.09	136.66	-
Subordinated Debt - Unsecured	400.00	400.00	-	-	-	-
Loan from Holding Company – Unsecured	-	-	540.00	-	-	-
	8,710.00	**6,811.38**	**1,988.71**	**43.09**	**136.66**	**-**
Of the above unsecured borrowings are from:						
Holding Company	-	-	540.00	-	-	-
Financial institution	400.00	400.00	-	-	-	-
Total	400.00	400.00	540.00	-	-	-

Details of Non Convertible Debentures/Subordinated Debt

(Rs in Million)

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
0.00% to 13.70%	Secured	4,600.00	3,280.00	1,080.00	-	-	-	Out of the above, Rs. 4,365 Million and Rs. 3,030 Million are listed in BSE Limited as at 31 December 2015 and 31 March 2015 respectively
14.95%	Unsecured	400.00	400.00	-	-	-	-	Eligible for inclusion in Tier II capital as per RBI Guidelines and listed
		5,000.00	**3,680.00**	**1,080.00**	**-**	**-**	**-**	
Less: Current Maturities of Long-term borrowings		(1,039.65)	(867.63)	-	-	-	-	
Total		**3,960.35**	**2,812.37**	**1,080.00**	**-**	**-**	**-**	

Non Convertible Debentures are secured with first ranking exclusive charge on the hypothecated Receivables under financing activities in favour of the Trustee for the benefit of the debenture holders.

Details of Secured Term Loans from Banks

(Rs in Million)

Coupon Rate	Repayment Period	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
11.05% to 13.10%	24-60 months	3,748.29	2,427.96	-	-	-	-	
		3,748.29	**2,427.96**	**-**	**-**	**-**	**-**	
Less: Current Maturities of Long-term Borrowings		(1,051.67)	(594.79)	-	-	-	-	
Total		**2,696.62**	**1,833.17**	**-**	**-**	**-**	**-**	

The loans are secured by hypothecation of specified Receivables under financing activities and lien on specified FDs with Banks.

Details of Term Loans from Other Parties -secured

(Rs in Million)

Coupon Rate	Repayment Period	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
11.85% to 14.00%	36-48 months	3,163.59	2,974.37	500.00	115.62	229.92	-	
		3,163.59	**2,974.37**	**500.00**	**115.62**	**229.92**	**-**	
Less: Current Maturities of Long-term Borrowings		(1,110.56)	(808.53)	(131.29)	(72.54)	(93.26)	-	
Total		**2,053.03**	**2,165.84**	**368.71**	**43.08**	**136.66**	**-**	

EQUITAS FINANCE LIMITED
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ANNEXURE 8

RESTATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

Details of Non Convertible Debentures issued by the Company

(a) **Repayment terms**

Coupon Rate [% p.a.]	Final Maturity Date	Debenture details		As at 31 December 2015 Rs. In Million	Listed/ Unlisted Status	Date of Redemption, if Option available to exercise	Issued at Par / Premium
		Nos.	Face Value (Rs.)				
Secured Non Convertible Debentures							
12.70%	30-Jun-19	500	1,000,000	500.00	Listed	30 June 2017	Par *
12.00%	25-Nov-17	580	1,000,000	580.00	Listed	Not applicable	Par *
Zero	30-Aug-16	200	1,000,000	200.00	Listed	Not applicable	Premium
12.50%	29-Sep-16	100	1,000,000	90.00	Listed	Not applicable	Par *
12.50%	29-Sep-16	150	1,000,000	135.00	Unlisted	Not applicable	Par *
13.70%	30-Sep-19	100	1,000,000	100.00	Listed	30 Sept 2017	Par *
12.50%	30-Sep-17	50	1,000,000	50.00	Listed	Not applicable	Par *
12.50%	30-Sep-16	50	1,000,000	45.00	Listed	Not applicable	Par *
12.50%	30-Oct-16	50	1,000,000	50.00	Listed	Not applicable	Par *
12.50%	30-Oct-16	100	1,000,000	100.00	Unlisted	Not applicable	Par *
12.50%	31-Jan-17	400	1,000,000	250.00	Listed	Not applicable	Par *
12.13%	26-Feb-20	1000	1,000,000	1,000.00	Listed	26 Feb 2017, 26 Aug 2017, 26 Feb 2018, 26 Aug 2018, 26 Feb 2019, 26 Aug 2019	Par *
11.66%	28-Jul-18	750	1,000,000	750.00	Listed	30-Jul-2018	Par*
11.66%	14-Aug-18	750	1,000,00	750.00	Listed	14-Aug-18	Par*
Total				**4,600.00**			
Less: Current Maturities of long term Borrowings (Refer annexure)				1,039.65			
Long term portion				**3,560.35**			
Unsecured Subordinated Debentures							
14.95%	30-Apr-21	400	1,000,000	400.00	Listed	Not applicable	Par
Total				**400.00**			

* Guaranteed by Equitas Holdings Limited (Holding Company)

Secured Non Convertible Debentures are secured with first ranking exclusive charge on the hypothecated Receivables under financing activities in favour of the Trustee for the benefit of the debenture holders. Out of the above, debentures amounting to Rs.4,365 million are listed in BSE Limited, as on 31 December 2015.

NCD of Rs.400 million is unsecured, subordinated debt and listed which is eligible for inclusion as Tier II Capital as per extant RBI Guidelines.

The Company has not defaulted in the repayment of dues to the debenture holders.

Details of Term Loans from Banks – Secured

(a) The loans are secured by hypothecation of specified Receivables under financing activities and lien on specified FDs with Banks.

(b) The Company has not defaulted in the repayment of dues to banks.

(c) The details of interest rate, tenor, repayment terms of the Term Loans from Banks are as follows:

Tenure	Repayment Frequency	Interest Rate	Fixed or Floating	Remaining Instalments	As at 31 December 2015 Rs in Million
54 Months	Quarterly	12.25%	Floating	15	281.25
36 months	Quarterly	11.95%	Floating	9	245.40
48 months	Quarterly	12.65%	Floating	13	203.13
48 months	Quarterly	11.90%	Floating	12	400.00
60 months	Half yearly	11.75%	Floating	10	500.00
36 months	Quarterly	11.75%	Floating	11	200.00
24 months	Monthly	13.10%	Floating	10	62.50
36 months	Quarterly	11.05%	Floating	11	137.50
48 months	Quarterly	12.75%	Fixed	12	75.00
48 months	Quarterly	12.40%	Floating	13	121.86
60 months	Quarterly	12.40%	Floating	15	236.84
60 months	Quarterly	11.75%	Floating	18	200.00
48 months	Quarterly	12.70%	Floating	11	171.88
48 months	Quarterly	12.90%	Floating	11	103.13
60 months	Quarterly	11.30%	Floating	19	500.00
60 months	Quarterly	11.80%	Floating	9	150.00
48 months	Quarterly	12.00%	Floating	12	159.80
Total					**3,748.29**
Less: Current Maturities of Long term borrowings					1,051.67
Long term borrowings from Banks					**2,696.62**

Details of Term Loans from Other Parties - Secured

Tenure	Repayment Frequency	Interest Rate (% p.a)	Remaining Instalments	As at 31 December 2015 Rs in Million
42 months	Quarterly	14.00%	8	500.00
42 months	Quarterly	12.30%	8	400.00
36 months	Monthly	13.25%	16	99.31
36 months	Monthly	13.25%	16	24.44
36 months	Monthly	13.25%	20	30.49
36 months	Monthly	13.90%	20	100.00
36 months	Monthly	14.00%	16	248.10
36 months	Quarterly	11.85%	18	750.00
48 months	Monthly	13.00%	38	842.50
48 months	Quarterly	13.25%	10	62.50
48 months	Monthly	13.25%	34	106.25
Total				**3,163.59**
Less : Current Maturities of Long term borrowings				1,110.56
Long term borrowings from Other Parties				**2,053.03**

S.No.	Bank/FI	Interest Rate (% p.a)	Security	Whether rescheduled (refer Note if restated)	Loan Amount as at 31 December 2015	Less: Current maturities of Long term debt	Balance as at 31 December 2015
	Long Term Borrowings						
1	Andhra Bank	12.75%	Hypothecation of Receivables	No	281.25	75.00	206.25
2	Bank of Maharashtra	12.50%	Hypothecation of Receivables	No	245.40	109.60	135.80
3	State Bank of Mysore	13.00%	Hypothecation of Receivables	No	203.13	62.50	140.63
4	Union Bank of India	12.25%	Hypothecation of Receivables	No	400.00	133.32	266.68
5	The Dhanalaxmi Bank Ltd	12.75%	Hypothecation of Receivables	No	75.00	25.00	50.00
6	Tamilnad Mercantile Bank Limited	12.75%	Hypothecation of Receivables	No	121.88	37.50	84.38
7	The Karur Vysya Bank Limited	13.50%	Hypothecation of Receivables	No	436.84	74.27	362.57
8	The Lakshmi Vilas Bank Limited	13.25%	Hypothecation of Receivables	No	171.87	62.50	109.37
9	The Ratnakar Bank Limited	13.25%	Hypothecation of Receivables	No	603.13	116.45	486.68
10	The South Indian Bank Limited	12.50%	Hypothecation of Receivables	No	309.80	70.30	239.50
11	State Bank of Mauritius	11.00%	Hypothecation of Receivables	No	200.00	72.73	127.27
12	United Bank of India	10.00%	Hypothecation of Receivables	No	500.00	100.00	400.00
13	HDFC Bank Limited	11.00%	Hypothecation of Receivables	No	137.50	50.00	87.50
14	IDFC Limited	13.10%	Hypothecation of Receivables	No	62.50	62.50	-
15	Capital First Limited - Term loan I	14.00%	Hypothecation of Receivables	No	500.00	250.00	250.00
16	Capital First Limited - Term loan II	13.00%	Hypothecation of Receivables	No	400.00	50.00	350.00
17	IFMR Capital Finance Private Limited - TL I	14.25%	Hypothecation of Receivables	No	99.31	73.50	25.81
18	IFMR Capital Finance Private Limited - TL II	14.00%	Hypothecation of Receivables	No	24.44	17.90	6.54
19	IFMR Capital Finance Private Limited - TL III	14.25%	Hypothecation of Receivables	No	30.48	17.46	13.02
20	MAS Financial Services Ltd	14.15%	Hypothecation of Receivables	No	100.00	60.00	40.00

S.No.	Bank/FI	Interest Rate (% p.a)	Security	Whether rescheduled (refer Note if restated)	Loan Amount as at 31 December 2015	Less: Current maturities of Long term debt	Balance as at 31 December 2015
21	Reliance Capital Limited	14.00%	Hypothecation of Receivables	No	248.10	181.70	66.40
22	Small Industries Development Bank of India	13.00%	Hypothecation of Receivables	No	1,592.5	397.50	1,195.00
23	Tata Capital Financial Services Limited - TL I	13.25%	Hypothecation of Receivables	No	62.50	25.00	37.50
24	Tata Capital Financial Services Limited - TL II	13.25%	Hypothecation of Receivables	No	106.25	37.50	68.75
					6,911.88	**2,162.23**	**4,749.65**

S.No.	Bank/FI	Interest Rate (% p.a)	Security	Whether rescheduled (refer Note if restated)	Loan Amount as at 31 December 2015	Less: Current maturities of Long term debt	Balance as at 31 December 2015
Non Convertible Debentures							
1	UTI International Wealth Creator 4	14.00%	Hypothecation of Receivables	No	500.00	400.00	100.00
2	FMO	12.00%	Hypothecation of Receivables	No	580.00	-	580.00
3	Samena India Credit (Singapore) Private Limited	14.63%	Hypothecation of Receivables	No	200.00	-	200.00
4	A K Capital Finance Private Limited - Tranche 1	12.50%	Hypothecation of Receivables	No	90.00	90.00	-
5	A K Capital Finance Private Limited - Tranche 2	12.50%	Hypothecation of Receivables	No	135.00	135.00	-
6	Acsys Investments Private Limited - Tranche 3	13.70%	Hypothecation of Receivables	No	100.00	-	100.00

S.No.	Bank/FI	Interest Rate (% p.a)	Security	Whether rescheduled (refer Note if restated)	Loan Amount as at 31 December 2015	Less: Current maturities of Long term debt	Balance as at 31 December 2015
7	A K Capital Finance Private Limited – Tranche 4	12.50%	Hypothecation of Receivables	No	50.00	19.65	30.35
8	A K Capital Finance Private Limited - Tranche 5	12.50%	Hypothecation of Receivables	No	45.00	45.00	--
9	A K Capital Finance Private Limited - Tranche 6	12.50%	Hypothecation of Receivables	No	50.00	50.00	-
10	A K Capital Finance Private Limited - Tranche 7	12.50%	Hypothecation of Receivables	No	100.00	100.00	-
11	Reliance Capital Trustee Co. Ltd - A/c - Reliance Regular Savings Fund – Debt Option	12.50%	Hypothecation of Receivables	No	250.00	200.00	50.00
12	Franklin India Low Duration Fund	12.13%	Hypothecation of Receivables	No	1,000.00		1,000.00
13	Capital First Limited	14.95%	Unsecured, Subordinated	No	400.00		400.00
14	Franklin India Low Duration Fund	11.66%	Hypothecation of Receivables	No	750.00		750.00
15	Franklin India Low Duration Fund	11.66%	Hypothecation of Receivables	No	750.00		750.00
	Total				**5,000.00**	**1,039.65**	**3,960.35**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 9

RESTATED SUMMARY STATEMENT OF OTHER LONG TERM LIABILITIES

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other long term liabilities						
Unamortised Income on Interest Strip retained on Securitisation of Receivables	322.15	6.37	19.39	-	-	-
Premium on redemption of Debentures	41.92	18.34	-	-	-	-
	364.07	**24.71**	**19.39**	**-**	**-**	**-**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 10

RESTATED SUMMARY STATEMENT OF LONG TERM PROVISIONS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term provisions						
Provision for Employee benefits						-
Provision for Compensated Absences	-	-	-	9.88	4.16	-
Provision for Gratuity				2.96	1.26	
Provision- Others						
Contingent Provision for Standard Receivables under financing Activities	39.92	26.58	13.02	9.69	4.56	-
Provision for Sub-Standard and Doubtful Receivables under financing activities	17.25	15.80	4.92	4.48	0.64	0.23
Provision for Credit Enhancements on assets de-recognised	3.16	0.18	0.53	-	-	-
	60.33	**42.56**	**18.47**	**27.01**	**10.62**	**0.23**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 11

RESTATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term borrowings						
From Banks						
Cash Credit – Secured	2,580.57	3,063.21	2,950.67	1,564.67	38.53	-
Working Capital Demand Loan – Secured	770.00	750.00	330.00	380.00	-	-
Overdraft – Unsecured	-	127.75	148.79	-	-	-
Term Loans – Unsecured	-	50.00	-	-	-	-
From Other parties						
Term Loans – Secured	-	-	-	-	100.00	
Inter Corporate loans from Related Parties – Unsecured	-	-	280.00	-	160.00	-
Commercial Papers - Unsecured	-	90.00	-	-	-	-
	3,350.57	**4,080.96**	**3,709.46**	**1,944.67**	**298.53**	**-**
Of the above, unsecured borrowings are from:						
Fellow Subsidiaries	-	-	280.00	-	-	-
Holding Company	-	-	-	-	160.00	-
Banks	-	177.75	148.79	-	-	-
Financial Institutions	-	90.00	-	-	-	-
	-	**267.75**	**428.79**	**-**	**160.00**	**-**

Note: 1. Secured loan repayable on demand from banks were primarily secured by loan receivables covered under the financing activity (excluding the assets charged to debenture holders / term lenders on exclusive basis).

Collateral Security - Charge on hypothecation of other free assets / fixed assets owned by the Company; further the loans are guaranteed by Equitas Holdings Limited (Holding Company).

2. The unsecured overdraft facilities from banks are guaranteed by Equitas Holdings Limited (Holding Company).

3. The loans are secured by hypothecation of specified Receivables under financing activities and lien on specified FDs with Banks.

4. Average interest rate on commercial papers is 13.00% p.a and is repayable within one year.

5. Term Loan unsecured

Tenor	Repayment Frequency	Interest Rate	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014
6 months	On Maturity	11.60%	- -	50.00	-
Total			**- -**	**50.00**	**-**

Working Capital demand Loan
as on 31 December 2015

(Rs in Million)

S.No.	Bank/FI	Interest Rate (% p.a)	Security	Whether rescheduled (refer Note if restated)	Balance as at 31 December 2015
	Short Term Borrowings				
1	State Bank of India	11.40%	Hypothecation of Receivables	No	400.00
2	State Bank of Patiala	12.50%	Hypothecation of Receivables	No	200.00
3	Lakshmi Vilas Bank Ltd	12.75%	Hypothecation of Receivables	No	50.00
4	State Bank of Travancore	11.60%	Unsecured	No	120.00
					770.00

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 12

RESTATED SUMMARY STATEMENT OF CURRENT MATURITIES OF LONG TERM BORROWINGS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Current maturities of long term borrowings						
Non Convertible Debentures - Secured	1,039.65	867.63	-	-	-	-
Term Loans from Banks - Secured	1,051.67	594.79	-	-	-	-
Term Loans from Other Parties – Secured	1,110.56	808.53	131.29	72.54	93.26	-
	3,201.88	**2,270.95**	**131.29**	**72.54**	**93.26**	**-**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 13

RESTATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other current liabilities						
Interest accrued but not due on Borrowings	197.44	114.30	77.79	4.09	5.71	-
Advance instalments from borrowers	94.28	74.88	30.13	10.25	3.19	-
Unamortised Income on Interest Strip retained on Securitisation of Receivables	222.72	20.65	40.57	-	-	-
Amount Payable to Special Purpose Vehicles [SPVs] for assets de-recognised	99.46	41.35	43.77	-	-	-
Payables for purchase of fixed assets	0.57	3.24	1.98	0.63	1.00	-
Statutory remittances	10.48	11.05	6.65	2.95	2.51	-
Book Overdraft	1.50					
	626.45	**265.47**	**200.89**	**17.92**	**12.41**	**-**

EQUITAS FINANCE LIMITED

(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 14

RESTATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term provisions						
Provision for employee benefits						
Provision for Compensated Absences	39.66	35.67	26.85	5.78	3.11	-
Provision for Gratuity	-	-	-	0.01	-	-
Provision – Others						
Provision for Income Tax		-	0.12	-	2.36	-
Contingent Provision for Standard Receivables under financing Activities	21.70	13.95	7.62	6.20	-	-
Provision for Sub-Standard and Doubtful Receivables under financing activities	120.08	66.48	11.65	5.50	0.39	-
Provision for Credit Enhancements on assets de-recognised	0.94	0.58	0.70	-	-	-
	182.38	**116.68**	**46.94**	**17.49**	**5.86**	**-**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Nine Months ended 31 December 2015

(Rs in Million)

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 1 April 2015	Additions	Disposals	As at 31 December 2015	As at 1 April 2015	Depreciation charge for The period	On Disposals	As at 31 December 2015	As at 31 December 2015
Tangible Assets (owned)									
Improvements on Leasehold Premises	12.19	2.64	-	14.83	4.84	2.95	-	7.79	7.04
Office Equipment	23.18	8.78	0.09	31.87	14.59	5.74	0.09	20.24	11.63
Computers	49.67	26.55	0.01	76.21	24.50	12.86	0.01	37.35	38.86
Furniture & Fittings	9.23	3.45	-	12.68	6.99	3.30	-	10.29	2.39
Vehicles	27.48	8.68	2.47	33.69	3.49	4.51	0.58	7.42	26.27
Total – A	**121.75**	**50.10**	**2.57**	**169.28**	**54.41**	**29.36**	**0.68**	**83.09**	**86.19**
Intangible Assets (acquired)									
Computer Software	37.52	8.82	-	46.34	29.04	4.14	-	33.18	13.16
Total – B	**37.52**	**8.82**	**-**	**46.34**	**29.04**	**4.14**	**-**	**33.18**	**13.16**
Grand Total (A+B)	**159.27**	**58.92**	**2.57**	**215.62**	**83.45**	**33.50**	**0.68**	**116.27**	**99.35**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Financial year 2014-15

(Rs in Million)

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 1 April 2014	Additions	Disposals	As at 31 March 2015	As at 1 April 2014	Depreciation charge for the year	On Disposals	As at 31 March 2015	As at 31 March 2015
Tangible Assets (owned)									
Improvements on Leasehold premises	6.03	8.37	2.21	12.19	4.68	2.32	2.16	4.84	7.35
Office Equipment	12.89	10.88	0.59	23.18	8.00	7.16	0.57	14.59	8.59
Computers	27.25	22.42	-	49.67	13.75	10.75	-	24.50	25.17
Furniture & Fittings	5.95	4.01	0.73	9.23	4.80	2.91	0.72	6.99	2.24
Vehicles	1.38	28.70	2.60	27.48	0.13	3.73	0.37	3.49	23.99
Total - A	**53.50**	**74.38**	**6.13**	**121.75**	**31.36**	**26.87**	**3.82**	**54.41**	**67.34**
Intangible Assets (acquired)									
Computer Software	29.54	7.98	-	37.52	24.18	4.86	-	29.04	8.48
Total - B	**29.54**	**7.98**	**-**	**37.52**	**24.18**	**4.86**	**-**	**29.04**	**8.48**
Grand Total (A+B)	**83.04**	**82.36**	**6.13**	**159.27**	**55.54**	**31.73**	**3.82**	**83.45**	**75.82**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Financial year 2013-14

(Rs in Million)

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 1 April 2013	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	Depreciation charge for the year	On Disposals	As at 31 March 2014	As at 31 March 2014
Tangible Assets (owned)									
Improvements on Leasehold premises	5.23	0.84	0.04	6.03	2.73	1.98	0.03	4.68	1.35
Office Equipment	7.20	5.70	0.01	12.89	4.17	3.84	0.01	8.00	4.89
Computers	14.91	12.34	0.00	27.25	7.49	6.26	0.00	13.75	13.50
Furniture & Fittings	3.85	2.16	0.06	5.95	3.01	1.84	0.05	4.80	1.15
Vehicles	0.68	1.38	0.68	1.38	0.09	0.25	0.21	0.13	1.25
Total - A	**31.87**	**22.42**	**0.79**	**53.50**	**17.49**	**14.17**	**0.30**	**31.36**	**22.14**
Intangible Assets (acquired)									
Computer Software	26.11	3.42	-	29.53	14.79	9.39	-	24.18	5.35
Total - B	**26.11**	**3.42**	**-**	**29.53**	**14.79**	**9.39**	**-**	**24.18**	**5.35**
Grand Total (A+B)	**57.98**	**25.84**	**0.79**	**83.03**	**32.28**	**23.56**	**0.30**	**55.54**	**27.49**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Financial year 2012-13

(Rs in Million)

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 1 April 2012	Additions	Disposals	As at 31 March 2013	As at 1 April 2012	Depreciation charge for the year	On Disposals	As at 31 March 2013	As at 31 March 2013
Tangible Assets (owned)									
Improvements on Leasehold premises	4.52	0.71	-	5.23	0.90	1.83	-	2.73	2.50
Office Equipment	4.99	2.22	0.01	7.20	1.34	2.84	0.01	4.17	3.03
Computers	12.05	2.87	0.01	14.91	2.97	4.52	-	7.49	7.42
Furniture & Fittings	2.92	0.93	-	3.85	2.07	0.94	-	3.01	0.84
Vehicles	-	0.68	-	0.68	-	0.09	-	0.09	0.59
Total - A	**24.48**	**7.41**	**0.02**	**31.87**	**7.28**	**10.22**	**0.01**	**17.49**	**14.38**
Intangible Assets (acquired)									
Computer Software	24.16	1.95	-	26.11	6.11	8.68	-	14.79	11.32
Total - B	**24.16**	**1.95**	**-**	**26.11**	**6.11**	**8.68**	**-**	**14.79**	**11.32**
Grand Total (A+B)	**48.64**	**9.36**	**0.02**	**57.98**	**13.39**	**18.90**	**0.01**	**32.28**	**25.70**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Financial year 2011-12

(Rs in Million)

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 1 April 2011	Additions	Disposals	As at 31 March 2012	As at 1 April 2011	Depreciation charge for the year	On Disposals	As at 31 March 2012	As at 31 March 2012
Tangible Assets (owned)									
Improvements on Leasehold Premises	-	4.52	-	4.52	-	0.90	-	0.90	3.62
Office Equipment	0.09	4.99	0.09	4.99	0.08	1.34	0.09	1.33	3.66
Computers	0.07	12.05	0.07	12.05	0.07	2.97	0.07	2.97	9.08
Furniture & Fittings	0.06	2.92	0.06	2.92	0.06	2.07	0.06	2.07	0.85
Vehicles	0.24	-	0.24	-	0.24	-	0.24	-	-
Total – A	**0.46**	**24.48**	**0.46**	**24.48**	**0.45**	**7.28**	**0.46**	**7.27**	**17.21**
Intangible Assets (acquired)									
Computer Software	-	24.16	-	24.16	-	6.11	-	6.11	18.05
Total – B	**-**	**24.16**	**-**	**24.16**	**-**	**6.11**	**-**	**6.11**	**18.05**
Grand Total (A+B)	**0.46**	**48.64**	**0.46**	**48.64**	**0.45**	**13.39**	**0.46**	**13.38**	**35.26**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Financial year 2010-11

(Rs in Million)

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 1 April 2010	Additions	Disposals	As at 31 March 2011	As at 1 April 2010	Depreciation charge for the year	On Disposals	As at 31 March 2011	As at 31 March 2011
Tangible Assets (owned)									
Office Equipment	0.09	-	-	0.09	0.08	-	-	0.08	0.01
Computers	0.07	-	-	0.07	0.07	-	-	0.07	-
Furniture & Fittings	0.06	-	-	0.06	0.06	-	-	0.06	-
Vehicles	0.24	-	-	0.24	0.24	-	-	0.24	-
Grand Total	**0.46**	**-**	**-**	**0.46**	**0.45**	**-**	**-**	**0.45**	**0.01**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 16

RESTATED SUMMARY STATEMENT OF DEFERRED TAX ASSET

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Deferred Tax Assets						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	7.17	4.72	2.30	(0.87)	-	
Provision for Standard Receivables under Financing Activities	21.33	14.03	7.02	5.40	-	
Provision for Sub-Standard and Doubtful Receivables under Financing Activities	47.53	28.48	5.63	3.39	-	
Provision for Credit Enhancements on Assets De-Recognized	1.42	0.26	0.42	-	-	
Employee Benefits	18.21	11.54	8.82	6.33	-	
Provision for repossessed assets	23.68	21.73	10.95	1.11	-	
Business Loss	-	-	-	30.14		
	119.34	**80.76**	**35.14**	**45.50**	**-**	**-**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 17

RESTATED SUMMARY STATEMENT OF LONG TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term receivables						
Secured						
-Commercial Vehicle financing	7,078.07	6,190.92	4,535.85	1,871.67	619.46	-
-Micro Small Enterprise financing	6,331.18	4,522.57	788.72	-	-	-
-Others	1.46	-	-	-	-	-
Loans subordinated as Credit Enhancements for assets de-recognised	193.65	72.13	43.98	-	-	-
	13,604.36	**10,785.62**	**5,368.55**	**1,871.67**	**619.46**	**-**
Note:						
Of the above:						
Considered Good	13,499.77	10,706.63	5,326.85	1,856.62	616.59	-
Considered Doubtful (Sub-Standard and Doubtful Receivables under financing activities as per Company's Provisioning Norms)	104.59	78.99	41.70	15.05	2.87	-
Secured means exposures secured wholly or partly by hypothecation of vehicles, hypothecation of machinery & stock and / or equitable mortgage of property						
Receivables related to the directors or promoters or the issuers	-	-	-	-	-	-

EQUITAS FINANCE LIMITED
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ANNEXURE 18

RESTATED SUMMARY STATEMENT OF LONG TERM LOANS AND ADVANCES

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term loans and advances (considered good, unless otherwise stated)						
Advance towards purchase of Fixed Assets	1.39	0.85	0.69	-	0.31	-
Loans to Employees						
- Secured	0.71	0.62	0.31	0.14	0.21	
- Unsecured	7.83	0.72	0.63	0.68	0.07	
- Considered Doubtful	0.48	0.48	0.08	0.08	-	
- Less: Provision for Doubtful advances	0.48	0.48	0.08	0.08	-	
	8.54	1.34	0.94	0.82	0.28	-
Rental Deposits and other deposits	18.59	15.56	9.69	5.49	3.09	-
Advance Income tax and Tax Deducted at Source (Net of Provision)	30.81	19.76	-	5.03	-	0.04
Deposits – On lien against borrowings	5.25	7.50	-	-	-	-
	64.58	**45.01**	**11.32**	**11.34**	**3.68**	**0.04**

EQUITAS FINANCE LIMITED
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ANNEXURE 19

RESTATED SUMMARY STATEMENT OF OTHER NON CURRENT ASSETS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other non-current assets						
Interest Strip retained on Securitisation of Receivables	322.17	6.36	19.40	-	-	-
Bank Deposits under Lien having maturity beyond 12 months	-	41.37	20.24	11.60	31.79	49.50
	322.17	**47.73**	**39.64**	**11.60**	**31.79**	**49.50**
Deposit account under lien						
- Cash collateral for assets de-recognised	-	37.14	20.24			
- Cash collateral for Term Loans	-	3.75				
- Others	-	4.80				

EQUITAS FINANCE LIMITED
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ANNEXURE 20

RESTATED SUMMARY STATEMENT OF SHORT TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term Receivables						
Secured						
-Commercial Vehicle financing	6,236.12	4,776.28	2,735.15	1,133.94	296.49	0.23
-Micro Small Enterprise financing	792.41	584.90	85.62	-	-	-
-Others	1.70	-	-	-	-	-
Instalments overdue on loans	662.00	471.65	248.23	39.63	1.03	-
	7,692.23	**5,832.83**	**3,069.00**	**1,173.57**	**297.52**	**0.23**
Note:						
Of the above:						
Considered Good	7,240.87	5,579.77	2,972.71	1,157.67	295.79	-
Considered Doubtful (Sub-Standard and Doubtful Receivables under financing activities as per Company's Provisioning Norms)	451.36	253.06	96.29	15.90	1.73	0.23
Secured means exposures secured wholly or partly by hypothecation of vehicles, hypothecation of machinery & stock and / or equitable mortgage of Property						
Receivables related to the directors or promoters or the issuers		-	-	-	-	-

EQUITAS FINANCE LIMITED
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ANNEXURE 21

RESTATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Cash and Cash Equivalents						
Cash on hand	66.68	29.07	29.47	6.17	0.13	0.01
Balances with Banks						
- In Current accounts	816.39	1,180.72	257.58	427.77	45.11	1.06
- In Deposit accounts - free of lien	-	1,500.00	-	-	-	-
- In Deposit accounts with original maturity of more than 3 months	-	0.11	-	-	-	-
- Balances held as security against borrowings and guarantees	47.11	9.37	-	-	-	-
	930.18	**2,719.27**	**287.05**	**433.94**	**45.24**	**1.07**
(a) Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS 3 – Cash Flow Statement is	883.07	2,709.79	287.05	433.94	45.24	1.07
(b) Deposit accounts under lien :						
- Cash collateral for assets de-recognised	37.14	-				
- Cash collateral for Term Loans	9.38	9.37	-			
(c) Deposits earmarked as Bank guarantee	0.59	0.11	-			

EQUITAS FINANCE LIMITED
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ANNEXURE 22

RESTATED SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term loans and advances (Considered good)						
Loans and Advances to Employees						
- Secured	1.11	0.90	0.66	0.54	0.40	-
- Unsecured	8.63	3.11	1.16	0.63	0.26	-
Trade advance - Unsecured	-	-	3.00	-	-	-
Service Tax input credit - Unsecured	1.57	2.93	1.48	0.68	0.96	-
Prepaid expenses - Unsecured	11.97	5.68	8.86	4.82	2.88	-
Contribution to Gratuity - Unsecured	10.99	4.62	1.93	-	-	-
Others - Unsecured	19.53	9.52	1.69	2.99	1.65	0.06
	53.80	**26.76**	**18.78**	**9.66**	**6.15**	**0.06**

EQUITAS FINANCE LIMITED
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ANNEXURE 23

RESTATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other current assets						
Repossessed assets [net of provisions]	93.89	67.81	42.23	26.81	-	-
Interest accrued but not due						
- on Receivables under financing activities	288.50	234.02	122.06	43.68	12.19	-
- on Deposits with Banks	0.17	0.11	0.01	0.09	0.05	0.04
- on Other deposits	0.03	0.08	-	-	-	-
Unamortised Discount on Commercial Papers	-	2.38	-	-	-	-
Interest Strip retained on Securitisation of Receivables	222.72	20.66	40.60	-	-	-
Receivables from Special Purpose Vehicles [SPVs] for assets de-recognised	16.06	3.70	7.82	-	-	-
	621.37	**328.76**	**212.72**	**70.58**	**12.24**	**0.04**

EQUITAS FINANCE LIMITED
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ANNEXURE 24

RESTATED SUMMARY STATEMENT OF REVENUE FROM OPERATIONS

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue From Operations						
Interest Income						
- Commercial Vehicle Financing	1,934.09	1,993.35	1,084.13	424.78	53.69	-
- Micro Small Enterprise Financing	967.07	573.37	55.11	-	-	-
Processing Fees						
- Commercial Vehicle Financing	258.57	240.34	143.24	46.92	1.24	-
- Micro Small Enterprise Financing	91.29	92.72	16.57	-	-	-
Income from assets securitised	129.51	59.25	16.31	-	-	-
Profit on sale of current investments (Net)	0.13	0.21	-	-	3.75	-
Interest on Deposits	3.74	4.31	0.60	2.74	3.42	0.01
	3,384.40	**2,963.55**	**1,315.96**	**474.44**	**62.10**	**0.01**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 25

RESTATED SUMMARY STATEMENT OF OTHER INCOME

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Other Income						
Interest on loans to employees	0.84	0.63	0.37	0.23	0.08	-
Profit on sale of fixed assets (net)	-	0.02	-	-	-	-
Miscellaneous income	4.65	0.74	0.51	0.57	0.13	-
	5.49	**1.39**	**0.88**	**0.80**	**0.21**	**-**

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 26

RESTATED SUMMARY STATEMENT OF FINANCE COSTS

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year Ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Finance Costs						
Interest on Term Loans	694.18	723.60	301.40	109.17	12.23	-
Interest on Non convertible debentures	419.77	214.67	81.56	-	-	-
Interest on Inter Corporate loans	0.66	41.40	16.89	9.87	2.80	-
Interest on Inter Corporate deposits	-	11.27	17.84	9.48	-	-
Loan processing fees and other borrowing costs	19.80	44.78	18.37	16.80	3.59	-
Discount on Commercial Paper	8.23	7.95	-	-	-	-
	1,142.64	**1,043.67**	**436.06**	**145.32**	**18.62**	**-**

EQUITAS FINANCE LIMITED
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ANNEXURE 27

RESTATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS EXPENSES

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Employee Benefits Expense						
Salaries	554.68	533.58	289.44	181.98	105.02	-
Contribution to Provident Fund and other funds	39.12	34.88	13.80	9.74	4.01	-
Staff welfare expenses	54.52	60.36	26.28	15.72	6.29	-
	648.32	**628.82**	**329.52**	**207.44**	**115.32**	**-**

EQUITAS FINANCE LIMITED
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ANNEXURE 28

RESTATED SUMMARY STATEMENT OF OTHER EXPENSES

(Rs in Million)

Particulars	For the nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Other expenses						
Rent	26.52	21.39	14.05	12.15	9.04	-
Brokerage & commission	80.01	71.33	30.19	1.70	0.16	-
Rates & taxes	22.41	27.50	14.07	7.16	4.69	2.24
Insurance	0.58	0.42	0.25	0.26	0.01	-
Travelling & conveyance	79.78	83.55	42.49	29.48	11.92	-
Printing & stationery	10.61	12.38	7.88	4.20	2.44	-
Electricity charges	5.90	3.97	2.64	1.97	1.06	-
Postage & courier	12.00	11.33	5.61	3.35	0.70	-
Telephone charges	10.93	12.14	5.73	3.85	2.17	-
Legal & professional Charges	33.46	49.68	15.58	10.06	1.90	-
Repairs & maintenance	6.88	4.94	3.02	2.34	1.33	-
Information technology expenses	11.50	10.01	10.24	5.03	1.84	-
Directors' Sitting Fees	1.55	2.01	0.47	0.30	0.10	-
Non Whole Time Directors' remuneration	3.94	4.56	1.96	0.88	0.09	-
Loss on sale of fixed assets (net)	0.17	-	0.16	-	0.01	-
Corporate Social Responsibility - Donations	24.10	9.60	-	-	-	-
Provision for doubtful advances - Staff loan	-	0.40	0.01	0.07	-	-
Auditors' Remuneration (Net of Service Tax)	1.18	1.25	0.89	0.46	0.25	0.02
Miscellaneous expenses	5.75	6.34	1.39	0.82	0.45	0.03
	337.27	**332.80**	**156.63**	**84.08**	**38.16**	**2.29**

EQUITAS FINANCE LIMITED
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ANNEXURE 29

RESTATED SUMMARY STATEMENT OF PROVISIONS AND WRITE OFFS

(Rs in Million)

Particulars	For the Nine months ended 31 December 2015	For the Year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Provisions and write offs						
Contingent provision for Standard Receivables under financing activities (Net)						
- Commercial Vehicle Financing	12.48	9.32	2.56	11.33	4.56	-
- Micro Small Enterprise Financing	8.61	10.57	2.19	-	-	-
Provision for Sub-Standard and Doubtful Receivables under financing activities (Net)						
- Commercial Vehicle Financing	53.63	64.85	6.59	8.95	1.03	-
- Micro Small Enterprise Financing	1.42	0.85	-	-	-	-
Provision against repossessed assets	5.64	30.59	28.92	3.28	-	-
Provision for credit enhancements on assets de-recognised (Net)	3.34	(0.48)	1.23	-	-	-
Loss on sale of repossessed vehicles written-off	190.78	252.23	75.31	2.24	-	-
Loss on loan assets written-off	38.42	39.15	9.76	1.40	0.11	0.02
	314.32	**407.08**	**126.56**	**27.20**	**5.70**	**0.02**

EQUITAS FINANCE LIMITED
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ANNEXURE 30

RESTATED SUMMARY STATEMENT OF COMMITMENTS & CONTINGENCIES

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Contingent Liabilities (to the extent not provided for):						
Value Added Tax - Rajasthan State	0.05	0.05	-	-	-	-
Commitments:						
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1.22	0.64	-	-	-	-

EQUITAS FINANCE LIMITED
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ANNEXURE 31

RESTATED SUMMARY STATEMENT OF RELATED PARTY TRANSACTIONS

Names of Related Parties and Nature of Relationship

Description of Relationship	Party
Holding Company	Equitas Holdings Limited
Fellow subsidiaries	Equitas Housing Finance Limited
	Equitas B2B Trading Private Limited (Upto 31 March 2015)
	Equitas Technologies Private Limited
	Equitas Micro Finance Limited
Entities where the holding Company has control	Equitas Development Initiatives Trust
	Equitas Dhanyakosha India
Key Management Personnel	Mr. S Vasudevan, Chief Financial Officer (from 30 October 2014) Mr. V.S. Murthy, Chief Executive Officer (from 29 January 2015)

Note:

Related party relationships are as identified by the Management.

Transactions with Related Parties

(Rs in Million)

Transaction	Related Party	For the nine months Ended 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
Income							
Recovery of Expenses	Equitas Micro Finance Limited	0.76	2.62	2.26	0.97	-	-
	Equitas Holdings Limited	-	0.02	-	-	-	-
	Equitas Housing Finance Limited	1.50	2.84	4.26	3.20	1.54	-
Expenses							
Reimbursement of Expenses	Equitas Micro Finance Limited	8.39	38.28	46.19	36.47	34.19	-
	Equitas Housing Finance Limited	-	0.09	0.22	0.19	0.11	-
	Equitas Holdings Limited	0.28	0.24	0.16	-	-	-
	Equitas Dhanyakosha India	0.01	0.04	0.02	0.01	0.00	-
Brokerage charges on retail loans	Equitas Micro Finance Limited	49.92	28.94	-	-	-	-
Donation	Equitas Development Initiatives Trust	24.10	9.60	-	-	-	-
Interest on intercorporate Loans	Equitas Holdings Limited	0.66	41.40	16.89	9.87	2.80	-
Interest on intercorporate deposits	Equitas Micro Finance Limited	-	11.27	17.85	9.48	-	
Remuneration paid to Key Management Personnel	Mr. S Vasudevan, Chief Financial Officer	2.45	1.77	-	-	-	-
	Mr. V.S. Murthy, Chief Executive	3.49	0.95	-	-	-	-

Transaction	Related Party	For the nine months Ended 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
	Officer (from 29 January 2015)						
Other Transactions							
Issue of Equity Shares (including premium)	Equitas Holdings Limited	-	2,998.84	1,249.36	1,000.01	550.00	-
Purchase of fixed assets	Equitas Micro Finance Limited	-	-	0.01	0.71	-	-
	Equitas B2B Trading Private Limited	-	-	-	-	0.11	-
Sale of Fixed Assets	Equitas Micro Finance Limited	-	0.75	0.01	-	-	-
	Equitas Housing Finance Limited	-	0.53	-	-	-	-
Transfer of Staff loans to Related parties on account of employee transfer	Equitas Micro Finance Limited	0.31	0.48	0.00	0.00	0.71	-
	Equitas Housing Finance Limited	0.02	0.09	-	-	-	-
Loans availed	Equitas Holdings Limited	200.00	450.00	850.00	552.50	210.00	-
Inter Corporate Deposits (ICD) received	Equitas Micro Finance Limited	-	-	280.00	790.00	-	-
Loans repaid	Equitas Holdings Limited	200.00	990.00	310.00	712.50	50.00	-
Inter Corporate Deposits (ICD) received repaid	Equitas Micro Finance Limited	-	280.00	-	790.00	-	-
Corporate Guarantee issued by Holding Company	Equitas Holdings Limited	480.00	8,160.00	2,670.00	2,470.00	600.00	-
Balance as at period / year end	**Related Party**	**As at 31 December 2015**	**As at 31March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**	**As at 31 March 2011**
Payables:							
Loans	Equitas Holdings Limited	-	-	540.00	-	160.00	-
Inter Corporate Deposits	Equitas Micro Finance Limited	-	-	280.00	-	-	-
Trade payables	Equitas Micro Finance Limited	5.98	5.37	3.83	-	3.03	-
Receivable:							
Contractually reimbursable expenses	Equitas Micro Finance Limited	0.06	0.21	0.15	-	-	-
	Equitas Housing Finance Limited	0.28	0.24	0.34	-	-	-
Corporate Guarantee	Equitas Holdings Limited	14,380.00	13,900.00	5,740.00	3,070.00	600.00	-

Note:

The Group accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties.

EQUITAS FINANCE LIMITED
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ANNEXURE 32

RESTATED SUMMARY STATEMENT OF EARNINGS PER SHARE

Basic & Diluted

Particulars	For the Nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the Year Ended 31 March 2011
Continuing Operations						
Profit after Tax as restated for the period/year - Rs in Million	593.62	342.27	157.95	31.88	(122.96)	(2.32)
Weighted Average Number of Equity Shares	423,000,000	305,217,135	176,457,211	101,616,968	28,910,655	563,698
Earnings Per Share (Basic) - in Rs. (not Annualised for the period)	1.40	1.12	0.90	0.31	(4.25)	(4.12)
Face Value Per Share - in Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Total operations						
Profit after Tax as restated for the period/year - Rs in Million	593.62	342.27	157.95	31.88	(122.96)	(2.32)
Weighted Average Number of Equity Shares	423,000,000	305,217,135	176,457,211	101,616,968	28,910,655	563,698
Earnings Per Share (Basic) - in Rs. (not Annualised for the period)	1.40	1.12	0.90	0.31	(4.25)	(4.12)
Face Value Per Share - in Rs.	10.00	10.00	10.00	10.00	10.00	10.00

EQUITAS FINANCE LIMITED
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ANNEXURE 33

RESTATED SUMMARY STATEMENT OF PROVISIONS AND LOAN LOSSES

Changes in provisions

(Rs in Million)

S. No.	Asset classification	As of nine months ended 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
a.	**Opening balance**						
	Contingent Provision for Standard Assets under financing activities	40.53	20.64	15.89	4.56	-	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities - Commercial Vehicle Financing	81.43	16.57	9.98	1.03	0.23	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities - Micro Small enterprise Loans	0.85	-	-	-	-	-
	Provision for Credit Enhancements on assets de-recognised	0.76	1.23	-	-	-	-
	Provision for repossessed assets	62.79	32.20	3.28	-	-	-
b.	**Additional provision**						
	Contingent Provision for Standard Assets under financing activities	24.00	22.02	5.49	15.89	4.56	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities - Commercial Vehicle Financing	98.10	94.75	16.57	9.98	1.03	0.23
	Provision for Sub-Standard / Doubtful Receivables under financing activities - Micro Small enterprise financing	7.69	0.85	-	-	-	-
	Provision for Credit Enhancements on assets de-recognised	4.13	0.63	1.23	-	-	-
	Provision for repossessed assets	223.53	180.28	32.20	3.28	-	-
c.	**Utilisation / Reversal**						
	Contingent Provision for Standard Assets under financing activities	2.91	2.13	0.74	4.56	-	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities - Commercial Vehicle Financing	44.47	29.89	9.98	1.03	0.23	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities – Micro Small enterprise financing	6.27	-	-	-	-	-
	Provision for Credit Enhancements on assets de-recognised	0.79	1.10	-	-	-	-
	Provision for repossessed assets	217.89	149.69	3.28	-	-	-
d.	**Closing balance**						
	Contingent Provision for Standard Assets under financing activities	61.62	40.53	20.64	15.89	4.56	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities - Commercial Vehicle Financing	135.06	81.43	16.57	9.98	1.03	0.23
	Provision for Sub-Standard / Doubtful Receivables under financing activities – Micro Small enterprise financing	2.27	0.85	-	-	-	-
	Provision for Credit Enhancements on assets	4.10	0.76	1.23	-	-	-
	de-recognised						
	Provision for repossessed assets	68.43	62.79	32.20	3.28	-	-

Loan portfolio and provision for Standard Assets and Non Performing Assets

(Rs in Million)

S. No.	Asset classification	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
a.	**Standard Assets**						
	Loan outstanding (Gross)	20,740.64	16,286.40	8,299.56	3,014.29	912.38	-
	Provision for assets	61.62	40.53	20.64	15.89	4.56	-
	Loan outstanding (Net)	20,679.02	16,245.87	8,278.92	2,998.40	907.82	-
b.	**Sub-Standard Assets**						
	Loan outstanding (Gross)	450.87	293.85	134.68	20.74	3.95	-
	Provision for assets	103.33	62.31	13.47	4.29	0.71	-
	Loan outstanding (Net)	347.54	231.54	121.21	16.45	3.24	-
c.	**Doubtful Assets**						
	Loan outstanding (Gross)	105.08	38.20	3.31	10.21	0.65	0.23
	Provision for assets	34.00	19.96	3.10	5.69	0.32	0.23
	Loan outstanding (Net)	71.08	18.24	0.21	4.52	0.33	-

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 34

RESTATED SUMMARY STATEMENT OF CAPITAL ADEQUACY

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011*
Tier I Capital	6,568.78	6,138.17	2,844.29	1,452.76	453.74	
Tier II Capital	360.19	417.47	-	15.89	4.56	
Total Capital	**6,928.97**	**6,555.64**	**2,844.29**	**1,468.65**	**458.30**	
Total Risk Weighted Assets	**22,031.05**	**16,969.98**	**8,676.69**	**3,134.65**	**955.31**	
Capital Adequacy Ratio						
Tier I Capital [as a Percentage of Total Risk Weighted Assets (%)]	29.82%	36.17%	32.78%	46.35%	47.50%	
Tier II Capital [as a Percentage of Total Risk Weighted Assets (%)]	1.63%	2.46%	0.00%	0.51%	0.48%	
Total Capital [as a Percentage of Total Risk Weighted Assets (%)]	**31.45%**	**38.63%**	**32.78%**	**46.86%**	**47.98%**	

* Not applicable, since it was the year of acquisition and there were no financing activities during the year.

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 35

RESTATED SUMMARY STATEMENT OF SECURITISATION / ASSIGNMENT

SECURITISATION **(Rs in Million)**

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
No of Special Purpose Vehicle's (SPV's) sponsored by the NBFC For securitisation transactions (Nos.)	4	2	1	-	-	-
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC (Rs in Million)	1,380.04	317.62	495.43	-	-	-
Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet						
a) Off-balance sheet exposures (Rs in Million)						
- First loss	-	-	-	-	-	-
- Others	-	-	-	-	-	-
b) On-balance sheet exposures (Rs in Million)						
- First loss (Cash Collateral)	235.18	109.27	64.22	-	-	-
- First loss (Micro Finance Loans)	-	-	-	-	-	-
- Others (Investment in Pass through Certificates)	-	-	-	-	-	-
Amount of exposures to securitisation transactions other than MRR						
a) Off-balance sheet exposures (Rs in Million)						
i) Exposure to own securitisations	-	-	-	-	-	-
- Others	-	-	-	-	-	-
b) On-balance sheet exposures (Rs in Million)						
i) Exposure to own securitisations						
- First loss	-	-	-	-	-	-
- Others (Receivables from SPV's for Assets De-recognised)	-	-	-	-	-	-
ii) Exposure to third party securitisations (Rs in Million)						
- First loss	-	-	-	-	-	-
- Others	-	-	-	-	-	-

ASSIGNMENT **(Rs in Million)**

Particulars	For the Nine months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Total Outstanding amount of Assets De-recognised as at year end	1,031.50	-	-	-	-
Un-amortised Income as at year end	249.47	-	-	-	-
Cash Collaterals as at year end	-	-	-	-	-
Excess Interest Spread Receivable Subordinated as Credit Enhancements for Assets De-Recognised as at year end	-	-	-	-	-

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 36

SUMMARY STATEMENT OF KEY FINANCIAL INDICATORS

(Rs in Million)

Particulars	As at 31 December 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Net tangible Assets*	23,374.88	19,855.34	9,030.67	3,597.43	1,033.29	0.05
Monetary Assets #	930.18	2,719.27	287.05	433.94	45.24	1.07
Pre-tax Operating profit, as restated	913.84	520.84	244.51	(16.46)	(120.12)	(2.30)
Net Worth	6,851.64	6,258.02	2,916.91	1,509.60	477.71	50.67

** Net tangible assets = Total Assets- Intangible Assets – Deferred Tax*

Monetary assets= Cash and cash equivalents+ Current investments

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 37

SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Book Value per share (Net Worth / Number of shares)	16.19	14.79	12.12	9.97	7.89	91.30
Return on Net Worth (Net Income / Shareholder's Funds)	8.66%	5.47%	5.41%	2.11%	-25.74%	-4.58%

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 38

SUMMARY STATEMENT OF CAPITALISATION

(Rs in Million)

	Pre-Offer as at December 31, 2015	Pre-Offer as at March 31, 2015	Adjusted for the post-Offer
Shareholders' Funds			
Equity Share Capital	4,230.00	4,230.00	[●]
Reserves and Surplus	2,621.64	2,028.02	[●]
Total Shareholders' Funds (A)	**6,851.64**	**6,258.02**	[●]
Debt			
Long Term Borrowings	8,710.00	6,811.38	[●]
Short Term Borrowings	3,350.57	4,080.96	[●]
Other Borrowings (Current maturity of long term borrowings)	3,201.88	2,270.95	[●]
Total Debt (B)	**15,262.45**	**13,163.29**	[●]
Total (A+B)	**22,114.09**	**19,421.31**	[●]
Long-term debt (excludes current maturity of long term borrowings) / equity ratio	1.27	1.09	
Total debt / equity ratio	2.23	2.10	

EQUITAS FINANCE LIMITED
(FORMERLY KNOWN AS, EQUITAS FINANCE PRIVATE LIMITED)

ANNEXURE 39

SUMMARY STATEMENT OF TAX SHELTER

(Rs in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Restated profit before tax (Rs in Million)	913.84	520.84	244.51	(16.46)	(120.12)	(2.30)
Tax Rate	34.608%	33.90%	33.90%	32.40%	32.40%	32.40%
Tax thereon at the above rate	316.26	176.57	82.89	(5.34)	(38.92)	(0.75)
Tax Permanent differences	4.17	4.10	1.96	0.48	-	-
Timing differences	38.37	43.54	(9.12)	-	-	-
Total	**358.80**	**224.20**	**75.72**	**-**	**-**	**-**
Net Adjustments						
Current Tax	358.80	224.20	76.20	0.48	-	-
MAT	-	-	(0.48)	(0.48)	-	-
Total Tax	**358.80**	**224.20**	**75.72**	**-**	**-**	**-**

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 26 OF PART I OF CHAPTER III OF COMPANIES ACT, 2013, READ WITH RULE 4 to 6 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

TO THE BOARD OF DIRECTORS OF

Equitas Housing Finance Limited
(Formerly known as Equitas Housing Finance Private Limited)
Phase II, 4th Floor,
F-39, Spencer Plaza,
No. 769 Anna Salai,
Chennai 600 002.

Dear Sirs,

1. We have examined the attached Restated Financial Information of Equitas Housing Finance Limited, formerly known as Equitas Housing Finance Private Limited ('the Company'), which comprises of the Restated Summary Statement of Assets and Liabilities as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the nine months ended December 31, 2015, each of the years ended March 31, 2015, 2014, 2013 and 2012 and the period ended March 31, 2011, the Summary of Significant Accounting Policies (the "**Restated Financial Statements**") as approved by the Board of Directors of the Company at their meeting held on February 2, 2016 for the purpose of inclusion in the Red Herring Prospectus (**"RHP"**) prepared by Equitas Holdings Limited, formerly known as Equitas Holdings Private Limited ("the Holding Company") in connection with the proposed initial public offering ("**IPO**") of its equity shares including an Offer for Sale of equity shares by the Selling Shareholders of Rs.10 each at such premium, arrived at by book building process (referred to as the "Issue"), as may be decided by the Holding Company's Board of Directors, prepared in accordance with the provisions of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**the Rules**"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI-ICDR Regulations**").

2. We have examined such Restated Financial Statements taking into consideration

   a) The terms of reference and terms of our engagement agreed upon the with the Company in accordance with our addendum to engagement letter dated October 1, 2015 in connection with the proposed IPO of the Holding Company; and

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. These Restated Financial Statements have been extracted by the management from the Audited Financial Statements as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and for the nine months ended December 31, 2015, each of the years ended March 31, 2015, 2014, 2013 and 2012 and period ended March 31, 2011 which have been approved by Board of directors at their meetings held on February 2, 2016, May 5, 2015, May 7, 2014, May 2, 2013, May 2, 2012 and April 15, 2011 respectively. The audits for the years ended March 2014 and March 2013 were conducted by the previous auditors, whose reports have been furnished to us, and our opinion on the Restated Financial Statements in so far as it relates to the affairs of the Company for the above years is based solely on the report of such other auditors.

4. Based on our examination we report that:

    a) The Restated Summary Statement of Assets and Liabilities of the Company as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 as set out in Annexure-1 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Audited Financial Statements.

    b) The Restated Summary Statement of Profit and Loss of the Company for the nine months ended December 31, 2015, each of the years ended March 31, 2015, 2014, 2013, 2012 and the period ended March 31, 2011, as set out in Annexure-2 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Audited Financial Statements.

    c) The Restated Summary Statement of Cash Flows of the Company for the nine months ended December 31, 2015, each of the years ended March 31, 2015, 2014, 2013, 2012 and the period ended March 31, 2011 as set out in Annexure-3 to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure 5 – Summary Statement of Adjustments to Audited Financial Statements.

Based on the above, and according to the information and explanations given to us, we are of opinion that the Restated Financial Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate.

Further, there are no changes in the Significant Accounting Policies adopted by the Company in the financial years / periods covered by this report which would require adjustment in the Restated Financial Statements.

There are no extra-ordinary items that need to be disclosed separately in the Restated Financial Statements.

There were no qualifications in the Auditors' report for the relevant reporting periods which require any adjustments to the Restated Financial Statements.

5. We have also examined the following Restated Financial Statements of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 2, 2016 as at and for the nine months ended December 31, 2015, for the years ended March 31, 2015, 2014, 2013, 2012 and the period ended March 31, 2011.

   (a) Annexure 5 - Summary Statement of Adjustments to Audited Financial Statements;

   (b) Annexure 6 - Restated Summary Statement of Share Capital;

   (c) Annexure 7 – Restated Summary Statement of Reserves & Surplus;

   (d) Annexure 8 – Restated Summary Statement of Long Term Borrowings;

   (e) Annexure 9 - Restated Summary Statement of Other Long Term Liabilities;

   (f) Annexure 10 – Restated Summary Statement of Long Term Provisions;

   (g) Annexure 11 – Restated Summary Statement of Short Term Borrowings;

   (h) Annexure 12 - Restated Summary Statement of Current Maturities of Long Term Borrowings;

   (i) Annexure 13 – Restated Summary Statement of Other Current Liabilities;

   (j) Annexure 14 – Restated Summary Statement of Short Term Provisions;

   (k) Annexure 15 - Restated Summary Statement of Fixed Assets;

   (l) Annexure 16 - Restated Summary Statement of Deferred Tax Asset;

   (m) Annexure 17 - Restated Summary Statement of Long Term Receivables under Financing Activities;

   (n) Annexure 18 - Restated Summary Statement of Long Term Loans and Advances;

   (o) Annexure 19 - Restated Summary Statement of Current Investments;

   (p) Annexure 20 - Restated Summary Statement of Short Term Receivables under Financing Activities;

   (q) Annexure 21 - Restated Summary Statement of Cash and Cash Equivalents;

   (r) Annexure 22 - Restated Summary Statement of Short Term Loans and Advances;

   (s) Annexure 23 - Restated Summary Statement of Other Current Assets;

   (t) Annexure 24 - Restated Summary Statement of Revenue from Operations;

   (u) Annexure 25 - Restated Summary Statement of Other Income;

   (v) Annexure 26 - Restated Summary Statement of Finance Costs;

   (w) Annexure 27 - Restated Summary Statement of Employee Benefits Expense;

   (x) Annexure 28 - Restated Summary Statement of Other Expenses;

   (y) Annexure 29 - Restated Summary Statement of Provisions and Write Offs;

   (z) Annexure 30 - Restated Summary Statement of Commitments & Contingencies;

   (aa) Annexure 31 - Restated Summary Statement of Related Party Transactions;

   (bb) Annexure 32 - Restated Summary Statement of Earnings Per Share;

   (cc) Annexure 33 - Restated Summary Statement of Provisions and Loan Losses;

   (dd) Annexure 34 - Restated Summary Statement of Capital Adequacy;

(ee) Annexure 35 - Summary Statement of Key Financial Indicators;

(ff) Annexure 36 - Summary Statement of Accounting Ratios;

(gg) Annexure 37 - Summary Statement of Capitalisation; and

(hh) Annexure 38 - Summary Statement of Tax Shelter.

In our opinion, the Restated Financial Statements and the above Restated Financial Information contained in Annexures 5 to 38 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure 4, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with the provisions of Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with the Company.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies in connection with the proposed issue of equity shares of the Holding Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration Number: 008072S)

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: February 2, 2016

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 1

RESTATED SUMMARY STATEMENT OF ASSETS & LIABILITIES

(Rs. In Million)

Particulars	Annexure References	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES							
Share Holders' Funds							
Share capital	6	400.00	400.00	400.00	400.00	200.00	60.00
Reserves & surplus	7	5.49	(6.48)	(28.55)	(43.47)	(50.56)	(3.91)
Total		**405.49**	**393.52**	**371.45**	**356.53**	**149.44**	**56.09**
Non-Current Liabilities							
Long term borrowings	8	1,736.76	1,294.48	391.94	89.44	-	-
Other long term liabilities	9	-	-	-	0.03	-	-
Long term provisions	10	19.35	11.51	4.36	2.73	0.73	0.06
		2,161.60	**1,305.99**	**396.30**	**92.20**	**0.73**	**0.06**
Current liabilities and provisions							
Short term borrowings	11	-	100.00	250.00	50.00	-	-
Current Maturities of long term borrowings	12	292.77	157.59	55.00	10.56	-	-
Trade payables		9.20	6.91	6.59	2.67	3.48	0.15
Other current liabilities	13	26.87	9.48	3.85	2.17	0.88	0.23
Short term provisions	14	6.86	4.03	2.81	2.20	0.40	0.46
		335.70	**278.01**	**318.25**	**67.60**	**4.76**	**0.84**
Total		**2,497.30**	**1,977.52**	**1,086.00**	**516.33**	**154.93**	**56.99**
Non-Current Assets							
Fixed assets							
Tangible assets	15	4.11	4.68	1.78	1.61	2.26	1.46
Intangible assets		3.51	5.26	5.43	7.06	1.21	-
Total		**7.62**	**9.94**	**7.21**	**8.67**	**3.47**	**1.46**
Deferred tax assets (net)	16	9.36	4.77	11.85	17.62	0.60	0.32
Long term Receivables under financing activities	17	2,159.84	1,699.66	897.75	434.54	80.97	-
Long term loans and advances	18	2.51	10.04	5.11	1.04	3.18	1.24
		2,179.33	**1,724.41**	**921.92**	**461.87**	**88.22**	**3.02**
Current Assets							
Current Investments	19	10.00	40.00	-	-	-	-
Short term Receivables under financing activities	20	132.62	95.69	39.58	11.86	1.11	-
Cash and bank balances	21	145.46	95.11	111.04	34.47	62.77	53.26
Short term loans and advances	22	8.08	2.37	2.08	1.97	2.11	0.02
Other current assets	23	21.81	19.94	11.38	6.16	0.72	0.69
		317.97	**253.11**	**164.08**	**54.46**	**66.71**	**53.97**
Total		**2,497.30**	**1,977.52**	**1,086.00**	**516.33**	**154.93**	**56.99**

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 2
RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Million)

Particulars	Annexure References	For the Nine Months Ended 31 Dec 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Income							
Revenue from operations	24	264.77	256.53	131.33	52.10	12.70	1.56
Other income	25	0.12	0.12	0.05	0.04	0.04	-
Total		**264.89**	**256.65**	**131.38**	**52.14**	**12.74**	**1.56**
Expenditure							
Finance Costs	26	151.46	133.76	43.83	2.78	-	-
Employee Benefits Expense	27	49.24	44.86	40.01	38.93	38.98	3.75
Other expenses	28	32.40	32.53	20.25	15.27	18.35	1.96
Depreciation and amortization	15	4.75	5.75	4.29	3.13	2.00	0.08
Provisions and write Offs	29	8.63	7.68	2.22	1.96	0.34	-
Total		**246.48**	**224.58**	**110.60**	**62.07**	**59.67**	**5.79**
Profit / (Loss) before tax as per audited financial statements		**18.41**	**32.08**	**20.78**	**(9.93)**	**(46.93)**	**(4.23)**
Tax expense							
Current tax		11.03	7.96	3.65	-	-	0.51
MAT Credit Entitlement		-	(5.03)	(3.56)	-	-	-
Deferred tax		(4.59)	7.08	5.77	(17.02)	(0.28)	(0.32)
Taxation of earlier Periods		-	-	-	-	(0.51)	-
Fringe benefit tax		-	-	-	-	-	-
Total		**6.44**	**10.01**	**5.86**	**(17.02)**	**(0.79)**	**0.19**
Restatement adjustments relating to tax							
Adjustment on account of prior period Taxes	5		-	-	-	0.51	(0.51)
Adjustments on account of changes in accounting policies			-	-	-	-	-
Adjustments on account of prior period items			-	-	-	-	-
Profit / (Loss) before tax as restated		11.97	32.08	20.78	(9.93)	(46.93)	(4.23)
Restatement tax adjustments							

Particulars	Annexure References	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Adjustment on account of prior period taxes		-	-	-	-	0.51	(0.51)
Tax impact on restatement adjustments		-	-	-	-	-	-
Sub-total		-	-	-	-	0.51	(0.51)
Total tax expense as Restated		**6.44**	**10.01**	**5.86**	**(17.02)**	**(0.28)**	**(0.32)**
Profit/(Loss) after tax as restated		**11.97**	**22.07**	**14.92**	**7.09**	**(46.65)**	**(3.91)**

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)
ANNEXURE 3

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
A. Cash Flow from Operating activities						
Profit/(Loss) before tax, as Restated	18.41	32.08	20.78	(9.93)	(46.93)	(4.23)
Adjustments for:						
Depreciation and Amortisation Expense	4.75	5.75	4.29	3.13	2.00	0.08
Finance Costs	151.46	133.76	43.83	2.78	-	-
Provision for Standard Receivables under Financing Activities	1.80	3.49	1.42	1.96	0.34	-
Provision for Sub Standard Receivables under Financing Activities	6.83	4.19	0.81	-	-	-
(Profit)/Loss on Sale of Fixed Assets	(0.06)	-	-	-	0.08	-
Interest Income	(1.62)	(2.29)	(0.19)	(0.29)	(2.89)	(1.56)
Dividend Income from Current Investments		-	-	(0.05)	-	-
Gain on Sale of Current Investments in Mutual funds, Net	(2.39)	(1.97)	(0.90)	(2.06)	(1.24)	-
Operating Profit before Changes in Working Capital	**179.18**	**175.01**	**70.04**	**(4.46)**	**(48.64)**	**(5.71)**
Changes in Working Capital						
Adjustments for (increase) / decrease in operating assets:						
Receivables under Financing Activities	(497.11)	(858.01)	(490.91)	(364.32)	(82.09)	-
Long term Loans and Advances	(1.04)	0.10	(1.01)	-	(0.51)	-
Short term Loans and Advances	0.02	(0.27)	(0.11)	0.10	(2.09)	(0.02)
Other Current Assets	(1.33)	(8.57)	(5.20)	(5.61)	0.51	(1.38)
Adjustments for increase / (decrease) in operating liabilities:						
Long term Liabilities	-	-	(0.03)	0.02	0.02	-
Other current Liabilities	16.52	4.54	4.50	(0.55)	2.76	0.24
Long-Term Provisions	-	-	-	-	0.33	0.06
Trade Payables	2.29	0.31	-	-	0.70	0.66
Short-Term Provisions	2.30	0.73	(0.31)	1.87	0.30	0.08
Cash Flow used in Operations	**(299.17)**	**(686.16)**	**(423.02)**	**(372.95)**	**(128.71)**	**(6.07)**
Finance Costs Paid	(150.59)	(132.70)	(41.90)	(2.60)	-	-
Interest Received	1.08	2.29	0.19	0.51	2.34	2.25
Net Gain on Sale of Current Investments in Mutual funds	2.39	1.97	0.90	2.06	1.24	-
Taxes Paid (net)	(8.44)	(8.00)	(2.86)	(0.08)	(0.28)	(0.13)
Net Cash Flow used in Operations	**(454.73)**	**(822.60)**	**(466.69)**	**(373.06)**	**(125.41)**	**(3.95)**
B. Cash Flow from Investing Activities						

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Capital Expenditure	(3.47)	(9.21)	(3.66)	(7.30)	(6.85)	(2.79)
Proceeds from Sale of Fixed Assets	1.11	0.73	-	-	0.53	-
Decrease / (Increase) in bank deposits not treated as cash and cash equivalents	19.33	(57.08)	-	35.00	17.80	(52.80)
Purchase of Current Investments	-	(40.00)	-	(213.05)	(70.00)	-
Proceeds from Sale of current Investments	30.00	-	-	215.11	71.24	-
Net Cash Flow from / (used in) Investing activities	**46.97**	**(105.56)**	**(3.66)**	**29.76**	**12.72**	**(55.59)**
C. Cash Flow from Financing tivities						
Proceeds from Issue of Equity Shares		-	-	200.00	140.00	60.00
Proceeds from Long Term Borrowings	1,100.00	1,375.00	495.00	100.00	-	-
Repayment of Long Term Borrowings	(522.55)	(369.86)	(148.06)	(140.00)	-	-
Increase / Decrease in Short Term Borrowings (Net)	(100.00)	(149.99)	199.98	190.00	-	-
Net Cash Flow from Financing activities	**477.45**	**855.15**	**546.92**	**350.00**	**140.00**	**60.00**
Net increase/(decrease) in Cash and Cash equivalents (A) + (B) + (C)	**69.69**	**(73.01)**	**76.57**	**6.70**	**27.31**	**0.46**
Cash and Cash Equivalents at the Beginning of the Period /Year	38.03	111.04	34.47	27.77	0.46	-
Cash and Cash equivalents at end of the Period/Year	**107.72**	**38.03**	**111.04**	**34.47**	**27.77**	**0.46**
The reconciliation to the Cash and Cash equivalents is as follows:						
Cash and Cash Equivalents as per Annexure 21	145.46	95.11	111.04	34.47	62.77	53.26
Less: Bank balances not considered as Cash and Cash Equivalents as defined in AS 3 Cash Flow Statements	37.74	57.08	-	-	35.00	52.80
Cash and Cash Equivalents as per Cash Flow Statement	**107.72**	**38.03**	**111.04**	**34.47**	**27.77**	**0.46**

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 4

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Background

The statement of restated unconsolidated assets and liabilities as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 and statement of restated unconsolidated profit and loss and cash flow for the Nine Months ended December 31, 2015 and years ended March 31, 2015, 2014, 2013 and 2012 and period ended March 31, 2011 (hereinafter collectively referred to as "Restated Summary Statements") relate to Equitas Housing Finance Limited ("the Company") and have been prepared specifically for inclusion in the offer document to be filed by Equitas Holdings Limited (the "Holding Company') with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering. These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule III to the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

4.2 Corporate Information

Equitas Housing Finance Limited ('the Company') was incorporated on 14 May 2010. The Company is a wholly owned subsidiary of Equitas Holdings Limited. The Company had obtained the Certificate of Registration from National Housing Bank ('NHB') under Section 29A of the National Housing Bank Act, 1987 on 24 January 2011 to carry on the business of a Housing Finance Institution without accepting public deposits. The housing finance operations of the Company are focusing on the self-employed and salaried segment of low and middle income groups.

The Company converted into a Public Limited Company during the period, consequently the name of the Company has been changed to Equitas Housing Finance Limited vide fresh Certificate of Incorporation dated 18 December 2015 issued by the Registrar of Companies, Chennai.

The Reserve Bank of India (RBI) has granted an 'in-principle' approval for establishing a 'Small Finance Bank' (SFB) to Equitas Holdings Limited (EHL) (previously known as, Equitas Holdings Private Limited) ('Holding Company').

Equitas Finance Limited (EFL), Equitas Micro Finance Limited (EMFL) and Equitas Housing Finance Limited (EHFL) are the wholly owned subsidiaries of EHL.

One of the conditions precedent for the issuance of the banking license by the RBI is the merger of the above wholly owned subsidiaries to form the SFB. It is therefore proposed to merge EMFL and EHFL with EFL, for which 'in principle' approval has been accorded by the Board of the respective Companies at their meeting held on November 26, 2015.

In order to comply with this requirement of RBI, the Scheme of Amalgamation is being presented before the Hon'ble High Court of Judicature at Madras. After the completion of the merger of EMFL and EHFL with EFL and after complying with other terms and conditions prescribed by the RBI in its 'in-principle' approval, EHL would apply to the RBI for commencing business as a SFB. Upon confirmation of the same by the RBI, the effective date of the merger of the entities will be the date immediately preceding the date of commencement of banking business.

Since the proposed merger is not yet effective, there is no impact on the restated financial statements as at and for the nine months ended 31 December 2015.

4.3 Significant Accounting Policies

4.3.1 Basis of preparation of Financial Statements

The restated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent across the five years and the accounts for the Nine Months ended 31 December 2015.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by National Housing Bank (NHB).

4.3.2 Use of Estimates

The preparation of the restated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3.3 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4.3.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.3.5 Fixed Assets - Tangible and Intangible Assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

4.3.6 Depreciation & Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Tangible Assets:

Computer Equipments - 3 Years

Furniture and Fixtures - 3 Years

Office Equipments - 3 Years

Vehicles - 4 Years

Leasehold Improvements are depreciated over the primary lease period or 3 years whichever is lower.

Assets individually costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

Intangible assets are amortised over their estimated useful life as follows:

Software - Over a period of three years on straight line basis.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

4.3.7 Investments

a. Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. Current investments are carried at lower of cost and fair value.

b. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes acquisition charges such as brokerage, fees and duties.

4.3.8 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Interest Income on Loans granted is recognised under the Internal rate of return method. Income on Non-performing Assets is recognized only when realized and any interest accrued until the asset became a Non-performing Asset and remaining overdue is de-recognized by reversing the interest income. Pending commencement of Equated Monthly Instalments(EMIs), Pre-EMI interest is payable every month. Interest on Loans is computed on monthly rest basis.

b. Loan Processing Fee and Administration Fee is recognized as income in the year in which the loan was sanctioned.

c. Charges towards delayed payments such as Cheque bounce charges, Overdue/Penalty charges, Additional Finance Charges, etc. are recognised when it reasonably certain that the amount will be collected

d. Dividend income is accounted for when the right to receive it is established as on the date of Balance Sheet.

e. All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection

f. Profit / loss on sale of investments is recognised at the time of sale or redemption.

4.3.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

4.3.10 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, which is funded, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

4.3.11 Borrowing costs

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss at the time of availment of the Loan.

4.3.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

4.3.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

4.3.14 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

4.3.15 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

4.3.16 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

4.3.17 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

4.3.18 Service Tax Input Credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

4.3.19 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4.3.20 Classification and Provisions of Loan Portfolio

Loans are classified and provided for as per the classification and provisioning norms prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Policy followed for the financial years 2013-14, 2014-15 and the Nine Months Ended 31 December 2015

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than or equal to 90 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.
Doubtful Assets	Remains a sub-standard asset for a period exceeding 12 months
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by NHB.

Policy followed for the financial years 2010-11, 2011-12 and 2012-13

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 75 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 75 days and more but less than 365 days
Doubtful Assets	Overdue for 365 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by NHB.

"Overdue" refers to interest and / or principal and / or installment remaining unpaid from the day it became receivable.

Provisioning Norms for Housing Loans and Non Housing Loans followed by the Company Policy followed for the financial years 2013-14, 2014-15 and Nine Months Ended 31 December 2015

Asset Classification	Provisioning Percentage
1 **Standard Assets**	
i Commercial Real Estate-Residential Housing	0.75%
ii. Commercial Real Estate – Other	1.00%
iii. other than i and ii above	0.40%
2 **Non Performing Assets (NPA)**	
i. Substandard Assets	
Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.	15%
ii. Doubtful Assets (period for which the asset has been considered as doubtful) – Secured	
a. Up to one year	25%
b. One to three years	40%
c. More than three years	100%
iii. Doubtful Assets – Unsecured	100%
iv. Loss Assets	100%

Policy followed for the financial years 2010-11, 2011-12 and 2012-13

Asset Classification	Provisioning Percentage
Standard Assets (Residential Mortgages)	0.40%
Standard Assets (Non Housing Loans)	1.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 75 days and more but less than 180 days	20%
Overdue for 180 days and more but less than 365 days	30%
Doubtful Assets – Secured	
Doubtful Assets – Overdue for 1 year and more but less than 2 years	50%
Doubtful Assets – Overdue for 2 years and more	100%
Doubtful Assets – UnSecured	100%

Asset Classification	Provisioning Percentage
Loss Assets	100%

Note: Income on NPAs is recognised only when realised.

Under exceptional circumstances, Management may renegotiate loans by rescheduling repayment terms for customers who have defaulted in repayment but who appear willing and able to repay their loans under a longer term agreement. Rescheduled Standard Assets are classified / provided for as Sub-Standard Assets as per 2(i) above which classification / provisioning is retained for a period of one year of satisfactory performance. Rescheduled NPAs are not upgraded but are retained at the original classification / provisioning for a period of 1 year of satisfactory performance.

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ANNEXURE 5

SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

(Rs. In Million)

Adjustments for	As at December 31 2015	As at March 31 2015	As at March 31 2014	As at March 31 2013	As at March 31 2012	As at March 31 2011
Prior period taxes (Refer Note 1)	-	-	-		0.51	(0.51)
Total	-	-	-		**0.51**	**(0.51)**

1. Prior period items

In the financial years ended March 31, 2012 and March 31, 2011, audited financial statements had a provision towards tax relating to earlier years. These provisions were recorded in the year when identified. However, for the purposes of restated summary statements, such prior period adjustment have been adjusted in respective year to which the provision relates to

2. Material Regrouping

W.e.f, April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 in accordance with the requirements applicable for the accounts for Nine Months ended December 31, 2015.

Appropriate adjustments have been made in the Restated unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the accounts ended December 31, 2015, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 6

RESTATED SUMMARY STATEMENT OF SHARE CAPITAL

(Rs. in million)

	Particulars	As at 31 December 2015		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
		Number of shares	Amount	Number of Shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	Share Capital												
(a)	**Authorised**												
	Equity shares of Rs.10 each	85,000,000	850.00	50,000,000	500.00	50,000,000	500.00	50,000,000	500.00	50,000,000	500.00	20,000,000	200.00
	Total	**85,000,000**	**850.00**	**50,000,000**	**500.00**	**50,000,000**	**500.00**	**50,000,000**	**500.00**	**50,000,000**	**500.00**	**20,000,000**	**200.00**
(b)	**Issued, Subscribed and Fully Paid-up**												
	Equity shares of Rs.10 each	40,000,000	400.00	40,000,000	400.00	40,000,000	400.00	40,000,000	400.00	20,000,000	200.00	6,000,000	60.00
	Total	**40,000,000**	**400.00**	**40,000,000**	**400.00**	**40,000,000**	**400.00**	**40,000,000**	**400.00**	**20,000,000**	**200.00**	**6,000,000**	**60.00**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 7

RESTATED SUMMARY STATEMENT OF RESERVES & SURPLUS

(Rs. In Million)

	Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
	Reserves and Surplus						
(a)	**Statutory Reserve**						
	Opening Balance	8.83	4.41	1.42	-	-	-
	Add: Amount Transferred from Surplus in Statement of Profit and Loss during the Year	-	4.42	2.99	1.42	-	-
	Closing Balance	**8.83**	**8.83**	**4.41**	**1.42**	**-**	**-**
(b)	**Surplus in the Statement of Profit and Loss**						
	Opening Balance	(15.31)	(32.96)	(44.89)	(50.56)	(3.91)	-
	Adjustments on restatement of opening balance of Reserves		-	-	-	-	-
	Add: Restated Profit for the Year	11.97	22.07	14.92	7.09	(46.65)	(3.91)
	Less: Appropriations						
	- Transfer to Statutory Reserve	-	(4.42)	(2.99)	(1.42)	-	-
	Net Surplus in the Statement of Profit and Loss	**(3.34)**	**(15.31)**	**(32.96)**	**(44.89)**	**(50.56)**	**(3.91)**
		5.49	**(6.48)**	**(28.55)**	**(43.47)**	**(50.56)**	**(3.91)**

Note:

As per Section 29 C of the National Housing Bank Act, 1987, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. These being Condensed financial statements such transfer would be made at the year end.

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 8

RESTATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term borrowings						
Secured						
Rupee Term Loans						
From National Housing Bank	151.53	173.91	-	-	-	-
From Other Banks	855.23	450.57	251.94	89.44	-	-
From financial institutions	160.00	-	-	-	-	-
Term Loans – Unsecured						
Loan from Holding Company - Unsecured	570.00	670.00	140.00	-	-	-
	1,736.76	**1,294.48**	**391.94**	**89.44**	**-**	**-**

Note:

Details of Term Loan from NHB

(Rs. In Million)

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
9.10% to 9.95%	Secured	173.91	196.29	-	-	-	-	
Total		**173.91**	**196.29**	-	-	-	-	
Less: Current Maturities of Long-term borrowings		(22.38)	(22.38)	-	-	-	-	
Long Term Borrowings		**151.53**	**173.91**	-	-	-	-	

Details of Term Loans from Banks including NHB – Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities.

(b) The Company has not defaulted in the repayment of dues to banks.

Details of Term Loan from Banks

(Rs. In Million)

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	Remarks
11.25% to 12.90%	Secured	1,085.62	585.79	306.94	100.00	-	-	
Total		**1,085.62**	**585.79**	**306.94**	**100.00**	-	-	
Less: Current Maturities of Long-term borrowings		(230.39)	(135.22)	(55.00)	(10.56)	-	-	
Long Term Borrowings		**855.23**	**450.57**	**251.94**	**89.44**	-	-	

Details of Term Loans from Banks - Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities All Long Term Loans (including the Current Maturities of Long Term Borrowings) are secured by Corporate Guarantee from the Holding Company M/s. Equitas Holdings Limited.

(b) The Company has not defaulted in the repayment of dues to banks.

(c) As per the terms of agreement entered into by the Company for some of the Borrowings amounting to Rs. 926.18 Million, the Company should not declare / pay dividend to the Shareholders without the express consent from the Banks/ Financial institutions in case of overdue to the Banks/Financial institutions in loan installments / interest payments.

Details of Term loans from financial institutions

(Rs. In Million)

Coupon Rate	**Security**	**As at 31 December 2015**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**	**As at 31 March 2011**	**Remarks**
11.90%	Secured	200.00	-	-	-	-	-	
Total		**200.00**	-	-	-	-	-	
Less: Current Maturities of Long-term borrowings		(40.00)	-	-	-	-	-	
Long Term Borrowings		**160.00**	-	-	-	-	-	

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 8

RESTATED SUMMARY STATEMENT OF LONG TERM BORROWINGS

1. Long-Term Borrowings

a. **Secured (From/ Banks/NHB /Financial Institutions)**

(Rs. in Millions)

S.No.	Bank Name	Interest Rate (%)	Security	Whether rescheduled (Refer Note if restated)	Loan Amount as at 31 December 2015	Less: Current maturities of Long term Debt	Balance as at 31 December 2015
1	The Federal Bank Ltd	12.33%	Receivables	No	36.11	11.11	25.00
2	The Federal Bank Ltd	12.43%	Receivables	No	50.00	11.20	38.80
3	The Lakshmil Vilas Bank	12.45%	Receivables	No	85.00	20.00	65.00
4	The Lakshmil Vilas Bank	11.35%	Receivables	No	150.00	20.00	130.00
5	HDFC Bank Ltd	11.85%	Receivables	No	37.50	12.50	25.00
6	HDFC Bank Ltd	11.25%	Receivables	No	150.00	30.00	120.00
7	IDBI Bank Ltd	12.75%	Receivables	No	27.50	10.00	17.50
8	Dhanalakshmi Bank	12.90%	Receivables	No	37.50	10.00	27.50
9	Dhanalakshmi Bank	12.90%	Receivables	No	47.50	10.00	37.50
10	RBL Bank Ltd	12.15%	Receivables	No	73.69	21.06	52.63
11	RBL Bank Ltd	11.40%	Receivables	No	100.00	12.90	87.10
12	ING Vysya Bank Ltd	12.60%	Receivables	No	25.00	11.11	13.89
13	ING Vysya Bank Ltd	12.15%	Receivables	No	13.32	4.44	8.88
14	Kotak Mahindra Bank Ltd	11.65%	Receivables	No	30.00	10.00	20.00
15	Kotak Mahindra Bank Ltd	11.40%	Receivables	No	32.50	10.00	22.50
16	Kotak Mahindra Bank Ltd	11.50%	Receivables	No	40.00	10.00	30.00
17	Tamilnad Mercentaile Bank	11.80%	Receivables	No	150.00	16.07	133.93
18	Tata Capital Financial Services Ltd	11.90%	Receivables	No	200.00	40.00	160.00

19	National Housing Bank	9.65%	Receivables	No	32.36	4.23	28.13
20	National Housing Bank	9.95%	Receivables	No	52.80	6.90	45.90
21	National Housing Bank	9.10%	Receivables	No	29.85	3.75	26.10
22	National Housing Bank	9.30%	Receivables	No	58.90	7.50	51.40
	Sub-Total				**1,459.53**	**292.77**	**1,166.76**

b. Unsecured Loan

(Rs. in Millions)

S. No.	**Bank Name**	**Interest Rate (%)**	**Security**	**Whether rescheduled (Refer Note if restated)**	**Loan Amount as at 31 December 2015**	**Less: Current maturities of Long term debt**	**Balance as at 31 December 2015**
1	Equitas Holdings Limited	10.00%	Nil	No	570.00	-	570.00
	Sub-Total				**570.00**	**-**	**570.00**
	Total				**2,029.53**	**292.77**	**1,736.76**

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 9

RESTATED SUMMARY STATEMENT OF OTHER LONG TERM LIABILITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other long term Liabilities						
Deferred Rent	-	-	-	0.03	-	-
	-	**-**	**-**	**0.03**	**-**	**-**

EQUITAS HOSUING FINANCE LIMITED
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ANNEXURE 10

RESTATED SUMMARY STATEMENT OF LONG TERM PROVISIONS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term provisions						
Provision for Standard Receivables under financing Activities						
Housing Loans	6.61	5.26	3.12	1.51	0.34	-
Non Housing Loans	1.90	1.59	0.45	0.71	-	-
Provision for Non-Performing Receivables under financing Activities						
Housing Loans	7.44	4.05	0.79	-	-	-
Non Housing Loans	3.40	0.61	-	-	-	-
Provision for Employee Benefits						
Provision for Gratuity		-	-	0.51	0.39	0.06
	19.35	**11.51**	**4.36**	**2.73**	**0.73**	**0.06**

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 11

RESTATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term borrowings						
From Banks						
Term Loans from Financial Institutions - Secured	-	100.00	-	-	-	-
From Other parties						
Inter Corporate loans from Related Parties - Unsecured		-	250.00	-	-	-
Inter Company deposit		-	-	50.00	-	-
	-	**100.00**	**250.00**	**50.00**	**-**	**-**
Of the above, unsecured borrowings are from:						
Fellow subsidiaries	-	-	250.00	-	-	-
Holding Company		-	-	50.00	-	-
Total	**-**	**-**	**250.00**	**50.00**	**-**	**-**

Note:

Details of Loans from Financial Institutions

Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Secured	-	100.00	-	-	-	-

In addition to the hypothecation of specified Receivables under financing activities, the above Short-Term borrowings from others amounting to Rs.100 million are guaranteed by Equitas Holdings Limited (Holding Company).

Details of Short-Term loans from Others - Secured

(a) The loans are secured by hypothecation of specified Receivables under Financing Activities.

(b) The Company has not defaulted in the repayment of dues to other parties.

Details of Inter Corporate Deposits

Coupon Rate	Security	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
11%	Unsecured	-	-	250.00	-	-	-

The Inter Corporate Deposits from related parties carried an interest of 11% per annum and the same was repaid during the year. The same was taken from Equitas Micro Finance Limited.

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 12

RESTATED SUMMARY STATEMENT OF CURRENT MATURITIES OF LONG TERM BORROWINGS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Term Loans from NHB - Secured	22.38	22.37	-	-	-	-
Term Loans from Banks - Secured	230.39	135.22	55.00	10.56	-	-
Term Loans from Financial Institutions-Secured	40.00	-	-	-	-	-
TOTAL	**292.77**	**157.59**	**55.00**	**10.56**	**-**	**-**
(Refer Annexure 8 – Restated Summary Statement of Long Term Borrowings for the details of security, interest rates and terms of repayments etc)						

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 13

RESTATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other current liabilities						
Interest accrued but not due on borrowings	4.05	3.17	2.11	0.18	-	-
Statutory Remittances	1.69	1.98	1.54	1.14	0.88	0.23
Advance Collections from Customers	21.13	4.33	0.20	-	-	-
Amount payable in respect of Purchase of Fixed Assets		-	-	0.85	-	-
	26.87	**9.48**	**3.85**	**2.17**	**0.88**	**0.23**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 14

RESTATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term provisions						
Provision for employee benefits						
Provision for Compensated Absences	5.36	3.07	2.34	2.12	0.40	0.08
Provision against Standard Receivables under Financing Activity						
Housing Loans	0.43	0.29	0.13	0.03	-	-
Non Housing Loans	0.09	0.09	0.02	0.05	-	-
Provision for Non Performing Receivables under Financing Activity						
Housing Loans	0.59	0.26	0.02	-	-	-
Non Housing Loans	0.39	0.07	-	-	-	-
Provision for Income Tax (Net)	-	0.25	0.30	-	-	0.38
	6.86	**4.03**	**2.81**	**2.20**	**0.40**	**0.46**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 15

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

Financial year 2015-16

(Rs. In Million)

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2015	Additions	Disposals	Balance as at 31 December 2015	Balance as at 1 April 2015	For the Period	Eliminated on Disposal of Assets	Balance as at 31 December 2015	Balance as at 31 December 2015
Tangible Assets - Owned									
Leasehold Improvements	1.43	-	-	1.43	0.48	0.34	-	0.82	0.61
Computer Equipment	5.20	1.38	-	6.58	3.29	0.84	-	4.13	2.45
Furniture and Fixtures	0.51	0.03	-	0.54	0.51	0.03	-	0.54	-
Office Equipment	0.67	0.18	-	0.85	0.48	0.21	-	0.69	0.16
Vehicles	1.98	0.56	1.44	1.10	0.34	0.26	0.39	0.21	0.89
Sub-Total	**9.79**	**2.15**	**1.44**	**10.50**	**5.10**	**1.68**	**0.39**	**6.39**	**4.11**
Intangible Assets - Acquired									
Computer Software	15.09	1.32	-	16.41	9.83	3.07	-	12.90	3.51
Sub-Total	**15.09**	**1.32**	-	**16.41**	**9.83**	**3.07**	-	**12.90**	**3.51**
Grand Total	**24.88**	**3.47**	**1.44**	**26.91**	**14.93**	**4.75**	**0.39**	**19.29**	**7.62**

Financial year 2014-15

(Rs. In Million)

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Balance as at 1 April 2014	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2015	Balance as at 31 March 2015
Tangible Assets - Owned									
Leasehold Improvements	0.18	1.25	-	1.43	0.15	0.33	-	0.48	0.95
Computer Equipment	3.77	1.43	-	5.20	2.39	0.90	-	3.29	1.91
Furniture and Fixtures	0.31	0.20	-	0.51	0.28	0.23	-	0.51	-
Office Equipment	0.48	0.19	-	0.67	0.22	0.26	-	0.48	0.19
Vehicles	0.11	2.80	0.93	1.98	0.03	0.51	0.19	0.35	1.63
Sub-Total	**4.85**	**5.87**	**0.93**	**9.79**	**3.07**	**2.23**	**0.19**	**5.11**	**4.68**
Intangible Assets - Acquired									
Computer Software	11.74	3.35	-	15.09	6.31	3.52	-	9.83	5.26
Sub-Total	**11.74**	**3.35**	**-**	**15.09**	**6.31**	**3.52**	**-**	**9.83**	**5.26**
Grand Total	**16.59**	**9.22**	**0.93**	**24.86**	**9.38**	**5.75**	**0.19**	**14.94**	**9.94**

Financial year 2013-14

(Rs. In Million)

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2013	Additions	Disposals	Balance as at 31 March 2014	Balance as at 1 April 2013	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2014	Balance as at 31 March 2014
Tangible Assets - Owned									
Leasehold Improvements	0.18	-	-	0.18	0.09	0.06	-	0.15	0.03
Computer Equipment	2.53	1.24	-	3.77	1.46	0.93	-	2.39	1.38
Furniture and Fixtures	0.31	-	-	0.31	0.17	0.11	-	0.28	0.03
Office Equipment	0.27	0.21	-	0.48	0.07	0.15	-	0.22	0.26
Vehicles	0.11	-	-	0.11	-	0.03	-	0.03	0.08
Total	**3.40**	**1.45**	**-**	**4.85**	**1.79**	**1.28**	**-**	**3.07**	**1.78**
Intangible Assets - Acquired									
Computer Software	10.36	1.38	-	11.74	3.30	3.01	-	6.31	5.43
Sub-Total	**10.36**	**1.38**	**-**	**11.74**	**3.30**	**3.01**	**-**	**6.31**	**5.43**
Grand Total	**13.76**	**2.83**	**-**	**16.59**	**5.09**	**4.29**	**-**	**9.38**	**7.21**

Financial year 2012-13

(Rs. In Million)

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2013	Balance as at 31 March 2013
Tangible Assets - Owned									
Leasehold Improvements	0.18	-	-	0.18	0.03	0.06	-	0.09	0.09
Computer Equipment	2.35	0.18	-	2.53	0.63	0.83	-	1.46	1.07
Furniture and Fixtures	0.31	-	-	0.31	0.07	0.10	-	0.17	0.14
Office Equipment	0.17	0.10	-	0.27	0.02	0.05	-	0.07	0.20
Vehicles	-	0.11	-	0.11	-	-	-	-	0.11
Total	**3.01**	**0.39**	**-**	**3.40**	**0.75**	**1.04**	**-**	**1.79**	**1.61**
Intangible Assets - Acquired									
Computer Software	2.42	7.94	-	10.36	1.21	2.09	-	3.30	7.06
Sub-Total	**2.42**	**7.94**	**-**	**10.36**	**1.21**	**2.09**	**-**	**3.30**	**7.06**
Grand Total	**5.43**	**8.33**	**-**	**13.76**	**1.96**	**3.13**	**-**	**5.09**	**8.67**

Financial year 2011-12

(Rs. In Million)

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2012	Balance as at 31 March 2012
Tangible Assets - Owned									
Leasehold Improvements	-	0.18	-	0.18	-	0.03	-	0.03	0.15
Computer Equipment	0.81	1.54	-	2.35	0.06	0.57	-	0.63	1.72
Furniture and Fixtures	-	0.31	-	0.31	-	0.07	-	0.07	0.24
Office Equipment	-	0.17	-	0.17	-	0.02	-	0.02	0.15
Vehicles	0.73	-	0.73	-	0.02	0.10	0.12	-	-
Total	**1.54**	**2.20**	**0.73**	**3.01**	**0.08**	**0.79**	**0.12**	**0.75**	**2.26**
Intangible Assets - Acquired									
Computer Software	-	2.42	-	2.42	-	1.21	-	1.21	1.21
Sub-Total	**-**	**2.42**	**-**	**2.42**	**-**	**1.21**	**-**	**1.21**	**1.21**
Grand Total	**1.54**	**4.62**	**0.73**	**5.43**	**0.08**	**2.00**	**0.12**	**1.96**	**3.47**

Financial year 2010-11

(Rs. In Million)

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block
	Balance as at 1 April 2010	Additions	Disposals	Balance as at 31 March 2011	Balance as at 1 April 2010	For the year	Eliminated on Disposal of Assets	Balance as at 31 March 2011	Balance as at 31 March 2011
Tangible Assets - Owned									
Computer Equipment	-	0.81	-	0.81	-	0.06	-	0.06	0.75
Vehicles	-	0.73	-	0.73	-	0.02	-	0.02	0.71
Grand Total	**-**	**1.54**	**-**	**1.54**	**-**	**0.08**	**-**	**0.08**	**1.46**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 16

RESTATED SUMMARY STATEMENT OF DEFERRED TAX ASSET

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Deferred Tax Assets						
Difference between depreciation as per Books of Account and Income Tax Act, 1961	0.05	(0.51)	(0.70)	(0.34)	(0.02)	(0.07)
Provision for Standard Receivables under Financing Activities	3.12	2.50	1.47	0.71	0.11	-
Provision for Sub-Standard and Doubtful under Financing Activities	4.09	1.73	-	-	-	-
Deferred Rent, Preliminary Expenses, etc. -	-	-	0.07	0.14	0.27	0.35
Carried forward Business Loss	-	-	10.25	16.30	-	-
Employee Benefits	2.10	1.05	0.76	0.81	0.24	0.04
	9.36	**4.77**	**11.85**	**17.62**	**0.60**	**0.32**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 17

RESTATED SUMMARY STATEMENT OF LONG TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term Receivables under financing activities						
Secured Loans (Represents Installments Due after one year from the reporting date)						
Housing loans	1,693.92	1,337.25	786.30	376.47	80.97	-
Non housing loans	465.92	362.41	111.45	58.07	-	-
	2,159.84	**1,699.66**	**897.75**	**434.54**	**80.97**	**-**
Note:						
Of the above:						
- Considered Good (Standard Assets)						
Housing	1,653.06	1,313.59	781.05	376.47	80.97	-
Non housing loans	443.22	358.31	111.45	58.07	-	-
- Others (Sub-Standard and Doubtful Receivables under Financial Activities as per Company's Provisioning Norms)						
Housing	40.86	23.66	5.25	-	-	-
Non housing loans	22.70	4.10	-	-	-	-
Receivables from directors or promoters or the issuers		-	-	-	-	-
	2,159.84	**1,699.66**	**897.75**	**434.54**	**80.97**	**-**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 18

RESTATED SUMMARY STATEMENT OF LONG TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Long term loans and advances						
Secured considered good						
Staff loans	-	0.01	0.03	0.02	-	-
Unsecured Considered good						
Staff loans	0.93	-	0.02	0.01	-	-
Security Deposits	1.58	1.44	1.50	0.52	0.52	-
MAT Credit Entitlement	-	8.59	3.56	-	-	-
Capital advances	-	-	-	-	2.25	1.24
Advance Income Tax - Tax Deducted at Source	-	-	-	0.49	0.41	-
	2.51	**10.04**	**5.11**	**1.04**	**3.18**	**1.24**

EQUITAS HOUSING FINANCE LIMITED

ANNEXURE 19

RESTATED SUMMARY STATEMENT OF CURRENT INVESTMENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Current Investments						
Investment in Mutual Funds(Quoted)	10.00	40.00	-	-	-	-
Book value of the Investments	**10.00**	**40.00**	-	-	-	-
Note Aggregrate Market value of the quoted investments	**10.01**	**40.07**	-	-	-	-

Details of Investments in Mutual Funds as on 31 December 2015			
Name of the Scheme	**No. of Units**	**Face Value**	**As at 31 December 2015**
		(Rs.)	**(Rs .In Millions)**
SBI Premier Liquid Plan - Growth- Direct	4,290.531	1,000.00	10.00
Total			**10.00**
Aggregate Market Value of Quoted Investments as at 31 December 2015 - Rs 10.01 million.			

Details of Investments in Mutual Funds as on 31 March 2015			
Name of the Scheme	**No. of Units**	**Face Value**	**As at 31 March 2015**
		(Rs.)	**(Rs .In Millions)**
JM High Liquidity Fund	524,033.486	10.00	20.00
Birla Sunlife Floating Rate Fund- Short Term Plan-Growth-Direct	107,532.316	100.00	20.00
Total			**40.00**
Aggregate Market Value of Quoted Investments as at 31 March 2015 - Rs 40.07 million.			

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 20

RESTATED SUMMARY STATEMENT OF SHORT TERM RECEIVABLES UNDER FINANCING ACTIVITIES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term Receivables under financing activities						
Secured Loans (Installments Due within one year from the reporting date)						
Housing loans	105.18	72.58	31.21	8.22	1.11	-
Non housing loans	24.35	20.20	7.67	3.64	-	-
Instalments overdue						
- More than Nine Months from the date these were due for payment		0.33	0.01	-	-	-
Housing Loans	1.23					
Non Housing Loans	0.54					
- Others						
Housing Loans	0.65	1.31	0.61	-	-	-
Non Housing Loans	0.67	1.27	0.08	-	-	-
TOTAL	**132.62**	**95.69**	**39.58**	**11.86**	**1.11**	**-**
Of the above:						
- Considered Good (Standard Assets)						
Housing	103.91	72.76	31.71	8.22	1.11	-
Non housing loans	22.98	20.96	7.75	3.64	-	-
- Others (Sub-Standard and Doubtful Receivables under Financial Activities as per Company's Provisioning Norms)						
Housing	3.15	1.47	0.12	-	-	-
Non housing loans	2.58	0.50	-	-	-	-
TOTAL	**132.62**	**95.69**	**39.58**	**11.86**	**1.11**	**-**

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 21

RESTATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Cash and Cash Equivalents						
Cash on Hand	0.34	0.19	0.19	0.09	-	-
Balances with Banks						
- In Current Accounts	107.38	37.84	110.85	34.38	27.77	0.46
In Deposit accounts (Free of Lien / Original maturity more than 3 months)	31.48	57.08	-	-	35.00	52.80
In Deposit accounts (Free of Lien / Original maturity more than 3 months)	6.26					
	145.46	**95.11**	**111.04**	**34.47**	**62.77**	**53.26**
Notes:						
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	107.72	38.03	111.04	34.47	27.77	0.46

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 22

RESTATED SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Short term loans and advances						
Secured considered good						
Staff Loans	-	0.04	0.02	0.06	0.12	-
Unsecured, Considered good						
Staff Loans	-	0.02	0.14	0.10	0.08	-
Prepaid Expenses	0.88	1.65	0.81	0.58	0.64	0.02
Balances with Government Authoroties	-	0.33	0.42	1.23	1.26	-
Gratuity	1.19	0.24	0.31	-	-	-
Other Advances	0.26	0.09	0.38		0.01	-
Advance Tax (Net of Provision)	2.68	-	-	-	-	-
MAT Credit Entitlement	3.07	-	-	-	-	-
	8.08	**2.37**	**2.08**	**1.97**	**2.11**	**0.02**

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 23

RESTATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Other current assets						
Interest Accrued but Not Due on Housing Loans	16.13	12.64	7.16	2.98	0.57	-
Interest Accrued but Not Due on Non Housing Loans	5.14	4.19	1.21	0.46	-	-
Interest Accrued on fixed deposits	0.54	-	-	-	0.15	0.69
IFC Grant Receivable	-	3.11	3.01	2.72	-	-
	21.81	**19.94**	**11.38**	**6.16**	**0.72**	**0.69**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 24

RESTATED SUMMARY STATEMENT OF REVENUE FROM OPERATIONS

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Interest Income from Housing Loans	186.06	179.24	95.17	35.96	2.40	-
Interest Income from Non Housing Loans	55.53	45.28	18.66	1.27	-	-
Other Operating Revenues						
Loan Processing Fee, Administration Charges and other charges	19.17	24.63	13.41	7.00	1.75	-
Revenue Grants	-	3.12	3.01	5.47	4.42	-
Interest on Bank Deposits	1.62	2.29	0.18	0.29	2.89	1.56
Gain on Sale of Current Investments (Net)	2.39	1.97	0.90	2.06	1.24	-
Dividend from Current Investments	-	-	-	0.05	-	-
Total	**264.77**	**256.53**	**131.33**	**52.10**	**12.70**	**1.56**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 25

RESTATED SUMMARY STATEMENT OF OTHER INCOME

(Rs. In Million)

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Other income						
Interest on Staff Loans	0.01	0.05	0.03	0.03	0.03	-
Interest on Income Tax Refund	-	-	-	-	0.01	-
Miscellaneous Income	0.05	0.07	0.02	0.01	-	-
Profit on sale of asset	0.06					
	0.12	**0.12**	**0.05**	**0.04**	**0.04**	**-**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 26

RESTATED SUMMARY STATEMENT OF FINANCE COSTS

(Rs. In Million)

Particulars	For the Nine Months Ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Finance Costs						
Interest expense	147.47	130.16	42.90	2.03	-	-
Loan Processing Fees and Other Borrowing Costs	3.99	3.60	0.93	0.75	-	-
Total	**151.46**	**133.76**	**43.83**	**2.78**	**-**	**-**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 27

RESTATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(Rs. In Million)

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Salaries and Wages	43.18	38.98	35.74	35.19	35.79	3.51
Contribution to Provident and other funds	3.24	2.61	1.86	1.76	1.69	0.24
Staff Welfare Expenses	2.82	3.27	2.41	1.98	1.50	-
Total	**49.24**	**44.86**	**40.01**	**38.93**	**38.98**	**3.75**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 28

RESTATED SUMMARY STATEMENT OF OTHER EXPENSES

(Rs. In Million)

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Rent including Lease Rentals	2.46	2.95	1.76	2.08	4.09	-
Electricity	0.87	1.07	0.45	0.51	0.89	-
Repairs and Maintenance - Others	2.02	2.55	2.07	1.97	3.48	-
Insurance	0.10	0.14	0.03	0.02	0.29	-
Rates and Taxes	0.32	0.98	0.37	0.08	3.03	-
Brokerage and Commission	7.10	8.26	3.41	1.47	0.06	-
Communication	1.27	1.41	0.73	0.84	0.98	-
Travelling and Conveyance	3.96	4.04	3.37	2.89	1.73	0.03
Printing and Stationery	0.92	1.30	1.29	0.56	0.71	-
Advertisement and Business Promotion	0.62	0.06	-	0.20	0.83	-
Legal and Professional	4.55	5.74	2.39	2.00	1.19	0.66
Directors' Remuneration and Sitting Fees	3.44	2.73	2.18	1.32	0.63	0.09
Preliminary Expenditure	-	-	-	-	-	1.12
Loss on sale of assets	-	-	-	-	0.08	-
Software Expense	-	-	0.09	0.07	0.09	0.04
Miscellaneous Expenses	4.77	1.30	2.11	1.26	0.27	0.02
Total	**32.40**	**32.53**	**20.25**	**15.27**	**18.35**	**1.96**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 29

RESTATED SUMMARY STATEMENT OF PROVISIONS AND WRITE OFFS

(Rs. In Million)

Particulars	For the Nine Months ended 31 December 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Schedule 12 - Provisions and Write Offs						
Provision for Standard Receivables under Financing Activities	1.80	3.49	1.41	1.96	0.33	-
Provision for Substandard and Doubtful Receivables under Financing Activities	6.83	4.19	0.81	-	-	-
Total	**8.63**	**7.67**	**2.22**	**1.98**	**0.33**	**-**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 30

RESTATED SUMMARY STATEMENT OF COMMITMENTS & CONTINGENCIES

(Rs. In Million)

Commitments and Contingencies

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	For the period 14 May 2010 to 31 March 2011
Commitments:						
- Housing loan sanctioned but not disbursed	163.32	120.17	75.45	70.53	38.52	-
- Non housing loan sanctioned but not Disbursed	31.68	5.09	0.90	-	-	-
- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)		-	-	-	5.25	1.16
Contingencies (i) Bank Guarantees	20.00	20.00	-	-	-	-

EQUITAS HOUSING FINANCE LIMITED
(Formerly known as Equitas Housing Finance Private Limited)

ANNEXURE 31

RESTATED SUMMARY STATEMENT OF RELATED PARTY TRANSACTIONS

Names of Related Parties and Nature of Relationship

Description of Relationship	Company
Holding Company	Equitas Holdings Limited
Fellow Subsidiaries	Equitas B2B Trading Private Limited (upto 31 March 2015)
	Equitas Finance Limited
	Equitas Technologies Private Limited
	Equitas Micro Finance Limited
Key Management Personnel	PN Vasudevan, Managing Director Ravi Krishnan , Chief Financial officer
Entities where the Holding Company or Key Management Personnel has significant influence	Equitas Development Initiatives Trust Equitas Dhanyakosha India

Note:
Related party relationships are as identified by the Management.

Transactions with the Related Parties **(Rs. In Million)**

Transaction	Related Party	Apr'15-December '15	2014-15	2013-14	2012-13	2011-12	2010-11
Income							
Recovery of expenses	Equitas Micro Finance Limited		0.09	0.22	0.19	0.11	-
	Equitas Finance Limited		0.09	0.22	0.19	0.11	-
Expenses							
Reimbursement of Expenses Paid	Equitas Micro Finance Limited	1.15	2.89	5.03	6.73	23.37	-
	Equitas Finance Limited	1.50	2.84	4.26	3.20	1.54	-
	Equitas Holdings Limited	0.02	0.02	0.06	0.06	-	1.37
Portfolio fees paid	Equitas Micro Finance Limited	1.83	2.22	-	-	-	-
Interest on Loan	Equitas Holdings Limited	54.64	38.42	4.79	1.85	-	-
Interest on Inter Corporate Deposits	Equitas Micro Finance Limited	-	9.31	18.56	-	-	-
Salary to Key Managerial Personnel	Ravi Krishnan, Chief Financial Officer (w.e.f 4 August 2015)	1.03					
Other Transactions							
Issue of Equity Shares	Equitas Holdings Limited	-	-	-	200.00	140.00	60.00
Staff Loan transferred from related parties	Equitas Micro Finance Limited	-	0.14	-	0.05	0.68	-
Staff Loan transferred to related parties	Equitas Finance Limited	0.02	0.09	0.01	-	-	-
	Equitas Micro Finance Limited	-	-	-	-	0.08	-

Fixed Assets Transfer to	Equitas Micro Finance Limited	-	0.66	-	-	-	-
Fixed Assets Transfer from	Equitas Finance Limited	-	0.53	-		-	-
	Equitas B2B Trading Private Limited	-	-	-	-	0.06	-
	Equitas Micro Finance Limited	0.06	-	-	0.11	0.09	-

Transaction	Related Party	Apr'15-December 15	2014-15	2013-14	2012-13	2011-12	2010-11
	Finance Limited						
Loans Availed	Equitas Holdings Limited	300.00	825.00	275.00	190.00	-	-
Inter Corporate Deposits received	Equitas Micro Finance Private Limited		-	320.00	-	-	-
Loans repaid	Equitas Holdings Limited	400.00	295.00	185.00	140.00	-	-
Inter Corporate Deposits repaid	Equitas Micro Finance Limited		250.00	70.00	-	-	-
Guarantees issued/(released) during the year	Equitas Holdings Limited	600.00	820.00	20.00	100.0		

Balances outstanding at the end of the year

(Rs. In Million)

	Name of the Related Party	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Payables							
Loans	Equitas Holdings Limited	570.00	670.00	140.00	50.00	-	-
Inter Corporate Deposits	Equitas Micro Finance Limited		-	250.00	-	-	-
Others	Equitas Micro Finance Limited	0.32	0.40	0.39	-	-	-
	Equitas Finance Limited	0.19	0.24	0.31	-	-	-
Corporate Guarantee							
Corporate Guarantee	Equity Holdings Limited	1,740.00	1,140.00	320.00	100.00	-	-
Receivables							
Others	Equitas Finance Limited	-	-	-	-	-	-
	Equitas Micro Finance Limited	-	-	-	-	2.13	-

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 32

RESTATED SUMMARY STATEMENT OF EARNINGS PER SHARE

Basic & Diluted

Particulars	For the Nine Months ended 31 December 2015	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013	For the Year Ended 31 March 2012	For the period 14 May 2010 to 31 March 2011
Total operations						
Profit after Tax for the year (Rs. In Million)	11.97	22.07	14.92	7.09	(46.65)	(3.91)
Weighted Average Number of Equity Shares	40,000,000	40,000,000	40,000,000	29,426,229	7,844,262	3,881,988
Earnings Per Share (Basic and Diluted) in Rs. (not annualized for the nine months)	0.30	0.55	0.37	0.24	(5.95)	(1.01)
Face Value Per Share - in Rs.	10.00	10.00	10.00	10.00	10.00	10.00

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 33

RESTATED SUMMARY STATEMENT OF PROVISIONS AND LOAN LOSSES

Changes in Provisions

(Rs. In Million)

S. No.	Asset classification	For the Nine Months ended 31 December 2015	2014-15	2013-14	2012-13	2011-12	2010-11
a.	**Opening balance**						
	Contingent Provision for Standard Assets under financing activities						
	i. Housing Loans	5.55	3.25	1.54	0.34	-	-
	ii. Non Housing Loans	1.68	0.47	0.76	-	-	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities						
	i. Housing Loans	2.97	0.81	-	-	-	-
	ii. Non Housing Loans	0.68	-	-	-	-	-
	Provision for Doubtful Assets						
	i. Housing Loans	1.34	-	-	-	-	-
b.	**Additional provision**						
	Contingent Provision for Standard Assets under financing activities						
	i. Housing Loans	2.24	2.88	2.04	1.53	0.34	-
	ii. Non Housing Loans	0.69	1.30	0.47	0.76	-	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities						
	i. Housing Loans	3.02	2.94	0.81	-	-	-
	ii. Non Housing Loans	3.30	0.68	-	-	-	-
	Provision for Doubtful Assets						
	i. Housing Loans	2.27	1.34	-	-	-	-
c.	**Utilisation / Reversal**						
	Contingent Provision for Standard Assets under financing activities						
	i. Housing Loans	0.75	0.58	0.33	0.33	-	-
	ii. Non Housing Loans	0.38	0.09	0.77	-	-	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities						
	i. Housing Loans	1.20	0.80	-	-	-	-
	ii. Non Housing Loans	0.19	-	-	-	-	-
	Provision for Doubtful Assets						
	i. Housing Loans	0.37	-	-	-	-	-
d.	**Closing balance**						
	Contingent Provision for Standard Assets under financing activities						
	i. Housing Loans	7.04	5.55	3.25	1.54	0.34	-
	ii. Non Housing Loans	1.99	1.68	0.47	0.76	-	-
	Provision for Sub-Standard / Doubtful Receivables under financing activities						
	i. Housing Loans	4.79	2.97	0.81	-	-	-
	ii. Non Housing Loans	3.79	0.68	-	-	-	-
	Provision for Doubtful Assets						
	i. Housing Loans	3.24	1.34	-	-	-	-

Loan portfolio and provision for standard and Non performing assets

(Rs. In Million)

S. No.	Asset classification	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
a.	**Standard Assets**						
	Loan outstanding (Gross)						
	i. Housing Loans	1,756.97	1,386.35	812.76	384.69	82.08	-
	ii. Non Housing Loans	466.20	379.28	119.20	61.71	-	-
	Provision for assets						
	i. Housing Loans	7.04	5.55	3.25	1.54	0.34	-
	ii. Non Housing Loans	1.99	1.68	0.47	0.76	-	-
	Loan outstanding (Net)						
	i. Housing Loans	1,749.93	1,380.80	809.51	383.15	81.74	-
	ii. Non Housing Loans	464.21	377.60	118.73	60.95	-	-
b.	**Sub-Standard Assets**						
	Loan outstanding (Gross)						
	i. Housing Loans	31.92	19.76	5.37	-	-	-
	ii. Non Housing Loans	25.28	4.59	-	-	-	-
	Provision for assets						
	i. Housing Loans	4.79	2.96	0.81	-	-	-
	ii. Non Housing Loans	3.79	0.69	-	-	-	-
	Loan outstanding (Net)						
	i. Housing Loans	27.13	16.80	4.56	-	-	-
	ii. Non Housing Loans	21.49	3.92	-	-	-	-

Loan portfolio and provision for standard and Non performing assets

(Rs. In Million)

S. No.	Asset classification	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
	C. Doubtful Assets						
	Loan outstanding (Gross)						
	i. Housing Loans	12.09	5.37	-	-	-	-
	ii. Non Housing Loans		-	-	-	-	-
	Provision for assets						
	i. Housing Loans	3.24	1.34	-	-	-	-
	ii. Non Housing Loans		-	-	-	-	-

No.	Asset classification	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
	Loan outstanding (Net)						
	i. Housing Loans	8.85	4.03	-	-	-	-
	ii. Non Housing Loans	-	-	-	-	-	-

ANNEXURE 34

RESTATED SUMMARY STATEMENT OF CAPITAL ADEQUACY

Capital Adequacy Ratio

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Tier I Capital (Rs. In Million)	391.74	381.85	353.36	331.27	147.64	55.26
Tier II Capital (Rs. In Million)	9.02	7.22	3.73	2.31	0.33	-
Total Capital (Rs. In Million)	**400.76**	**389.07**	**357.09**	**333.58**	**147.97**	**55.26**
Total Risk Weighted Assets (Rs. In Million)	**1,248.11**	**1,193.94**	**583.14**	**320.88**	**73.58**	**2.73**
Capital Adequacy Ratio						
Tier I Capital [as a Percentage of Total Risk Weighted Assets (%)]	31.39%	31.98%	60.60%	103.24%	200.65%	2026.67%
Tier II Capital [as a Percentage of Total Risk Weighted Assets (%)]	0.72%	0.60%	0.64%	0.72%	0.45%	0.00%
Total Capital [as a Percentage of Total Risk Weighted Assets (%)]	**32.11%**	**32.58%**	**61.24%**	**103.96%**	**201.10%**	**2026.67%**

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 35

SUMMARY STATEMENT OF KEY FINANCIAL INDICATORS

Net worth

(Rs. In Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Net tangible Assets*	2,484.43	1,967.49	1,068.72	491.65	153.12	56.67
Monetary Assets	155.46	135.11	111.04	34.47	62.77	53.26
Pre-tax operating profit, as restated	18.41	32.08	20.78	(9.93)	(46.93)	(4.23)
Net Worth	405.49	393.52	371.45	356.53	149.44	56.09

* *Net tangible assets = Total Assets- Intangible Assets- Deferred Tax*
# Monetary assets= Cash and cash equivalents+ Current investments

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 36

SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Book Value per share (Net Worth / Number of shares)	10.14	9.84	9.29	8.91	7.47	9.26
Return on Net Worth (Net Income / Shareholder's Funds)	2.95%	5.61%	4.02%	1.98%	(31.21%)	(7.03%)

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 37

SUMMARY STATEMENT OF CAPITALISATION

	Pre-Offer as at December 31, 2015	Pre-Offer as at March 31, 2015	Adjusted for the post-Offer
Shareholders' Funds			
Equity Share Capital	400.00	400.00	[●]
Reserves and Surplus	5.49	(6.48)	[●]
Total Shareholders' Funds (A)	405.49	393.52	[●]
Debt			
Long Term Borrowings	1,736.76	1,294.48	[●]
Short Term Borrowings	-	100.00	[●]
Other Borrowings (Current maturity of long term borrowings)	292.77	157.59	[●]
Total Debt (B)	2,029.53	1552.07	[●]
Total (A+B)	2,435.02	1945.59	[●]
Long-term debt (excludes current maturity of long term borrowings) /equity ratio	4.28	3.29	
Total debt/equity ratio	5.01	3.94	

EQUITAS HOUSING FINANCE LIMITED
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ANNEXURE 38

SUMMARY STATEMENT OF TAX SHELTER

(Rs. in Million)

Particulars	As at 31 December 2015	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Restated profit before Tax	18.41	32.08	20.78	(9.93)	(46.93)	(4.23)
Tax Rate	33.06%	20.01%	20.01%	0.00%	0.00%	0.00%
Tax thereon at the above rate	6.08	6.42	4.16	-	-	-
Timing differences	**4.08**	**7.07**	**5.77**	**(17.02)**	**(0.28)**	**(0.32)**
Permanent Differences	0.87	-	-	-	-	-
Mat credit Entitlement	-	(5.03)	(3.56)	-	-	-
Tax on earlier periods		-	-	-	(0.51)	-
Current Tax	**11.03**	**7.96**	**3.65**	**-**	**-**	**0.51**

Note : For the FY 2010-11 , the loss of 37.41 (expensed upto January before NHB registration is not considered for Income tax purpose)

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 26 OF PART I OF CHAPTER III OF COMPANIES ACT, 2013, READ WITH RULE 4 to 6 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

TO THE BOARD OF DIRECTORS OF

Equitas Technologies Private Limited
Phase II, 4th Floor,
F-39, Spencer Plaza,
No. 769 Anna Salai,
Chennai 600 002.

Dear Sirs,

1. We have examined the attached Restated Financial Information of Equitas Technologies Private Limited ('the Company'), which comprises of the Restated Summary Statement of Assets and Liabilities in Annexure -1 as at December 31, 2015, the Restated Summary Statement of Profit and Loss in Annexure -2 and the Restated Summary Statement of Cash Flows in Annexure-3 for the period from October 27, 2015, the date of incorporation of the Company to December 31, 2015 and the Summary of Significant Accounting Policies (the "**Restated Financial Statements**") as approved by the Board of Directors of the Company at their meeting held on February 04, 2016 for the purpose of inclusion in the Red Herring Prospectus (**"RHP"**) prepared by Equitas Holdings Limited, formerly known as Equitas Holdings Private Limited ("**the Holding Company**") in connection with the proposed initial public offering **("IPO")** of its equity shares including an Offer for Sale of equity shares by the Selling Shareholders of Rs.10 each at such premium, arrived at by book building process (referred to as the "Issue"), as may be decided by the Holding Company's Board of Directors, prepared in accordance with the provisions of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**the Rules**"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI-ICDR Regulations**").

2. We have examined such Restated Financial Statements taking into consideration

   a) The terms of reference and terms of our engagement agreed upon with the Company in accordance with engagement letter dated October 27, 2015 in connection with the proposed IPO of the Holding Company; and

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. These Restated Financial Statements have been extracted by the management from the Audited Financial Statement as at December 31, 2015 and for the period from October 27, 2015 to December 31, 2015 which have been approved by Board of directors at their meeting held on February 04, 2016.

4. Based on our examination we report that:

   a) There are no extra-ordinary items that need to be disclosed separately in the Restated Financial Statements.

   b) There were no qualifications in the Auditors' report for the relevant reporting period which require any adjustments to the Restated Financial Statements.

5. We have also examined the following Restated Financial Statements of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 4, 2016 as at and for the period from October 27, 2015 to December 31, 2015,

   (a) Annexure 5 - Restated Summary Statement of Share Capital;

   (b) Annexure 6 – Restated Summary Statement of Reserves & Surplus;

   (c) Annexure 7 – Restated Summary Statement of Long Term Provisions;

   (d) Annexure 8 – Restated Summary Statement of Other Current Liabilities;

   (e) Annexure 9 – Restated Summary Statement of Short Term Provisions;

   (f) Annexure 10 - Restated Summary Statement of Fixed Assets;

   (g) Annexure 11 - Restated Summary Statement of Other Non-Current Assets;

   (h) Annexure 12 - Restated Summary Statement of Current Investments;

   (i) Annexure 13 - Restated Summary Statement of Cash and Cash Equivalents;

   (j) Annexure 14 - Restated Summary Statement of Short Term Loans and Advances;

   (k) Annexure 15 - Restated Summary Statement of Other Current Assets;

   (l) Annexure 16 - Restated Summary Statement of Other Income;

   (m) Annexure 17 - Restated Summary Statement of Employee Benefits Expense;

   (n) Annexure 18 - Restated Summary Statement of Other Expenses;

   (o) Annexure 19 - Restated Summary Statement of Related Party Transactions;

   (p) Annexure 20 - Restated Summary Statement of Earnings Per Share;

   (q) Annexure 21 - Summary Statement of Key Financial Indicators;

   (r) Annexure 22 - Summary Statement of Accounting Ratios; and

   (s) Annexure 23 - Summary Statement of Capitalisation;

   In our opinion, the Restated Financial Statements and the above Restated Financial Information contained in Annexures 5 to 23 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure 4, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with the provisions of Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with the Company.

6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

7. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India and relevant stock exchanges in connection with the proposed issue of equity shares of the Holding Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration Number: 008072S)

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: February 04, 2016

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 1

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs in Million)

Particulars	**Annexure No.**	**As at 31 December 2015**
EQUITY AND LIABILITIES		
Share Holders' Funds		
Share capital	5	150.00
Reserves & surplus	6	(5.96)
		144.04
Non-Current Liabilities		
Long term provisions	7	0.15
		0.15
Current Liabilities		
Other current liabilities	8	0.75
Short term provisions	9	0.40
		1.15
		145.34
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible assets	10	4.60
Intangible assets		2.17
		6.77
Other non-current assets	11	0.01
		6.78
Current Assets		
Current Investments	12	15.00
Cash and cash equivalents	13	121.99
Short term loans and advances	14	0.68
Other current assets	15	0.89
		138.56
TOTAL		**145.34**

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 2

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs in Million)

Particulars	Annexure No.	For the period from 27 October 2015 to 31 December 2015
A- Income		
Other income	16	1.00
Total		**1.00**
B- Expenditure		
Employee benefits expense	17	2.74
Other expenses	18	4.20
Depreciation and amortization	10	0.02
Total		**6.96**
Loss before tax as per audited financial statements (A-B)		**(5.96)**
C-Restatement Adjustments		-
Loss before tax as restated (A-B-C)		**(5.96)**

* In view of loss for the period the current tax provision is nil.

Net deferred tax asset arising out of carry forward business loss and unabsorbed business as on 31.12.15 has not been recognised on consideration of prudence.

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 3

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Rs in Million)

Particulars	For the period from 27 October 2015 to 31 December 2015
A. Cash Flow from Operating activities	
Loss Before Tax as Restated	(5.96)
Adjustments for:	
Depreciation and Amortisation expense	0.02
Interest Income on Deposits with Banks / Others	(1.00)
Operating Profit before Changes in Working Capital	**(6.94)**
Changes in Working Capital:	
Adjustments for increase in operating assets:	
Short Term Loans and Advances	(0.68)
Adjustments for increase in operating liabilities:	
Other Current Liabilities	0.75
Long term provision	0.15
Short Term provisions	0.40
Cash Flow used in Operations	**(6.32)**
B. Cash Flow from Investing activities	
Capital expenditure (including capital advances)	(6.79)
Interest Income on Deposits / Other loans	0.10
Purchase of Current Investments (Net)	(15.00)
Net Cash Flow used in Investing Activities	**(21.69)**

Particulars	For the period from 27 October 2015 To 31 December 2015
C. Cash Flow from Financing activities	
Proceeds from issue of Share Capital	150.00
	-
Net Cash Flow from Financing activities	**150.00**
Net increase in Cash and Cash equivalents (A) + (B) + (C)	**121.99**
Cash and Cash equivalents at beginning of the period / Year	-
Cash and Cash equivalents at end of the period / year	**121.99**
Note:	
The reconciliation to the Cash and Cash equivalents is as follows:	
Cash and Cash Equivalents as per Annexure 13	121.99
Cash and Cash equivalents as per Cash flow statement	**121.99**

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 4

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Background

The statement of restated assets and liabilities as at December 31, 2015 and statement of restated profit and loss and cash flow for period from October 27, 2015 being the date of incorporation to December 31, 2015 (hereinafter collectively referred to as "Restated Summary Statements") relate to EQUITAS TECHNOLOGIES PRIVATE LIMITED ("the Company") have been prepared specifically for inclusion in the offer document to be filed by the Holding Company Equitas Holdings Limited (formerly known as "Equitas Holdings Private Limited") with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies and relevant stock exchanges in connection with its proposed Initial Public Offering. These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule III to the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

4.2 Corporate Information

Equitas Technologies Private Limited ("ETPL" / "the Company") was incorporated on 27 October 2015. The Company is a wholly owned subsidiary of Equitas Holdings Limited. The Company is in the freight aggregation business under the brand name of WOW Truck with web domain name registered as 'www.wowtruck.in'. The Company provides a common platform for transporters and suppliers to connect with each other 'online' and carry out transactions on real time basis.

Significant Accounting Policies

4.3.1 Basis of preparation of Financial Statements

The restated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act 1956, ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

4.3.2 Use of Estimates

The preparation of the Restated Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3.3 Cash and Cash Equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.3.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

4.3.5 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical assessment, taking into account the nature of the asset, its estimated usage, its operating conditions, past history of replacement and anticipated technological changes:

Tangible Assets

Office Equipments - 3 years

Computers - 3 years

Assets individually costing less than Rs.5000 each are fully depreciated in the year of capitalisation.

Intangible assets are amortised over their estimated useful life as follows:

Software - lower of license period or 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern

4.3.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Transaction Fees on freight is recognized upon delivery of the transported goods by the transporter on accrual basis.

Activation charges for registering transporters/ goods suppliers is recognised on accrual basis on registration

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

Profit / loss on sale of investments is recognised at the time of sale or redemption.

4.3.7 Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible asset comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses. Advances paid towards acquisition of fixed assets are included under long term loans and advances.

4.3.8 Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

4.3.9 Foreign currency transactions and translations

Initial Recognition
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement at the Balance Sheet Date
Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the period/year -end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of Exchange Differences
Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of restated profit and loss account.

4.3.10 Investments

Current investments are valued at lower of cost and fair value.

4.3.11 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

<u>Defined contribution plan</u>:

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as it falls due based on the amount of contribution required to be made and when the services are rendered by the employees.

<u>Defined benefit plans</u>:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial Valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Restated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

<u>Short-term employee benefits</u>:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period/year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

<u>Long-term employee benefits</u>:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

4.3.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

4.3.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Restated Statement of Profit and Loss on a straight-line basis.

4.3.14 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period/year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

4.3.15 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the period/year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

4.3.16 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Restated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case, any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Restated Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Restated Profit and Loss. In case of revalued assets such reversal is not recognised.

4.3.17 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the Restated Financial Statements.

4.3.18 Service Tax Input Credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

4.3.19 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 5

RESTATED SUMMARY STATEMENT OF SHARE CAPITAL

Particulars	As at 31 December 2015	
	Number of Shares	Amount (Rs. In Million)
Share Capital		
Authorised		
Equity shares of Rs.10 each	5,00,00,000	500.00
Issued, Subscribed and Fully Paid-up		
Equity Shares of Rs.10 each	1,50,00,000	150.00
	1,50,00,000	150.00

ANNEXURE 6

RESTATED SUMMARY STATEMENT OF RESERVES & SURPLUS

(Rs in Million)

Particulars	As at 31 December 2015
Reserves and Surplus	
Surplus in the Statement of Profit and Loss	
Opening Balance	-
Add: Restated Loss for the period	(5.96)
Less: Appropriations	
Net Surplus in the Statement of Profit and Loss	**(5.96)**
	(5.96)

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 7

RESTATED SUMMARY STATEMENT OF LONG TERM PROVISIONS

(Rs in Million)

Particulars	As at 31 December 2015
Other current liabilities	
Provision for Gratuity	0.15
	0.15

ANNEXURE 8

RESTATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs in Million)

Particulars	As at 31 December 2015
Other current liabilities	
Statutory remittances	0.38
Other Payables	0.37
	0.75

ANNEXURE 9

RESTATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS

(Rs in Million)

Particulars	As at 31 December 2015
Provision for Compensated Absences	0.40
	0.40

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 10

RESTATED SUMMARY STATEMENT OF FIXED ASSETS

For the period from 27 October 2015 to 31 December 2015

Particulars	Gross Block	Depreciation/ Amortisation	Net Block
	Additions during the period and outstanding as at 31 December 2015	Depreciation for the period	As at 31 December 2015
Tangible Assets (owned)			
Improvements on Leasehold Premises	-	-	-
Office Equipment	0.01	-	0.01
Computers	4.60	0.01	4.59
Total – A	**4.61**	**0.01**	**4.60**
Intangible Assets (acquired)			
Computer Software	2.18	0.01	2.17
Total – B	**2.18**	**0.01**	**2.17**
Grand Total (A+B)	**6.79**	**0.02**	**6.77**

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 11

RESTATED SUMMARY OTHER NON-CURRENTASSETS

(Rs in Million)

Particulars	As at 31 December 2015
TDS Receivables	0.01
	0.01

ANNEXURE 12

RESTATED SUMMARY CURRENT INVESTMENTS

(Rs in Million)

Particulars	As at 31 December 2015
Current Investments	
IDFC Cash Fund	15.00
(8,314.139 units of Face value of Rs.1000/- each)	
	15.00
Quoted Value of Investments	15.01

ANNEXURE 13

RESTATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS

(Rs in Million)

Particulars	As at 31 December 2015
Cash and Cash Equivalents	
Cash on hand	0.01
Balances with Banks	
- In Current accounts	1.98
- In Deposit accounts - free of lien (original maturity less than 3 months)	120.00
	121.99

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 14

RESTATED SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Rs in Million)

Particulars	As at 31 December 2015
Short term loans and advances	
Loan to Employees	0.29
Advance to Suppliers	0.08
Service Tax Input Credit	0.30
Advance for expenses	0.01
	0.68

ANNEXURE 15

RESTATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs in Million)

Particulars	As at 31 December 2015
Other current assets	
Interest receivable from bank deposits	0.89
	0.89

ANNEXURE 16

RESTATED SUMMARY STATEMENT OF OTHER INCOME

(Rs in Million)

Particulars	For the period from 27 October 2015 To 31 December 2015
Other Income	
Interest on deposits	1.00
	1.00

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 17

RESTATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS EXPENSES

(Rs in Million)

Particulars	For the period from 27 October 2015 To 31 December 2015
Employee Benefits Expense	
Salaries	2.03
Contribution to Provident Fund and other funds	0.25
Compensated Absences	0.40
Staff welfare expenses	0.06
	2.74

ANNEXURE 18

RESTATED SUMMARY STATEMENT OF OTHER EXPENSES

(Rs in Million)

Particulars	For the period from 27 October 2015 To 31 December 2015
Rates & Taxes	0.01
Travelling & conveyance	0.11
Printing & stationery	0.03
Telephone charges	0.03
Legal & professional Charges	3.89
Information technology expenses	0.12
Miscellaneous expenses	0.01
	4.20

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 19

RESTATED SUMMARY STATEMENT OF RELATED PARTY TRANSACTIONS

Names of Related Parties and Nature of Relationship

Description of Relationship	Party
Holding Company	Equitas Holdings Limited
Fellow subsidiaries	Equitas Housing Finance Limited
	Equitas Finance Limited
	Equitas Micro Finance Limited
Entities where the holding Company has Control	Equitas Development Initiatives Trust
	Equitas Dhanyakosha India

Note:

Related party relationships are as identified by the Management.

Transactions with Related Parties

(Rs in Million)

Transaction	Related Party	For the period from 27 October 2015 to 31 December 2015
Reimbursement of expenses	Equitas Holdings Limited	3.89
Other Transactions		
Issue of Equity Shares	Equitas Holdings Limited	150.00

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 20

RESTATED SUMMARY STATEMENT OF EARNINGS PER SHARE

(Rs in Million)

Particulars	For the period from 27 October 2015 To 31 December 2015
Total operations	
Profit after tax restated	(5.96)
Weighted Average Number of Equity Shares	8,453,030
Earnings Per Share - in Rs. (not annualized for the period)	(0.71)
Face Value Per Share - in Rs.	10.00

ANNEXURE 21

SUMMARY STATEMENT OF KEY FINANCIAL INDICATORS

(Rs in Million)

Particulars	As at 31 December 2015
Net tangible Assets*	143.17
Monetary Assets #	136.99
Pre-tax Operating profit, as restated	(5.96)
Net Worth	144.04

* Net tangible assets = Total Assets – Intangible Assets – Deferred Tax
# Monetary assets= Cash and cash equivalents+ Current investments

ANNEXURE 22

SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31 December 2015
Book Value per share (Net Worth / Number of shares)	9.60
Return on Net Worth (Net Income / Shareholder's Funds)	(4.14%)

EQUITAS TECHNOLOGIES PRIVATE LIMITED

ANNEXURE 23

SUMMARY STATEMENT OF CAPITALISATION

(Rs in Million)

	Pre-Offer as at December 31, 2015	Adjusted for the post-Offer
Shareholders' Funds		
Equity Share Capital	150.00	[●]
Reserves and Surplus	(5.96)	[●]
Total Shareholders' Funds (A)	**144.04**	[●]
Debt		
Long Term Borrowings	-	[●]
Short Term Borrowings	-	[●]
Other Borrowings (Current maturity of long term borrowings)	-	[●]
Total Debt (B)	**-**	[●]
Total (A+B)	**144.04**	[●]
Long-term debt (excludes current maturity of long term borrowings) /equity ratio	-	
Total debt/equity ratio	-	

FINANCIAL INDEBTEDNESS

Our Company does not have any outstanding borrowings. Certain of our Subsidiaries, namely, EFL, EMFL and EHFL, are NBFCs and accordingly, avail loans in the ordinary course of business for the purposes of onward lending and working capital requirements. Our Company provides a guarantee in relation to certain of these loans as and when required. Our Company, in its capacity as a guarantor, has obtained the necessary consents required under the relevant loan documentation for undertaking activities, such as change in its capital structure, change in its shareholding pattern and conversion into a public limited company.

Pursuant to the resolution dated August 7, 2015 passed by our Board of Directors, P.N. Vasudevan, the Managing Director of our Company is authorised to extend guarantee, from time to time, to banks and other lenders who lend monies to any of the Subsidiaries up to ₹ 52,000 million outstanding at any given point of time. Subsequently, our Board of Directors revised the limit to ₹ 30,000 million pursuant to the resolution passed on February 5, 2016.

The chief executive officer of EFL and such other persons authorised by the chief executive officer of EFL is authorised to borrow money up to ₹ 50,000 million. Further, the managing director of EHFL is authorised to borrow money up to ₹ 7,500 million outstanding at any point of time. The chief executive officer of EMFL is authorised to borrow money up to ₹ 50,000 million, outstanding at any point of time.

Further, within the overall borrowing limits, the board of directors of EFL is authorised to issue and allot non-convertible debentures up to ₹ 10,000 million during the financial year 2016 and up to ₹ 20,000 million during financial year 2017. The managing director of EHFL is authorised to issue and allot non-convertible debentures up to ₹ 1,000 million during the financial year 2016 and up to ₹ 2,000 million during financial year 2017. The chief executive officer of EMFL is authorised to issue and allot non-convertible debentures up to ₹ 10,000 million during the financial year 2016 and up to ₹ 15,000 million during financial year 2017.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as of February 29, 2016*:

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount as on February 29, 2016 (in ₹ million)
Term loans		
Secured	41,705.00	29,192.25
Unsecured	-	-
NCDs		
Secured	8,960.00	8,465.00
Sub-debt	2,700.00	2,700.00
Working Capital Facility	4,770.00	2,513.64
Total	**58,135.00**	**42,870.89**

* *As certified by Francis Charles & Associates, Chartered Accountants, through its letter dated March 4, 2016.*

Principal terms of the borrowings availed by us:

1. ***Interest:*** In terms of the loans availed by us, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies between different loans.

   Our Subsidiaries, EMFL, EFL and EHFL, have also issued NCDs to various lenders. For such borrowings, we enter into debenture trust deeds (the "**DTDs**") and in terms of such DTDs, a specified interest or coupon rate is to be paid per annum.

   The interest rate/coupon rate for the loans availed and the NCDs issued by the Subsidiaries ranges from 8.60% per annum to 16.00% per annum.

2. ***Tenor:*** The tenor of the term loans availed by us typically ranges from two years to eight years.

The tenor of the NCDs issued by us typically ranges from two years to eight years (calculated from the date of issuance). Further, the tenor of the working capital limits is 12 months (renewed annually).

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

(a) create security by way of hypothecation on the relevant Subsidiary's present and future book-debts;

(b) create a *pari passu* charge on hypothecation of loan receivables under the financing activity, including all benefits and rights incidental thereto;

(c) maintain an asset cover for the loan by way of charge over the loan assets/book debts at a minimum prescribed limit;

(d) create a *pari passu* charge on hypothecation of other free assets/fixed assets owned by the relevant Subsidiary;

(e) execute a demand promissory note for a specified amount in the form approved by the relevant lender; and

(f) provide a corporate guarantee of the holding company, i.e. our Company.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The working capital facilities are typically repayable on demand. While certain term loans are repayable on demand, the repayment period for most term loans typically ranges from two years to eight years. Further, in terms of the DTDs, the redemption period typically ranges from two years to eight years.

5. ***Events of Default:*** Borrowing arrangements entered into by our Subsidiaries contain standard events of default, including:

(a) change in capital structure or shareholding pattern of the borrower without prior permission of the lender;

(b) creation of any further charge on the fixed assets of the relevant Subsidiary without prior approval of the lender;

(c) violation of any term of the relevant agreement or any other borrowing agreement entered into by the relevant Subsidiary;

(d) any merger, consolidation, re-organisation, scheme of arrangement or compromise between the relevant Subsidiary and its creditors or shareholders or if the relevant Subsidiary effect any scheme of amalgamation or reconstruction without prior approval of the lender;

(e) change in management or control of the relevant Subsidiary, reduction in promoter shareholding without prior approval of the lender;

(f) if relevant Subsidiary causes any material change to the nature or conduct of business cease to carry on its business or gives notice of its intention to do so without prior approval of the lender;

(g) non creation of the required security as required under the loan agreement entered into between the relevant Subsidiary and lender within the stipulated time;

(h) nonpayment of installment/interest within the stipulated time;

(i) declaring dividend over and above the percentage indicated in the cash flow statements without the approval of the lender;

(j) diversion of funds for purposes other than the sanctioned purpose;

(k) change or amendment to the constitutional documents without the prior approval of the lenders; and

(l) down-grading of credit ratings below specified limits.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

Additionally our Company is required to ensure the aforementioned events of default and other events of default as specified under the corporate guarantees provided by our Company are not triggered.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Unconsolidated Financial Statements, the Restated Consolidated Financial Statements and the Restated Subsidiary Financial Statements beginning on pages 294, 335 and 442, respectively, prepared in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 293. Unless otherwise stated, the financial information used in this section is derived from the Restated Consolidated Financial Statements and the Restated Subsidiary Financial Statements.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this RHP, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this RHP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" on page 24.

In this section, unless the context otherwise requires, a reference to "we", "us", "our" or "Group" is a reference to Equitas Holdings Limited on a consolidated basis and a reference to the "Company" is a reference to Equitas Holdings Limited on an unconsolidated basis.

Overview

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 on account of their informal, variable and cash-based income profile. These customers require various financial products including small, short-term business loans as well as relatively large, longer tenor enterprise and home loans. We offer a range of financial products and services that address the specific requirements of these customer segments that take into account their income profile, nature of business and kind of security available.

- *Microfinance*. Our microfinance business provides loans ranging approximately between ₹2,000 and ₹ 35,000 to our customers, depending on the loan cycle and mode of disbursement. Our microfinance business is conducted through our wholly-owned subsidiary EMFL. As of March 31, 2015, EMFL was the fifth largest microfinance company in India in terms of gross loan portfolio *(Source:CRISIL MF Opinion).* Our microfinance business AUM increased at a CAGR of 43.60% from ₹7,239.66 million as of March 31, 2012 to ₹21,439.53 million as of March 31, 2015, and represented 53.47% of our aggregate AUM as of March 31, 2015. Our microfinance business AUM was ₹ 29,347.99 million as of December 31, 2015, which represented 53.31% of our aggregate AUM as of such date. As of December 31, 2015, there were 2.78 million loan accounts in our microfinance 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. Our vehicle finance operations are based on our experience of working with customers without sufficient credit history and our ability to effectively assess risks associated with financing used commercial vehicles. The Average Loan Account Size (calculated as the aggregate disbursement amount in the relevant fiscal period divided by the number of loan accounts disbursed in such period) in our vehicle finance business in fiscal 2015 and nine months ended December 31, 2015 was ₹0.38 million and ₹ 0.38 million, respectively. We have experienced significant growth in our vehicle finance business, and our vehicle finance business AUM increased at a CAGR of 96.46% from ₹3,045.24 million as of March 31, 2013 to ₹11,754.08 million as of March 31, 2015, which represented 29.31% of our aggregate AUM as of March 31,

2015. Our vehicle finance business AUM was ₹14,056.25 million as of December 31, 2015, which represented 25.53% of our aggregate AUM as of such date. 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. Micro enterprises and small enterprises are internally classified as such on the basis of their loan eligibility. 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. Our MSE finance business AUM increased from ₹ 874.34 million as of March 31, 2014 to ₹5,109.86 million as of March 31, 2015, which represented 12.74% of our aggregate AUM as of March 31, 2015. Our MSE finance business AUM was ₹9,355.17 million as of December 31, 2015, which represented 16.99% of our aggregate AUM as of such date. As of December 31, 2015, there were 45,992 loan accounts in our MSE finance business. A majority of our MSE finance business represents cross-sales to eligible higher income microfinance business customers with a satisfactory track record. In the nine months ended December 31, 2015, the proportion of the MSE loan accounts disbursed to our microfinance customers was, 87.38%.

- *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; such mortgage finance offerings represented 21.38% and 21.44% of our housing finance business AUM as of March 31, 2015 and December 31, 2015, respectively. Our housing finance business AUM increased at a CAGR of 100.54% from ₹ 446.40 million as of March 31, 2013 to ₹ 1,795.35 million as of March 31, 2015, which represented 4.48% of our aggregate AUM as of March 31, 2015. Our housing finance business AUM was ₹2,292.46 million as of December 31, 2015, which represented 4.16 % of our aggregate AUM as of such date. As of December 31, 2015, there were 4,022 loan accounts in our housing finance business. In the nine months ended December 31, 2015, a significant percentage of our micro-housing finance loan accounts represented cross sales to eligible higher income microfinance customers with a satisfactory track record.

In November 2014, the RBI introduced the "Guidelines for licensing of small finance banks in the private sector" guidelines. We had applied for an SFB license under the applicable guidelines and on October 7, 2015, the RBI granted us in-principle approval to establish an SFB, subject to the terms and condition of such approval.Pursuant to the SFB In-Principle Approval, certain of our Subsidiaries, namely, EMFL and EHFL are in the process being amalgamated with EFL to form the Proposed SFB. The Merger Scheme has been approved by the RBI and by the NHB pursuant to letters dated January 22, 2016 and January 20, 2016, respectively. For further information on the terms of such SFB license and our proposed operations as an SFB and the salient features of the scheme of amalgamation, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

In addition, we have incorporated a subsidiary, ETPL, on October 27, 2015, 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.

We are headquartered in Chennai, India and as of December 31, 2015, our operations were spread across 11 states, one union territory and the NCT of Delhi. As of December 31, 2015, we had 539 branches across India. In fiscal 2013, 2014 and 2015, and in the nine months ended December 31, 2015, aggregate disbursements across our financing products were ₹14,878.61 million, ₹23,844.44 million, ₹36,063.09 million, and ₹36,697.51 million, respectively. Our aggregate AUM as of March 31, 2013, 2014 and 2015 and as of December 31, 2015 was ₹ 14,838.24 million, ₹ 24,856.40 million, ₹ 40,098.80 million and ₹ 55,051.85 million, respectively. Our net worth as of March 31, 2015 and December 31, 2015 was ₹ 11,706.30 million and ₹ 12,928.77 million, respectively.

As of December 31, 2015, the capital adequacy ratio (CAR) of EMFL (which operates our microfinance business) and EFL (which operates our vehicle finance and MSE finance businesses) was 21.02% and

31.45%, respectively, compared to the RBI mandated CAR requirement of 15.00%. As of December 31, 2015, the CAR of EHFL (which operates our housing finance business) was 32.11%, as compared to the applicable regulatory requirement of 12.00%.

As of March 31, 2013, 2014 and 2015 and as of December 31, 2015, our Gross NPAs as a percentage of our On-Book AUM was 0.27%, 0.73%, 1.08% and 1.33%, respectively, while Net NPAs as a percentage of On-Book AUM was 0.18%, 0.61%, 0.80% and 0.97%, respectively.

Our total income in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 was ₹2,831.73 million, ₹4,835.17 million, ₹7,559.26 million, and ₹ 7,947.02 million respectively, while Interest Income, which represents interest from loans to customers and the interest spread on securitization/assignment of receivables, was ₹ 2,545.90 million, ₹4,355.32 million, ₹6,868.12 million and ₹ 7,231.38 million, respectively. Our profit after tax in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015 was ₹319.00 million, ₹ 743.37 million, ₹ 1,066.26 million and ₹ 1,203.66 million, respectively.

Factors Affecting Our Results of Operations

As our target clients are individuals and micro and small enterprises that are underserved through formal financing channels, our ability to increase our revenues are dependent on our ability to offer lending and other financial products to suit our target customer base on competitive terms; offer our existing customers additional loans and other financial products; expand into related businesses that provide us with an opportunity to offer our products to new as well as existing customers. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant impact on our results of operations:

Proposed SFB Operations

The RBI has granted us an in-principle approval to set up an SFB. On the establishment of an SFB, our primary funding sources is expected to change from loans from banks and financial institutions to a mix of retail CASA and deposits, institutional deposits and certificates of deposit, PSL certificates, institutional refinance and inter-bank participatory certificates. We believe these additional funding sources will enable us to broaden our funding sources and access funds at a lower cost, thereby enabling us to offer loans at competitive rates. For further information relating to our proposed SFB operations, see "Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank" on page 203.

Additional Financial Products and Services

While we are focused on customer segments that are underserved by formal financing channels, we believe that diversification of our business and revenue base with respect to our product offerings and the markets which we serve is a key component of our success. We offer a range of financial products and services including microfinance, used commercial vehicle finance, MSE finance and housing finance, that provide us with significant cross selling and up-selling opportunities to our target customer segments. For example, a majority of our MSE finance business and a majority of our micro housing segment business represent cross-sales to eligible higher income microfinance customers with a satisfactory track record. In addition, we have introduced two other financing products, loan against gold jewellery and two-wheeler loans, the launch of which was approved by the board in the third quarter of fiscal 2016. As an SFB, we will be able to introduce a broader range of financing products and services for our target customer segments. We have incorporated a subsidiary, ETPL, involved inter alia, in the development of a technology platform for freight aggregation connecting cargo providers with transporters.

Our business is dependent on developing and introducing financing products relevant to our target customer segment on competitive terms as well as increasing our customer base for existing products. We expect our new businesses and product offerings to require increasing management attention and capital investments. Our future revenue and profitability will therefore be impacted by introduction of additional financing products and services as we implement our business strategies and address market opportunities. In order to improve our financial performance, we continue to monitor and align our financing product mix across our businesses, focus on increasing cross-sales of our financing products. While we continue to target businesses that will enable us to maintain increasing productivity and improving financial performance parameters, we also focus on developing customer engagement and loyalty.

Availability of Cost Effective Funding Sources and Interest Rate Volatility

Our results of operations are significantly dependent upon the level of our net interest income, the difference between our interest income and interest expense. Interest Income which includes interest income from loans and interest spread on securitization/assignment of receivables is the largest component of our total income, and represented 89.91%, 90.08%, 90.86% and 90.99% of our total income in fiscal 2013, 2014, 2015 and in the nine months ended December 31, 2015, respectively. Similarly, interest expense represents a significant majority of our expenses and in fiscal 2013, 2014, 2015 and in the nine months ended December 31, 2015, finance costs represented 38.01%, 39.20%, 38.99% and 38.79% of our total revenue. Our net interest income is affected by our interest expense, which is dependent on our borrowings and interest rates thereof. Our total outstanding borrowings increased by 63.98% from ₹ 18,491.63 million as of March 31, 2014 to ₹ 30,321.75 million as of March 31, 2015, while interest expense on term loans and non-convertible debentures increased by 53.87% from ₹ 1,860.92 million in fiscal 2014 to ₹ 2,863.38 million in fiscal 2015. As of December 31, 2015, we had total outstanding borrowings of ₹ 41,548.79 million, while interest expense on term loans and non-convertible debentures was ₹ 3,016.47 million in the nine months ended December 31, 2015.

Net interest margin, i.e. the ratio of net interest income to the average AUM is an important parameter across our various businesses. For further information on our net interest margins in our various businesses, see “Selected Statistical Information” beginning on page 264. Any adverse change to net interest margins in our businesses will have a significant impact on our results of operations. Our debt service costs and costs of funds depend on various external factors, including the Indian and global credit markets and, in particular, interest rate movements and adequate liquidity in the debt markets. Internal factors that may impact our cost of funds include changes in our credit ratings, available credit limits and access to the securitization market. Changes in RBI repo rates could affect the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities in various ways. Adverse conditions in the global and Indian economy resulting from economic dislocations or liquidity disruptions may adversely affect availability of credit, and decreased liquidity may lead to an increase in interest rates. For further information on cost of funds and cost of borrowings across our various businesses, see “Selected Statistical Information” beginning on page 264.

With the growth of our operations we have increasingly accessed the debt capital markets and commercial borrowings. We believe that we have been able to maintain a relatively stable cost of funds as a result of improved credit ratings, effective fund raising and treasury management. We have also securitized some of our future receivables and sold some of our loan portfolio resulting in a reduction in our debt servicing cost. We have been able to offer competitive interest rates for our loans as a result of our competitive cost of funds.

Credit Quality, Provisions and Write-Offs

The credit quality of our loans directly affects our results of operations, as the quality of our loan portfolio determines our ability to reduce the risk of losses from loan impairment. We have historically maintained relatively low levels of NPAs in our microfinance business, which is linked to effective credit evaluation measures and the joint liability features of our microfinance loans. In our vehicle finance, MSE finance and housing finance businesses, we maintain credit quality based on verification of risk profile of borrower, source of repayment and the underlying collateral. In addition to stringent credit verification procedures, we believe that our product structure, disbursement and collection processes, and customer specific approach enable us to develop customer loyalty and maintain our asset quality. The following table illustrates our asset quality ratios across our businesses:

(₹ in million, except percentages)

	Fiscal			**Nine months ended December 31, 2015**
	2013	**2014**	**2015**	
Aggregate NPAs				
Gross NPA / On-Book AUM (%)	0.27%	0.73%	1.08%	1.33%
Net NPAs / On-Book AUM (%)	0.18%	0.61%	0.80%	0.97%
Microfinance NPAs				
Microfinance Gross NPA / Microfinance On-Book AUM (%)	0.03%	0.10%	0.08%	0.17%
Microfinance Net NPAs / Microfinance On-Book AUM (%)	0.01%	0.02%	0.02%	0.05%

	Fiscal			Nine months ended December 31, 2015
	2013	2014	2015	
Vehicle Finance NPAs				
Vehicle Finance Gross NPA / Vehicle Finance On-Book AUM (%)	1.02%	1.82%	2.80%	3.80%
Vehicle Finance Net NPAs / Vehicle Finance On-Book AUM (%)	0.69%	1.61%	2.10%	2.84%
MSE Finance NPAs				
MSE Finance Gross NPA / MSE Finance On-Book AUM (%)	N.A.	N.A.	0.17%	0.31%
MSE Finance Net NPA / MSE Finance On-Book AUM (%)	N.A.	N.A.	0.15%	0.28%
Housing Finance NPAs				
Housing Finance Gross NPA / Housing Finance AUM (%)	N.A.	0.57%	1.66%	3.02%
Housing Finance Net NPAs / Housing Finance AUM (%)	N.A.	0.49%	1.38%	2.51%

We make provisions for our substandard, doubtful and loss assets in compliance with RBI or NHB regulations, as applicable, and we believe that our current provisions for NPAs are adequate to cover identified losses in our asset portfolio. However, in accordance with the RBI notification on "Revised Regulatory Framework for NBFCs" dated November 10, 2014 and the Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 of March 27, 2015, the asset classification norms require us to advance the classification of certain overdue assets as NPAs. For example, assets other than lease rental and hire-purchase assets will be required to be classified as NPAs if they remain overdue for five months in the fiscal 2016, four months in fiscal 2017 and three months in fiscal 2018. For further information, see "Regulations and Policies" on page 210. Under such revised classification, our NPAs are expected to increase in such periods in a manner that is disproportionate to the growth of our business and AUM. In addition, any increase in the level of final credit losses or an inability to maintain our asset quality may adversely affect our NPA levels and require us to increase our provisions and write-offs.

Operating Expenses and Productivity Levels

Our results of operations are affected by our ability to manage our operating expenses. In fiscal 2013, 2014 and 2015, and in the nine months ended December 31, 2015, our operating expenses were ₹ 1,259.94 million, ₹ 1,617.98 million, ₹ 2,472.36 million, and ₹ 2,547.09 million, respectively. As we increase our product portfolio and expand our operations across India, we continue to hire additional employees, resulting in increased employee expenses. Employee benefit expenses represented 27.56%, 20.75%, 20.52% and 20.73% of our total revenue from operations in fiscal 2013, 2014, 2015 and in the nine months ended December 31, 2015.

We also incur significant travel and conveyance expenses. As of December 31, 2015, our operations were spread across 11 states, one union territory and the NCT of Delhi, with 539 branches across India. Our field personnel in particular incur substantial travel expenses to visit remote locations, engage closely with target customer segments and their communities, and manage the disbursement and collection processes. In fiscal 2013, 2014, 2015, and in the nine months ended December 31, 2015, employee expenses were ₹ 780.45 million, ₹ 1,003.08 million, ₹ 1,550.97 million and ₹ 1,640.49million, respectively, while travel expenses were ₹ 93.62 million, ₹ 130.46 million, ₹ 201.84 million and ₹ 197.89 million, respectively. In fiscal 2013, 2014, 2015, and in the nine months ended December 31, 2015, operating expenses as a percentage of Average AUM was 10.92%, 8.15%, 7.61% and 7.14% (annualised for the nine months ended December 31, 2015), respectively. Our widespread operations enable us to introduce additional financing products with relatively low incremental investment and operating expenses. For example, a significant part of our sourcing and collection activities of the MSE financing and micro-housing finance loans, which are cross-sale products to eligible higher income microfinance customers, are carried out by our microfinance employees, thereby resulting in lower operating expenses.

Our ability to maintain and expand our network of branches in a cost effective manner, while improving their productivity levels, has a direct result on our financial performance. We monitor the productivity levels of our branches and employees and seek to improve the AUM and disbursement amount per branch as well as the AUM and disbursement amount per employee. For further information relating to productivity ratios relating to our various businesses, see "Selected Statistical Information" beginning on page 264.

Competition

We face our most significant organized competition from other MFIs, banks and NBFCs in India. In addition, many of our potential customers in economically weaker segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, especially moneylenders, landlords, local shopkeepers and traders, at much higher rates. In the organized sector, many of the institutions with which we compete have greater assets and better access to, and lower costs of, funding than we do. In certain areas, they may also have better brand recognition and larger customer bases than us. We anticipate that we may encounter greater competition from MFIs and SHG linked programs which have substantial operations in certain states. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors or expand our reach and build our brand among our target customer segments, we may lose existing as well as potential customers to our competitors, resulting in a decline in our market share, which may in turn impact our revenues and profitability.

Economic Conditions in India

As an NBFC operating in India, our financial performance is dependent on the overall economic condition in India, including the GDP growth rate, the economic cycle and the condition of the securities markets. Our financial results are influenced by macroeconomic factors relating to growth of the Indian economy in general and the financial industry in particular. We are also vulnerable to volatility in interest rates in India and to regulatory changes relating to NBFCs. Our business is subject to various other risks and uncertainties, including those discussed in "Risk Factors" on page 24. Any trends or events which have a significant impact on the economic situation in India, including a rise in interest rates, could have an adverse impact on our business.

Regulatory Developments

The growth of our business is dependent on stable government policies and prudent regulation. For example, the introduction of ordinances or regulations, such as the MFI Act, may have an impact on our microfinance business. Additionally, RBI requires domestic commercial banks operating in India to maintain a minimum of 40.0% of their adjusted net bank credit, or a credit equivalent amount of off-balance sheet exposure, whichever is higher, as lending to specific sectors (known as priority sectors) such as agriculture, micro, small and medium enterprises, export credit, education, housing, social infrastructure and renewable energy. PSL funds received as a result of these bank requirements are a significant source of funding for the MFI industry in India but certain eligibility conditions are required to be satisfied by MFIs to avail such funds. To the extent that changes in regulations impose any further conditions or requirements for PSL funds or in the event that loans to MFIs are no longer classified as PSL, our access to, and the cost of, debt financing may be adversely affected.

Our wholly-owned subsidiaries, EMFL and EFL, are registered with the RBI as a non-deposit taking systemically important NBFCs. We are currently required by the RBI to maintain a minimum capital to risk asset ratio of 15%. The RBI also requires us to make provisions for NPAs. Any change in the regulatory framework affecting NBFCs, and in particular those requiring to maintain the minimum capital adequacy ratio, placing restrictions on securitization, accessing foreign funds or lending to NBFCs among others, would materially and adversely affect our results of operations and growth. Similarly, our wholly-owned subsidiary, EHFL is registered with the NHB as a housing finance company. EHFL is therefore required to classify and provide for housing and non-housing finance loans as per the minimum classification and provisioning norms prescribed under the Housing Finance Companies (NHB) Directions, 2010. Further EHFL is required to maintain a capital to risk asset ratio of 12% by the NHB. Any change in the regulatory framework affecting HFCs, and in particular those requiring to maintain the minimum CAR, among others, would materially and adversely affect our results of operations and financial condition.

Significant Accounting Policies

Our restated consolidated financial statements have been prepared in accordance with Indian GAAP to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable. The restated consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent across the quarter and all five years.

Our Company and some of our Subsidiaries are NBFCs. These entities follow the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for the respective category of Non-Banking Finance Company. Our subsidiary, EHFL, which is a Housing Finance Company, follows the guidelines issued by the NHB.

One of our subsidiaries, Equitas B2B Trading Private Limited had filed for voluntary winding up with the Registrar of Companies, Chennai on March 31, 2015 as our Board of Directors do not intend to carry on the business of that subsidiary. In the quarter ended June 30, 2015 Equitas B2B has been struck off from the list of Companies maintained by Ministry of Corporate Affairs.

Use of Estimates

The preparation of the restated consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- Interest income on loans granted is recognised under the internal rate of return method. Income on NPAs is recognized only when realized and any interest accrued until the asset became a NPA and remaining overdue is de-recognized by reversing the interest income.

- In case of EMFL, loan processing fee is recognized over the life of the loan on a straight line basis. In other subsidiaries it is recognized as income in the period in which the loan is sanctioned.

- In accordance with the RBI Guidelines on Securitisation Transaction, gains arising from assignment / securitisation are amortised over the life of the underlying portfolio loans. Any loss is recognised in the statement of restated consolidated profit and loss immediately.

- Interest income on deposits / investments is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

- Grants are recognised as income on fulfilment of the terms of the grant agreement.

- Dividend income is accounted for when the right to receive it is established.

- All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

Tangible and Intangible Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress. Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

Repossessed Assets. Repossessed Assets are valued at the lower of cost and estimated net realizable value.

Depreciation and Amortisation

Tangible Assets:	Estimated useful Life
Buildings	20 Years
Furniture and Fixtures	3 Years
Office Equipment	3 Years
Vehicles	4 Years

Assets individually costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation. Leasehold Improvements are depreciated over the remaining primary lease period or 3 years whichever is lower. Intangible assets are amortised on a straight line basis over their estimated useful life as follows: Software - Lower of license period or 3 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.The contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees. For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of restated consolidated profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of such compensated absences is accounted as follows: (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (ii) in case of non-accumulating compensated absences, when the absences occur.

Long term employee benefits. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Employee stock compensation cost. Employee stock compensation cost for stock options is recognised as per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to the employee stock options using the intrinsic value method. The compensation cost, if any, is amortised uniformly over the vesting period of the options.

Borrowing Costs

Borrowing costs include interest, ancillary costs that the Group incurs in connections with the arrangement of borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of restated consolidated profit and loss at the time of availment of the Loan.

Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of restated consolidated profit and loss , except in case of revalued assets.

Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the restated consolidated financial statements.

Classification and Provisions of Loan Portfolio

- ***EMFL***

  EMFL classifies and provides for microfinance loans as per EMFL's Policy and Management's estimates, subject to the minimum classification and provisioning norms as per the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011.

  Classification of Loans

Asset Classification	Period of Overdue
Standard Assets	Not Overdueor Overdue for less than 30 days
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 30 days and more but less than 90 days
Doubtful Assets	Overdue for 90 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

  "Overdue" refers to interest and /or principal and/or installment/ Insurance premium remaining unpaid from the day it became receivable.

  Provisioning Norms for Loans

Asset Classification	Provisioning Percentage
Standard Assets	1.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 30 days and more but less than 60 days	10%
Overdue for 60 days and more but less than 90 days	25%
Doubtful Assets	
Doubtful Assets – Overdue for 90 days and more but less than 120 days	50%
Doubtful Assets – Overdue for 120 days and more	100%
Loss Assets	100%

Provisioning Norms for Loans - As Per RBI Guidelines *Non-Banking Financial Companies - Micro Finance Institutions (Reserve Bank) Directions, 2011*

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of the following:

- 1% of the outstanding loan portfolio or
- 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and
- 100% of the aggregate loan installments which are overdue for 180 days or more.

- ***EFL***

Loans are classified as per EFL's Policy and Management's estimates, subject to the minimum classification required as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Classification of Loans for the Nine Months ended December 31, 2015

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 5 months
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 5 months and above but less than or equal to 21 months
Doubtful Assets	Overdue for more than 21 months
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

For Fiscal 2014 and Fiscal 2015

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 6 months
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 6 months and more but less than or equal to 24 months
Doubtful Assets	Overdue for more than 24 months
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

For Fiscal 2011, 2012 and 2013

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 90 days
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 90 days and more but less than 180 days Any R C books not endorsed in favour of the company for 61 days and more but less than 91 days from the date of disbursement
Doubtful Assets	Overdue for 180 days and more Any R C books not endorsed in favour of the company for 91 days and more from the date of disbursement
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of

Asset Classification	Period of Overdue
	India.

"Overdue" refers to interest and / or principal and / or installment / insurance premium remaining unpaid from the day it became receivable.

Provisioning Norms for Loans as at December 31, 2015

Asset Classification	Provisioning Percentage
Standard Assets	
Not Overdue and Overdue for less than 5 months	0.30%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 5 months and above but less than or equal to 21 months	10%
Doubtful Assets	
- un secured portion of loan amount	100%
Secured portion of loan amount	
- Up to one year from the date of doubtful	20%
- from one year to three year	30%
- more than three year	50%
Loss Assets	100%

For Fiscal 2014 and Fiscal 2015

Asset Classification	Provisioning Percentage
Standard Assets	
Not Overdue and Overdue for less than 6 months	0.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 6 months and more but less than or equal to 24 months	10.00%
Doubtful Assets	
Unsecured portion of loan amount	100.00%
Secured portion of loan amount	
Up to one year from the date of being doubtful	20.00%
More than one year and up to three years from the date of being doubtful	30.00%
More than three years from the date of being doubtful	50.00%
Loss Assets	100.00%

For Fiscal 2011, 2012 and 2013

Asset Classification	Provisioning Percentage
1. Standard Assets	
Exposure on vehicles manufactured after 1997	0.50%
Exposure on vehicles manufactured on or before 1997	2.50%
2. Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 90 days and more but less than 120 days	10.00%
Overdue for 120 days and more but less than 180 days	25.00%
Any Registration Certificate not endorsed in favour of the company for 60 days (2012), 91 days and more but less than 121 days from the date of disbursement	25.00%
Doubtful Assets	
Doubtful Assets – Overdue for 180 days and more but less than 366 days.	50.00%

Asset Classification	Provisioning Percentage
Any Registration Certificate not endorsed in favour of the company for 91 days (2012), 121 days and more but less than 151 days from the date of disbursement.	50.00%
Doubtful Assets – Overdue for 366 days and more.	50.00%
Any Registration Certificate not endorsed in favour of the company for 151 days or more from the date of disbursement.	100.00%
In addition to above 100% to the extent to which the advance is not covered by the realisable value of the security	100.00%
Loss Assets	100.00%

Note: Income on NPAs are recognised only when realized

- ***EHFL***

EHFL classifies and provides for loans as per EHFL's Policy and Management's estimates, subject to the minimum classification and provisioning norms classification and provisioning norms prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Classification of Loans

For Fiscal 2014, Fiscal 2015 and for the Nine months ended December 31, 2015

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than or equal to 90 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.
Doubtful Assets	Remains a sub-standard asset for a period exceeding 12 months
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by NHB.

For Fiscal 2011, 2012 and 2013

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 75 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 75 days and more but less than 365 days
Doubtful Assets	Overdue for 365 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by NHB.

"Overdue" refers to interest and / or principal and / or installment remaining unpaid from the day it became receivable.

Provisioning Norms for Housing Loans and Non Housing Loans followed by the Company

For Fiscal 2014, Fiscal 2015 and for the Nine months ended December 31, 2015

Asset Classification	Provisioning Percentage
Standard Assets	
(i)Commercial Real Estate - Residential Housing	0.75%
(ii)Commercial Real Estate – Other	1.00%
other than i and ii above	0.40%
Non Performing Assets (NPA)	
Substandard Assets	

Asset Classification	Provisioning Percentage
Overdue for more than 90 days and more but not exceeding 12 months from 90 days overdue.	15%
Doubtful Assets (period for which the asset has been considered as doubtful) – Secured	
Up to one year	25%
One to three years	40%
More than three years	100%
Doubtful Assets – Unsecured	100%
Loss Assets	100%

For Fiscal 2011, 2012 and 2013

Asset Classification	Provisioning Percentage
Standard Assets (Residential Mortgages)	0.40%
Standard Assets (Non Housing Loans)	1.25%
Non Performing Assets (NPA)	
Sub-Standard Assets	
Overdue for 75 days and more but less than 180 days	20%
Overdue for 180 days and more but less than 365 days	30%
Doubtful Assets – Secured	
Doubtful Assets – Overdue for 1 year and more but less than 2 years	50%
Doubtful Assets – Overdue for 2 years and more	100%
Doubtful Assets – Unsecured	100%
Loss Assets	100%

Note: Income on NPAs is recognised only when realised.

Under exceptional circumstances, Management may renegotiate loans by rescheduling repayment terms for customers who have defaulted in repayment but who appear willing and able to repay their loans under a longer term agreement. Rescheduled Standard Assets are classified / provided for as Sub-Standard Assets as per (b) above which classification / provisioning is retained for a period of 1 year of satisfactory performance. Rescheduled Non Performing Assets are not upgraded but are retained at the original classification / provisioning for a period of 1 year of satisfactory performance.

Provision for Credit Enhancements on Assets De-Recognised

Provision for Credit Enhancements on Assets De-Recognised is made based on the Management's estimates on the outstanding amount of assets de-recognised from the books of the Group as at the balance sheet date.

Loans	Provisioning Percentage
EMFL	1.25%
EFL	0.30% (0.25% up to March 31, 2015)

Principal Components of Income and Expenditure

Income

Revenue from Operations

Revenue from operations primarily include revenue from interest income from loans and deposits. Revenue from operations also include interest spread on securitization, income from processing and other fees, any gain on sale of investments, investment income on pass through certificates, any revenue grants as well as other miscellaneous income.

Other Income

Other income includes profit on disposal of fixed assets, dividend income from mutual fund investments and other miscellaneous income.

Expenditure

Total expenditure includes (i) finance costs, (ii) employee benefits expense, (iii) depreciation and amortization expense, (iv) provisions and write off and (v) other expenses.

Finance Costs

Finance costs include interest expense and loan processing fees and other borrowing costs. Interest expense includes interest expense on term loans and non-convertible debentures.

Employee Benefits Expense

Employee benefits expense includes salaries and wages, contribution to provident and other funds and staff welfare expenses relating to our direct employees. Gratuity expense also forms part of employee benefits expense.

Other Expenses

Other expenses include travelling and conveyance, legal and professional charges, rental expense, brokerage and commission, insurance, cash management charges as well as miscellaneous expenses.

Depreciation and Amortization Expense

Depreciation represents depreciation on our fixed assets including buildings, furniture and fixture, vehicle, and office equipment. Amortization represents amortization of investment property.

Provisions and write offs

Provisions and write offs includes bad debts written off with respect to our portfolio loans and losses relating to loans we assigned to third parties and provisions for standard assets and NPAs.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particulars	Fiscal										Nine months ended December 31, 2015	
	2011		2012		2013		2014		2015			
	(₹ In million)	Percentage of total revenue (%)	(₹ In million)	Percentage of total revenue (%)	(₹ In million)	Percentage of total revenue (%)	(₹ In million)	Percentage of total revenue (%)	(₹ In million)	Percentage of total revenue (%)	(₹ In million)	Percentage of total revenue (%)
Income												
Revenue from Operations	2,388.14	99.94	1,980.60	99.70	2,821.53	99.64	4,824.28	99.77	7,550.64	99.89	7913.48	99.58
Other Income	3.89	0.16	5.89	0.30	10.20	0.36	10.89	0.23	8.62	0.11	33.54	0.42
Total Revenue	**2,392.03**	**100**	**1986.49**	**100**	**2,831.73**	**100**	**4,835.17**	**100**	**7,559.26**	**100**	**7,947.02**	**100.00**
Expenditure												
Finance Costs	688.29	28.77	642.14	32.33	1,076.28	38.01	1,895.21	39.20	2,947.02	38.99	3,082.73	38.79
Purchase of stock in trade	9.70	0.41	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expense	452.05	18.90	638.32	32.13	780.45	27.56	1,003.08	20.75	1,550.97	20.52	1,640.49	20.65
Other Expenses	476.24	19.91	475.69	23.95	409.89	14.48	552.94	11.44	837.10	11.07	810.11	10.19
Depreciation and Amortization Expense	48.47	2.02	72.57	3.65	69.60	2.46	61.96	1.28	84.29	1.12	96.49	1.21
Provisions and Write-offs	276.88	11.58	49.92	2.51	89.11	3.15	183.87	3.80	504.32	6.67	445.04	5.60
Total Expenditure	**1,951.63**	**81.59**	**1,878.64**	**94.56**	**2,425.33**	**85.65**	**3,697.06**	**76.47**	**5,923.70**	**78.37**	**6,074.86**	**76.44**
Profit/(loss) before Tax	440.40	18.41	107.85	5.43	406.40	14.35	1,138.11	23.54	1,635.56	21.64	1,872.16	23.56
Restatement adjustments	**-**	**-**	**8.76**	**0.44**	**(8.76)**	**(0.31)**	**-**	**-**	**-**	**-**	**-**	**-**
Profit/(Loss) before Tax as restated	**440.40**	**18.41**	**116.61**	**5.87**	**397.64**	**14.04**	**1,138.11**	**23.54**	**1635.56**	**21.64**	**1,872.16**	**23.56**
Tax Expense												
Current Tax	170.91	7.14	123.32	6.21	152.40	5.38	404.65	8.37	640.50	8.47	773.82	9.74
Deferred Tax	(19.67)	(0.82)	(23.25)	(1.17)	(76.57)	(2.70)	(9.73)	(0.20)	(74.82)	(0.99)	(105.32)	(1.33)
Deferred Tax adjustment pursuant to scheme of arrangement	-	-	48.13	2.42	-	-	-	-	-	-	-	-
Taxation of earlier periods	-	-	(0.51)	(0.03)	3.58	0.13	1.70	0.03	0.30	-	-	-
Total tax expense	**151.24**	**6.32**	**147.69**	**7.43**	**79.41**	**2.80**	**396.62**	**8.20**	**565.98**	**7.49**	**668.50**	**8.41**
Restatement adjustments relating to tax	(4.00)	(0.17)	4.14	0.21	0.75	0.02	1.70	0.04	0.30	-	-	-
Total tax expense as restated	155.24	6.49	143.55	7.23	78.66	2.77	394.92	8.17	565.68	7.48	668.50	8.41
Profit/(loss) after Tax from continuing operations as restated	**285.16**	**11.92**	**(26.94)**	**(1.36)**	**318.98**	**11.26**	**743.19**	**15.37**	**1,069.88**	**14.15**	**1,203.66**	**15.15**
Profit/(Loss) before tax from discontinuing operations	-	-	(7.80)	(0.39)	0.02	0.00	0.25	0.00	(3.53)	(0.05)	-	-
Tax Expense from discontinuing operations	-	-	-	-	-	-	0.07	0.00	0.09	0.00	-	-
Profit / (Loss) after tax from discontinuing operations	**-**	**-**	**(7.80)**	**(0.39)**	**0.02**	**0.00**	**0.18**	**0.00**	**(3.62)**	**0.05**	-	-
Restated Profit/(Loss) for the period	**285.16**	**11.92**	**(34.74)**	**(1.75)**	**319.00**	**11.26**	**743.37**	**15.37**	**1,066.26**	**14.11**	**1,203.66**	**15.15**

Nine months ended December 31, 2015

Income

Our total income was ₹ 7,947.02 million in the nine months ended December 31. In such period, total income of EMFL, EFL and EHFL was ₹ 4,325.52 million, ₹ 3,389.89 million and ₹ 264.89 million, respectively.

Revenue from Operations

Revenue from operations was ₹ 7913.48 million in the nine months ended December 31, 2015.The following table sets forth certain information relating to our revenue from operations in the periods specified:

Revenue from Operations	**Nine months ended December 31, 2015**	
	Revenue from Operations	**Percentage of Total Revenue from Operations**
	(₹ million)	**(%)**
Interest Income:		
From loans	6,729.30	85.05
From deposits	84.36	1.07
Processing and other fees	519.80	6.56
Interest spread on securitization	502.08	6.34
Gain on sale of current investments (Net)	72.17	0.91
Revenue grants	4.87	0.06
Miscellaneous income	0.90	0.01
Total	**7,913.48**	**100%**

Interest income from loans was ₹ 6,729.30 million and contributed 85.05% of our total revenue from operations in the nine months ended December 31, 2015. Interest spread on securitization was ₹ 502.08 million and contributed 6.34% of our total revenue from operations in the nine months ended December 31, 2015, while processing and other fees was ₹ 519.80 million, representing 6.56% of our total revenue from operations.

The following discussion on revenue from operations of our operating subsidiaries EMFL, EFL and EHFL have been derived from the relevant Restated Subsidiary Financial Statements:

- *Microfinance*. Interest income from loans contributed 83.45% of EMFL's total revenue from operations in the nine months ended December 31, 2015. Interest income from loans of EMFL was ₹ 3,586.55 million, interest spread on securitization was ₹ 372.57 million, income from processing and other fees was ₹ 150.77 million and interest income on deposits was ₹ 72.75 million. In addition, EMFL also recorded gain on sale of investments of ₹ 63.71 million. Our microfinance AUM increased by 36.89% from ₹ 21,439.53 million as of March 31, 2015 to ₹ 29,347.99 million as of December 31, 2015, which represented 53.31% of our aggregate AUM as of such date. The number of microfinance branches increased from 361 as of March 31, 2015 to 391 as of December 31, 2015. There were 2.78 millionloan accounts in our microfinance business as of December 31, 2015.

- *Vehicle Finance.* Interest income and processing fees from our vehicle finance business were ₹ 1,955.87 million and ₹ 258.57 million for the nine months ended December 31, 2015. Our vehicle finance AUM increased by 19.59% from ₹ 11,754.08 million as of March 31, 2015 to ₹ 14,056.25 million as of December 31, 2015, which represented 25.53% of our aggregate AUM as of such date. The number of vehicle finance branches was 134 as of December 31, 2015. As of December 31, 2015, there were 52,274 loan accounts in our vehicle finance business.

- *MSE Finance*. Interest income and processing fees from our MSE finance business were ₹ 1,074.79 million and ₹ 91.29 million, respectively, in the nine months ended December 31, 2015. Our MSE finance AUM increased by 83.08% from ₹ 5,109.86 million as of March 31, 2015 to ₹ 9,355.17

- million as of December 31, 2015, which represented 16.99% of our aggregate AUM as of such date. The number of MSE finance branches was 134 as of December 31, 2015. As of December 31, 2015, there were 45,992 loan accounts in our MSE finance business.

- *Housing Finance*. Interest income from loans represented 91.20% of EHFL's total revenue from operations in the nine months ended December 31, 2015. In the nine months ended December 31, 2015, EHFL's interest income from loans was ₹ 241.59 million and processing and other fees was ₹ 19.17 million. Our housing finance AUM increased by 27.69% from ₹ 1,795.35 million as of March 31, 2015 to ₹ 2,292.46 million as of December 31, 2015, which represented 4.16% of our aggregate AUM as of such date. The number of housing finance branches was 14 as of December 31, 2015. As of December 31, 2015, there were 4,022 loan accounts in our housing finance business.

Other Income

Other income was ₹ 33.54 million in the nine months ended December 31, 2015 primarily due to a change in the basis of collection of service fee payable to us on securitized assets from a fixed fee basis to a certain percentage of the value of the securitized assets. This resulted in a significant increase in the service fee collected by us, thereby increasing our miscellaneous income in the nine months ended December 31, 2015.

Expenditure

Total expenditure was ₹ 6,074.85 million in the nine months ended December 31, 2015, primarily on account of finance costs, employee benefits expenses, other expenses and provisions and write offs. The following table sets forth certain information relating to our expenditure items expressed as a percentage of revenue from operations in the period specified:

	Nine months ended December 31, 2015	
	Amount	**Percentage of Total Revenue from Operations**
	(₹ million)	**(%)**
Finance Costs	3,082.73	38.79
Employee Benefits Expense	1,640.49	20.65
Other Expenses	810.11	10.19
Depreciation and Amortization Expense	96.49	1.21
Provisions and Write-offs	445.04	5.60
Total Expenditure	**6,074.86**	**76.44**

Finance Costs

Finance costs were ₹ 3,082.73 million in thenine months ended December 31, 2015. In the nine months ended December 31, 2015, interest expense on term loans was ₹ 2,170.06 million, interest on non-convertible debentures was ₹ 846.41 million and loan processing fees and other borrowing costs was ₹ 66.26 million.

Employee Benefit Expenses

Employee benefits expenses was ₹ 1,640.49 million in the nine months ended December 31, 2015, including salaries of ₹ 1,369.46 million, contribution to provident and other funds of ₹ 86.60 million, staff welfare expenses of ₹ 155.78 million, and gratuity expense of ₹ 28.65 million.

Other Expenses

Other expenses were ₹ 810.11 million in the nine months ended December 31, 2015, including travelling and conveyance expenses of ₹ 197.89 million, rental expenses of ₹ 68.91 million, software and other maintenance expenses of ₹ 57.31 million, brokerage and commission expenses of ₹ 41.64 million for DSAs and other third party intermediaries, communication expenses of ₹ 73.71 million and cash management charges of ₹ 35.15 million for cash collection from branches and deposits to bank by third party agencies, primarily for our microfinance business.

Depreciation and Amortization Expenses

Depreciation and amortization expense was ₹ 96.49 million in the nine months ended December 31, 2015, primarily in relation to computer equipment and vehicles.

Provisions and Write-Offs

Provisions and write-offs were ₹ 445.04 million in the nine months ended December 31, 2015 primarily due to loss on sale of repossessed vehicles written off.

Profit before Tax

Profit before tax was ₹ 1,872.16 million in the nine months ended December 31, 2015.

Tax Expense

Tax expense was ₹ 668.50 million in the nine months ended December 31, 2015. Current tax was ₹ 773.82 million, while there was a deferred tax credit of ₹ 105.32 million.

Profit for the Period

Following adjustments for net tax expense, restated profit in the nine months ended December 31, 2015 was ₹ 1,203.66 million.

Fiscal 2015 compared to Fiscal 2014

Income

Total income increased by 56.34% from ₹ 4,835.17 million in fiscal 2014 to ₹ 7,559.26 million in fiscal 2015. Total income of EMFL increased by 28.20% from ₹ 3,416.19 million in fiscal 2014 to ₹ 4,379.82 million in fiscal 2015, total income of EFL increased by 125.16% from ₹ 1,316.84 million in fiscal 2014 to ₹ 2,964.94 million in fiscal 2015 and total income of EHFL increased by 95.35% from ₹ 131.38 million in fiscal 2014 to ₹ 256.65 million in fiscal 2015.

Revenue from Operations

Revenue from operations increased by 56.51% from ₹ 4,824.28 million in fiscal 2014 to ₹ 7,550.64 million in fiscal 2015. The following table sets forth certain information relating to our revenue from operations in the periods specified:

Revenue from Operations	**Fiscal 2014**		**Fiscal 2015**	
	Revenue from Operations	**Percentage of Total Revenue from Operations**	**Revenue from Operations**	**Percentage of Total Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Interest Income:				
From loans	4,073.24	84.43%	6,400.43	84.77%
From deposits	135.95	2.82%	92.08	1.22%
Processing and other fees	289.57	6.00%	511.36	6.77%
Interest spread on securitization	282.08	5.85%	467.69	6.20%
Gain on sale of current investments	28.81	0.60%	63.53	0.84%
Interest income on Pass through certificates	2.51	0.05%	3.20	0.04%
Revenue grants	11.07	0.23%	11.51	0.15%
Miscellaneous income	1.05	0.02%	0.84	0.01%
Total	**4,824.28**	**100.00%**	**7,550.64**	**100.00%**

Interest income from loans contributed the largest proportion of our revenue from operations and represented 84.43% and 84.77% of our total revenue from operations in fiscal 2014 and fiscal 2015, respectively. Interest income from loans increased by 57.13% from ₹ 4,073.24 million in fiscal 2014 to

₹ 6,400.43 million in fiscal 2015 primarily as a result of increase in loan portfolio of vehicle finance and microfinance, and interest spread on securitization increased by 65.08% from ₹ 282.08 million in fiscal 2014 to ₹ 467.69 million in fiscal 2015 primarily as a result of securitization carried out in the microfinance business. However, there was a decrease in interest income on deposits by 32.27% from ₹ 135.95 million in fiscal 2014 to ₹ 92.08 million in fiscal 2015.

Processing and other fees increased by 76.59% from ₹ 289.57 million in fiscal 2014 to ₹ 511.36 million in fiscal 2015 due to an increase in disbursement amounts. In addition, we recorded gain on sale of investments of ₹ 63.53 million in fiscal 2015 compared to ₹ 28.81 million in fiscal 2014.

Microfinance operations contributed a majority of our total revenues in fiscal 2015, however as a percentage of total revenue from operations, revenue from microfinance decreased from fiscal 2014 to fiscal 2015 as we diversified our product portfolio and experienced growth in both our vehicle finance and MSE finance portfolio.

The following discussion on revenue from operations of our operating subsidiaries EMFL, EFL and EHFL have been derived from the relevant Restated Subsidiary Financial Statements:

- *Microfinance*. Interest income from loans contributed the largest proportion of EMFL's revenue from operations and represented 83.69% and 82.93% of EMFL's total revenue from operations in fiscal 2014 and fiscal 2015, respectively. Interest income from loans increased by 27.98%, from ₹ 2,820.17 million in fiscal 2014 to ₹ 3,609.18 million in fiscal 2015, and interest spread on securitization increased by 53.63%, from ₹ 265.86 million in fiscal 2014 to ₹ 408.44 million in fiscal 2015. Income from processing and other fees increased by 32.08%, from ₹ 116.35 million in fiscal 2014 to ₹ 153.68 million in fiscal 2015. However, there was a decrease in EMFL's interest income on deposits by 40.37%, from ₹ 132.50 million in fiscal 2014 to ₹ 79.01 million in fiscal 2015. In addition, EMFL recorded gain on sale of investments of ₹ 58.47 million in fiscal 2015 compared to ₹ 23.42 million in fiscal 2014. Our microfinance AUM grew by 42.64% from ₹ 15,030.05 million as of March 31, 2014 to ₹ 21,439.53 million as of March 31, 2015. We further expanded our microfinance operations in additional states in this period, particularly in Karnataka and the number of microfinance branches increased from 323 as of March 31, 2014 to 361 as of March 31, 2015. In addition, productivity levels per microfinance branch also increased from fiscal 2014 to fiscal 2015. For further information, see "Selected Statistical Information" on page 264.

- *Vehicle Finance.* Interest income from our vehicle finance business increased by 83.87% from ₹ 1,084.13 million in fiscal 2014 to ₹ 1,993.35 million in fiscal 2015, while processing fees increased by 67.79% from ₹ 143.24 million in fiscal 2014 to ₹ 240.34 million in fiscal 2015. Our vehicle finance AUM grew by 46.66% from ₹ 8,014.66 million as of March 31, 2014 to ₹ 11,754.08 million as of March 31, 2015. The number of vehicle finance branches increased from 98 as of March 31, 2014 to 131 as of March 31, 2015, as we rapidly expanded our vehicle finance operations, particularly in northern India. In fiscal 2015, operational measures such as the bifurcation of sales and collection activities in our vehicle finance business enabled us to increase sales productivity.

- *MSE Finance.* Interest income from our MSE finance business increased by 940.41% from ₹ 55.11 million in fiscal 2014 to ₹ 573.37 million in fiscal 2015. Processing fees from MSE finance increased by 459.57% from ₹ 16.57 million in fiscal 2014 to ₹ 92.72 million in fiscal 2015. Our MSE finance AUM increased at a CAGR of 484.42% from ₹ 874.34 million as of March 31, 2014 to ₹ 5,109.86 million as of March 31, 2015. In fiscal 2015 we introduced our MSE finance products to branches outside Tamil Nadu in addition to increasing the availability of the product in Tamil Nadu, which resulted in significant growth in revenues from our MSE finance business. In addition, streamlining of our MSE finance business processes also enabled us to increase revenues from MSE finance business.

- *Housing Finance.* Interest income from loans contributed the largest proportion of EHFL's revenue from operations and represented 86.64% and 87.48% of EHFL's total revenue from operations in fiscal 2014 and fiscal 2015, respectively. Interest income from loans increased by 97.24%, from ₹ 113.83 million in fiscal 2014 to ₹ 224.52 million in fiscal 2015, primarily due to growth in loan portfolio, and income from processing and other fees increased from ₹ 13.41 million in fiscal 2014 to ₹ 24.63 million in fiscal 2015. Our housing finance AUM grew by 91.54%

from ₹ 937.33 million as of March 31, 2014 to ₹ 1,795.35 million as of March 31, 2015 primarily due to our focus on consolidating our operations in existing branches in fiscal 2015.

Other Income

Other income decreased by 20.84% from ₹ 10.89 million in fiscal 2014 to ₹ 8.62 million in fiscal 2015.

Expenditure

Total expenditure increased by 60.23% from ₹ 3,697.06 million in fiscal 2014 to ₹ 5,923.70 million in fiscal 2015, primarily on account of increases in finance costs, employee benefits expenses as well as provisions and write offs. However, as a percentage of revenue from operations, finance costs, employee benefit expenses and other expenses remained relatively steady while provisions and write offs increased from 3.80% in fiscal 2014 to 6.67% in fiscal 2015.

	Fiscal 2014		Fiscal 2015	
	Amount	**Percentage of Total Revenue from Operations**	**Amount**	**Percentage of Total Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Finance Costs	1,895.21	39.20%	2,947.02	38.99%
Employee Benefits Expense	1,003.08	20.75%	1,550.97	20.52%
Other Expenses	552.94	11.44%	837.10	11.07%
Depreciation and Amortization Expense	61.96	1.28%	84.29	1.12%
Provisions and Write-offs	183.87	3.80%	504.32	6.67%
Total Expenditure	**3,697.06**	**76.47%**	**5,923.70**	**78.37%**

Finance Costs

Finance costs increased by 55.50% from ₹ 1,895.21 million in fiscal 2014 to ₹ 2,947.02 million in fiscal 2015, reflecting increased borrowing costs and associated fees as we raised additional long term loans to further grow our microfinance business. In addition, we further diversified our financing product portfolio by increasing our focus on higher loan amount products such as vehicle finance and MSE finance. Interest expense on term loans increased by 53.18% from ₹ 1,576.86 million in fiscal 2014 to ₹ 2,415.51 million in fiscal 2015, while interest on non-convertible debentures increased by 57.66% from ₹ 284.06 million to ₹ 447.87 million. Loan processing fees and other borrowing costs also increased by 143.92% from ₹ 34.29 million in fiscal 2014 to ₹ 83.64 million in fiscal 2015. As a percentage of total revenue from operations, finance costs remained relatively steady at 39.20% and 38.99% in fiscal 2014 and fiscal 2015, respectively and our cost of funds, which is calculated as the ratio of Interest Expense to the Average Debt, was 11.92% and 11.73%, respectively, in fiscal 2014 and 2015, respectively.

Employee Benefit Expenses

Employee benefits expenses increased by 54.50% from ₹ 1,003.08 million in fiscal 2014 to ₹ 1,550.97 million in fiscal 2015, primarily resulting from an increase in the number of employees in the vehicle finance business and also selective addition to our MSE finance and housing finance business. As a percentage of total revenue from operations, employee benefit expenses remained relatively steady at 20.75% and 20.52% in fiscal 2014 and fiscal 2015, respectively.

Salaries increased by 51.75% from ₹ 847.18 million in fiscal 2014 to ₹ 1,285.59 million in fiscal 2015 while contribution to provident and other funds increased significantly by 86.64% from ₹ 54.58 million in fiscal 2014 to ₹ 101.76 million in fiscal 2015 on account of certain reclassification of expenses. There was also an increase in staff welfare expenses by 60.03% from ₹ 101.32 million in fiscal 2014 to ₹ 162.14 million in fiscal 2015.

Other Expenses

Other expenses increased by 51.39% from ₹ 552.94 million in fiscal 2014 to ₹ 837.10 million in fiscal 2015, primarily due to the growth in our operations and our expanding branch network across India. The significant increase in other expenses was on account of the following:

- Travelling and conveyance expenses increased by 54.71% from ₹ 130.46 million in fiscal 2014 to ₹ 201.84 million in fiscal 2015 reflecting our expanded operations across additional states, particularly Madhya Pradesh and Maharashtra;

- Legal and professional fees increased by 121.52% from ₹ 40.75 million to ₹ 90.27 million reflecting increase in rating fee and arranger fee on increased borrowings. In addition, there was also an increase in fees paid to credit information bureaus on account of increase in the volume of transactions verified;

- Telephone charges increased by 58.21% from ₹ 44.53 million in fiscal 2014 to ₹ 70.45 million in fiscal 2015 primarily due to growth of operations, additional branches and increase in staff;

- Rental expenses increased by 34.10% from ₹ 50.23 million in fiscal 2014 to ₹ 67.36 million in fiscal 2015 as we expanded our branch network. In addition, the total number of branches increased from 432 as of March 31, 2014 to 505 as of March 31, 2015;

- Information technology expenses increased by 19.14% from ₹ 43.57 million in fiscal 2014 to ₹ 51.91 million in fiscal 2015 as we increased our focus on strengthening our technology infrastructure and introduced mobile and tablet based customer information collection and payment mechanism;

- Brokerage and commission expenses increased by 44.88% from ₹ 33.60 million to ₹ 48.68 million reflecting additional business generated through direct selling agents in our vehicle finance business;

- Cash management charges increased by 6.66% from ₹ 39.66 million in fiscal 2014 to ₹ 42.30 million, electricity charges increased by 72.15% from ₹ 9.12 million in fiscal 2014 to ₹ 15.70 million, and postage and courier expenses increased by 103.44% from ₹ 5.53 million to ₹ 11.25 million; and

- Corporate social responsibility expenses of ₹ 38.39 million in fiscal 2015 compared to ₹ 32.12 million in fiscal 2014 were incurred by us.

Depreciation and Amortization Expenses

Depreciation and amortization expense increased by 36.17% from ₹ 61.96 million in fiscal 2014 to ₹ 84.29 million in fiscal 2015.

Provisions and Write-Offs

Provisions and write-offs increased by 174.27% from ₹ 183.87 million in fiscal 2014 to ₹ 504.32 million in fiscal 2015. The relatively high increase in provisions and write offs was on account of loss on sale of repossessed vehicles written off.

Profit before Tax

Profit before tax was ₹ 1,635.56 million in fiscal 2015 compared to ₹ 1,138.11 million in fiscal 2014. Restated profit before tax was ₹ 1,635.56 million in fiscal 2015 compared to ₹ 1,138.11 million in fiscal 2014.

Tax Expense

Tax expense was ₹ 565.98 million in fiscal 2015 compared to ₹ 396.62 million in fiscal 2014. Current tax expenses increased by 58.28% from ₹ 404.65 million in fiscal 2014 to ₹ 640.50 million in fiscal 2015, while there was a deferred tax credit of ₹ 74.82 million in fiscal 2015 compared to ₹ 9.73 million in fiscal 2014.

Profit for the Period

For the various reasons discussed above, and following adjustments for net loss from discontinuing operations, restated profit in fiscal 2015 was ₹ 1,066.26 million compared to ₹ 743.37 million in fiscal 2014.

Fiscal 2014 compared to Fiscal 2013

Income

Total income increased by 70.75% from ₹ 2,831.73 million in fiscal 2013 to ₹ 4,835.17 million in fiscal 2014. In this period, total income of EMFL increased by 48.61%, from ₹ 2,298.70 million in fiscal 2013 to ₹ 3,416.19 million in fiscal 2014, total income of EFL increased by 177.09%, from ₹ 475. 24 million in fiscal 2013 to ₹ 1,316.84 million in fiscal 2014, and total income of EHFL increased by 151.98% from ₹ 52.14 million in fiscal 2013 to ₹ 131.38 million in fiscal 2014.

Revenue from Operations

Revenue from operations increased by 70.98% from ₹ 2,821.53 million in fiscal 2013 to ₹ 4,824.28 million in fiscal 2014. The following table sets forth certain information relating to our revenue from operations in the periods specified:

Revenue from operations	Fiscal 2013		Fiscal 2014	
	Revenue from Operations	Percentage of Total Revenue from Operations	Revenue from Operations	Percentage of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)
Interest Income:				
From loans	2,312.11	81.94%	4,073.24	84.43%
From deposits	83.48	2.96%	135.95	2.82%
Processing and other fees	126.04	4.47%	289.57	6.00%
Interest spread on securitization	233.79	8.29%	282.08	5.85%
Gain on sale of current investments (Net)	50.77	1.80%	28.81	0.60%
Interest income on Pass through certificates	2.21	0.08%	2.51	0.05%
Revenue grants	13.07	0.46%	11.07	0.23%
Miscellaneous income	0.06	0.00%	1.05	0.02%
Total	**2,821.53**	**100.00%**	**4,824.28**	**100.00%**

Interest income from loans contributed the largest proportion of our revenue from operations. Interest income from loans increased by 76.17% from ₹ 2,312.11 million in fiscal 2013 to ₹ 4,073.24 million in fiscal 2014, primarily due to the growth in the loan portfolio, while interest income on deposits increased by 62.85% from ₹ 83.48 million to ₹ 135.95 million in fiscal 2014, and interest spread on securitization increased by 20.66% from ₹ 233.79 million to ₹ 282.08 million.

Processing and other fees also increased by 129.74% from ₹ 126.04 million in fiscal 2013 to ₹ 289.57 million in fiscal 2014, while there was a gain on sale of investments of ₹ 28.81 million in fiscal 2014 compared to ₹ 50.77 million in fiscal 2013.

The following discussion on revenue from operations of our operating subsidiaries EMFL, EFL and EHFL have been derived from the relevant Restated Subsidiary Financial Statements:

- *Microfinance*. Interest income from loans contributed the largest proportion of EMFL's revenue from operations and represented 81.67% and 83.69% of EMFL's total revenue from operations in fiscal 2013 and fiscal 2014, respectively. Interest income from loans increased from ₹1,861.90 million in fiscal 2013 to ₹2,820.17 million in fiscal 2014 while interest income on deposits increased from ₹76.82 million in fiscal 2013 to ₹132.50 million in fiscal 2014, and interest spread on securitization increased from ₹233.79 million in fiscal 2013 to ₹265.86 million in fiscal 2014. There was also an increase in processing and other fees from ₹60.30 million in fiscal 2013 to ₹116.35 million in fiscal 2014. There was a gain on sale of investments of ₹23.42 million in fiscal 2014 compared to ₹37.22 million in fiscal 2013. Our microfinance AUM increased by 32.46% from ₹11,346.61 million as of March 31, 2013 to ₹15,030.05 million as of March 31, 2014. We further expanded our microfinance operations in fiscal 2014 in Karnataka and Maharashtra. In addition, our branch productivity levels also increased as a result of better economic environment leading to increase in number of customers following the economic slowdown in fiscal 2012. In addition, the number of microfinance branches also increased from 286 as of March 31, 2013 to

323 as of March 31, 2014. As a percentage of total revenue from operations, revenue from microfinance segment however decreased, as we diversified our product portfolio and experienced rapid growth in both our vehicle finance and MSE finance portfolio.

- *Vehicle Finance*. Interest income from our vehicle finance business increased by 155.22% from ₹424.78 million in fiscal 2013 to ₹1,084.13 million in fiscal 2014, while processing fees increased by 205.29% from ₹ 46.92 million in fiscal 2013 to ₹143.24 million in fiscal 2014. This was primarily due to the growth in our vehicle finance loan portfolio. Our vehicle finance AUM increased by 163.18% from ₹3,045.24 million in fiscal 2013 to ₹8,014.66 million in fiscal 2014. The number of vehicle finance branches increased from 71 as of March 31, 2013 to 98 as of March 31, 2014.

- *MSE Finance.* Interest income from MSE finance business, which was commenced in fiscal 2014, was ₹ 55.11 million and processing fees income was ₹ 16.57 million in fiscal 2014.

- *Housing Finance.* Interest income from housing loans contributed the largest proportion of EHFL's revenue from operations and increased from ₹35.96 million in fiscal 2013 to ₹95.17 million in fiscal 2014, primarily due to the growth in our loan portfolio. Interest income from non-housing loans of EHFL increased from ₹1.27 million in fiscal 2013 to ₹18.66 million in fiscal 2014. EHFL's other operating revenue which primarily comprised loan processing fee, administration charges and other charges, increased from ₹14.87 million in fiscal 2013 to ₹17.50 million in fiscal 2014. Our housing finance AUM grew by 109.97% from ₹446.40 million as of March 31, 2013 to ₹937.33 million as of March 31, 2014. The number of housing finance branches increased from 8 as of March 31, 2013 to 11 as of March 31, 2014.

Other Income

Other income increased by 5.98% from ₹ 10.20 million in fiscal 2013 to ₹ 10.89 million in fiscal 2014.

Expenditure

Total expenditure increased by 52.46% from ₹ 2,425.33 million in fiscal 2013 to ₹ 3,697.06 million in fiscal 2014, primarily on account of increase in finance costs, employee benefits expenses and other expenses.

	Fiscal 2013		**Fiscal 2014**	
	Expenditure	**Percentage of Total Revenue from Operations**	**Expenditure**	**Percentage of Total Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Finance Costs	1,076.28	38.01%	1,895.21	39.20%
Employee Benefits Expense	780.45	27.56%	1,003.08	20.75%
Other Expenses	409.89	14.47%	552.94	11.44%
Depreciation and Amortization Expense	69.60	2.46%	61.96	1.28%
Provisions and Write-offs	89.11	3.15%	183.87	3.80%
Total Expenditure	**2,425.33**	**85.65%**	**3,697.06**	**76.47%**

Finance Costs

Finance costs increased by 76.08% from ₹ 1,076.28 million in fiscal 2013 to ₹ 1,895.21 million in fiscal 2014. This increase was on account of an increase in interest expense on term loans by 76.96% from ₹ 891.06 million in fiscal 2013 to ₹ 1,576.86 million in fiscal 2014, interest on non-convertible debentures by 102.35% from ₹ 140.38 million to ₹ 284.06 million in such period. However, such increase was partly offset by a decrease in loan processing fees and other borrowing costs by 23.53% from ₹ 44.84 million in fiscal 2013 to ₹ 34.29 million in fiscal 2014.

Employee Benefit Expenses

Employee benefits expenses increased by 28.62% from ₹ 780.45 million in fiscal 2013 to ₹ 1,003.08 million in fiscal 2014, resulting from an increase in number of employees as well as salary levels. The significant increase in employee benefit expenses was on account of increase in salaries by 28.04% from ₹ 661.65 million in fiscal 2013 to ₹ 847.18 million in fiscal 2014 and an increase in contribution to provident funds and other funds by 25.44% from ₹ 43.51 million in fiscal 2013 to ₹ 54.58 million in fiscal 2014. There was also an increase in staff welfare expenses by 34.57% from ₹ 75.29 million in fiscal 2013 to ₹ 101.32 million in fiscal 2014.

Other Expenses

Other expenses increased by 34.90% from ₹ 409.89 million in fiscal 2013 to ₹ 552.94 million in fiscal 2014, reflecting the growth in our operations and our expanding branch network across India. The significant increase in other expenses was on account of the following:

- Travelling and conveyance represented the most significant portion of other expenses and increased by 39.35% from ₹ 93.62 million in fiscal 2013 to ₹ 130.46 million in fiscal 2014 reflecting expanded operations;

- Rental expenses also increased by 13.95% from ₹ 44.08 million in fiscal 2013 to ₹ 50.23 million in fiscal 2014, brokerage and commission by 973.48% from ₹ 3.13 million to ₹ 33.60 million;

- There were significant increases in telephone charges by 26.72% from ₹ 35.14 million in fiscal 2013 to ₹ 44.53 million in fiscal 2014 primarily as a result of growth in our operations;

- Legal and professional fees increased by 33.16% from ₹ 30.60 million to ₹ 40.75 million;

- There was an increase in information technology expenses by 28.56% from ₹ 33.89 million in fiscal 2013 to ₹ 43.57 million in fiscal 2014 as we further improved our technology infrastructure;

- Cash management charges increased by 38.86% from ₹ 28.56 million to ₹ 39.66 million reflecting the growth in our operations;

- Expenses on account of corporate social responsibility amounting to ₹ 32.12 million in fiscal 2014 as compared to ₹ 16.76 million in fiscal 2013 were incurred by us; and

- In addition, insurance expenses increased by 66.12% from ₹ 1.83 million to ₹ 3.04 million, while postage and courier charges increased by 67.58% from ₹ 3.30 million to ₹ 5.53 million.

Depreciation and Amortization Expenses

Depreciation and amortization expense decreased by 10.99% from ₹ 69.60 million in fiscal 2013 to ₹ 61.96 million in fiscal 2014.

Provisions and write-offs

Provisions and write-offs increased by 106.34% from ₹ 89.11 million in fiscal 2013 to ₹ 183.87 million in fiscal 2014. There was loss on sale of repossessed vehicles written off of ₹ 75.30 million in fiscal 2014 however there was no such loss written-off in fiscal 2013.

Profit before Tax

Profit before tax was ₹ 1,138.11 million in fiscal 2014 compared to ₹ 406.40 million in fiscal 2013. There was a restatement adjustment amounting to ₹ 8.76 million in Fiscal 2013 due to change in accounting policy for income recognition of processing fees. Restated profit before tax was ₹ 1,138.11 million in fiscal 2014 compared to ₹ 397.64 million in fiscal 2013.

Tax Expense

Tax expense was ₹ 396.62 million in fiscal 2014 compared to ₹ 79.41 million in fiscal 2013. Current tax expense increased by 165.52% from ₹ 152.40 million in fiscal 2013 to ₹ 404.65 million in fiscal 2014. Deferred tax credit was ₹ 9.73 million in fiscal 2014compared to ₹ 76.57 million in fiscal 2013.

Profit for the Period

For the various reasons discussed above, and following adjustments for net profit from discontinuing operations, restated profit in fiscal 2014was ₹ 743.37 million compared to ₹ 319.00 million in fiscal 2013.

Financial Position

As of December 31, 2015, our net worth was ₹ 12,928.77 million. Our net worth increased by 57.84% from ₹ 7,416.65 million as of March 31, 2014 to ₹ 11,706.30 million as of March 31, 2015.

Assets

The following table sets forth the principal components of our assets as of December 31, 2015, and as of March 31, 2013, 2014, and 2015:

(₹ in million)

Assets	**As of March 31,**			**As of December 31, 2015**
	2013	**2014**	**2015**	
Non-Current Assets				
Fixed Assets				
- Tangible Assets	206.06	230.99	423.51	474.06
- Intangible Assets	24.57	12.92	27.17	29.11
- Capital Work in Progress	5.74	28.44	16.51	6.11
Total Fixed Assets	**236.37**	**272.35**	**467.19**	**509.28**
Goodwill on Consolidation	5.35	5.35	5.35	5.35
Non-current investments	36.01	2.00	2.00	2.00
Deferred tax asset (Net)	139.32	149.05	223.87	329.19
Long term receivables under financing activities	4,944.89	10,004.81	18,116.92	25,342.21
Long term loans and advances	239.60	180.38	191.44	348.60
Other non-current assets	454.48	573.80	624.86	735.05
Total Non-Current Assets	**5,819.65**	**10,915.39**	**19,164.44**	**27,271.68**
Current Assets				
Current investments	39.47	34.01	1,755.00	1,763.01
Short term receivables under financing activities	7,190.01	11,226.74	16,529.32	24,796.59
Cash and Cash equivalents	4,459.93	4,147.07	5,573.85	2,801.21
Short term loans and advances	332.07	276.25	219.59	281.00
Other current assets	461.77	643.85	939.18	1052.99
Total Current Assets	**12,483.25**	**16,327.92**	**25,016.94**	**30,694.80**
Total Assets	**18,539.27**	**27,515.66**	**44,648.57**	**57,966.48**

As of December 31, 2015, we had total assets of ₹ 57,966.48 million. As of March 31, 2015, we had total assets of ₹ 44,648.57 million, compared to ₹ 27,515.66 million as of March 31, 2014 and ₹ 18,539.27 million as of March 31, 2013. The significant increase in total assets was primarily on account of the significant growth in our loan portfolio resulting from the increase in the number of our microfinance customers as we expanded our microfinance operations to other regions in India, as well as due to the diversification of our financing product portfolio to include vehicle finance, MSE finance and housing finance. In particular, we experienced rapid growth in our vehicle finance and MSE finance business, which involve larger loan size compared to microfinance, in fiscal 2013, 2014 and 2015.

Fixed Assets

As of December 31, 2015, we had fixed assets of ₹ 509.28 million. As of March 31, 2015, we had fixed assets of ₹ 467.19 million, compared to ₹ 272.35 million and ₹ 236.37 million as of March 31, 2014 and 2013, respectively. The increase in fixed assets in fiscal 2015 was principally on account of purchase of equipment, including our centralized technology infrastructure, mobile tablets used by our field staff, as well as furnishings for our branches.

Tangible Assets

As of December 31, 2015, we had tangible assets of ₹ 474.06 million. As of March 31, 2015, we had tangible assets of ₹ 423.51 million, compared to tangible assets of ₹ 230.99 million and ₹ 206.06 million as of March 31, 2014 and 2013, respectively. The increase in tangible assets was primarily on account of leasehold improvements.

Intangible Assets

As of December 31, 2015, we had intangible assets of ₹ 29.11 million. As of March 31, 2015, we had intangible assets of ₹ 27.17 million, compared to intangible assets of ₹ 12.92 million and ₹ 24.57 million as of March 31, 2014 and 2013, respectively. The decrease in intangible assets between March 31, 2013 and March 31, 2014 was primarily due to an increase in amortization costs. The increase of intangible assets as of March 31, 2015 compared to March 31, 2014 was due to software upgrades to the technology we use to manage our expanding network of branches and introduction of new application systems for customers.

Non-Current Investments

As of December 31, 2015, we had non-current investment of ₹ 2.00 million. As of March 31, 2015, we had non-current investment of ₹ 2.00 million, which represents our investment in Alpha Micro Finance Consultants Private Limited.

Goodwill on Consolidation

As of December 31, 2015 and March 31, 2015, we had accounted for goodwill of ₹ 5.35 million relating to the acquisition of Singhivi Investment & Finance Private Limited and V.A.P Finance Limited.

Deferred Tax Asset (Net)

As of December 31, 2015, we had deferred tax assets (net) of ₹ 329.19 million. Deferred taxes are accounted for temporary differences, which are available as income tax deductions in future fiscal periods. We had deferred tax assets of ₹ 223.87 million as of March 31, 2015, compared to ₹ 149.05 million as of March 31, 2014 and ₹ 139.32 million as of March 31, 2013. The increase in deferred tax assets was primarily due to the disallowance of contingent provision for standard assets under financing activities and for the provision for sub-standard and doubtful receivables under financing activities, and such amounts may be applied in future fiscal periods.

Long Term Receivables under Financing Activities

Long term receivables under financing activities were ₹ 25,342.21 million as of December 31, 2015. Long term receivables under financing activities were ₹ 18,116.92 million as of March 31, 2015, compared to ₹ 10,004.81 million and ₹ 4,944.89 million, as of March 31, 2014 and 2013, respectively. Long term receivables under financing activities represented 26.67%, 36.36% and 40.58%, of our total assets as of March 31, 2013, 2014 and 2015, respectively.

The increase in long term receivables under financing activities was primarily on account of expansion of our microfinance operations and branch network across new regions in India, particularly in the west, central and north India. We also experienced significant growth in our vehicle finance and MSE finance businesses.

Our microfinance AUM increased at a CAGR of 43.60% from ₹ 7,239.66 million as of March 31, 2012 to ₹ 21,439.53 million as of March 31, 2015, while our vehicle finance AUM has increased at a CAGR of 96.46% from ₹ 3,045.24 million as of March 31, 2013 to ₹ 11,754.08 million as of March 31, 2015. Our MSE finance AUM increased from ₹ 874.34 million as of March 31, 2014 to ₹ 5,109.86 million as of March 31, 2015, and our housing finance AUM increased at a CAGR of 100.54% from ₹ 446.40 million as of March 31, 2013 to ₹ 1,795.35 million as of March 31, 2015.

Long Term Loans and Advances

Long term loans and advances were ₹ 348.60 million as of December 31, 2015. Long term loans and advances were ₹ 191.44 million as of March 31, 2015, compared to ₹ 180.38 million as of March 31, 2014 and ₹ 239.60 million as of March 31, 2013. This decrease in long term loans and advances from that as of March 31, 2013 was on account of decrease in the loans given to Group Companies and ICD as well as receivables from securitization/bilateral assignment.

Other Non-Current Assets

Other non-current assets were ₹ 735.05 million as of December 31, 2015. Other non-current assets increased by 8.90% from ₹ 573.80 million as of March 31, 2014 to ₹ 624.86 million as of March 31, 2015. Other non-current assets also increased by 26.25% from ₹ 454.48 million as of March 31, 2013 to ₹ 573.80 million as of March 31, 2014. The increase was primarily on account of deposits placed under lien for term loan and securitization done by our Company and interest accrued on such.

Current Assets

Current Investments

Current investments were ₹ 1,763.01 million as of December 31, 2015. Current investments were ₹ 1,755.00 million as of March 31, 2015 compared to ₹ 34.01 million and ₹ 39.47 million as of March 31, 2014 and 2013, respectively. The significant increase in current investments was primarily on account of investments in mutual funds. Typically at the year-end we place surplus funds in the short term bank deposit but in fiscal 2015 the surplus funds were parked in liquid schemes in mutual funds.

Short Term Receivables under Financing Activities

Short term receivables under financing activities were ₹ 24,796.59 million as of December 31, 2015. There was a significant increase in our short term receivables from ₹ 16,529.32 million as of March 31, 2015 to ₹ 24,796.59 as of December 31, 2015 primarily due to increase in receivables from our micro finance loans on account of growth in our microfinance business. Short term receivables under financing activities increased by 47.23% from ₹ 11,226.74 million as of March 31, 2014 to ₹ 16,529.32 million as of March 31, 2015, on account of the significant growth in our microfinance, vehicle finance and MSE finance businesses and the expansion of our operations in additional regions in India, including central and northern India. Similarly, short term receivables under financing activities increased by 56.14% from ₹ 7,190.01 million as of March 31, 2013 to ₹ 11,226.74 million as of March 31, 2014.

Cash and Cash Equivalents

As of December 31, 2015, cash and cash equivalents were ₹ 2,801.21 million. Cash and cash equivalents consist of cash on hand, cash in the bank, short term deposits and collateral deposits against borrowings. As of March 31, 2015, cash and cash equivalents were ₹ 5,573.85 million, compared to ₹ 4,459.93 million and ₹ 4,147.07 million as of March 31, 2013 and 2014, respectively.

Short Term Loans and Advances

Short term loans and advances were ₹ 281.00 million as of December 31, 2015. Short term loans and advances, were ₹ 219.59 million, as of March 31, 2015, compared to ₹ 332.07 million and ₹ 276.25 million as of March 31, 2013 and 2014, respectively.

Other Current Assets

Other current assets were ₹ 1052.99 million as of December 31, 2015. Other current assets were ₹ 939.18 million as of March 31, 2015, compared to ₹ 461.77 million and ₹ 643.85 million as of March 31, 2013 and 2014, respectively.

Liabilities and Provisions

The following table sets forth the principal components of our liabilities as of December 31, 2015 and as of March 31, 2013, 2014 and 2015:

(₹ in million)

Liabilities	As of March 31,			As of December 31, 2015
	2013	2014	2015	
Non-Current Liabilities				
- Long term borrowings	6,403.94	6,759.15	14,569.99	23,603.46
- Other long term liabilities	44.45	87.37	128.26	466.89
- Long term provisions	83.83	78.63	194.76	207.87
Total Non-Current Liabilities	6,532.22	6,925.15	14,893.01	**24,278.22**
Current Liabilities				
- Short term borrowings	2,044.46	3,767.85	4,180.96	3,350.57
- Current maturities of long term borrowings	4,295.26	7,964.63	11,570.80	14,594.76
- Trade payables	92.26	136.56	215.28	384.51
- Other current liabilities	683.26	1043.47	1,748.48	1,864.73
- Short term provisions	172.39	257.95	332.52	548.57
Total Current Liabilities	7,287.63	13,170.46	18,048.04	**20,743.14**

Non-Current Liabilities

Our total non-current liabilities were ₹ 24,278.22 million as of December 31, 2015. There was a significant increase in our long term borrowings from ₹ 14,569.99 million as of March 31, 2015 to ₹ 23,603.46 million as of December 31, 2015 in line with expansion of our operations. Our total non-current liabilities, comprise long term borrowings, other long term liabilities such as unamortized processing fees, interest strip retained on securitisation/bilateral assignments receivables, premium on redemption of debentures and long term provisions. Our total non-current liabilities increased by 115.06% from ₹ 6,925.15 million as of March 31, 2014 to ₹ 14,893.01 million as of March 31, 2015. Our total non-current liabilities as of March 31, 2013 were ₹ 6,532.22 million. The significant increase was primarily due to a 115.56% increase in long term borrowings from ₹ 6,759.15 million as of March 31, 2014 to ₹ 14,569.99 million as of March 31, 2015 to satisfy the credit requirements of our growing microfinance customer base as well as the rapidly growing vehicle finance and MSE finance businesses.

Current Liabilities

Total current liabilities were ₹ 20,743.14 million as of December 31, 2015. Total current liabilities increased by 37.03% from ₹ 13,170.46 million as of March 31, 2014 to ₹ 18048.04 million as of March 31, 2015. Current maturities of long term borrowings increased by 45.28% from ₹ 7,964.63 million as of March 31, 2014 to ₹ 11,570.80 million as of March 31, 2015, while short term borrowings increased by 10.96% from ₹ 3,767.85 million as of March 31, 2014 to ₹ 4,180.96 million as of March 31, 2015. Other current liabilities increased by 67.56% from ₹ 1,043.47 million as of March 31, 2014 to ₹ 1,748. 48 million as of March 31, 2015, on account of advances installments from borrowers, interest strip retained on securitisation of receivables and payable for assets derecognised.

These increases resulted primarily from the commencement of loan assignments and differences in the timing of repayments on our various financing products and our payments to banks with respect to assigned loans, and accelerating costs associated with growth in our network of branches and customers.

Provisions

Long term provisions were ₹ 207.87 million as of December 31, 2015. Long term provisions, comprising contingent provisions for standard receivables under financing activities, provision for sub-standard and doubtful receivables under financing activities, provision for credit enhancements on assets derecognized and provision for gratuity, increased by 147.69% from ₹ 78.63 million as of March 31, 2014 to ₹ 194.76 million as of March 31, 2015. Long term provisions were ₹ 83.83 million as of March 31, 2013. The significant increase in long term provisions as of March 31, 2015 resulted from provision for sub-standard and doubtful receivables under financing activities of ₹ 74.17 million as of March 31, 2015 compared to ₹ 5.83 million as of March 31, 2014, and contingent provisions for standard receivables under financing activities of ₹ 103.79 million as of March 31, 2015, compared to ₹ 63.32 million as of March 31, 2014.

Short term provisions were ₹ 548.57 million as of December 31, 2015. Short term provisions, primarily comprising provision for compensated absences for employees, contingent provisions for standard receivables under financing activities, provision for credit enhancements on assets derecognized and provisions for sub-standard and doubtful receivables under financing activities, increased by 28.91% from ₹ 257.95 million as of March 31, 2014 to ₹ 332.52 million as of March 31, 2015. In particular, contingent provisions for standard receivables under financing activities increased significantly by 34.46% from ₹ 109.11 million as of March 31, 2014 to ₹ 146.71 million as of March 31, 2015.

As of December 31, 2015, our provision for sub-standard and doubtful assets was ₹ 180.50 million. Provision for sub-standard and doubtful assets was ₹ 11.27 million, ₹ 26.17 million, ₹ 96.02 million as of March 31, 2013, 2014 and 2015, respectively.

Our total gross NPAs were ₹ 669.16 million as of December 31, 2015. Our total gross NPAs increased by ₹ 219.23 million, or 141.38%, from ₹ 155.06 million as of March 31, 2014 to ₹ 374.29 million as of March 31, 2015. Our total gross NPAs increased by ₹ 121.81 million, or 366.35 %, from ₹ 33.25 million as of March 31, 2013 to ₹ 155.06 million as of March 31, 2014.

Our gross NPAs as a percentage of our On-Book AUM was 1.33% as of December 31, 2015 and our Net NPAs as a percentage of our On-Book AUM was 0.97% as of December 31, 2015. Our gross NPAs as a percentage of our On-Book AUM was 0.27%, 0.73%, 1.08% as of March 31, 2013, 2014 and 2015, respectively, and our Net NPAs as a percentage of our On-Book AUM was 0.18%, 0.61% and 0.80% as of March 31, 2013, 2014 and 2015, respectively.

Shareholders' Equity

As of December 31, 2015, our shareholders' equity was ₹ 12,928.77 million, representing 22.30% of our total assets.

As of March 31, 2015, our shareholders' equity was ₹ 11,706.30 million, representing 26.22% of our total assets. Our shareholders' equity increased by ₹ 4,289.65 million, or 57.84%, from ₹ 7,416.65 million as of March 31, 2014 to ₹ 11,706.30 million as of March 31, 2015. This increase resulted from a capital infusion in the amount of₹ 3,219.98 million (net of share issue expenses) in fiscal 2015 and current year profit after tax of ₹1,066.26 million. Shareholders' equity represented 26.95% and 26.21%, of our total assets as of March 31, 2014 and 2015, respectively.

Our shareholders' equity increased by ₹ 2,697.23 million, or 57.15%, to ₹ 7,416.65 million as of March 31, 2014 from ₹ 4,719. 42 million as of March 31, 2013. This increase resulted from a capital infusion in the amount of ₹ 1,953.87 million (net of share issue expenses) in fiscal 2014 and current year profit after tax of ₹ 743.37 million. Shareholders' equity represented 25.46% of our total assets as of March 31, 2013.

Liquidity and Capital Resources

The purpose of the liquidity management function is to ensure that we have funds available to extend loans to our customers across our various financing products, to repay principal and interest on our borrowings and to fund our working capital requirements. We endeavor to diversify our sources of capital. We have funded the growth in our operations and loan portfolio through equity issuances, debt securities, loans with various maturities raised from banks and other entities and the assignment of loans. In the nine months ended December 31, 2015, we received an aggregate ₹ 11,161.01 million from these sources, and as of December 31, 2015, we had cash available for use in our operations of ₹ 2,801.21 million. In fiscal 2015, we received an aggregate ₹ 15,043.51 million from these sources, and as of March 31, 2015, we had cash available for use in our operations of ₹ 5,573.85 million. We typically invest our surplus cash reserves in short term deposits. Based upon our current level of expenditures, we believe our current working capital, together with cash flows from operating activities and the proceeds from the offerings contemplated herein, will be adequate to meet our anticipated cash requirements for capital expenditures and working capital for at least the next 12 months.

We actively manage our liquidity and capital position by raising funds on a continuous basis on terms that, we believe, are favorable to us. We regularly monitor our funding levels to ensure we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by short term and long term borrowings from banks and other entities, sales of equity securities and debentures, retained earnings and proceeds from assignments of loans. All our loan agreements and debentures contain a number of covenants including financial covenants. In addition, some loans may contain provisions which allow the lender, at its discretion to call for repayment of the loan at short notice and/or require us to prepay on a *pari passu* basis if any other loan is being repaid. Such covenants, if acted upon, may have an impact on our liquidity.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	**Fiscal**			**Nine months ended December 31, 2015**
	2013	**2014**	**2015**	
Net cash generated from/(used in) operating activities	(5,809.01)	(7,880.23)	(11,546.86)	(13,912.89)
Net cash generated from/(used in) investing activities	(1,200.98)	860.71	(2,299.08)	44.40
Net cash (generated from)/ used in the financing activities	8,483.62	7,705.24	15,043.51	11,161.01
Net increase/(decrease) in cash and cash equivalents	**1,473.63**	**685.72**	**1,197.57**	**(2,707.48)**

Operating Activities

Net cash used in operating activities was ₹ 13,912.89 million in nine months ended December 31, 2015, and net profit before tax was ₹ 1,872.16 million. The difference was primarily attributable to changes in working capital on account of an increase in long term receivables under financing activities and short term receivables under financing activities by ₹ 7,295.43million and ₹ 8,268.30 million, respectively. Depreciation and finance cost was ₹ 96.49 million and ₹ 3,082.73 million, respectively, in nine months ended December 31, 2015.

Net cash used in operating activities was ₹ 11,546.86 million in fiscal 2015, and net profit before tax was ₹ 1,635.56 million. The difference was primarily attributable to changes in working capital on account of an increase in long term receivables under financing activities and short term receivables under financing activities by ₹8,112.12 million and ₹ 5,302.57 million, respectively. Depreciation and finance cost was ₹ 84.29 million and ₹ 2,947.02 million, respectively, in fiscal 2015.

Net cash used in operating activities was ₹ 7,880.23 million in fiscal 2014, but net profit before tax was ₹ 1,138.11 million. The difference was primarily attributable to changes in working capital on account of an increase in long term receivables under financing activities and short term receivables under financing activities by ₹ 5,059.91 million and ₹ 4,126.81 million, respectively. Depreciation and finance costs were ₹ 61.96 million and ₹ 1,895.21 million, respectively, in fiscal 2014.

Net cash used in operating activities was ₹ 5,809.01 million in fiscal 2013, but net profit before tax was ₹ 406.40 million. The difference was primarily attributable to changes in working capital on account of an increase in long term receivables under financing activities and short term receivables under financing activities by ₹ 2,781.91 million and ₹ 3,267.19 million, respectively. Depreciation and finance cost was ₹ 69.60 million and ₹ 1,076.28 million, respectively, in fiscal 2013.

Investing Activities

Net cash from investing activities was ₹ 44.40 million in nine months ended December 31, 2015, partially on account of purchase of current investments of ₹ 8.01 million. We incurred capital expenditure including capital advances of ₹ 203.20 million in nine months ended December 31, 2015. This was completely offset by a positive net bank balance not considered as cash and cash equivalent of ₹ 251.71 million in such period.

Net cash used in investing activities was ₹ 2,299.08 million in fiscal 2015, primarily on account of purchase of current investments of ₹ 1,755.00 million. We incurred capital expenditure including capital advances of ₹ 283.55 million in fiscal 2015. In addition, there was a negative net bank balance not considered as cash and cash equivalent of ₹ 295.93 million in such period.This was partly offset by proceeds from sale of current investments of ₹ 34.01 million in fiscal 2015.

Net cash generated from investing activities was ₹ 860.71 million in fiscal 2014, primarily on account of bank balances not considered as cash and cash equivalents of ₹ 921.09 million. This was partly offset by capital expenditure including capital advances of ₹ 100.47 million in such period.

Net cash used in investing activities was ₹ 1,200.98 million in fiscal 2013, primarily on account of bank balances not considered as cash and cash equivalents of ₹ 1,129.21 million. We incurred capital expenditure including capital advances of ₹ 49.91 million and purchase of long term investments of ₹ 73.49 million in such period.

Financing Activities

Our cash flow in relation to financing activities is determined primarily by level of our borrowings, the schedule of principal and interest payments on such borrowings and the issuance of share capital.

Net cash generated in financing activities in nine months ended December 31, 2015 was ₹ 11,161.01 million on account of long term borrowings of ₹ 21,350.00 million and short term borrowings of ₹ 830.39 million. This was partly offset by repayment of long term borrowings of ₹ 9,392.54 million.

Net cash generated in financing activities in fiscal 2015 was ₹ 15,043.51 million on account of long term borrowings of ₹ 23,322.25 million and proceeds from issue of share capital including securities premium of ₹ 3,285.18 million. This was partly offset by repayment of long term borrowings of ₹ 11,905.23 million.

Net cash generated in financing activities in fiscal 2014 was ₹ 7,705.24 million on account of long term borrowings of ₹ 8,255.76 million, short term borrowings of ₹ 1,723.39 million and proceeds from issue of share capital including securities premium of ₹ 1,995.33 million. This was partly offset by repayment of long term borrowings of ₹ 4,231.20 million.

Net cash generated in financing activities in fiscal 2013 was ₹ 8,483.62 million on account of long term borrowings of ₹ 8,255.76 million, short term borrowings of ₹ 1,405.94 million and proceeds from issue of share capital including securities premium of ₹ 1,406.35 million. This was partly offset by repayment of long term borrowings of ₹ 2,555.91 million.

Indebtedness

As of December 31, 2015, we had long term borrowings (including current maturities of long term borrowings) of ₹ 38,198.22 million and short term borrowings of ₹ 3,350.57 million. As of March 31, 2015, we had long term borrowings of ₹ 14,569 million and short term borrowings of ₹ 4,180.96 million. The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2015, and our repayment obligations in the periods indicated:

(₹ in millions)

	As of December 31, 2015				
	Payment due by period				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Long term borrowings					
Secured	35,498.22	14,594.76	18,723.77	2,086.71	92.98
Unsecured	2700 .00	-	-	500 .00	2,200 .00
Total long term borrowings	38198.22	14,594.76	18,723.77	2,586.71	2,292.98
Short Term Borrowings					
Secured	3,350.57	3,350.57	-	-	-
Unsecured	-	-	-	-	-
Total Short Term Borrowings	3,350.57	3,350.57	-	-	-

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. Specifically, we require consent for change in our capital structure, change in our shareholding pattern and conversion into a public limited company. Please see “Financial Indebtedness” on page 660 of this RHP for further information.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual obligations and commitments as of December 31, 2015, aggregated by type of contractual obligation:

(₹in millions)

Particulars	As of December 31, 2015				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
Housing / non housing loan sanctioned but not disbursed	195.00	195.00	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	-	-	-	-	-
Total	195.00	195.00	-	-	-

In addition, we have entered into certain lease agreements for our offices and branches. The future minimum lease payments under operating leases are as below. Most of our branches are taken on a short term lease of less than one year, which are also terminable on a short notice, and are not reflected in the table below.

(₹in millions)

Particulars	As of December 31, 2015				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
Non-cancellable operating lease obligations	100.07	60.50	39.57	-	-
Total	100.07	60.50	39.57	-	-

Assignment Arrangements

As of March 31, 2013, 2014 and 2015, we had securitized/assigned assets worth ₹ 2,703.34 million, ₹ 3,624.85 million and ₹ 5,452.56 million, respectively and as of December 31, 2015 we had securitized/assigned assets worth ₹ 4913.05 million. The following table sets forth information regarding our assignment activity in fiscal 2013, 2014 and 2015 and in the nine months ended December 31, 2015:

Particulars	Fiscal			Nine months ended December 31, 2015
	2013	2014	2015	
Total book value of the loan asset assigned	2,294.31	3,615.49	6,003.87	3,460.54
Sale consideration received for the loan asset assigned	2,294.31	3,615.49	6,003.87	3,223.52

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities which have not been provided for, as of December 31, 2015:

Particulars	Amount (₹ in millions)
Contingent Liabilities	
Income tax Demands	6.04

Particulars	Amount (₹ in millions)
Provident Fund demand appeals	18.75
Service Tax	36.40
Value added tax	0.05
Total	**61.24**

For further information, see our Restated Consolidated Financial Statements on page 355.

Except as disclosed in our Restated Consolidated Financial Statements or elsewhere in this RHP, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Debt/Equity Ratio

Our Long-term debt/equity ratio was 1.24 and 1.83 as of March 31, 2015 and December 31, 2015, respectively, while our total debt/equity ratio was 2.59 and 3.21 respectively, as of March 31, 2015 and December 31, 2015, respectively.

Historical and Planned Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for computer equipment and leasehold improvements. In the nine months ended December 31, 2015, our capital expenditure (including advances) was ₹ 203.20million. In fiscal 2013, 2014 and 2015, our capital expenditure was ₹ 49.91 million, ₹ 100.47 million and ₹ 283.55 million, respectively.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include loans and advances, sale and purchase of fixed assets, managerial remuneration and rental payments. For further information relating to our related party transactions, see Annexure 33 to our Restated Consolidated Financial Statements on page 430.

Changes in Accounting Policies

In fiscal 2013, we changed our accounting policy for income recognition of processing fees from amortization to upfront accounting. In the financial statements for fiscal 2013, this change in recognition of processing fees has been identified as change in accounting policy. For the purpose of the Restated Consolidated Financial Statements, this change in accounting policy has been appropriately adjusted in the respective years to which the transactions relate. For further information, see Annexure 5 to our Restated Consolidated Financial Statements on page 380.

Auditors Remarks and Matters of Emphasis

The audit report to the audited standalone and consolidated financial statements of our Company for fiscal 2012 draws attention to certain matters of emphasis in relation to the transfer of the assets and liabilities of the microfinance undertaking of our Company as at April 1, 2011 to Equitas Micro Finance Limited, formerly known as Singhivi Investment & Finance Private Limited, a subsidiary of the Company, pursuant to the Demerger Scheme. In addition, the audit reports to our audited consolidated financial statements draw attention to certain matters of emphasis relating to (i) change in the method of accounting of processing fees collected on vehicle finance loans in EFL in fiscal 2013, (ii) revision in provision norms and asset classification in fiscal 2014, and (iii) non-consideration of subsequent events, if any, after the dates of adoption of the subsidiaries' standalone financial statements by the respective Board of Directors until the date of approval of the consolidated financial statements in fiscal 2012 and 2011. Accordingly, investors should read the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, in the context of such observations made by our statutory auditors with respect to our historical financial information.

Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Interest Rate Risk

Interest rates for borrowings have been volatile in India in recent periods. Our current debt facilities may carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Liquidity risk

Liquidity risk arises from the absence of liquid resources, when funding loans, and repaying borrowings. This could be due to a decline in the expected collection, or our inability to raise adequate resources at an appropriate price. This risk may be minimized through a mix of strategies, including the maintenance of back up bank credit lines and following a forward-looking borrowing program based on projected loans and maturing obligations.

Unusual or Infrequent Events or Transactions

Except as described in this RHP, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant Economic Changes that Materially affect or are likely to affect Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in “Factors Affecting our Results of Operations” and the uncertainties described in the section titled “Risk Factors” beginning on page 24.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “Factors Affecting our Results of Operations” and the uncertainties described in “Risk Factors” beginning on page 24. To our knowledge, except as discussed in this RHP, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Income

Other than as described in “Risk Factors”, “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 24, 187 and 663 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Segment Reporting

Other than as disclosed in our Restated Consolidated Financial Statements beginning on page 355, we do not follow any other segment reporting. See Annexure 36 of our Restated Consolidated Financial Statements. Also see our Restated Subsidiary Financial Statements for further information on our operating subsidiaries. Our business operations are operationally divided into four principal financing products: microfinance, vehicle finance, MSE finance and housing finance, which have been discussed in detail in this section, in “Business” on page 187 and “Selected Statistical Information” on page 264. In addition, we propose to commence SFB operations in the future, see “Proposed Consolidation of Certain Subsidiaries into a Small Finance Bank” on page 203. Further, our Company also has publicly available data in relation to its Subsidiaries which provides the total turnover of such industry segments.

Publicly Announced New Products or Business Segments / Material increases in Revenue due to Increased Disbursements and Introduction of New Products

On October 27, 2015 we have incorporated a subsidiary, ETPL, involved inter alia, in the development of a technology platform for freight aggregation connecting cargo providers with transporters. As of December 31, 2015, there has been no material contribution in in our revenue from the operations of ETPL.

Further we have introduced two other financing products, loan against gold jewellery and two-wheeler loans in the third quarter of fiscal 2016. As of December 31, 2015, there has been no material increase in our revenue pursuant to introduction of these new products.

Significant Dependence on Single or Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Seasonality of Business

Our business operations and the financial services industry in general may be affected by seasonal trends in the Indian economy. Generally, the period from October to March is the peak period in India for retail economic activity. This increased, or seasonal, activity is the result of several holiday periods, improved weather conditions and crop harvests. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season may adversely affect our results of operations. In these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced**.**

Competitive Conditions

We operate in a competitive environment. Please refer to the sections “Business”, “Industry Overview” and “Risk Factors” on pages 187, 148 and 24, respectively for further information on our industry and competition.

Significant Developments after December 31, 2015 that May Affect our Future Results of Operations

Except as disclosed in this RHP, to our knowledge no circumstances have arisen since the date of the last

financial statements disclosed in this RHP which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving our Company, Subsidiaries, Group Companies and Directors are described in this section in the manner as detailed below.

Disclosure of litigation involving our Company, our Subsidiaries, Directors and our Group Companies:

We have disclosed below: (i) all pending criminal litigation involving our Company, our Subsidiaries, Group Companies and Directors; (ii) all actions taken by regulatory or statutory authorities against our Company, our Subsidiaries, Group Companies and our Directors; (iii) fines that have been imposed on our Company, our Subsidiaries and Group Companies and all offences that have been compounded in the five years preceding the date of this Red Herring Prospectus; (iv) all material frauds committed against our Company in the five years preceding the date of this Red Herring Prospectus;(v) details of defaults and non payment of Statutory Dues; (vi) outstanding material civil litigation involving our Company, our Subsidiaries and our Group Companies and any other litigation involving our Company, Subsidiaries, Group Companies and Directors, whose outcome may affect our Company; (vii) fines imposed or compounding of offences against our Company or Subsidiaries; and (viii) outstanding dues to material creditors and material small scale understandings.

We have also disclosed actions initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

No proceedings have been initiated against our Company for economic offences and except as disclosed no penalties have been imposed upon our Company or our Subsidiaries and Directors by Statutory or Regulatory Authorities.

1. Litigation involving our Company

Criminal Litigation

Nil

Civil Litigation

Given the nature and extent of operations of our Company and our Subsidiaries, our Board has considered the outstanding civil litigation involving our Company or any of our Subsidiaries or Group Companies 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, in addition to the above, we have disclosed all outstanding litigation involving our Company and our Subsidiaries where the aggregate amount involved exceeds ₹ 10.70 million individually and the litigation involving an aggregate amount below ₹10.70 million involving our Company and our Subsidiaries have been consolidated and disclosed in a summary and indicative manner in this section.

There is no outstanding litigation involving our Company exceeding ₹ 10.70 million.

Other Litigations involving our Company or impacting our Company

1. Our Company has filed a writ petition ("**Writ**"), prior to the Demerger Scheme, against the State of Tamil Nadu, Department of Law, Union of India and the Reserve Bank of India, before the High Court at Madras for declaring that the business of our Company is not covered under the Tamil Nadu Prohibition of Charging Exorbitant Interest Act, 2003. The writ was filed pursuant to certain statements made by government officials for taking action against entities charging more than 9% or 12% interest, as the case may be, as a consequence of which the ground staff of our Company were reluctant to carry our operations. Our Company has contended that as on the date of filing the Writ, our Company was licensed as an NBFC and was under the control and supervision of the RBI and has sought an interim stay on application of the aforesaid legislation with respect to it. The matter is pending.

2. Pursuant to a share purchase agreement dated December 11, 2013 between our Company, Creation and SIDBI, SIDBI had agreed to sell 2,059,277 Equity Shares ("**Sale Shares**") of our Company to Creation. However, the transaction is yet to be effectuated owing to a dispute on one of the conditions precedent. Creation filed arbitration proceedings against SIDBI over dispute regarding timely receipt of the FIPB approval. Creation has approached the Madras High Court and obtained an interim injunction, restraining SIDBI from transferring or in any manner encumbering the Sale Shares. Creation has also filed an application for interim injunction before the arbitral tribunal at Chennai for restraining SIDBI from encumbering 4,118,554 Equity Shares issued to SIDBI pursuant to the bonus issue and has filed a claim over a total of 6,177,831 Equity Shares of our Company currently held by SIDBI. The matter is currently pending.

2. Material frauds committed against our Company

There have been no material frauds committed against our Company in the last five years.

3. Litigations involving our Subsidiaries

Criminal Litigation

Litigations involving EMFL

Nil

Litigations involving EFL

EFL has in the regular course of its business filed police complaints and lodged FIRs against certain of its borrowers under various sections of the IPC for cheating and criminal breach of trust, seeking repossession of vehicles financed after default by the borrower. The cases are in various stages of complaints, enquiry and reports submitted by the police before the magistrate for directions. EFL has also in the regular course of its business filed certain criminal complaints against employees for cheating and mis-appropriation of funds. The cases are at various stages of enquiry by the police or magistrate.

Litigations involving EHFL

Nil

Litigations involving ETPL

Nil

Civil Litigation

Given the nature and extent of operations of our Company and our Subsidiaries, our Board has considered the outstanding civil litigation involving our Company or any of our Subsidiaries 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, in addition to the above, we have disclosed all outstanding litigation involving our Company and our Subsidiaries where the aggregate amount involved exceeds ₹ 10.70 million individually and the litigation involving an aggregate amount below ₹ 10.70 million involving our Company and our Subsidiaries have been consolidated and disclosed in a summary and indicative manner in this section.

There are no civil proceedings filed against our Subsidiaries exceeding ₹ 10.70 million.

Litigations involving EMFL

EMFL in the regular course of its business has filed certain execution petitions at various forums in the states that EMFL carries out its business in. The claims are in relation to defaults by certain borrowers in repayment of scheduled loan amounts.

Litigations involving EFL

There are certain civil cases pending against EFL and its employees in various forums including district consumer forums and district munsif courts in relation to repossession of vehicles by EFL seeking orders restraining EFL to take re-possession of the vehicles financed by it upon default by the borrower or seeking compensation for repossession of vehicles.

EFL in the regular course of business has also initiated arbitration proceedings and filed execution petitions for enforcement of arbitral awards before various forums in the states where EFL operates. The matters have been initiated by EFL in relation to default in payment of scheduled loan amount or recovery for loss on sale of vehicles repossessed by EFL.

Litigations involving EHFL

1. EHFL in the regular course of business has initiated arbitration proceedings and filed execution petitions for enforcement of arbitral awards in various states where EHFL operates. The matters have been initiated by EHFL against members for default in repayment of scheduled loan amount.

2. EHFL has been included as a 'financial institution' under the SARFAESI Act as per the gazette notification dated December 18, 2015 and has accordingly, issued demand notices to various defaulting customers for recovery of dues.

Litigations involving ETPL

Nil

<u>Labour Proceedings</u>

Litigations involving EMFL

1. Prior to the Demerger Scheme, EHL had filed an appeal before the Employee Provident Fund Appellate Tribunal, New Delhi ("**EPF Tribunal**") against the order passed by the Regional Provident Fund Commissioner, Employee's Provident Fund Organization, Chennai ("**Order**") under Section 7A of the EPF Act. Pursuant to the Demerger Scheme, the litigation was moved to EMFL. The Order stated that EMFL had not paid provident fund dues on various allowances including house rent allowance, conveyance allowance, special allowance, incentive as well as pension fund dues, deposit linked insurance fund contribution and related administrative charges and other similar allowances and required EMFL to pay a sum of ₹ 18.75 million in accordance with Section 14B of the EPF. EMFL has filed an appeal against the Order before the EPF Tribunal and a stay on the Order was granted by the EPF Tribunal and EMFL was required to deposit 30% of the amount pursuant to the Order. The case is currently pending.

2. EMFL was issued a summons on March 12, 2015 to appear before the Deputy Commissioner of Labour, Madurai. The summons was issued pursuant to a complaint filed by Assistant Labour inspector, Madurai alleging payment of wages by EMFL which were lower than as prescribed by the state government under the Minimum Wages Act. The complaint estimated a total amount of ₹ 276,070 due to certain employees. The matter is currently pending.

Litigations involving EFL

EFL has filed an appeal before the Employee Provident Fund Appellate Tribunal, New Delhi. The appeal is against the order by Regional Provident Fund Commissioner, Employee Provident Fund Organization, dated February 27, 2015 wherein a penalty of ₹ 438,167 with an interest of ₹ 289,415 was imposed on EFL for belated remittance of EPF for the period between April 2011 and February 2012. The matter is currently pending.

Litigations involving EHFL

Pursuant to an inspection carried out by the enforcement officer, Employees Provident Fund Organization, the enforcement officer observed in the inspection report that EHFL had not remitted a sum of approximately ₹ 0.3 million towards employee provident fund contribution during the period from April 1, 2013 to November 2014. EHFL was issued summons to appear before the Assistant Provident Fund Commissioner, Employees Provident Fund Organization. The matter is currently ongoing.

Litigations involving ETPL

Nil

4. Inquiries, inspections or investigations under the Companies Act

There are no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company or Subsidiaries in the past five years.

5. Fines imposed or compounding of offences for default or non payment of statutory dues

There are no fines that have been imposed on our Company or our Subsidiaries in the past for defaults or non payment of statutory dues or compounding undertaken by our Company.

6. Litigation involving our Company's Directors

We have disclosed all pending criminal litigation individually in this section. We have disclosed claims related to direct and indirect taxes of our Directors in a consolidated manner giving details of number of cases and total amount. Given the nature and extent of operations of our Company and our Subsidiaries, our Board has considered the outstanding litigation involving our Directors 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. Accordingly, in addition to the above, we have disclosed all outstanding litigation involving our Directors where the aggregate amount involved exceeds ₹ 10.70 million have been disclosed individually and the litigation below ₹ 10.70 million involving our Directors have been consolidated and disclosed in a summary and indicative manner in this section.

Criminal Litigation

<u>N. Rangachary</u>

A case under Section 138 of the Negotiable Instruments Act, 1881, was filed against N. Rangachary, one of our Independent Directors, in a Delhi Magistrate Court. The case was filed against him in his capacity as a director of Data Access India Limited where he was a director for a short period of time. The case is currently pending.

Civil Litigation

Nil

Actions by Statutory and Regulatory bodies

<u>Vinod Kumar Sharma</u>

Vinod Kumar Sharma, one of our independent directors, is a director in Indian Commodity Exchange Limited ("**ICEL**") from September 23, 2015. ICEL received a show cause notice on June 2, 2015 from the Forward Markets Commission seeking explanation on continuity of registration of ICEL since it has not resumed trading within 12 months from the date of suspension of trading. ICEL has responded to the Forward Markets Commission seeking additional time. Pursuant to this response, SEBI has through letter dated November 2, 2015, directed ICEL to follow SEBI Circular No. MRD/DSA/SE/Cir-12/09 dated October 7, 2009 in relation to the prior approval for re-commencing trading on ICEL without giving any timeline. ICEL has filed its application with SEBI seeking prior approval for re-commencement of trading. The matter is currently pending.

Other Litigations involving our Director or impacting our Directors

Jayshree Ashwinkumar Vyas

Jayshree Ashwinkumar Vyas has been allotted a second DIN (00591924) (the "**Second DIN**") and has accordingly, filed an application for surrender of her Second DIN with the MCA. She is a director on the board of Ananya Companies and each of the Ananya Companies has filed Forms RD-1 for cancelling the Second DIN and for migrating corresponding data to DIN (00584392). The Ananya Companies have also lodged complaints on the MCA website requesting the MCA to take on record the surrender of the Second DIN and to reflect only her first DIN (00584392) in their records. The MCA responded to the Ananya Companies on March 16, 2016 stating that the MCA was not authorised to make the changes sought and requested the Ananya Companies to approach the concerned RoC. The matter is currently pending.

Litigation involving our Promoters and Group Companies

Lititgations involving our Promoter

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. Consequently, it has no 'promoter' in terms of the SEBI Regulations.

Litigations involving our Group Companies

Given the nature and extent of operations of our Company and our Subsidiaries, our Board has considered the outstanding civil litigation involving our Group Companies 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, in addition to the above, we have disclosed all outstanding litigation involving our Group Companies where the aggregate amount involved exceeds ₹ 10.70 million individually and the litigation involving an aggregate amount below ₹ 10.70 million involving our Group Companies have been consolidated and disclosed in a summary and indicative manner in this section.

Actions taken by Regulatory or Statutory Bodies

EDIT

The Ministry of Home Affairs ("**MHA**") had sent a notice to EDIT alleging that it had reasons to believe violation of various provisions of FCRA in relation to receipt of foreign donations from the financial year 2010 to the financial year 2015 and sought to inspect the accounts. Post inspection of the bank accounts, bank statements and other details, the MHA has observed that certain contributions made by our Company to EDIT between the Financial Years 2010 to 2014 were not reported in the manner as prescribed under FCRA. MHA has also observed that EDIT has deposited certain local funds into bank accounts that were required to be utilized solely for the purpose of depositing foreign contributions. MHA has also observed that EDIT has not submitted annual return in the format FC-6, under FCRA and certain discrepancies in the figures were pointed out by MHA in the annual returns submitted. EDIT has, through its letter, responded to the observations made by MHA. MHA had asked EDIT to deposit a sum of ₹ 20,78,741 as penalty and ₹ 1,000 as fees for compounding the offence which EDIT subsequently deposited. Thereafter, MHA, through its order, compounded the offence and instructed EDIT not to accept foreign contributions till it receives registration under FCRA, 2010 or to obtain prior permission from the Central Government, whichever is earlier. EDIT, through its reply, clarified to the MHA that it had already obtained registration on November 19, 2012 under FCRA, 2010 which was valid for five years due to which registrations would not be required. EDIT has sought fresh orders / instructions in this regard. The matter is currently pending.

7. Tax Proceedings

We have disclosed claims relating to direct and indirect taxes involving our Company, our Subsidiaries, our Directors and our Group Companies in a consolidated manner giving details of number of cases and total amount involved in such claims.

Nature of case	Number of cases	Amount involved (in ₹ million)
Company		
Direct Tax	3	6.07
Indirect Tax	Nil	Nil
Subsidiaries		
Direct Tax	2	1.90
Indirect Tax	6	36.45
Group Companies		
Direct Tax	1	0.88
Indirect Tax	Nil	Nil
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Direct Tax Proceedings

Direct tax proceedings involving our Company

Three direct tax matters involving our Company are ongoing, wherein, pursuant to the assessment carried out for the assessment years 2011-12, 2012-13 and 2013-14, the income tax department has disallowed (i) a portion of our expenses incurred; and (ii) credit of TDS relating to certain interests for assessment year 2013-14, and raised demands aggregating to ₹ 6.07 million. Our Company has filed appeals against the disallowance of expenses in the assessment orders for assessment years 2011-12 and 2012-13 before the Commissioner of Income Tax-Appeals, Chennai. The matters are currently pending.

Direct tax proceedings involving our Subsidiaries

Direct tax proceedings involving EMFL

In two direct tax matters involving EMFL, the income tax department, pursuant to assessment orders for the assessment years 2012-13 and 2013-14 has raised demands for an additional ₹ 1.90 million further to inclusion of interest on NPAs on accrual basis and disallowance under section 14A of the Income Tax Act. EMFL has appealed against the order for the assessment year 2012-13 before the Commissioner of Income Tax (Appeals)-6, Chennai. The matters are currently pending.

Direct tax proceedings involving EHFL

Nil

Direct tax proceedings involving EFL

Nil

Direct tax proceedings involving ETPL

Nil

Direct tax proceedings involving our Group Companies

Direct tax proceedings involving EDIT

EDIT has filed an appeal against the assessment order passed by the Deputy Director of Income Tax, Chennai, wherein EDIT was directed to pay a sum of ₹ 888,220 towards income tax on donation receivables of ₹ 2.1 million for the assessment year 2011-12. EDIT challenged denial of exemption for EDIT under section 11 and 12 of the IT Act. The matter is currently pending

Indirect Tax Proceedings

Indirect tax Proceedings involving our Company

Nil

Indirect tax proceedings involving our Subsidiaries

Indirect tax proceedings involving EMFL

Four indirect tax matters involving EMFL are pending before various forums including the Directorate General of Central Excise Intelligence and the office of the Commissioner of Service Tax. Out of the four matters, EMFL has received three show cause notices for certain exemptions availed by the EMFL while availing CENVAT credit between the assessment years 2008-2011, and an order has been passed by the Principal Commissioner of Service Tax in the fourth matter directing EMFL to pay ₹ 8.66 million in relation to service tax for the period between Financial Year 2009 and Financial Year 2015 in relation to non-payment of service tax on assignment/ securitisation of loan received under banking and other financial services. A total claim of ₹ 36.40 million, excluding penalty and interest, for all matters combined has been raised. EMFL has responded to the notices and the matters are currently pending.

Indirect tax proceedings involving EFL

There are two demand notices pending against EFL, issued by Assistant Commissioner, Anti-evasion, Zone-I, Jaipur for an amount of ₹ 0.05 million excluding interest and penalty under Rajasthan Value Added Tax, 2003 for payment of VAT in relation to the sale of repossessed assets for the assessment years 2014 and 2015. EFL has filed appeals before the Rajasthan Tax Board. The appeals are currently pending.

Indirect tax proceedings involving EHFL

Nil

Indirect tax proceedings involving ETPL

Nil

8. **Material developments since December 31, 2015**

Other than as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 663, in the opinion of the Board, there has not arisen, since the date of Restated Financial Statements included in this Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay its liabilities over the next 12 months.

9. Outstanding dues to Creditors

Our Board has also approved that dues owed by our Company to the small scale undertakings and other creditors exceeding five per cent of our total dues owed to the small scale undertakings and other creditors would be considered as material dues for our Company and accordingly, we have disclosed consolidated information of outstanding dues owed to small scale undertakings and other creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 19.22 million (being approximately five per cent of total dues owed by our Company to the small scale undertakings and other creditors as of December 31, 2015).

Our Company, in its ordinary course of business, has certain amounts aggregating ₹ 19.22 million or more which are due towards sundry and other creditors. As of December 31, 2015, our Company owes the following small scale undertakings and other material creditors where dues to each creditor exceeded ₹ 19.22 million:

Particulars	Number of cases	Amount involved (in ₹ million)
Small scale undertakings	Nil	-
Other Material Creditors (amount exceeding ₹ 19.22 million)	2	53.88

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at http://www.equitas.in/sites/default/files/Trade%20Payables%20-%20Dec%202015.compressed.pdf . It is clarified that such details available on our website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

10. Complaints filed against the Issue

SEBI, through letter dated January 13, 2016, received a complaint by an anonymous complainant in relation to the Issue alleging, among other things, (i) objects of the Issue were not being used for the purposes as disclosed in the DRHP; (ii) misstatement in the DRHP on there being no identifiable promoter; (iii) status of our Company as a CIC post completion of the Issue; (iv) criteria for checking the track record of running businesses as prescribed under the SFB Guidelines; (v) that the Issue is being undertaken for the avoidance of capital gains obligations; (vi) our Company having failed to fulfil the promoter contribution obligations as prescribed under the SFB Guidelines; (vii) equity shares being allotted to the foreign shareholders at a price below the book value; (viii) prudence of the Issue and eligibility of our Subsidiaries and not our Company to undertake the Issue; and (ix) dependence of the investors of our Company upon the dividend declared by the Subsidiaries, and consequently, lack of investor protection by our Company. Pursuant to letter dated January 29, 2016, the complaint was forwarded to Axis Capital. Accordingly, the BRLMs have through letter dated February 8, 2016, responded to SEBI. Our Company has denied all allegations made by the Complainant.

GOVERNMENT AND OTHER APPROVALS

On the basis of the list of material approvals provided below, our Company can undertake the Issue and our Company and the Subsidiaries can undertake each of their respective current business activities and other than as stated below, no further approvals from any regulatory authority is required to undertake the Issue or continue such business activities. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus.

A. Approvals in relation to the Issue

For details, see "Other Regulatory and Statutory Disclosures-Authority for the Issue" on page 711.

B. Approvals for our Company

We require various approvals to carry on our business in India. We have received the following major Government and other approvals pertaining to our business:

a. Incorporation details

(i) Certificate of incorporation dated June 22, 2007 issued to UPDB Micro Finance Private Limited by the RoC.

(ii) Fresh certificate of incorporation dated February 1, 2008 issued by the RoC upon change of name to Equitas Micro Finance India Private Limited.

(iii) Fresh certificate of incorporation dated February 29, 2012, issued by the RoC, upon change of name to Equitas Holdings Private Limited.

(iv) Fresh certificate of incorporation dated June 18, 2015, issued by the RoC, upon conversion of our Company into a public limited company.

b. Regulatory Approvals

(i) The FIPB through its letter dated January 19, 2012 approved foreign equity participation in our Company up to 79.68% and for conversion of our Company into a NBFC-Core Investment Company by demerging our microfinance business into one of our wholly owned subsidiaries.

(ii) The FIPB through its letter dated September 4, 2012 approved increase in foreign equity participation in our Company from 79.68% to 84.92%. Further, the FIPB took note of the change in name of our Company to Equitas Holdings Private Limited.

(iii) The FIPB through its letter dated October 11, 2013 approved increase in FDI by way of transfer of Equity Shares of our Company from residents to non-residents and increase in total foreign equity participation in our Company up to 88.81%.

(iv) The FIPB through its letter dated October 31, 2013 approved increase in FDI by way of issue of Equity Shares of our Company to certain non-residents and increase in total foreign equity participation in our Company up to 91.1% (84.30% on a fully diluted basis).

(v) The FIPB through its letter dated May 9, 2014 approved increase in FDI by way of transfer of Equity Shares from residents to non-residents and increase in total foreign equity participation in our Company up to 95.64% (89.30% on a fully diluted basis).

(vi) The FIPB through its letter dated September 8, 2014 approved transfer of 8,487,742 Equity Shares, constituting 11.63% of our Company's share capital, from a non-resident to another non-resident.

(vii) The FIPB through its letter dated September 8, 2014 approved transfer of 3,026,140 Equity Shares, constituting 4.15% of our Company's share capital, from a non-resident to another non-resident.

(viii) The FIPB through its letter dated November 3, 2014 approved increase in foreign equity participation in our Company from 91.30% to 93.12%.

(ix) The RBI issued an order dated December 3, 2012, pursuant to which our Company was designated as a Non Systemically Important Core Investment Company and the certificate of registration as a NBFC under Section 45 IA of the RBI Act was cancelled.

(x) The RBI granted an in-principle approval for setting up a new SFB under Section 22 of the Banking Regulation Act, 1949, subject to certain conditions through a letter dated October 7, 2015.

c. Approval from Taxation Authorities

(i) The permanent account number of our Company is AAACU9126C.

(ii) The tax deduction account number of our Company is CHEU03711B.

(iii) The service tax registration number of our Company is AAACU9126CST001.

(iv) The professional tax registration number of our Company is 09-111-PE-22764.

d. Other Approvals

(i) Letter dated February 6, 2015 from the Employees' Provident Fund Organization, Regional Office, Chennai, with respect to applicability of the EPF Act to our Company and allotting EPF Code number of 1041384000 to our Company.

C. Approvals for our Subsidiaries

EMFL

a. Incorporation details

(i) Certificate of incorporation dated July 7, 1994 issued by the RoC to Singhivi Investment & Finance Limited.

(ii) Fresh certificate of incorporation dated February 14, 2013, issued by the RoC consequent to change of name to Equitas Micro Finance Private Limited.

(iii) Fresh certificate of incorporation dated September 15, 2015, issued by the RoC, upon conversion into a public limited company.

b. Regulatory Approvals

(i) Certificate number B-07.00571 dated March 6, 2013, issued by the RBI to Equitas Micro Finance Private Limited, under Section 45 IA of the RBI Act to commence/carry on business of non banking financial institution without accepting public deposits, subject to conditions therein. A fresh certificate of registration was issued to EMFL consequent to change of name upon conversion to a public company on October 9, 2015.

c. Approval from Taxation Authorities

(i) Permanent account number of EMFL is AAACS7012F.

(ii) The tax deduction account number of EMFL is CHES36727F.

(iii) Service tax registration number is AAACS7012FSD001.

(iv) Profession tax new assessment number of EMFL is 09-139-PE-0290 for the state of Tamil Nadu. EMFL has several branches in certain states falling under the respective profession tax legislations. Accordingly, EMFL has obtained various registrations in its normal course and has either made an application to the appropriate authorities for renewal of such registration or is in the process of making such applications.

d. Other Approvals

(i) EMFL obtained ISO 9001:2008 certification on February 8, 2010 and subsequently renewed it on February 8, 2013.

(ii) The Employee Provident Fund organisation registration number of EMFL is TN/ 53112.

(iii) Letter dated February 7, 2008 issued by the Employees' State Insurance Corporation, Chennai bringing UPDB Micro Finance Private Limited within the purview of the ESI Act and allotting the code number of 51-88213-101 to EMFL.

(iv) EMFL has obtained registrations in its normal course for its branches across various states in India under the relevant shops and establishment legislations and has either made an application to the appropriate authorities for renewal of such registration or is in the process of making such applications.

EFL

a. Incorporation details

(i) Certificate of incorporation dated June 21, 1993 issued by the RoC as V.A.P Finance Private Limited.

(ii) Fresh certificate of incorporation dated March 30, 2011 issued by the RoC consequent to conversion into a private company.

(iii) Fresh certificate of incorporation dated August 12, 2011 issued by the RoC consequent to change of name to Equitas Finance Private Limited.

(iv) Fresh certificate of incorporation dated September 29, 2015, issued by the RoC, upon conversion into a public limited company.

b. Regulatory Approvals

(i) Certificate of registration bearing number B-07-00412 issued by the RBI under Section 45IA of the RBI Act to commence/carry on business of non banking financial institution dated October 10, 2012 subject to conditions therein. A fresh certificate of registration was issued to EFL consequent to change of name upon conversion to a public company on October 29, 2015.

c. Approval from Taxation Authorities

(i) The permanent account number of EFL is AAACV2544H.

(ii) The tax deduction account number of EFL is CHEV00751C.

(iii) The service tax registration number of EFL is AAACV2544HSD002.

(iv) The profession tax new assessment number of EFL is 09-139-PE-0404 for the state of Tamil Nadu. EFL has several branches in certain states falling under the respective professional tax legislations. Accordingly, EFL has obtained various registrations in its normal course and has either made an application to the appropriate authorities for obtaining or renewal of such registration or is in the process of making such applications.

d. Other Approvals

(i) EFL obtained ISO 9001:2008 certification on April 17, 2013.

(ii) The EPF Code number assigned by the Employee Provident Fund Organisation is 84602.

(iii) Letter dated October 20, 2011 issued by the Employees' State Insurance Corporation, Chennai bringing EFL within the purview of the ESI Act and allotting the code number of 51001014140001099 to EFL.

(iv) EFL has obtained registrations in its normal course for its branches across various states in India under the relevant state shops and establishment legislations and has either made an application to the appropriate authorities for obtaining or renewal of such registration or is in the process of making such applications.

(v) Corporate Agent license number CMG 9804582 issued under the IRDA (Licensing of Corporate Agents) Regulations, 2002 on December 16, 2013 valid till December 15, 2016.

EHFL

a. Incorporation details

(i) Certificate of incorporation dated May 14, 2010 issued by the RoC to Equitas Housing Finance Private Limited.

(ii) Fresh certificate of incorporation dated September 18, 2015, issued by the RoC, upon conversion into a public limited company.

b. Regulatory Approval

(i) Certificate number 01.0089.11 issued by National Housing Bank under the NHB Act dated January 24, 2011 to EHFL to carry on the business of a housing finance institution without accepting public deposits, subject to conditions therein.

(ii) Certificate number 01.0130.16 issued by National Housing Bank under the NHB Act dated January 15, 2016 to EHFL to carry on the business of a housing finance institution without accepting public deposits, subject to conditions therein, pursuant to change in name of EHFL from Equitas Housing Finance Private Limited on conversion to a public company.

c. Approval from taxation authorities

(i) The permanent account number of EHFL is AACCE4185B.

(ii) The tax deduction account number of EHFL is CHEE05119C.

(iii) The service tax registration number of EHFL is AACCE4185BSD001.

(iv) The profession tax new assessment number of EHFL is 09-139-PE-0393 for the state of Tamil Nadu. EHFL has obtained profession tax registration in its normal course for its branches located in various states in India.

d. Other Approvals

(i) EHFL obtained ISO 9001:2008 certification on April 17, 2013.

(ii) The Employee Provident Fund organisation registration number of EHFL is 83280.

(iii) Letter dated July 23, 2011 issued by the Employees' State Insurance Corporation, Chennai, bringing EHFL within the purview of the ESI Act and allotting the code number of 51001008920001017.

(iv) EHFL has obtained various registrations in its normal course for its branches across various states in India under the relevant state shops and establishment legislations and has either made an application to the appropriate authorities for renewal of such registration or is in the process of making such applications.

(v) Notification no. S.O. 3466 (E) dated December 18, 2015, issued by the Ministry of Finance (Department of Financial Services) under provisions of the SARFAESI Act, pursuant to which the Central Government classified EHFL and certain other housing finance companies as a "financial institution" for the purposes of the SARFAESI Act.

ETPL

a. Incorporation details

(i) Certificate of incorporation dated October 27, 2015 issued by the RoC.

b. Approval from taxation authorities

(i) The permanent account number of ETPL is AAECE0871E.

(ii) The tax deduction account number of ETPL is CHEE06634F.

(iii) The service tax registration number of ETPL is AAECE0871ESD001.

(iv) ETPL has several branches in certain states falling under the respective professional tax legislations. Accordingly, ETPL has obtained various registrations in its normal course for its branches and has either made an application to the appropriate authorities for obtaining such registrations or is in the process of making such applications.

c. Other Approvals

(i) ETPL has obtained various registrations in its normal course for its branches across various states in India under the relevant state shops and establishment legislations and has either made an application to the appropriate authorities for obtaining such registrations or is in the process of making such applications.

For details in relation to our intellectual property related approvals, see "Business – Intellectual Property" on page 201.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has approved the Issue pursuant to resolutions passed at their meetings held on August 7, 2015 and March 3, 2016 and our Shareholders have approved the Issue pursuant to resolutions passed at their meetings held on September 7, 2015 and March 7, 2016.

The Selling Shareholders have approved the transfer of their respective portion of the Offered Shares pursuant to the Offer for Sale as set out below:

Sr. No.	Name of the Selling Shareholder	Date of board resolution/ authorisation letter	Number of the Equity Shares offered for sale
1.	IFC	August 19, 2013	up to 16,463,772
2.	FMO	October 13, 2015*	up to 11,926,668
3.	Aavishkaar	September 7, 2015	up to 4,999,998
4.	Aquarius	September 10, 2015	up to 7,153,038
5.	Creation	September 2, 2015	up to 868,125
6.	Helion	October 6, 2015 and March 4, 2016	up to 4,288,648
7.	IFIF	September 21, 2015**	up to 25,938,594
8.	Lumen	September 16, 2015	up to 22,571,820
9.	MVH	September 10, 2015	up to 16,975,484
10.	Sarva	September 9, 2015 and March 4, 2016	up to 6,635,770
11.	Sequoia	October 6, 2015	up to 12,840,861
12.	WestBridge	October 12, 2015	up to 1,583,106
13.	P. N. Vasudevan	October 12, 2015	up to 180,000
	Total		**up to 132,425,884**

* *The Offer for Sale has been authorised by the board of directors of FMO through resolution dated September 15, 2015 and authorization letter dated October 13, 2015.*

** *The Offer for Sale of up to 26,229,885 has been authorised by the board of directors of IFIF on September 21, 2015. By consent letter dated October 12, 2015, IFIF has provided its consent to offer up to 25,938,594 Equity Shares.*

The Selling Shareholders have, severally and not jointly, specifically confirmed that the Equity Shares, proposed to be offered and sold by each of the Selling Shareholders in the Offer for Sale have been held by such Selling Shareholders for a period of at least one year prior to the filing of the Draft Red Herring Prospectus, and that Equity Shares proposed to be offered and sold by it are free from any lien, charge, encumbrance or contractual transfer restrictions. Each of the Selling Shareholder has also confirmed that it is the legal and beneficial owners of the Equity Shares being offered under the Offer for Sale.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated November 10, 2015 and November 17, 2015, respectively.

Our Company had applied to the FIPB on October 31, 2015 for the participation of eligible non-resident investors, including without limitation, eligible FPIs, FIIs and NRIs pursuant to the Issue. Pursuant thereto, in order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company has decided to Allocate the Equity Shares in the Issue only to resident Indian Bidders and restrict subscription from non-resident applicants (including FIIs, FPIs, FVCIs and multilateral and bilateral organizations). The Board approved the withdrawal of the application made to the FIPB, pursuant to the resolution passed on March 3, 2016. Our Company thereafter withdrew the application made to the FIPB on March 4, 2016.

In terms of the SFB In-Principle Approval, any change of shareholding by way of fresh issue or transfer of shares, from the date of in-principle approval for banking license, to the extent of 5% or more in the promoting entity of the bank shall be with the prior approval of the RBI. Accordingly, our Company, through its letter dated November 4, 2015, applied to the RBI for, among other things, (i) approval for change in shareholding of our Company pursuant to the Issue; and (ii) clarification in relation to post listing of Equity Shares on the stock exchanges wherein our Company will be unable to monitor if the aggregate trading of its Equity Shares on the floor of the recognised stock exchanges (including by any single shareholder or group) is 5% or more of the post Issue paid-up share capital of our Company. The RBI Approval Letter has accorded approval for, among other things, the listing of Equity Shares on the floor of the recognised stock exchanges. Further, in terms of the RBI Approval Letter, the RBI has communicated that in the event investors acquire a stake of 5% or more in our Company through the Issue, they would require approval from the RBI.

As of the date hereof, it is unclear whether the restrictions mentioned above are applicable to an investing entity individually or to a "group" of related entities as described under Regulation 12B of the Banking Regulation Act. Under Section 12B of the Banking Regulation Act, a "group" includes the investing entity together with any persons acting in concert with such entity, his "relatives" (if applicable) and the "associate enterprises" of such investing entity.

Our Company has, by way of abundant caution, decided to apply such restrictions to each "group" of entities investing in the Issue. Accordingly, any Bidder who, either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), shall obtain a valid and subsisting approval of the RBI, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company. If any Bidder either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), but does not obtain and submit such RBI approval in the manner and within the timeline described below, such Bidder and the members of its group shall be considered for Allotment of only up to 4.99% of the post Issue share capital of our Company, which shall be done on a pro-rata basis.

Please note that our Company, the BRLMs and the Registrar to the Issue will rely strictly and solely on the RBI approvals received from Bidders for making any Allotments to any Bidder together with members of its group for more than 4.99% of the post Issue share capital of the Company. Our Company, the Registrar to the Issue and BRLMs will not exercise any discretion or judgment in identifying the group of any Bidder and will not be responsible, directly or indirectly, for the consequences of any Bidder and the members of its group acquiring any Equity Shares in excess of 4.99% of the post Issue share capital of the Company without a valid and subsisting RBI approval.

A clearly legible copy of the RBI approval together with the application submitted for such RBI approval must be submitted by the Bidders, either with the Bid cum Application Form submitted by such Bidder or to the Registrar to the Issue at any time prior to the date falling one day before the date for finalisation of the Basis of Allotment, together with the members of its group, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company.Any RBI approvals annexed to the Bid cum Application Form should also be submitted by the Bidder to the Registrar to the Issue.Such RBI approval together with the application submitted for such RBI approval should clearly mention the name(s) of the entities which propose to Bid in the Issue, and the maximum permitted holding of Equity Shares by the members of such group. All allotments to such Bidders and the members of their respective groups, shall be in accordance with and subject to the conditions contained in such RBI approval.

Under the Banking Regulation Act, an "associated enterprise" of an entity is defined to mean a company, whether incorporated or not, which (i) is a holding company or a subsidiary company of such entity; (ii) is a joint venture of such entity; (iii) controls the composition of the board of directors or other body governing of such entity; (iv) exercises, in the opinion of the RBI, significant influence on such entity in taking financial or policy decisions; or (v) is able to obtain economic benefits from the activities of such entity. A "relative" is defined to have the meaning given to such term under the Companies Act, 1956. Further, under the Banking Regulation Act, persons shall be deemed to be "acting in concert" who, for a common objective or purpose of the acquisition of shares or voting rights in excess of the percentage mentioned in Section 12B of the Banking Regulation Act, pursuant to an agreement or understanding (formal or informal),directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights a banking company.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Further, pursuant to the terms of the RBI Approval Letter, the Articles of Association have also been amended to state that no person, shall, except with the prior approval of the RBI, undertake change in shareholding of our Company to the extent of 5% or more of the post-Issue paid-up share capital of our Company or such other percentage as may be prescribed by the RBI from time to time by way of fresh issue or transfer of Equity Shares. For further details, see 'Main Provisions of Articles of Association" on page 797.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Directors, our Group Companies have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Each Selling Shareholder, severally and not jointly, specifically confirms that they have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Directors are or were associated as promoter, directors or persons in control have not been prohibited from accessing in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than N. Rangachary, Jayshree Ashwinkumar Vyas, Viswanatha Prasad Subbaraman and Vinod Kumar Sharma, none of our Directors are in any manner associated with the securities market. Except as disclosed in "Outstanding Litigation and Material Developments" on page 701, there has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

Prohibition by RBI

None of our Company or our Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by any of them in the past or are currently pending against any of them. Each Selling Shareholder, severally and not jointly, specifically confirms that they have not been identified as wilful defaults by the RBI or any other governmental authority. There are no violations of securities laws committed by the respective Selling Shareholders in the past or are currently pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI Regulations, and as calculated from the Restated Financial Statements prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations:

- our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets;
- our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- our Company has a pre-Issue net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- the proposed Issue size does not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2015; and
- Our Company was converted into a public limited company on June 18, 2015 and consequently, the name was changed to Equitas Holdings Limited. For details of changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 220. However, there has not been any corresponding change in the business activities of our Company.

Our Company's net worth, net tangible assets and pre-tax operating profit, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Summary Statements included in this Red Herring Prospectus as at and for the five years ended Financial Year 2015 are set forth below:

(₹ in million, except percentage values)

Particulars	Financial year ended March 31, 2015		Financial year ended March 31, 2014		Financial year ended March 31, 2013		Financial year ended March 31, 2012		Financial year ended March 31, 2011	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net tangible assets(1)	9,569.48	44,392.18	6,325.95	27,348.34	4,362.97	18,370.03	2,975.98	9,503.40	9,606.23	9,588.39
Pre-tax Operating Profit	38.12	1,635.56	12.80	1,138.11	17.37	397.64	(11.29)	116.61	455.02	440.40
Net Worth	9,557.96	11,706.30	6,317.72	7,416.65	4,359.11	4,719.42	2,970.64	3,022.52	3,034.07	3,017.97
Monetary assets	298.24	7,328.85	90.96	4,147.07	50.15	4,459.93	17.07	1,844.58	2,313.63	2,417.45
Monetary assets as a percentage of the net tangible assets	3.12%	16.51%	1.44%	15.16%	1.15%	24.28%	0.57%	19.41%	24.08%	25.21%

(1) 'Net tangible assets' = Total assets – Intangible assets – Deferred tax – Goodwill on consolidation

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE RESPECTIVE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED BY SUCH SELLING SHAREHOLDERS IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND THEIR RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE

COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 16, 2015 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956 AND THE COMPANIES ACT, 2013, AS APPLICABLE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE.</u>

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. – <u>NOT APPLICABLE</u>

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE

FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – NOT APPLICABLE

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.- COMPLIED WITH.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE. –NOTED FOR COMPLIANCE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY M/S KUMBHAT & CO., CHARTERED ACCOUNTANTS, PURSUANT TO A CERTIFICATE DATED OCTOBER 14, 2015.**

The filing of this Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, our Directors, and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.equitas.in, would be doing so at his or her own risk. The Selling Shareholders, their respective directors, affiliates, associates, and officers accept no responsibility for any statements made other than those specifically made by each of the Selling Shareholders in relation to such Selling Shareholder and the respective portion of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company and the BRLMs to the public and Bidders at large. No selective or additional information would be available by our Company, each of the Selling Shareholders or the BRLMs for a section of the Bidders in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate are liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, Underwriters, and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, each of the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, each of the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Price information of past issues handled by the BRLMs

A. Axis

1. Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % 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
1	Narayana Hrudayalaya Limited	6,130.82	250	January 6, 2016	291.00	+28.76%[-4.35%]	-	-
2	Alkem Laboratories Limited[1]	13,477.64	1050	December 23, 2015	1380.00	+30.34%[-7.49%]	+28.60%[-2.06%]	-
3	Coffee Day Enterprises Ltd	11,500.00	328	November 2, 2015	317.00	-21.42%[-1.19%]	-20.76%[-6.15%]	-
4	Pennar Engineered Building Systems Limited	1561.90	178	September 10, 2015	177.95	-5.93%[+5.16%]	-11.26%[-1.11%]	-17.39%[-3.89%]
5	Navkar Corporation Limited	6,000.00	155	September 9, 2015	152.00	+0.97%[+3.97%]	+26.00%[-0.68%]	+6.29%[-4.26%]
6	Syngene International Limited	5,500.00	250	August 11, 2015	295.00	+36.00%[-7.61%]	+44.90%[-6.47%]	+57.20%[-12.70%]
7	UFO Moviez India Limited	6,000.00	625	May 14, 2015	600.00	-11.68%[-2.93%]	-3.18%[+2.90%]	-18.27%[-3.76%]
8	Inox Wind Limited[2]	10,205.30	325	April 9, 2015	400.00	+28.54%[-6.68%]	+42.42%[-3.05%]	+11.20%[-7.51%]
9	Monte Carlo Fashions Limited	3,504.30	645	December 19, 2014	584.00	-26.20%[+3.96%]	-23.57%[+5.60%]	-20.88%[-2.16%]

Source: www.nseindia.com

[1] *Price for eligible employees was ₹950.00 per equity share*
[2] *Price for retail individual bidders and eligible employees was ₹310.00 per equity share*

Notes:

(a) The CNX NIFTY is considered as the Benchmark Index.
(b) Price on NSE is considered for all of the above calculations.
(c) In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.
(d) Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2015-2016*	8	60,375.66	0	0	3	0	4	1	0	0	2	1	0	2
2014-2015	1	3,504.30	0	1	0	0	0	0	0	0	1	0	0	0
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* *The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. Edelweiss

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Edelweiss:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % 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
1	Alkem Laboratories Limited@	13,477.64	1,050.00	December 23, 2015	1,380.00	30.34%; [-7.49%]	28.60%, [-2.06%]	*N.A.*
2	Coffee Day Enterprises Limited	11,500.00	328.00	November 2, 2015	317.00	-21.42%; [-1.19%]	-20.76% ;[-6.15%]	*N.A.*
3	Prabhat Dairy Limited^	3,561.88	115.00	September 21, 2015	113.00	11.78% ; [3.57]	30.83%, [-1.79%]	-5.48%, [-4.67%]
4	Sadhbav Infrastructure Project Limited	4,916.57	103.00	September 16, 2015	111.00	-2.28%, [3.55%]	-5.63%; [-3.15%]	-14.56%, [-4.56%]
5	Navkar Corporation Limited	6,000.00	155.00	September 9,2015	152.00	0.97%, [3.97%]	26.00%; [-0.68%]	6.29%, [-4.26%]
6	Inox Wind Limited*	10,205.34	325.00	April 9, 2015	400.00	28.54%, [-6.68%]	42.42%, [-3.05%]	11.20%, [-7.51%]
7	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	584.00	-26.20%, [3.96%]	-23.57%, [5.60%]	-20.88%, [-2.16%]
8	Sharda Cropchem	3,518.60	156.00	September 23, 2014	260.00	61.06%, [-0.27%]	63.56%, [3.82%]	91.35%, [6.65%]

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % 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
	Limited							
9	Wonderla Holidays Limited	1,812.50	125.00	May 9, 2014	160.00	72.92%, [11.60%]	78.96%, [11.86%]	162.32%, [21.57%]

Source: www.nseindia.com

@ *Alkem Laboratories Limited - Discount of ₹100 per equity share offered to eligible employees. All calculations are based on offerprice ₹1,050.00 per equity share.*
* *Inox Wind Ltd - Discount of ₹15 per equity share offered to retail investors and eligible employees. All calculations are based on issue price of ₹325.00 per equity share.*
^ *Prabhat Dairy Ltd - Discount of ₹5 per equity share offered to retail investors. All calculations are based on issue price of ₹115.00 per equity share.*

Notes

(a). Based on date of listing.
(b). % of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
(c). Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
(d). The Nifty 50 index is considered as the Benchmark Index
(e). N.A. – Period not completed

2. *Summary statement of price information of past issues handled by Edelweiss:*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 till the date of filing of the Red Herring Prospectus^	6	49,661.43	-	-	2	-	2	2	-	-	2	-	-	2
2014-15	3	8,835.40	-	1	-	2	-	-	-	-	1	2	-	-
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Based on date of listing.
2. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
3. *The Nifty 50 index is considered as the Benchmark Index*
^ *For the current financial year - 180 days period completed for 4 issues.*

C. HSBC

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by HSBC:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % 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
1	VRL Logistics Limited	4,679.00	205.00	April 30, 2015	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]

Notes:

1. *All above data is of NSE (Website www.nseindia.com)*
2. *Benchmark Index considered above in all the cases was NIFTY*
3. *10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day*

2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by HSBC:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-15	1	4,679.00	-	-	-	1	-	-	-	-	-	1	-	-
2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- *All above data is of NSE (Website www.nseindia.com)*
- *Benchmark Index considered above in all the cases was NIFTY*
- *10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day*

D. I-Sec

1. Price information of past issues handled by I-Sec:

Sr. No.	Issue Name	Issue Size (₹ Mn)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % 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
1	Shemaroo Entertainment Limited	1,200.00	170.00(1)	October 1, 2014	180.00	-5.74%, [+2.81%]	-5.88%, [+3.79%]	+5.85%, [+6.88%]
2	Wonderla Holidays Limited	1,812.50	125.00	May 9, 2014	160.00	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]
3	VRL Logistics Limited	4,678.78	205.00	April 30, 2015	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
4	PNC Infratech Limited	4,884.41	378.00	May 26, 2015	387.00	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%,[-5.88%]
5	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.20%, [+2.83%]	+36.53%, [-2.11%]	+58.34%,[-6.45%]
6	Sadbhav Infrastructure Project Limited	4,916.57	103.00	September 16, 2015	111.00	-2.28%, [+3.55%]	-5.63, [-3.15]	-14.56%,[-4.56%]
7	Teamlease Services Limited	4,236.77	850.00	February 12, 2016	860.00	15.34%, [+7.99%]	-	-
8	Quick Heal Technologies Limited	4,512.53	321.00	February 18, 2016	305.00	-31.56%, [+5.74%]	-	-

1) *Discount of ₹17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹ 170.00 per equity share*

Notes:

1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

2. *Summary statement of price information of past issues handled by I-Sec*:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	1	2	1	-
2014-15	2	3,012.50	-	-	1	1	-	-	-	-	-	1	-	1
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com, www.bseindia.com

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	Edelweiss Financial Services Limited	www.edelweissfin.com
3.	HSBC Securities and Capital Markets (India) Private Limited	www.hsbc.co.in/1/2/corporate/equitiesgloablinvestment-banking
4.	ICICI Securities Limited	www.icicisecurities.com

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army, navy or air force and insurance funds set up and managed by the Department of Posts, India). In order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories. This Red Herring Prospectus does not constitute an invitation to subscribe to/or purchase shares offered hereby in any jurisdiction other than India. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under 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.

Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer Clause of RBI

The RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of our Company or for the correctness of any of the statements or representation made or opinions expressed by our Company and for discharge of liability of our Company.

Disclaimer Clause of BSE

"BSE Limited ("the Exchange") has given vide its letter dated November 10, 2015, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

(a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

(b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

(c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".

Disclaimer Clause of the NSE

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/49503 dated November 06, 2015 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything state or omitted to be stated herein or any other reason whatsoever."

Filing

A copy of the Draft Red Herring Prospectus was filed with SEBI at Corporate Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

A copy of this Red Herring Prospectus, along with the documents is required to be filed under Section 32 of the Companies Act, 2013 has been delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, Chennai, Tamil Nadu located at Block No. 6, B Wing, 2nd Floor, Shastri Bhavan 26, Haddows Road, Chennai 600 034.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay all moneys received from the Bidders in pursuance of this Red Herring Prospectus / Prospectus. If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, each of the Selling Shareholders will forthwith repay all moneys received from the Bidders in pursuance of this Red Herring Prospectus / Prospectus. If such money is not repaid within the prescribed time, then our

Company, the Selling Shareholders and every officer in default may, on and from the expiry of such period, be liable to repay the money, with interest, as discussed in this Red Herring Prospectus / Prospectus. For the avoidance of doubt, subject to Applicable Law, a Selling Shareholder shall not be responsible to pay interest for all delay, except to the extent such delay has been caused solely by such Selling Shareholder.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all Stock Exchanges mentioned above are taken within six Working Days from the Bid/Issue Closing Date. The Selling Shareholders shall extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by the Selling Shareholders in the Offer for Sale) at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/Issue Closing Date or such other timeline as prescribed by law.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, Statutory Auditor, Selling Shareholders, legal counsels, Banker/Lenders to our Company and (b) the BRLMs, the Syndicate Member, the Escrow Collection Banks, Refund Bank and the Registrar to the Issue to act in their respective capacities, have been obtained / will be obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI Regulations, our Statutory Auditor, namely Deloitte Haskins & Sells, has given its written consent for inclusion of its reports on the unconsolidated and consolidated Restated Financial Statements, each dated February 5, 2016, the Subsidiary Restated Financial Statements (EHFL dated February 2, 2016, EFL dated February 3, 2016, EMFL dated February 4, 2016 and ETPL dated February 4, 2016, and the statement of tax benefits dated March 8, 2016 in the form and context, included in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with SEBI.

Expert to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, Deloitte Haskins and Sells, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditor on the unconsolidated and consolidated Restated Financial Statements, each dated February 5, 2016, the Subsidiary Restated Financial (EHFL dated February 2, 2016, EFL dated February 3, 2016, EMFL dated February 4, 2016 and ETPL dated February 4, 2016 and the statement of tax benefits dated March 8, 2016 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. The term “expert” and consent thereof does not represent an expert or consent within the meaning under the 1933 Securities Act of the United States of America.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, processing fee to the SCSBs for processing Bid cum Application Forms submitted by ASBA Bidders procured by the Syndicate and submitted to the SCSBs and Registrar to the Issue, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Issue expenses, see “Objects of the Issue” on pages 138 and 139.

All expenses in relation to the Issue will be shared amongst our Company and Selling Shareholders in accordance with applicable law.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Issue Agreement with the BRLMs and the Syndicate Agreement.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to the SCSBs, Registered Brokers, RTAs and CDPs, see "Objects of the Issue" on pages 138 and 139.

Fees Payable to the Registrar to the Issue

The fees payable by to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement which will be available for inspection at the registered office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post /under certificate of posting.

The Selling Shareholders will reimburse our Company a part of the expenses incurred proportionately.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of the Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "Capital Structure" on page 116, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Subsidiaries and Group Companies of our Company

None of the Subsidiaries or Group Companies of our Company is listed on any Stock Exchange.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies

Our Company has not undertaken any previous public or rights issue. None of the Group Companies have undertaken any public or rights issue in the last 10 years preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds issued by our Company as of the date of filing this Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Outstanding Preference Shares

There are no outstanding preference shares as on date of this Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders Relationship Committee comprising P. T. Kuppuswamy, Arun Ramanathan, P. V. Rajaraman and P. N. Vasudevan as members. For details, see "Management" on page 250.

Our Company has also appointed Jayashree S. Iyer as the Compliance Officer for the Issue and she may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Jayashree S. Iyer

410A, 4th Floor, Spencer Plaza
Phase II, No. 769, Mount Road
Anna Salai, Chennai 600 002
Tel: (91 44) 4299 5075
Fax: (91 44) 4299 5050
Email: secretarial@equitas.in

Changes in Auditor

Our Company has not changed its auditors in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "Capital Structure" on page 134.

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956

There are no listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 and therefore there are no investor complaints pending against such companies.

Revaluation of Assets

Our Company has not re-valued its assets since its incorporation.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act and the Memorandum of Association and Articles of Association, the SEBI Listing Regulations and shall rank *pari passu* in all respects with the existing Equity Shares including rights to receive dividend. The Allottees, upon Allotment, of the Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of the Articles of Association” beginning on page 790.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and the Articles of Association and provisions of the SEBI Listing Regulations. For further details in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 263 and 790, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 per Equity Share and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band will be decided by our Majority Investors in consultation with our Company and the BRLMs. The minimum bid lot and 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 discount, if any, 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 with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of our Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum of Association and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "Main Provisions of Articles of Association" beginning on page 790.

Option to Receive Securities in Dematerialised Form

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated January 10, 2011 entered into between NSDL, our Company and the Registrar to the Issue; and
- Agreement dated April 5, 2010 entered into between CDSL, our Company and the Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the Registrar and Share Transfer Agent of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

(i) to register himself or herself as the holder of the Equity Shares; or

(ii) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the Bidder would prevail. If the Bidders require changing of their nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company and the Selling Shareholders, severally and not jointly, in consultation with the BRLMs, reserve the right not to proceed with the Fresh Issue and / or the Offer for Sale, in whole or any part thereof, after the Bid/Issue Opening Date but before the Allotment. In the event that the Company and the Selling Shareholders in consultation with the BRLMs, decide not to proceed with the Issue at all, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for such decision. In such event the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a fresh issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/ Issue Programme

BID/ ISSUE OPENS ON	April 5, 2016(1)
BID/ISSUE CLOSES ON	April 7, 2016

(1) Our Company, may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI Regulations, i.e. April 4, 2016.

An indicative timetable in respect of the Issue is set out below:

Event	**Indicative Date**
Bid/Issue Closing Date	April 7, 2016
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about April 13, 2016
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about April 18, 2016
Credit of Equity Shares to demat accounts of Allottees	On or about April 20, 2016
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about April 21, 2016

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/ Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and

commencement of trading of the Equity Shares (offered by each such Selling Shareholders in the Offer for Sale) at all Stock Exchanges within six Working Days from the Bid/ Issue Closing Date.

Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time ("IST")

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on business days i.e. Monday to Friday (excluding any public holiday). Our Company, or any of the Selling Shareholders or the members of Syndicate are not liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

The Majority Investors in consultation with our Company and the BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the other members of the Syndicate Member.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) for at least such percentage of the post-Issue Equity Share capital of our Company that will be at least ₹ 4,000 million calculated at the Issue Price, in terms of Rule 19(2)(b)(ii) of the SCRR, our Company shall forthwith refund the entire subscription money received, but not later than: (a) 15 days of the Bid/Issue Closing Date in case of a non-under written Issue; and (b) in 70 days in case of an underwritten Issue where minimum subscription including devolvement obligations paid by Underwriters is not received within 60 days from the date of Bid/ Issue Closing Date. Such application money to be refunded shall be credited only to the bank account from which the subscription was remitted. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

The requirement of minimum subscription is not applicable to the Offer for Sale. In case of any under-subscription in the Issue, Equity Shares offered pursuant to the Fresh Issue shall be allocated prior to Equity Shares offered pursuant to the Offer for Sale.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Share capital of our Company and the Anchor Investor lock-in of Equity Shares as detailed in "Capital Structure" on pages 116 and 117 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "Main Provisions of the Articles of Association" beginning on page 790.

Retail Discount

The Retail Discount, if any, will be offered to Retail Individual Bidders at the time of making a bid. Retail Individual Bidders bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount does not exceed ₹ 200,000. Retail Individual Bidders must mention the Bid Amount while filling the Bid cum Application Form.

Employee Discount

The Employee Discount, if any, will be offered to Eligible Employees at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Eligible Employees must ensure that the Bid Amount does not exceed ₹ 200,000. Eligible Employees must mention the Bid Amount while filling the Bid cum Application Form.

No subscription by Non-Residents

The RBI has granted our Company the SFB In-Principle Approval. Pursuant to the SFB Guidelines and the SFB In-Principle Approval, our Company is required to, inter-alia, reduce its non-resident shareholding to below 49% and be "owned and controlled" by resident Indians (the "**Minimum Indian Shareholding Requirement**") prior to applying for a banking license (on or prior to April 6, 2017). As of the date hereof, 92.64% of the paid up equity share capital of our Company is held by non-residents. In order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company has decided to Allocate the Equity Shares in the Issue only to resident Indian Bidders and restrict subscription from non-resident applicants (including FIIs, FPIs, FVCIs and multilateral and bilateral organizations). Such Allocation to resident Indian Bidders shall be across all categories.

Basis of Allocation

The Basis of Allocation shall be subject to the following:

In terms of the RBI Approval Letter, the RBI has communicated that any investor that wishes to acquire 5% or more of the post-Issue paid-up share capital of our Company whether pursuant to the Issue or otherwise, would require the prior approval of the RBI. Accordingly, pursuant to the terms of the RBI Approval Letter, the Articles of Association have also been amended to state that no person, shall, except with the prior approval of the RBI, undertake change in shareholding of our Company to the extent of 5% or more of the post-Issue paid-up share capital of our Company or such other percentage as may be prescribed by the RBI from time to time by way of fresh issue or transfer of Equity Shares.

As of the date hereof, it is unclear whether the restrictions mentioned above are applicable to an investing entity individually or to a "group" of related entities as described under Regulation 12B of the Banking Regulation Act. Under Section 12B of the Banking Regulation Act, a "group" includes the investing entity together with any persons acting in concert with such entity, his "relatives" (if applicable) and the "associate enterprises" of such investing entity.

Our Company has, by way of abundant caution, decided to apply such restrictions to each "group" of entities investing in the Issue. Accordingly, any Bidder who, either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), shall obtain a valid and subsisting approval of the RBI, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company. If any Bidder either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), but does not obtain and submit such RBI approval in the manner and within the timeline described below, such Bidder and the members of its group shall be considered for Allotment of only up to 4.99% of the post Issue share capital of our Company, which shall be done on a pro-rata basis.

Please note that our Company, the BRLMs and the Registrar to the Issue will rely strictly and solely on the RBI approvals received from Bidders for making any Allotments to any Bidder together with members of its group for more than 4.99% of the post Issue share capital of our Company. Our Company, the Registrar to the Issue and BRLMs will not exercise any discretion or judgment in identifying the group of any Bidder and will not be responsible, directly or indirectly, for the consequences of any Bidder and the members of its group acquiring any Equity Shares in excess of 4.99% of the post Issue share capital of our Company without a valid and subsisting RBI approval.

A clearly legible copy of the RBI approval together with the application submitted for such RBI approval must be submitted by the Bidders, either with the Bid cum Application Form submitted by such Bidder or to the Registrar to the Issue at any time prior to the date falling one day before the date for finalisation of the Basis of Allotment, together with the members of its group, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company.Any RBI approvals annexed to the Bid cum Application Form should also be submitted by the Bidder to the Registrar to the Issue.Such RBI approval together with the application submitted for such RBI approval should clearly mention the name(s) of the entities which propose to Bid in the Issue, and the maximum permitted holding of Equity Shares by the members of such group. All allotments to such Bidders and the members of their respective groups, shall be in accordance with and subject to the conditions contained in such RBI approval.

Under the Banking Regulation Act, an "associated enterprise" of an entity is defined to mean a company, whether incorporated or not, which (i) is a holding company or a subsidiary company of such entity; (ii) is a joint venture of such entity; (iii) controls the composition of the board of directors or other body governing of such entity; (iv) exercises, in the opinion of the RBI, significant influence on such entity in taking financial or policy decisions; or (v) is able to obtain economic benefits from the activities of such entity. A "relative" is defined to have the meaning given to such term under the Companies Act, 1956. Further, under the Banking Regulation Act, persons shall be deemed to be "acting in concert" who, for a common objective or purpose of the acquisition of shares or voting rights in excess of the percentage mentioned in Section 12B of the Banking Regulation Act, pursuant to an agreement or understanding (formal or informal),directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights a banking company.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

ISSUE STRUCTURE

Issue of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 7,200 million by our Company and an Offer of Sale aggregating to up to ₹[●] million, comprising of up to 16,463,772 Equity Shares by IFC, up to 11,926,668 Equity Shares by FMO, up to 4,999,998 Equity Shares by Aavishkaar, up to 7,153,038 Equity Shares by Aquarius, up to 868,125 Equity Shares by Creation, up to 4,288,648 Equity Shares by Helion, up to 25,938,594 Equity Shares by IFIF, up to 22,571,820 Equity Shares by Lumen, up to 16,975,484 Equity Shares by MVH, up to 6,635,770 Equity Shares by Sarva, up to 12,840,861 Equity Shares by Sequoia, up to 1,583,106 Equity Shares by WestBridge and up to 180,000 Equity Shares by P.N. Vasudevan. The Issue comprises of a Net Issue of [●] Equity Shares to the Public 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 Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company and the Net Issue will constitute [●] % of the post Issue paid-up Equity Share Capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation*[2]	Not more than [●] Equity Shares available for allocation	[●] Equity Shares	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation
Percentage of Issue Size available for Allotment/allocation	Approximately [●] % of the Issue Size	50% of the Issue shall be available for Allocation to QIB Bidders. However, at least 5 % of the Net QIB Portion shall be available for allocation proportionately to mutual funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund reservation will be added to the Net QIB Portion	Not less than 15% of the Net Issue shall be available for allocation	Not less than 35% of the Net Issue shall be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot,

Particulars	Eligible Employees	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
		Shares shall be allocated on a proportional basis to Mutual Funds only; (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above; and (c) [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors		subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis
Minimum Bid	[●] Equity Shares net of Employee Discount and in multiples of [●] Equity Share thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares net of Retail Discount and in multiples of [●] Equity Shares thereafter
Maximum Bid Bidders bidding for more than 5% of the post-Issue paid up capital of our Company (assuming the Fresh Issue is fully subscribed) will require the prior approval of the RBI. For further details, see "Issue Structure – Basis of Allocation" beginning on page 734 and 735.	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits to the Bidder	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits to the Bidder	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000 net of Retail Discount
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialized form.			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Trading Lot	One Equity Share			
Who can apply[3] **THIS ISSUE IS BEING MADE ONLY TO RESIDENT INDIAN BIDDERS AND THE EQUITY SHARES IN THIS ISSUE WILL NOT IN ANY CIRCUMSTANCE BE OFFERED TO**	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, domestic VCFs, domestic AIFs, state industrial	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts	Resident Indian individuals, and HUFs (in the name of Karta)

Particulars	Eligible Employees	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
PERSONS IN ANY JURISDICTION OUTSIDE INDIA		development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India		
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[(3)]			

* *Assuming full subscription in the Issue*

(1) *Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Issue Procedure" on page 777 and 778.*

(2) *Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b)(ii) of the SCRR, as the post-Issue Capital of our Company is more than ₹ 16,000 million but less than ₹ 40,000 million, the Equity Shares issued in the Issue shall aggregate to at least such percentage of the post-Issue Equity Share capital of our Company (calculated at the Issue Price) that will be at least ₹ 4,000 million. The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Further, [●] Equity Shares aggregating to ₹ [●] million will be available for allocation on a proportionate basis to Eligible Employees subject to valid Bids being received at or above the Issue Price. In order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint*

names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(3) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, see "Section 7: Allotment Procedure and Basis of Allotment" beginning on page 776.

In terms of the RBI Approval Letter, the RBI has communicated that any investor that wishes to acquire 5% or more of the post-Issue paid-up share capital of our Company whether pursuant to the Issue or otherwise, would require the prior approval of the RBI. Accordingly, pursuant to the terms of the RBI Approval Letter, the Articles of Association have also been amended to state that no person, shall, except with the prior approval of the RBI, undertake change in shareholding of our Company to the extent of 5% or more of the post-Issue paid-up share capital of our Company or such other percentage as may be prescribed by the RBI from time to time by way of fresh issue or transfer of Equity Shares.

As of the date hereof, it is unclear whether the restrictions mentioned above are applicable to an investing entity individually or to a "group" of related entities as described under Regulation 12B of the Banking Regulation Act. Under Section 12B of the Banking Regulation Act, a "group" includes the investing entity together with any persons acting in concert with such entity, his "relatives" (if applicable) and the "associate enterprises" of such investing entity.

The Company has, by way of abundant caution, decided to apply such restrictions to each "group" of entities investing in the Issue. Accordingly, any Bidder who, either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), shall obtain a valid and subsisting approval of the RBI, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company. If any Bidder either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), but does not obtain and submit such RBI approval in the manner and within the timeline described below, such Bidder and the members of its group shall be considered for Allotment of only up to 4.99% of the post Issue share capital of our Company, which shall be done on a pro-rata basis.

Please note that our Company, the BRLMs and the Registrar to the Issue will rely strictly and solely on the RBI approvals received from Bidders for making any Allotments to any Bidder together with members of its group for more than 4.99% of the post Issue share capital of our Company. Our Company, the Registrar to the Issue and BRLMs will not exercise any discretion or judgment in identifying the group of any Bidder and will not be responsible, directly or indirectly, for the consequences of any Bidder and the members of its group acquiring any Equity Shares in excess of 4.99% of the post Issue share capital of our Company without a valid and subsisting RBI approval.

A clearly legible copy of the RBI approval together with the application submitted for such RBI approval must be submitted by the Bidders, either with the Bid cum Application Form submitted by such Bidder or to the Registrar to the Issue at any time prior to the date falling one day before the date for finalisation of the Basis of Allotment, together with the members of its group, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company. Any RBI approvals annexed to the Bid cum Application Form should also be submitted by the Bidder to the Registrar to the Issue. Such RBI approval together with the application submitted for such RBI approval should clearly mention the name(s) of the entities which propose to Bid in the Issue, and the maximum permitted holding of Equity Shares by the members of such group. All allotments to such Bidders and the members of their respective groups, shall be in accordance with limits and subject to the conditions contained in such RBI approval.

Under the Banking Regulation Act, an "associated enterprise" of an entity is defined to mean a company, whether incorporated or not, which (i) is a holding company or a subsidiary company of such entity; (ii) is a joint venture of such entity; (iii) controls the composition of the board of directors or other body governing of such entity; (iv) exercises, in the opinion of the RBI, significant influence on such entity in taking financial or policy decisions; or (v) is able to obtain economic benefits from the activities of such entity. A "relative" is defined to have the meaning given to such term under the Companies Act, 1956. Further, under the Banking Regulation Act, persons shall be deemed to be "acting in concert" who, for a common objective or purpose of the acquisition of shares or voting rights in excess of the percentage mentioned in Section 12B of the Banking Regulation Act, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights a banking company.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Additional Equity Shares would be allocated to the remaining Bidders in the category to which the Bidder belonged for further allocation on a proportionate basis. For further details, see "Terms of the Issue – Basis of Allocation" and "Main Provisions of Articles of Association" on pages 734, 735 and 797.

Under- subscription, if any, in any category, except the QIB Category, would be met with spill-over from the other categories or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Our Company may in consultation with the BRLMs offer a discount to Retail Individual Bidders ("**Retail Discount**") and Eligible Employees ("**Employee Discount**") in accordance with the SEBI Regulations.

A total of up to 250,000 Equity Shares aggregating to ₹ [•] million shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion.

ISSUE PROCEDURE

All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section "- Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with SEBI Regulations, of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation to all QIB Bidders (other than Anchor Investors) on a proportionate basis, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. To enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. 250,000 Equity Shares aggregating up to ₹ [•] million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price.

Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. Under-subscription, if any, in the Net Issue would be allowed to be met with the spillover from the Employee Reservation Portion.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com), and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date. Copies of the Anchor Investor Application Form and the abridged prospectus will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians	White
Resident Anchor Investors	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form*

Designated Intermediaries other than in case of Anchor Investors shall submit/deliver the ASBA Forms to the SCSBs only and shall not submit it to any non-SCSB or any Escrow Collection Bank.

In terms of the RBI Approval Letter, the RBI has communicated that any investor that wishes to acquire 5% or more of the post-Issue paid-up share capital of our Company whether pursuant to the Issue or otherwise, would require the prior approval of the RBI. Accordingly, pursuant to the terms of the RBI Letter, the Articles of Association have also been amended to state that no person, shall, except with the prior approval of the RBI, undertake change in shareholding of our Company to the extent of 5% or more of the post-Issue paid-up share capital of our Company or such other percentage as may be prescribed by the RBI from time to time by way of fresh issue or transfer of Equity Shares.

As of the date hereof, it is unclear whether the restrictions mentioned above are applicable to an investing entity individually or to a "group" of related entities as described under Regulation 12B of the Banking Regulation Act. Under Section 12B of the Banking Regulation Act, a "group" includes the investing entity together with any persons acting in concert with such entity, his "relatives" (if applicable) and the "associate enterprises" of such investing entity.

The Company has, by way of abundant caution, decided to apply such restrictions to each "group" of entities investing in the Issue. Accordingly, any Bidder who, either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), shall obtain a valid and subsisting approval of the RBI, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company. If any Bidder either by himself or along with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, Bids for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), but does not obtain and submit such RBI approval in the manner and within the timeline described below, such Bidder and the members of its group shall be considered for Allotment of only up to 4.99% of the post Issue share capital of our Company, which shall be done on a pro-rata basis.

Please note that our Company, the BRLMs and the Registrar to the Issue will rely strictly and solely on the RBI approvals received from Bidders for making any Allotments to any Bidder together with members of its group for more than 4.99% of the post Issue share capital of our Company. Our Company, the Registrar to the Issue and BRLMs will not exercise any discretion or judgment in identifying the group of any Bidder and will not be responsible, directly or indirectly, for the consequences of any Bidder and the members of its group acquiring any Equity Shares in excess of 4.99% of the post Issue share capital of our Company without a valid and subsisting RBI approval.

A clearly legible copy of the RBI approval together with the application submitted for such RBI approval must be submitted by the Bidders, either with the Bid cum Application Form submitted by such Bidder or to the Registrar to the Issue at any time prior to the date falling one day before the date for finalisation of the Basis of Allotment, together with the members of its group, to be eligible to be Allotted 5% or more of the post Issue share capital of our Company. Any RBI approvals annexed to the Bid cum Application Form should also be submitted by the Bidder to the Registrar to the Issue. Such RBI approval together with the application submitted for such RBI approval should clearly mention the name(s) of the entities which propose to Bid in the Issue, and the maximum permitted holding of Equity Shares by the members of such group. All allotments to such Bidders and the members of their respective groups, shall be in accordance with and subject to the conditions contained in such RBI approval.

Under the Banking Regulation Act, an "associated enterprise" of an entity is defined to mean a company, whether incorporated or not, which (i) is a holding company or a subsidiary company of such entity; (ii) is a joint venture of such entity; (iii) controls the composition of the board of directors or other body governing of such entity; (iv) exercises, in the opinion of the RBI, significant influence on such entity in taking financial or policy decisions; or (v) is able to obtain economic benefits from the activities of such entity. A "relative" is defined to have the meaning given to such term under the Companies Act, 1956. Further, under the Banking Regulation Act, persons shall be deemed to be "acting in concert" who, for a common objective or purpose of the acquisition of shares or voting rights in excess of the percentage mentioned in Section 12B of the Banking Regulation Act, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights a banking company.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

For further details, see "Terms of the Issue – Basis of Allocation" on page 734 and 735.

Participation by associates and affiliates of the BRLMs and the Syndicate Member

The BRLMs and the Syndicate Member shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member may Bid for Equity Shares in this Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of Bidders, including associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs) cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

No Bids by NRIs

NRIs cannot subscribe in the Issue.

NRIs should further note that to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories.

No Bids by FPIs (including FIIs)

FPIs (including FIIs) cannot participate in the Issue.

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio Bidders namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Non-Resident Bidders should further note that to enable our Company to comply with the terms of the SFB Guidelines and the SFB In- Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories. Further, the Bidders should note that our Company has made an application to the RBI to cap its non-resident shareholding at 49% and to prescribe cut-off points that are two percentage points lower than the actual ceiling limit which may impact their ability to transfer their Equity Shares. For further details, see "Risk Factors" on page 25.

Bids by SEBI registered VCFs and AIFs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

To comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories.

Notwithstanding as prescribed under the general information document, AIFs that are owned or controlled by Non- Resident investors, VCFs and Non-Resident investors, including multilateral and bilateral financial institutions and any other QIB that is a Non-Resident and/or owned or controlled by Non-Residents/persons resident outside India, as defined under FEMA are not eligible to participate in this Issue. Any application received from such category of investor(s) or application wherein a foreign address is provided by the depositories would be rejected.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form failing which, our Company reserves the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 **–** Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* pink colour form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 200,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ 200,000.

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.

(e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

(f) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of ₹ 200,000.

(h) Bid by Eligible Employees can be made also in the "Net Issue to the Public" and such Bids shall not be treated as multiple Bids.

(i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post-Issue share capital of our Company.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to "Issue Procedure- Allotment Procedure and Basis of Allotment" beginning on page 776.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies, insurance funds set up by the army, navy, or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any such Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, as the case may be, subject to such terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other

SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing which, our Company and the Selling Shareholders reserve the right to reject any such Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you are a resident of India;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (at the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

16. Ensure that the category and the investor status is indicated;

17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

18. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the DP ID, Client ID and PAN available in the Depository database;

19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form; and

21. If you (together with other 'persons' or entities belonging to the same 'group' as defined under Section 12B of the Banking Regulation Act, intends to Bid for 5% or more of the post Issue share capital of our Company (assuming the Fresh Issue is fully subscribed), ensure that you submit the valid and subsisting approval of the RBI to the Company and the Registrar in the manner detailed in "Terms of the Issue – Basis of Allocation" on pages 734 and 735.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not bid if you are a NRI, FII, FPI, FVCI or any other foreign investor. Any bid from foreign investors will be rejected;

2. Do not Bid for lower than the minimum Bid size;

3. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders or Eligible Employees bidding under the Employee Reservation Portion);

5. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

9. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

10. Do not submit the Bid for an amount more than funds available in your ASBA Account.

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

14. Do not submit more than five Bid cum Application Forms per ASBA Account;

15. Anchor Investors should not bid through the ASBA Process; and

16. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Anchor Investor Escrow Accounts for Anchor Investors

Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Accounts should be drawn in favour of:

(a) In case of resident Anchor Investors: "**Equitas Holdings Limited - Anchor Investor Account 2016**"

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, 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.

Signing of the Underwriting Agreement and the RoC Filing

Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing , for, its securities; or***

(b) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following that:

- if our Company or the Selling Shareholders do not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers in which the pre-Issue advertisement was published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company and / or any Selling Shareholders subsequently decides to proceed with the Issue;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of Bid/Issue Closing Date;

- if Allotment is not made, application money shall be refunded/ unblocked in ASBA Account within 15 days from the Bid/Issue Closing Date or such lesser time specified by SEBI, failing which interest shall be due to the applicants at the rate of 15% per annum for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- except as disclosed in this Red Herring Prospectus, no further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in ASBA Account on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders severally and not jointly undertakes that:

- the portion of the Offered Shares offered by each of the Selling Shareholders by way of Offer for Sale in the Issue, have been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, net issue or issued pursuant to conversion of preference shares, are fully paid-up and are in dematerialised form;

- it is the legal and beneficial owner of, and has full title to their respective portion of the Offered Shares in the Issue;

- the Equity Shares being sold by it pursuant to the Issue are free and clear of any liens or encumbrances and shall be transferred to the Bidders within the time specified under applicable law;

- it shall provide complete co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;

- it shall provide complete support and co-operation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue. The Selling Shareholders have authorised the Compliance Officer and Registrar to the Issue to redress such investor grievances;

- funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in this Red Herring Prospectus and Prospectus shall be made available to the Registrar to the Issue by the Selling Shareholders;

- it shall provide complete support and co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- it shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

- if the Selling Shareholders do not proceed with the Issue after the Bid/ Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend complete co-operation requested by our Company and the BRLM in this regard;

- it shall not further transfer the Equity Shares offered in the Offer for Sale except in the Issue during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Issue;

- it shall take all such steps as may be reasonably required to ensure that the respective portion of the Offered Shares in the Issue are available for transfer in the Issue within the time specified under applicable law; and

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the respective portion of the Offered Shares in the Issue.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Selling Shareholders along with our Company declare that all monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

In order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company will Allocate the Equity Shares in the Issue only to resident Indian Bidders. Such Allocation to resident Indian Bidders shall be across all categories. Bids by non resident investors shall not be accepted in the Issue.

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI Regulations**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI Regulations, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI Regulations, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

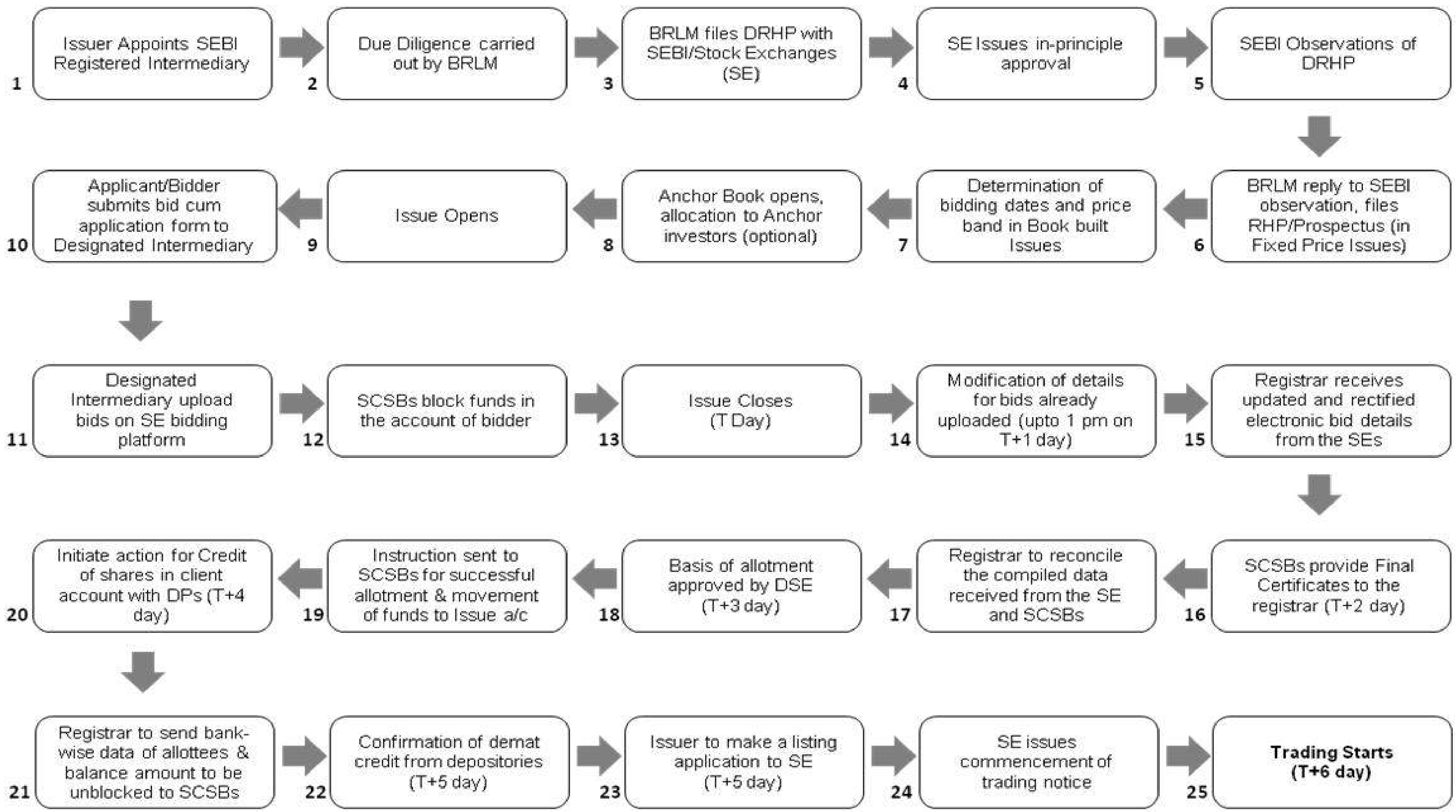
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    (i) Step 7 : Determination of Issue Date and Price

    (ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by DSE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders, such as NRIs, FIIs, FPIs, and FVCIs may not be allowed to Bid in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non-Institutional Bidders ("**NIBs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of any of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the Registered Office. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated SCSB Branches of the SCSBs and at the Registered Office and Corporate Office of the Issuer. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form - for residents

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ....

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr/Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED- INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Application Form - for non- residents

The format of Bid cum Application Form applicable for non-residents is yet to be notified by SEBI.

TEAR HERE

COMMON BID CUM APPLICATION FORM | **XYZ LIMITED - INITIAL PUBLIC ISSUE - NR** | **FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS**

Address : .... Contact Details: .... CIN No ....

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub-account not a Corporate/Foreign Individual
- FIISA — FII Sub-account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investors
- OTH — Others (Please Specify)________

7. PAYMENT DETAILS | **PAYMENT OPTION : FULL PAYMENT** ☐ **PART PAYMENT** ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ________	3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER /APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund intimations and letters notifying the unblocking of the bank accounts of ASBA Bidders) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder / Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who:***

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

(a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder as available on the records of the depositories. These Demographic Details may be used, among other things, for any other correspondence(s) related to an Issue.

(d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e)).

(c) **Cut-Off Price**: Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

(d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any) then such Bid may be rejected if it is at the Cut-off Price.

For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(b) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) RIB may revise or withdraw their Bids until Bid/Issue Closing Date. QIBs and NIB's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.

(d) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(e) For Anchor Investors, if applicable, the Bid Amount shall be at least ₹100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(f) A Bid cannot be submitted for more than the Issue size.

(g) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(h) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 Multiple Bids

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

(b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(c) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(d) The following Bids may not be treated as multiple Bids:

(i) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

(ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(iii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.

(b) Up to 60 % of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with the SEBI Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI Regulations. For details of any reservations made in the Issue, Bidders may refer to the RHP/Prospectus.

(d) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders, such as NRIs, FIIs, FPIs, and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the RHP/Prospectus for more details.

(c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Issue, the RIBs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.7.1 Additional Payment Instructions for NRIs

4.1.7.2 The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 Instructions for Anchor Investors:

(a) Anchor Investors may submit their Bids through a Book Running Lead Manager.

(b) Payments should be made either by RTGS, direct credit or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Accounts for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.4 Payment instructions for ASBA Bidders

(a) Bidders may submit the ASBA Form either:

(i) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(ii) in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the ASBA Form. The ASBA Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the ASBA Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary (other than a SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated SCSB Branch where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated SCSB Branch may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated SCSB Branch may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated SCSB Branch to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Accounts, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Accounts designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Accounts, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Accounts, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder other than Anchor Investors to the Public Issue Accounts and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.5 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

(d) Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

(d) Bidders/Applicants must note that Bid cum Application Form without signature of Bidder/Applicant and / or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Issue may be addressed as under:

(i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund intimations, the Bidders should contact the Registrar to the Issue.

(ii) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated SCSB Branch.

(iii) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.

(iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker.

(v) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.

(vi) In case of Bids submitted to the CDP, the Bidders should contact the relevant DP.

(vii) Bidder may contact the Company Secretary and Compliance Officer or the BRLM(s) in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

(i) full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;

(ii) name and address of the Designated Intermediary, where the Bid was submitted;

(iii) in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; or

(iv) in case of Bids by Anchor Investor, details of direct credit and name of the issuing bank thereof.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

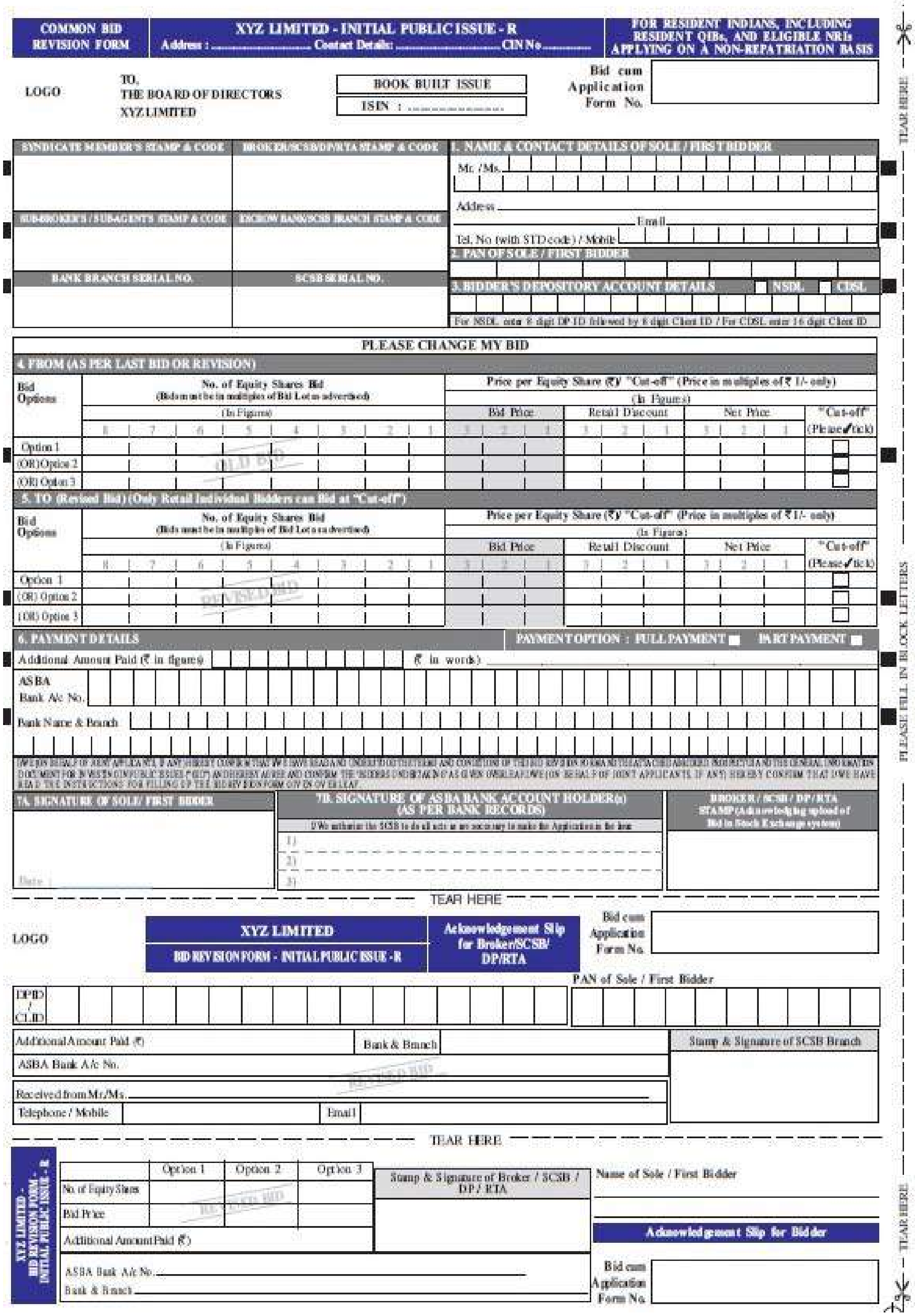
(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids on or before the Bid/Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



COMMON BID REVISION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R | Address : .... Contact Details: .... CIN No .... | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT | PART PAYMENT

Additional Amount Paid (₹ in figures) | (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO | XYZ LIMITED | BID REVISION FORM - INITIAL PUBLIC ISSUE - R | Acknowledgement Slip for Broker/SCSB/ DP/RTA | Bid cum Application Form No.

DPID / CLID | PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE | PLEASE FILL IN BLOCK LETTERS | TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) All Bidders are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ` 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the finalisation of the Basis of Allotment.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention the Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) Minimum Application Value and Bid Lot: The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

  (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

  (ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

(i) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

(ii) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

(iii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

(a) All Bidders (other than Anchor Investors) are required to only make use of ASBA for applying in the Issue.

(b) Bid Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 Payment instructions for Applicants:

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 Unblocking of ASBA Account

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 Discount (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4.1 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM

Bidders may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers of the Syndicate at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated SCSB Branches

(a) Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidder had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries (i) are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period with respect to the Bidders other than the Bids received from the Retail Individual Bidders and (ii) shall submit the

Bid cum Application Form and modification (at periodic intervals) on a day to day basis during the Bid/Issue Period with respect to Bids received from Retail Individual Bidders after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Managers at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Issue Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

  (i) the Bids accepted by the Designated Intermediaries,

  (ii) the Bids uploaded by the Designated Intermediaries,

  (iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids by OCBs;

(c) In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

(e) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids by any person outside India;

(g) PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

(m) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five Bid cum Application Forms through a single ASBA Account;

(o) Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(p) Multiple Bids as defined in this GID and the RHP/Prospectus;

(q) Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

(r) In case of Anchor Investors, Bids where sufficient funds are not available in Anchor Investor Escrow Accounts as per final certificate from the Escrow Collection Banks;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids by Bidders (other than Anchor Investors) not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied with cheque(s) or demand draft(s);

(u) Bids submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(v) Bids not uploaded on in the Stock Exchanges bidding system; and

(w) Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Managers and the Designated Stock Exchange and in accordance with the SEBI Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the Book Running Lead Managers, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above the Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated SCSB Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders may refer to the SEBI Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.3(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer and the Selling Shareholder in consultation with the BRLMs, subject to compliance with the following requirements:

(i) not more than 60% of the QIB Category will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and

- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Investor Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Accounts with the Bankers to the Issue. The balance amount after transfer to the Public Issue Accounts shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Accounts.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with Depositories, and within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of Bid/Issue Closing Date and repay without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a Fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days from the Bid/Issue Closing Date, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI Regulations comes for an Issue under Regulation 26(2) of SEBI Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors**: Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Anchor Investors' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NEFT—**Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial

System Code ("IFSC"), which can be linked, to the MICR of that particular branch. The IFS Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFS Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(b) **Direct Credit**— Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

(c) **RTGS**— Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund from through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the Escrow Collection Bank for the same would be borne by our Company. Changes, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the above mentioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if the refund instructions have not been given to the clearing system in the prescribed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made within the timelines prescribed under applicable law.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Fresh Issue and/or transfer of Equity Shares pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchange
Allottee	An Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus

Term	Description
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Escrow Accounts	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the Book Running Lead Managers, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidder	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Anchor Investor Escrow Accounts for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Forms, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form and the ASBA Form, or either such form, as the context requires

Term	Description
Bid /Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations. Bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder should be construed to mean an Bidder
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price

Term	Description
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated SCSB Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	Date on which funds are transferred by the Escrow Collection Banks from the Anchor Investor Escrow Accounts and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs from the ASBA Accounts, as the case may be, to the Public Issue Accounts or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after the finalisation of Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders in accordance with the SEBI Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under the SEBI Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details Bidder may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer

Term	Description
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under the SEBI Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to the Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996

Term	Description
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Bidders or NIBs	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs, FIIs including sub accounts of FIIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than retail individual bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price

Term	Description
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Accounts	Bank accounts opened under Section 40(3) of the Companies Act, 2013, to receive monies from the Anchor Investor Escrow Accounts and the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	Account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders as provided under the SEBI Regulations
Retail Individual Bidders/ RIBs	Bidders who apply or bid for a value of not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000

Term	Description
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	“Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, on which the commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, the FDI Policy as defined below and FEMA. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued Circular 1 of 2015 ("**Circular 1 of 2015**"), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. However, Press Note 4 of 2015 (dated April 24, 2015) regarding policy on foreign investment in pension section continues to remain effective. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

Foreign investment aggregating to up to 100% is permitted in our Company with the prior approval of the FIPB. Accordingly, our Company had applied to the FIPB on October 31, 2015 for the participation of eligible non-resident investors, including without limitation, eligible FPIs, FIIs and NRIs pursuant to the Issue. Pursuant thereto, in order to enable our Company to comply with the terms of the SFB Guidelines and the SFB In-Principle Approval, our Company has decided to Allocate the Equity Shares in the Issue only to resident Indian Bidders and restrict subscription from non-resident applicants (including FIIs, FPIs, FVCIs and multilateral and bilateral organizations). The Board approved the withdrawal of the application made to the FIPB, pursuant to the resolution passed on March 3, 2016. Our Company thereafter withdrew the application made to the FIPB on March 4, 2016.

The Equity Shares have not been and will not be registered under 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.

Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Articles of Association comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. However, Part B shall automatically terminate and cease to have any force and effect and shall be deemed to fall away immediately from the commencement of listing and trading of Equity Shares of our Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of our Company without any further action by our Company or by the Shareholders of our Company. Set forth below are the main provisions of the Articles of Association as contained in Part A.

PART A

3. Capital

The Authorised Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of Association of the Company, for the time being or as may be varied, from time to time, under the provisions of the Act, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein. The Company has power, from time to time, to increase or reduce or cancel its capital and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privilege, condition or restriction, as may be determined by or in accordance with the Articles of Association of the Company or the legislative provisions, for the time being in force, in that behalf.

6. Increase of Capital

Subject to the provisions of these Articles, the Company may from time to time in General Meeting alter the conditions of its Memorandum by increase of its share capital by the creation of new shares of such amount as it thinks expedient. Subject to the provisions of the Act and these Articles, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as directed by the General Meeting creating the same and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company provided always that any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

7. Further issue of shares

Where at any time the Company proposes to increase its Subscribed Capital by allotment of further Shares then such further Shares shall be offered:

(a) to the persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Paid-up Share Capital by sending a letter of offer subject to the following conditions, namely:

(i) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders of the Company.

(b) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or

(c) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash in accordance with Companies Act, 2013 and the applicable Rules.

(d) A rights issue/offer shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to shall contain a statement of this right.

The notice referred to in clause (i) of sub-Article (a) of Article 7 shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders of the Company at least three days before the opening of the issue.

Nothing in Article 7 shall apply to the increase of the Subscribed Capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a General Meeting.

8. Share capital may be divided into different classes of Shares

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate Meeting of the holders of the Shares of that class.

To every such separate Meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.

9. Variation of shareholders' rights

Variation of rights of holders of special class of Shares shall be possible if holders of $3/4^{th}$ of that class of issued Shares so agree in writing or by way of a Special Resolution passed at a separate Meeting of the holders of issued Shares of that class.

10. Creation or issue of further Shares ranking *pari passu*

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

11. Issuance of Preference Shares

Subject to the provisions of Section 55 of the Companies Act, 2013, any Preference Shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed within a period not exceeding 20 years from the date of their issue on such other terms and in such manner as the Company before the issue of such Preference Shares may, by Special Resolution, determine.

14. Cumulative Convertible Preference Shares

The Company subject otherwise to the provisions of Section 80 and 80A of the Act and the guidelines of the Government of India in that behalf, shall have the power to issue Cumulative Convertible Preference Shares or any similar kind of Preference Shares as may be permitted by law.

The resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

16. Directors may allot shares as fully paid – up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any Shares, which may be so allotted, may be issued as fully paid up, otherwise than in cash, and if so issued, shall be deemed to be fully paid-up. Provided that the option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

17. Shares to be numbered progressively

The shares in the capital of the Company shall be numbered progressively according to their several denominations, and except in case of sub-division, in accordance with Article 22, of shares in the manner prescribed herein.

18. Acceptance of shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is entered in the Register shall for the purpose of these Articles be a member.

19. Deposit and calls etc., to be a debt payable

The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

20. Instalments on Shares to be duly paid

If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person, who, for the time being and from time to time, shall be the registered holder of the share or his legal heir or representative.

21. Company not bound to recognise any interest in Shares other than that of the registered holders

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, (or except only as by these Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

22. Members shall be entitled to receive Share certificates

Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) One or more certificates in marketable lots for all the Shares of each class or denomination of registered in his name without payment of any charges; or

(b) Several certificates if the Board so approves, each for one or more of his Shares, upon payment of such fee as the Board may prescribe for each certificate after the first and the Company shall have ready for delivery such certificates within two months from the date of allotment, unless the conditions of the issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

24. In case of joint shareholding one Share certificate shall be issued

In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

25. Issuance of duplicate Share and Debenture certificates

If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment, if any of such sum not exceeding of as the Directors may in their discretion determine not exceeding of ₹ 10 for each certificate.

The provisions of this Article shall *mutatis mutandis* apply to Debentures of the Company.

Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

26. Commission

The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Companies Act, 2013, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made there under.

The rate of commission paid or agreed to be paid shall not exceed, the rate or amount prescribed in rules made under sub-section (6) of Section 40.

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

ALTERATION OF CAPITAL

54. The authorized capital of the Company shall be as per Clause V of the Memorandum of the Company. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference Shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

55. Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 62 of the Act. Provided that notwithstanding anything hereinabove contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the shares of the Company in any manner in accordance with the provisions of the Act.

56. Same as original capital

Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

The Company may from time to time by Special Resolution reduce its share capital in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

57. Issue of further pari passu shares not to affect the right of shares already issued.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

58. Power to consolidate, sub-divide, cancel Shares

Subject to the provisions of Section 61 of the Companies Act, 2013, the Company may, by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

(b) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

(c) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum;

(d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

(e) classify the unclassified shares into equity or preference share capital, as may be decided by the Company

(f) reclassify the unissued equity share capital into preference share capital and viceversa.

59. Where Shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board of Directors may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at Meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

(c) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

Reduction in authorized capital

60. The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

BUY BACK

61. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities

LIEN

27. Fully paid Shares will be free from all liens

The fully paid Shares will be free from all liens, while in the case of partly paid Shares, the Company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such Shares.

28. First and paramount lien

The Company shall have a first and paramount lien—

(a) on every Share (not being a fully paid-up Share), registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share and no equitable interest in any share shall be created except on the footing that this Article shall have full effect; and

(b) on all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

The Company's lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares.

29. Powers of the Company to sell the Shares under lien

The Company may sell, in such manner as the Board of Directors thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made**—**

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board of Directors may authorise some person to transfer the Shares sold to the purchaser thereof.

(a) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

(b) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

The provisions contained hereinabove shall apply mutatis mutandis to debentures, if any, of the Company.

TERM OF ISSUE OF DEBENTURE

30. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall only be issued with the consent of the Company in the General Meeting accorded by a Special Resolution.

CALLS ON SHARES

31. The Board of Directors may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

32. Notice for payment of calls

Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

33. Board of Directors may revoke or postpone a call

A call may be revoked or postponed at the discretion of the Board of Directors.

The option or right to call of Shares shall not be given to any person except with the sanction of the Company in a General Meeting.

34. Call deemed to have been made

A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising the call was passed and may be required to be paid by installments.

35. Liability of joint holder to pay calls

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

36. Interest payable on unpaid calls

If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, as the Board of Directors may determine.

The Board of Directors shall be at liberty to waive payment of any such interest wholly or in part.

Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

37. Forfeiture of Shares in case of non-payment of calls and interest

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. Powers of the Company to receive advance call

The Board of Directors —

(a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and

(b) any amount paid-up in advance of calls on any Share may carry interest but shall not entitle the holder of the Share to participate in respect thereof, in Dividend subsequently declared or to participate in profits.

(c) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% per annum.

(d) The Company may accept from any Member, the whole or a part of the amount remaining unpaid on any Shares held by him, even if no part of that amount has been called up.

TRANSFER AND TRANSMISSION OF SECURITIES

39. Transfer of Shares

The Company shall use a common form of transfer in all cases. The instrument of transfer of Shares of the Company shall be in form prescribed in Form SH-4 as prescribed by the rules made under the Companies Act. The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever except where the Company has a lien on the Shares.

No person shall, except with the prior approval of the Reserve Bank of India, undertake a change of shareholding of the Company to the extent of five percent or more or such other percentage as may be imposed by the Reserve Bank of India, by way of fresh issue or transfer of shares.

40. Power of the Board of Directors to refuse registration of a transfer

The Board of Directors may, subject to the right of appeal conferred by Section 58 and Section 59 of the Companies Act, 2013, refuse to register--

(a) the transfer of a Share or the transmission by the operation of law of the right to any shares or interest of a Member of the Company in debentures of the Company, not being a fully paid Share. The Company shall within one month from the date on which the instrument of transfer of intimation of such transmission, as the case may be was delivered to the Company, send notice of such refusal to the transferee and the transferor or to the person giving instructions of such transmission, as the case may be, giving reasons for such refusal; or

(b) any transfer of Shares over which the Company has a lien.

The Board of Directors may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section(1) of Section 56 of the Companies Act, 2013;

(b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of Shares.

41. Closure of registration of transfer

On giving not less than seven days' previous notice in accordance with Section 91 of the Companies Act, 2013 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine:

Provided that such registration shall not be suspended for more than 30 days at any one time or for more than 45 days in the aggregate in any year.

42. TRANSMISSION OF SHARES

On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the Shares.

Nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board of Directors and subject as hereinafter provided, elect, either--

(a) to be registered himself as holder of the Share; or

(b) to make such transfer of the Share as the deceased or insolvent Member could have made.

43. Power of the Board of Directors to suspend registration

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

44. Notice for transfer

(a) If the person so becoming entitled shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(b) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

(c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

45. Entitlement of the benefits

A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to Meetings of the Company:

Provided that the Board of Directors may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board of Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

46. No fee for transfer or transmission

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

47. Forfeiture of shares

If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board of Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

48. Notice for forfeiture of Shares

The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect.

A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors thinks fit.

At any time before a sale or disposal as aforesaid, the Board of Directors may cancel the forfeiture on such terms as it thinks fit.

A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

49. Declaration for forfeiture of Shares

A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

50. Consideration for re-issuance of forfeiture of Shares

The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.

51. Registration of transferee as the holder

The transferee shall thereupon be registered as the holder of the Share.

52. Immunity of the transferee

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

SURRENDER OF SECURITIES

53. The Directors may accept on behalf or for the benefit of the Company surrender of any Securities liable to forfeiture so far as Applicable Law permits.

BORROWING POWER

62. Subject to the provisions of the Act the Directors may from time to time at their discretion, raise or borrow or secure payments of sum or sums of money for the purpose of the Company's business, and may secure the payment or repayment of such money by mortgage or charge upon the whole or any part of the assets and property of the Company (present and future) including its uncalled and unpaid capital after obtaining the sanction of the Board of Directors at its Meeting and subject to the provisions of the Act, the Board may delegate any or all of the aforesaid powers to a Committee of the Board, the Managing Director or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office.

63. Subject to the aforesaid, any bonds, debentures or other Securities issued by the Company shall be under the control of the Directors who may issue and/or re-issue them upon such terms, conditions and in such manner and for such consideration as may be resolved by the Board of Directors or the Committee thereof, for the benefit of the Company.

64. If the Directors or any of them or any other Person shall become personally liable for payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security, over the whole or any part of the assets of the Company by way of indemnity to secure the Directors or Persons so becoming liable aforesaid, for any loss in respect of such liability.

GENERAL MEETINGS

71. Power of the Board of Directors to call an Extra Ordinary General Meeting

(a) General Meetings other than annual General Meeting shall be called extraordinary General Meeting.

(b) The Board of Directors may, whenever it thinks fit, call an extraordinary General Meeting.

(c) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a Meeting may be called by the Board of Directors.

PROCEEDINGS AT GENERAL MEETINGS

72. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the Meeting proceeds to business.

Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Companies Act, 2013.

73. The chairperson, if any, of the Board of Directors shall preside as chairperson at every General Meeting of the Company.

74. If there is no such Chairperson, or if he is not present within 15 minutes after the time appointed for holding the Meeting, or is unwilling to act as chairperson of the Meeting, the Directors present shall elect one of their Members to be Chairperson of the Meeting.

75. If at any Meeting no Director is willing to act as Chairperson or if no Director is present within 15 minutes after the time appointed for holding the Meeting, the members present shall choose one of their Members to be Chairperson of the Meeting.

76. The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

77. The requisition shall set out the matters for the consideration of which the Meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

The requisition may consist of several documents in like form, each signed by one or more requisitionists.

Where two or more distinct matters are specified in the requisition, the provisions set forth above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that Sub-Clause is fulfilled

78. If the Board of Directors do not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition the Meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paidup share capital of our Company as is referred to in Article 76 above which ever is less.

79. A Meeting called under Article 77 above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which Meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.

80. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a Meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

ADJOURNMENT OF MEETING

81. The Chairperson may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.

No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.

Save as aforesaid, and as provided in Section 103 of the Companies Act, 2013, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

VOTING RIGHTS

82. Subject to any rights or restrictions for the time being attached to any class or classes of Shares,–

(a) on a show of hands, every Member present in person shall have one vote; and

(b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

83. Voting by electronic means

A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Companies Act, 2013 and shall vote only once.

84. Voting by joint holders

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of Members.

85. Voting by a Member of unsound mind

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy.

86. Voting by poll

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

87. Restrictions on voting rights on unpaid Shares

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

88. **Objection for qualification on votes**

No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes.

Any such objection made in due time shall be referred to the Chairperson of the Meeting, whose decision shall be final and conclusive.

89. **Proxy**

The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power a authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

90. **Proxy form**

An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act, 2013.

91. **Validity of proxy**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

DIRECTORS

92. The first Directors of the Company shall be the following

(i) Mr. P. N. VASUDEVAN

(ii) Mr. P. VAIDYANATHAN

(a) The minimum number of Directors shall be three and the maximum number of Directors at any time shall not exceed fifteen.

(b) The Board shall have power at any time, from time to time, to appoint any person as additional Director provided the number of Directors and additional Directors and nominated Directors together shall not at any time exceed fifteen.

(c) It shall not be necessary for a Director to hold any Securities in the Company.

93. The appointment of the chief executive officer or the managing director of the Company shall be made by the Board. Subject to the provisions of the Companies Act, 2013 the Board shall have power at any time and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the board by the Articles. Any additional Directors appointed by the board shall be subject to reappointment in the next annual General Meeting of the Company in accordance with Applicable Law.

NOMINEE DIRECTORS

65. Subject to provisions of these Articles, and notwithstanding anything to the contrary contained in these Articles, so long as any monies borrowed and remaining owing by the Company to any bank, financial institution, finance Company, private equity fund or any other body corporate or institution whether domestic or foreign (hereinafter referred as "the Corporation") or so long as the corporation hold securities or debentures or bonds in the Company as a result of underwriting or direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as Directors or whole time Directors (hereinafter referred to as "Nominee Director(s)") on the Board of the Company based on such agreement as may be entered into between such corporation and the Company and to remove from such office any person or persons so appointed and to appoint any Person or Persons in his or their place.

66. The Nominee Directors(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings and of the Meetings of the Board and Committees of which the Nominee Directors(s) is/are Members of.

67. The Company shall pay to the Nominee Director(s) sitting fees and re-imbursement of expenses which the other Directors of the Company are entitled to. Unless the Corporation otherwise communicates, if any other fees, commission, monies or remuneration in any form is payable to the Director(s) of the Company the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the corporation. Any expenses that may be incurred by the Corporation on such Nominee Director(s) in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(s).

68. Provided that if any such Nominee Director(s) is an officer of the Corporation, the sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation unless otherwise communicated by the Corporation.

69. The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). At the opinion of the Corporation such Nominee Director(s) shall not be required to hold any qualification shares in the Company. Such Nominee Director(s) shall be liable to retirement by rotation if so required by the Act or any other statutory regulation, but eligible for re-election at every General Meeting of the Company. The Nominee Director(s) so appointed in exercise of the said powers shall ipso facto vacate such office immediately once the corporation ceases to meet the conditions as required to be met by such corporation for such corporation to appoint a Nominee Director on the Board of the Company, either as per any shareholders agreement that is then contractually in force or effect or any loan or other borrowing agreements and documents entered into between the Company and such Corporation.

70. In the event of Nominee Director(s) being appointed as whole-time Director(s) such Nominee Director(s), shall exercise such powers as are available to a whole time Director in the management of the affairs of the Company.

94. Remuneration of Directors

The remuneration of a Director for his services shall be the maximum remuneration of Director as may be prescribed by the Act or Central Government from time to time for each Meeting attended by him, with power to the Directors from time to time to revise such fee but so as not to increase the same beyond the maximum remuneration of a Director as may be prescribed by the Act or Central Government from time to time for each Meeting. Each Director shall be entitled to be paid his reasonable travelling expenses incurred by him for attending the Meetings of the Board and the Committees or whilst employed in the business of the Company.

95. Special remuneration to Directors

If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out of Tamil Nadu or otherwise for any of the purposes of the Company, the Company shall subject to the limitation provided by the Act remunerate such Director either by a fixed sum or by a percentage or profits or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

The Board may subject as aforesaid allow and pay to any Director who is not a *bona fide* resident of the place where a Meeting is to be held who shall come to such place for the purpose of attending a Meeting such sum as the Directors may consider fair compensation for travelling expenses (excluding foreign travel) , in addition to his fee for attending such Meeting as above specified, and the Directors may from time to time fix the remuneration to be paid to any Member or Members of their body constituting a Committee appointed by the Directors in terms of these Articles, and may pay the same.

96. Commission to non-wholetime Directors

In addition thereto, the Company may by a Special Resolution sanction and fix the following as remuneration of the non-wholetime Directors:

(i) if the Company has no managing Directors or wholetime Director at anytime during the year all such non-wholetime Directors shall be paid a commission computed at the rate not exceeding 3% of the net profits of the Company for each year.

(ii) if there is a Managing Director and/or wholetime Director holding office at any time during the said year, all such non-wholetime Directors shall be paid a commission computed at the rate not exceeding 1% of the net profits of the Company.

PROCEEDINGS OF THE BOARD

97. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its Meetings, as it thinks fit.

98. Power to call Board Meetings

A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board of Directors.

99. Decision by vote of majority

Save as otherwise expressly provided in the Companies Act, questions arising at any Meeting of the Board of Directors shall be decided by a majority of votes.

In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

100. Status in case number of Directors reduced below the quorum

The continuing Directors may act notwithstanding any vacancy in the Board of Directors; but, if and so long as their number is reduced below the quorum fixed by the Companies Act for a Meeting of the Board of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

101. Quorum for the Board Meeting

The quorum for a Board Meeting shall be as provided in Section 174 of the Companies Act. Where a Meeting of the Board of Directors could not be held for want of quorum, then, the Meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

102. Delegation of powers by the Board of Directors

The Board of Directors may, subject to the provisions of the Companies Act, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit or to the

Managing Director or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office.

Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board of Directors.

103. Chairman of the Board Meeting

The Board of Directors may elect a Chairperson of its Meetings and determine the period for which he is to hold office. The Managing Director/whole-time Director may also act as a chairman of the Board of Directors of the Company.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Directors present may choose one of their numbers to be Chairperson of the Meeting.

104. Committee Meetings

A Committee may meet and adjourn as it thinks fit.

Questions arising at any Meeting of a Committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

All acts done in any Meeting of the Board of Directors or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

Save as otherwise expressly provided in the Companies Act, a resolution in writing, signed by all the Members of the Board of Directors or of a Committee thereof, for the time being entitled to receive notice of a Meeting of the Board of Directors or Committee, shall be valid and effective as if it had been passed at a Meeting of the Board of Directors or Committee, duly convened and held.

105. Chairman of the Committee of the Board of Directors

A Committee may elect a Chairperson of its Meetings.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Members present may choose one of their Members to be Chairperson of the Meeting.

POWERS AND DUTIES OF DIRECTORS

106. The business of the Company shall be managed by such Person or Persons appointed by the Board of Directors subject to the superintendence, control and direction of the Board. With the consent of the Board, such Person or Persons may pay all such expenses thereof and preliminary and incidental to the promotion, formation, establishment and registration of the Company and exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company as not by the statute or by these articles required to be exercised or done by Company in General Meeting subject to nevertheless the regulations contained in these articles, the provisions of the statute and to such regulations and provisions as may be prescribed by the Company in the General Meeting.

107. Subject to the provisions of the Act no Director shall be disqualified from his office by contracting with the Company or shall any contract entered into by or on behalf of the Company in shall any Director so contracting or being so interested be liable to account for the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relations thereby established, but it is necessary that the nature of interest must be disclosed by him at the Meeting of the Directors at which the contract is determined of his interest then exists, or in any other case, at the first Meeting of the Directors after the acquisition of his interest.

MANAGING DIRECTOR & OTHER KEY MANAGERIAL PERSONNEL

108. The Directors may from time to time resolve that there shall be either one or more Managing Directors provided that the Managing Directors shall not be appointed as such for a term of more than five years at a time.

(a) If a Managing Director ceases to hold office as Director he shall ipso facto and immediately cease to be a Managing Director.

(b) In the event of any vacancy arising in the office of a Managing Director or if the Directors resolve to increase the number of Managing Directors, the vacancy shall be filled by the Board of Directors and the Managing Directors so appointed shall hold the office for such period as the Board of Directors may fix.

(c) When a Managing Director or Managing Directors have been appointed and holding office as such, the Managing Director/s shall have subject to the supervision, control and directions of the Board, the management of the whole of the business of the Company.

109. Remuneration of Managing Directors

The Managing Directors shall, each of them, be paid for their respective services such remuneration on such terms as the Company may, by resolution in General Meeting, from time to time respectively determine subject to such approval of the Government of India as may be required by law.

113. Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

Subject to the provisions of the Act, a chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board. A director may also be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

116. DIVIDEND AND RESERVES

(a) The Company in General Meeting may declare dividend and no dividend shall exceed the amount recommended by the Board.

(b) Subject to the provisions of the Act, the profits of the Company subject to any special rights relating to those to be created or authorized by these Articles and subject to the provisions herein shall be divisible among the Shareholders in proportion to the amount of capital called upon the Securities held by them respectively.

(c) The Board may from time to time pay to the Member such interim dividend as appear to it to be justified by the profits of the Company.

117. The Board of Directors may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board of Directors, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for Meeting contingencies or for equalising Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board of Directors may, from time to time, thinks fit.

118. The Board of Directors may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

119. Subject to the rights of persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares.

120. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share.

121. All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

122. The Board of Directors may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

123. Any Dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

124. Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share.

Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Companies Act.

125. No Dividend shall bear interest against the Company.

126. Unpaid or unclaimed Dividend

There will be no forfeiture of unclaimed Dividend before the claim becomes barred by law. Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration, within seven days from the date of expiry of said period of 30 days, transfer the total amount of Dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

No unclaimed or unpaid Dividend shall be forfeited by the Board of Directors.

The Company may, pay Dividends in proportion to the amount paid-up on each Share.

CAPITALISATION OF PROFITS

127. The Company in General Meeting may, upon the recommendation of the Board of Directors, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.

128. The sum aforesaid shall not be paid in cash but shall be applied, subject to the applicable provisions contained in this Article, either in or towards—

(a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;

(e) The Board of Directors shall give effect to the resolution passed by the Company in pursuance of this Article.

129. Issuance of bonus Shares

Whenever such a resolution as aforesaid shall have been passed, the Board of Directors shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares if any; and

(b) generally do all acts and things required to give effect thereto.

130. The Board of Directors shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares;

(c) Any agreement made under such authority shall be effective and binding on such Members.

INDEMNITY AND RESPONSIBILITY

135. Subject to the provision of the Act, the Directors, secretary and other officers, for the time being of the Company and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by the reason of any act done or omitted in or about the Company and affairs of the Company except such (if any) as they shall incur or sustain by or through their own willful neglect or default and the indemnity shall extend to any neglect or default of any other Director, secretary or other officer. The Directors, secretary and other officers shall not be held liable for joining in any receipts for the sake of conformity or for the solvency or honesty of any bankers or other Persons with whom any money effect, custody or for any insufficiency or deficiency of any security upon which any monies of the Company shall be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office, unless the same shall happen through the willful neglect or default of such officer or Director.

WINDING UP

133. Subject to the provisions of Chapter XX of the Companies Act, 2013 and rules made there under—

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Act, divide amongst the Members, in-specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

Part B of the Articles of Association

Part B of the Articles includes the relevant rights and obligations of the parties to:

(i) *the Shareholder's Agreement dated November 4, 2014 (the "Equitas SHA").*

(ii) *The Supplemental Shareholder's Agreement dated September 21, 2009 (the "SIDBI SHA")*

In the event of any inconsistency between Part A and Part B of the Articles of Association, the provisions of Part B shall prevail over Part A of the Articles of Association. However, Part B of the Articles of Association shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares of the Company on a stock exchange in India subsequent to the initial public offering of Equity Shares of the Company without any further action by the Company or by the Shareholders.

TRANSFER OF SECURITIES-INVESTORS

30. Subject to Article 31 and from the date of the Shareholders' Agreement, Mr. Vasudevan shall not, directly or indirectly, Transfer all or any of his Securities in the Company or any legal or beneficial interest therein prior to an IPO (hereinafter referred to as the "**Mr. Vasudevan's Lock-in Period**") without the prior written consent of all of the Investors, which consent, if not given within five (5) Business Days of Mr. Vasudevan notifying the Company and the Investors of the proposed Transfer and its terms (disclosing the same details as if it were an Offer Notice under Article 41) shall be deemed not to be given, save that P.N Vasudevan is free to Transfer without such Investors approval, in aggregate, in any single transaction or series of transactions, Securities amounting to (on a Fully Diluted Basis) 1,032,000 (One Million and Thirty Two Thousand) Securities (inclusive of any Securities received pursuant to the ESOP). Any agreement or arrangement to Transfer any Securities by Mr. Vasudevan during Mr. Vasudevan's Lock-in Period other than in the manner set out in this Article shall be null and void.

31. Subject to Article 36, there shall be no restriction on a Transfer of Securities by Mr. Vasudevan as laid down in Article 30 above following any sale, disposal or Transfer by the Investors of seventy five per cent. (75%) or more of the Investor Securities of each Investor.

32. Any agreement or arrangement by any Shareholder to Transfer any of its Securities to a third party which would result in a breach of the rules or regulations under the Applicable Law relating to foreign direct investment into India (including but not limited to the rules in respect of minimum capitalization), shall be null and void and the Company shall not register any such Transfer of Securities.

33. During the term of the Shareholders Agreement, the Company shall not impose any restriction on a Transfer of Securities by any Shareholder, other than pursuant to Article 30 (in case of Mr. Vasudevan), 32 and 36, and any attempt to impose such other restriction shall be null and void.

34. Except as otherwise set forth in the Shareholders Agreement and the Revised Charter, the Investor Securities shall be freely Transferable. Notwithstanding anything contained in the Shareholders Agreement or the Revised Charter, it is hereby clarified that the restrictions contained in the Articles 30 to 38 shall not apply to IFC (except as may be prescribed under Applicable Law) and subject, to the provisions of Articles 35, 36 and 37.

Further, none of the Investors shall at any time be required to pledge any/all of the Investor Securities as security for any indebtedness of the Company or provide any guarantee or other support to any third party, including, without limitation, the lenders of the Company, unless otherwise agreed upon by such Investor(s) and the Company.

35. If an Investor or Mr. Vasudevan (subject to Article 30) wishes to sell or Transfer any Securities to a Person that is not already a Shareholder, including in the event of a sale or Transfer by an Investor to any Affiliate of such Investor, it shall require as a condition of the sale/Transfer that the Transferee executes an Accession Instrument confirming that it shall be bound by the Shareholders Agreement in the same manner (subject to the provisions of Article 37 and 38) as the transferor in respect of the Equity Shares and/or other Securities Transferred to that Transferee.

36. Restricted Transfers

(a) All the Shareholders agree that they shall :

(i) not Transfer any Securities to any of the individuals or entities named on (A) lists promulgated by the United Nations Security Council or its committees pursuant to resolutions issued under Chapter VII of the United Nations Charter; or (B) the World Bank Listing of Ineligible Firms (see www.worldbank.org/debarr); or (C) the relevant lists by the European Union in relation to embargoes or the fight against terrorism one list may be consulted a the following address: http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm

(ii) use their reasonable best efforts to undertake any action (available to it as a Shareholder) to cause the Company to, and the Company shall, refuse to recognise any purported Transfer of Securities in violation of this Article, or record or register any such Transfer of Securities in its share register. Any Transfer made in breach of this Article shall be null and void.

(b) For avoidance of doubt, Article 36 (a) shall not apply in the case of sale of Securities on any trading market by any of the Shareholders after the consummation of an IPO.

37. Transfer of Investor Rights

(a) Where an Investor Transfers ("**Transferring Investor**") such number of its Investor Securities that constitute at least the Minimum Shareholding, then, subject to Applicable Law, the following rights exercisable by the relevant Transferring Investor under the Shareholders Agreement shall be Transferable, at the sole discretion of the Transferring Investor:

(i) Right to appoint an Investor Director pursuant to Article 115, and all consequential provisions relating to Investor Directors shall apply, including (without limitation), those contained in Articles 127 and 130;

(ii) Consent rights with respect to Reserved Matters pursuant to Article 103, provided that if the Transferring Investor continues to hold any Investor Securities, only one of the Transferring Investor or the relevant Transferee shall be entitled to exercise such consent right;

(iii) Change of Control Tag Along Right as set out in Article 48. It is further clarified that such right pursuant to the Transfer to the relevant Transferee shall also be exercisable by the Transferring Investor in respect of or to the extent of the Investor Securities, if any, held by the Transferring Investor;

(iv) Right of First Refusal as set out in Articles 49 to 54 in relation to the Investor Securities being Transferred by the Transferring Investors. It is further clarified that such right pursuant to the Transfer to the relevant Transferee shall also be exercisable by the Transferring Investor in respect of or to the extent of the Investor Securities, if any, held by the Transferring Investor;

(v) Exit rights as set out in under Article 61 to Article 69A in relation to the Investor Securities being Transferred by the Transferring Investors. It is further clarified that such right pursuant to the Transfer to the relevant Transferee shall also be exercisable by the Transferring Investor in respect of or to the extent of the Investor Securities, if any, held by the Transferring Investor; and

(vi) The rights under Articles 138 to 141, Articles 158 to 161 and Articles 167 and 168 of these Articles, and Clause 15 of the Shareholder Agreement. It is further clarified that such rights pursuant to the Transfer to the relevant Transferee shall also be exercisable by the Transferring Investor in respect of or to the extent of the Investor Securities, if any, held by the Transferring Investor.

Notwithstanding anything contained hereinabove, and subject Article 37(b), where an Investor holds less than the Minimum Shareholding, it shall be entitled to transfer the consent rights listed at Article 37(a)(ii) above in the event of a Transfer of all the Shares held by such Transferring Investor in a single transaction and to one Transferee only in the same manner as if it were holding and transferring shares equivalent to Minimum Shareholding.

It is further clarified that, in the event such Transferring Investor holds equal to or more than the Minimum Shareholding at the time of Transfer of the shares, the dispensation provided in the immediately preceding paragraph above shall cease to apply to such Transferring Investor and any Transfer of shares by such Transferring Investor shall then be subject to Article 37 in the same manner as applicable to the other Investors.

(b) Where an Investor Transfers such number of its Investor Securities that constitute less than the Minimum Shareholding, then, subject to Applicable Law, the following rights exercisable by the relevant Transferring Investor under the Shareholders Agreement shall be Transferable, at the sole discretion of the Transferring Investor:

(i) Right of First Refusal right as set out in Article 49 to 54 in relation to the Investor Securities being Transferred by the Transferring Investors;

(ii) Exit rights as set out in under Article 61 to Article 69A, in relation to the Investor Securities being Transferred by the Transferring Investors. It is further clarified that such right pursuant to the Transfer to the relevant Transferee shall also be exercisable by the Transferring Investor in respect of or to the extent of the Investor Securities, if any, held by the Transferring Investor;

(iii) The rights under Articles 138 to 141, Articles 158 to 161, and Articles 167 and 168 of these Articles and Clause 15 of the Shareholders Agreement. It is further clarified that such rights pursuant to the Transfer to the relevant Transferee shall also be exercisable by the Transferring Investor in respect of or to the extent of the Investor Securities, if any, held by the Transferring Investor; and

(iv) Change of Control Tag Along Right as set out in Article 48. It is further clarified that such right pursuant to such Transfer to the relevant Transferee shall also be exercisable by the Transferring Investor in respect of or to the extent of the Investor Securities, if any, held by the Transferring Investor.

Further, in all the above cases, all obligations of the Investors under the Transaction Documents shall also be assumed by such Transferee(s) pursuant to a Transfer of any Investor Securities (in proportion to and to the extent of the Shareholding being Transferred).

It is hereby clarified, for the avoidance of doubt, that the provisions of this Article and Article 38 below shall not apply to the transfer by any Investor, of any part of their portion of the Investor Securities to their Affiliates and/or among their respective groups of companies, and all rights of the concerned Investor shall be freely transferable along with such transfer of Investor Securities, at the sole discretion of the Transferring Investor.

38. Specific Rights of IFC, CDC, FMO and DEG

The Transfer of all or (A) any IFC Shares and/or (B) any part of the Investor Securities held by CDC, FMO and/or DEG to a third party buyer (including other Investors/Shareholders) pursuant to the Shareholders Agreement, shall, in addition to the provisions of Article 37, be subject to the following conditions:

(a) the rights and obligations under Article 127 and 128 (only to the extent applicable to IFC), Article 68 and Article 74 (only to the extent applicable to IFC) of these Articles, Clause 13.11 (b), Clause 21.5 (in respect of IFC, CDC, FMO and DEG) and Clause 21.6 (in respect of CDC and DEG) and Clause 23.7 (in respect of IFC) of the Shareholders Agreement shall cease to have effect with respect to (A) the IFC Shares; or (B) the relevant part of the Investor Securities held by CDC or FMO or DEG (being Transferred to a Transferee); and

(b) the Transferee's rights and obligations in respect of such IFC Shares purchased from IFC or the Investor Securities purchased from CDC, FMO and/or DEG (as the case may be) shall be (to the extent permitted under Articles 37 and subject to Article 38 (a)) at par with, identical to and no more or less beneficial than, the rights and obligations of the other Investors.

TAG ALONG RIGHTS

39. Subject to Article 30 if Mr. Vasudevan (the "**Offeror**") proposes to Transfer any Securities held by him to a third party which exceed, in aggregate, in any single transaction or series of transactions, One Million and Twenty Seven Thousand (1,027,000) Securities (inclusive of any Securities received pursuant to the ESOP Scheme), the Investors may, at their sole discretion, require the Offeror to procure the Transfer of such number of Securities held by the Investors to such third party, calculated on a proportionate basis based on the then existing shareholding among the Investors and the Offeror in the manner described in Article 40 below (the "**Tag Along Right**"). Provided further that, the terms and conditions on which the Offeror shall procure the sale of the Securities held by the Investors to such third party shall not be less favourable than the terms and conditions under which the Offeror sells its own Securities to such third party (the "**Purchaser**").

The Tag Along Right as provided in this Article shall also apply to Aavishkaar and accordingly, for purposes of this Article (and Articles 40 to 46 to the extent these provisions are applicable to the Tag Along Right under Article 39), the term "Investors"/"Investor" shall be deemed to include Aavishkaar.

40. The number of Securities that each Investor shall be entitled to exercise the tag along right in respect of shall represent the same proportion of the total Securities held by that Investor (the "**Tag Along Shares**") as the proportion of the total Securities proposed to be sold by Mr. Vasudevan to the Purchaser bears to the total Securities held by Mr. Vasudevan on a Fully Diluted Basis (immediately before the intended sale), on exactly the same terms and conditions. For example: if Mr. Vasudevan proposes to Transfer twenty five per cent. (25%) of its shareholding in the Company on a Fully Diluted Basis, each Investor shall be entitled to offer as Tag Along Shares, twenty five per cent. (25%) of the Securities held by such Investor at such time on a Fully Diluted Basis. If the Purchaser refuses to purchase all the Securities proposed to be Transferred by the Offeror and all the Tag Along Shares that the Investors are entitled to Transfer pursuant to exercise of their Tag Along Right, the number of Securities that the Offeror is entitled to Transfer to the Purchaser shall be reduced by the extent necessary to enable the Transfer by the Investors of the Tag Along Shares to the fullest extent possible.

41. The Offeror shall give the Investors not less than thirty (30) Business Days' notice in advance of the proposed Transfer (an "**Offer Notice**"). The Offer Notice shall specify:

(a) the identity of the Purchaser;

(b) the price per Security which the Purchaser is proposing to pay;

(c) the manner in which the consideration is to be paid;

(d) the number of Securities which the Purchaser wishes to purchase; and

(e) the total number of Securities proposed to be Transferred by the Offeror.

42. In the event an Investor wishes to exercise its rights under Article 39, the Investor shall provide the Offeror with a written notice (the "**Tag Notice**") within fifteen (15) Business Days after receipt of the Offer Notice (the "**Tag Notice Period**"), specifying the number of Tag Along Shares which that Investor intends to Transfer to the Purchaser. For the avoidance of doubt, no Investor shall be obligated to pay any fees or deal expenses in connection with the exercise of its rights under Articles 39 to 48.

43. The Offeror shall, forthwith but not later than fifteen (15) Business Days after the expiry of the Tag Notice Period, take all necessary steps to procure the Transfer of the Tag Along Shares of the relevant Investor along with his own Securities to the Purchaser on the same terms and conditions (including with respect to price) as described in the Offer Notice and at the same time as the Transfer of Securities by such Offeror. If the Offeror elects to Transfer the Tag Along Shares under the Tag Notice together with his Securities to an Affiliate of the Purchaser, the Offeror shall notify the relevant Investors of the identity of the Affiliate of the Purchaser, no later than five (5) Business Days after expiry of the Tag Notice Period. The Investors shall not be required to make any representation or warranty to the Purchaser or such Affiliate of the Purchaser, other than as to good title to the Tag Along Shares being Transferred by them, absence of Encumbrances with respect to such Tag Along Shares, customary representations and warranties concerning such Investor's power and authority to undertake the proposed Transfer, and the validity and enforceability of such Investor's obligations in connection with the proposed Transfer.

44. Without prejudice to Article 46, the Tag Along Rights in Article 39 shall not be applicable to an Investor in respect of a particular Transfer of Securities by the Offeror, in the event that such particular Transfer of Securities to the Purchaser is not consummated.

45. Without prejudice to Article 46, if all the Investors decline to exercise the Tag Along Rights provided by Article 39, then the Offeror may deal with its Securities as he thinks fit, provided that the terms on which the Offeror Transfers its Securities to the Purchaser or an Affiliate of the Purchaser shall not be more favourable than as set out in the Offer Notice.

46. In the event Mr.Vasudevan fails to procure the Transfer of the relevant number of Securities held by the Investors to the Purchaser or any Affiliate of the Purchaser within a period of fifteen (15) Business Days from the expiry of the Tag Notice Period, the Offeror shall not Transfer the Securities it proposes to Transfer to the Purchaser or any Affiliate of the Purchaser and any such Transfer shall be void *ab initio* and the Company shall not register any such Transfer of Securities. Any Transfer of Securities by the Offeror after the expiry of the fifteen (15) day period mentioned above shall remain subject to, *inter alia*, the provisions of Article 39 to 48.

Tag Along Right in the event of Change in Management

47. Notwithstanding anything contained hereinabove, if any proposed Transfer of Securities by Mr. Vasudevan to the Purchaser, or an Affiliate of the Purchaser, is conditional upon or shall result in Mr. Vasudevan resigning as the managing director of the Company, thereby resulting in a Change in Management of the Company, each of the Investors may, at their sole discretion, require P.N Vasudevan to procure the Transfer of such number or all of the Securities held by that Investor to the Purchaser or an Affiliate of the Purchaser (the "**Change of Management Tag Along Right**"), provided that:

(a) the terms and conditions on which Mr. Vasudevan procures the sale of the Securities held by the Investors to the Purchaser or an Affiliate of the Purchaser, shall be no less favourable than the terms and conditions under which Mr. Vasudevan sells its own Securities to such Purchaser or an Affiliate of the Purchaser; and

(b) the Change of Management Tag Along Right will be exercisable by each Investor irrespective of its shareholding in the total share capital of the Company.

The provisions of Articles 41 to 46 shall apply *mutatis mutandis* to a Transfer of Securities pursuant to an exercise of Change of Management Tag Along Right.

The Change of Management Tag Along Right as provided in this Article shall also apply to Aavishkaar and accordingly, for purposes of this Article (and Articles 40 to 46 to the extent these provisions apply to the Change of Management Tag Along Right under Article 47), the term "Investors"/"Investor" shall be deemed to include Aavishkaar.

Tag Along Right in the event of Change of Control

48. Notwithstanding anything contained hereinabove, if any proposed Transfer of Securities by Mr. Vasudevan and/or Investor(s) (collectively referred to as the "**Selling Shareholders**") to the Purchaser, or an Affiliate of the Purchaser, is conditional upon or shall result in a Change of

Control of the Company, the Investors may, at their sole discretion, require the Selling Shareholders to procure the Transfer of all the Securities held by each Investor in the Company to the Purchaser or an Affiliate of the Purchaser ("**Change of Control Tag Along Right**"), provided that:

(a) the terms and conditions on which the Selling Shareholders procure the sale of the Investor Securities to the Purchaser or an Affiliate of the Purchaser, shall be no less favourable than the terms and conditions under which the Selling Shareholders sell their own Securities to such Purchaser or an Affiliate of the Purchaser; and

(b) the Change of Control Tag Along Right will be exercisable by each Investor irrespective of its shareholding in the total share capital of the Company.

The provisions of Articles 41 to 46 shall apply *mutatis mutandis* to a Transfer of Securities pursuant to an exercise of Change of Control Tag Along Right.

RIGHT OF FIRST REFUSAL

ROFR to the Investors

49. If at any time the Company proposes a fresh issue of Securities to any Person (the "**Incoming Investor**"), other than by way of the transactions contemplated in Article 54, second paragraph, each Investor shall have a right of first refusal (the "**ROFR**") to subscribe *pro rata* for such number of fresh Securities issued by the Company (the "**Offer Securities**") at the same price (the "**Issuance Price**") and on the same terms offered by the Company to the Incoming Investor. The ROFR may be exercised by the Investors as follows:

(a) if, prior to the fresh issue of Securities to the Incoming Investor, the relevant Investor holds less than twenty per cent. (20%) of the paid up share capital of the Company on a Fully Diluted Basis, then such Investor shall have the right to subscribe *pro rata* for such number of fresh Securities as would allow the relevant Investor to maintain its shareholding percentage at the percentage it held immediately prior to the fresh issue of Securities after taking into account such additional Securities which are issued to any other Investor pursuant to Articles 49 to 54; or

(b) if, prior to the fresh issue of Securities to the Incoming Investor, the relevant Investor holds twenty per cent. (20%) or more of the paid up share capital of the Company on a Fully Diluted Basis, then such Investor shall have the right to subscribe *pro rata* for such number of fresh Securities as would allow the relevant Investor to hold a maximum of twenty per cent. (20%) of the paid up share capital of the Company on a Fully Diluted Basis post the fresh issue of Securities after taking into account such additional Securities which are issued to any other Investor pursuant to Articles 49 to 54.

50. The Company shall offer the Offer Securities to the Investors by delivery of a written notice to the Investors (the "**ROFR Notice**") within fifteen (15) Business Days of such offer being made to the Incoming Investor.

51. The Investors may within thirty (30) Business Days of receipt of the ROFR Notice (the "**ROFR Response Period**") revert to the Company with a firm letter of acceptance to subscribe to their respective Offer Securities (the "**Acceptance Letter**" and such Investors that provide an Acceptance Letter, the "**Accepting Offerees**"). The offer to subscribe and the terms stated in the Acceptance Letter shall be valid for a period of thirty (30) Business Days from the expiry of the ROFR Response Period.

52. On exercise of the ROFR, an Investor shall be obligated to complete the subscription to the Offer Securities immediately after, and if practicable, on the same day, as the Incoming Investor subscribes to and pays for the Securities, provided that both the Incoming Investor and the relevant Investor shall have completed their subscriptions within thirty (30) Business Days from the expiry of the ROFR Response Period.

53. If, after the expiry of the ROFR Response Period, any portion of the Offer Securities offered to the Investors remains unsubscribed for any reason (the "**Unsubscribed Portion**"), the Company may offer the Unsubscribed Portion (a) to a third party (i.e., a Person other than a shareholder of the Company or an Affiliate of a shareholder of the Company); or (b) to the Accepting Offerees *pro rata* to their inter-se shareholding, provided that in either case, the terms and subscription price offered by the Company for the Unsubscribed Portion shall not be more favourable than the terms and Issuance Price offered to the Investors in the ROFR Notice.

54. The Investors' ROFR in the event of a fresh issue of Securities to a Incoming Investor as set out in Article 49 above, shall be observed following compliance with (where relevant), the exercise of the pre-emptive rights by such Investor as laid down in Article 56.

The ROFR of the Investors under Article 49 shall not apply to the issuance of Securities pursuant to the ESOP Scheme, provided that such exclusion shall not apply to any future stock option plans and the Investors shall have the rights to invest in additional Securities in case of any future stock option plans adopted by the Company.

FUTURE CAPITALISATION

55. Acquisition of Interest in Subsidiary

In the event any Material Subsidiary(ies) proposes to raise funds by way of issuance of and/or subscription to equity or equity-linked instruments to any Person other than the Company (the "**Fund Raising**"), the Investors shall have the right to participate in such Fund Raising, and the Company and Mr. Vasudevan shall cause such Material Subsidiary(ies) to provide the Investors with such right of participation. At the option of each Investor and subject to Applicable Law, such right to participate shall be exercised by the relevant Investor(s), *inter alia* by,

(a) subscribing to the equity or equity-linked instruments issued by the Material Subsidiary(ies) in any amount it elects, subject to a maximum amount which is equal to the same proportion as the Investor's indirect holding in such Material Subsidiary(ies); and/or

(b) converting such Investor's shareholding in the Company into direct shareholding of the relevant Material Subsidiary(ies); and/or

(c) retaining certain percentage of its shareholding in the Company and converting the remaining percentage of its shareholding into direct ownership of the relevant Material Subsidiary(ies).

Aavishkaar shall also be entitled to participate in any Fund Raising in accordance with this Article except by way of subscription as provided in sub-article (a) above and accordingly, for purposes of this Article, the term "Investors"/"Investor" shall be deemed to include Aavishkaar, except for purposes of sub-article (a) above.

It is hereby clarified that the above sub- articles (b) and (c) set out the intention of the Parties to ensure that the total value of the shareholding of each Investor(s), immediately prior to such Fund Raising, is preserved by undertaking one or more of the above steps and therefore the exact mechanism/process in relation to the above shall be discussed and agreed between the Parties at the time of the Fund Raising including without limitation consultation with external financial and/or legal advisors.

For the avoidance of doubt, it is hereby clarified that the right of participation under this Article is an individual right of each Investor, to be exercised at its discretion.

56. At any time on or after the Effective Date, in the event that the Company proposes to issue any fresh Securities to any Person (the "**New Securities**") (other than to each of the Caspian Funds, the Microventures Funds, Lumen, IFC, CDC, FMO) and the New Investors on a *pro rata* basis at a price per Security lower than the Investor Entry Price Per Share applicable to any Investor, then such issuance of New Securities shall be completed only if the Company is able to implement such mechanism that is permitted by Applicable Law and is reasonably acceptable to each such Investor (the "**Diluted Investor**") and which suitably adjusts the Investor Entry Price Per Share for such Diluted Investor downwards to the price at which the New Securities are proposed to be issued. If (A) the Company is unable to make such downward adjustment in Investor Entry Price Per Share for the benefit of the Diluted Investor for any reason or (B) the proposed mechanism would be contrary to any requirement or provision of Applicable Law, then such proposed issuance of New Securities to a third party by the Company may be undertaken by the Company only upon obtaining the prior written consent of each such Diluted Investors.

For purposes of this Article, the "**Investor Entry Price Per Share**" means the price as computed and set out in the Shareholders Agreement in respect of each Investor.

57. Each of the Investors shall be entitled to subscribe to the additional Securities as set out in Article 56 in any combination permitted by law as elected by them.

58. If any of the Investors propose to subscribe to the additional Securities referred to in Article 56, they shall subscribe to such Securities within forty five (45) Business Days from the date of such notice from the Company.

59. The Company and Mr. Vasudevan shall ensure that each Investor is made a party to any document or instrument executed with any third party that confers Shareholder rights on such third party. However, for the sake of clarity, it is clarified that no Investor shall be made a party to any Share subscription or Share purchase agreement that merely confers such Shareholder rights that are already vested with such Investors.

60. Nothing contained in Article 55 to 60 shall apply to the issue of Securities by the Company as contemplated in Article 54, Second Paragraph of these Articles.

BUY BACK

83. The Company shall be entitled to buy back its own Securities in accordance with the Act and for this purpose, it shall pass a special resolution in the General Meeting of the Company authorizing the buy-back. After buy-back the Company shall physically destroy the Securities so bought back within 7 days of the last date of completion of buy-back.

84. The Company shall be entitled to buy-back its Securities subject to the prohibitions contained in Section 70 of the 2013 Act and all other applicable provisions of law.

85. Upon the occurrence of a Liquidity Event or an Event of Default, the Majority Investors may, at their option and subject to the requirements of Applicable Law in this regard, require the Company to buy-back any of the Securities held by the Investors ("**Investor Buy-back Option**").

86. The Investor Buy-back Option shall be exercisable by the Majority Investors giving written notice ("**Buy-back Notice**") to the Company specifying that they are willing to offer their Securities to the Company for buyback.

87. Subject to Applicable Laws, the Investors' Buyback Option shall be exercised at such price as may be mutually agreed between the Majority Investors and the Company. If the Majority Investors and the Company fail to agree on a mutually acceptable price within twenty (20) Business Days from the date on which the Buyback Notice is served pursuant to Article 86, then the fair market value of the Securities shall be determined by an independent accountant, to be appointed by the Majority Investors, on the assumption that the Securities are to be sold on an arm's length basis between a willing seller and a willing purchaser (taking no account of whether the Securities do or do not carry control of the Company) and, if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so. The decision of the independent accountant shall be final and binding.

88. On exercise of the Investor Buyback Option, the Company shall be obligated to complete the buyback of the relevant Investor's Securities within sixty (60) days from the date on which the price is determined in accordance with Article 87.

89. Nothing contained in Article 85 to 88 shall result in the Investors being required to tender the Investor Securities in the buy-back by the Company. It is clarified that the Investors shall have the right, but not the obligation to participate in any such buy-back implemented by the Company pursuant to Article 85 to 88.The Mr. Vasudevan hereby waives any rights under Applicable Law that he may have to participate on a *pro rata* basis in any buy-back offer made by the Company pursuant to Articles 69 to 74 and Articles 85 to 90, and shall ensure that the Other Shareholders do not participate in the buy-back undertaken by the Company under Articles 69 to 74 and Articles 85 to 90.

90. The exercise by the Investors of the Drag Along Right and/or the Investor Buy-back Option shall be without prejudice to any other legal or equitable rights that the Investors may have on an Event of Default.

SWEAT EQUITY AND ESOP

91. The Company shall be entitled to issue sweat equity shares for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called to a class or classes of Directors or employees and for this purpose the Company shall pass a special resolution in the General Meeting authorizing the issue of sweat equity shares.

92. The Company shall be entitled to issue employee stock options in accordance with the employee stock option schemes as may be formulated from time to time subject to special resolution passed by the Company.

GENERAL MEETINGS AND RESERVED MATTERS

103. Notwithstanding anything to the contrary contained in the Shareholders Agreement or these Articles, neither the Company nor the Shareholders, nor any Subsidiary or its shareholders, shall take, approve or otherwise ratify (whether at a general meeting of shareholders, a Board meeting or otherwise):

(a) in the case of the Company or the Shareholders, or any Material Subsidiary or its shareholders, any of the actions or deeds pertaining to any of the Reserved Matters; or

(b) in the case of any Subsidiary (that is not a Material Subsidiary) or its shareholders, any of the actions or deeds pertaining to the matters set out in paragraphs (a) and (h) of Article 166,

without the prior written consent or affirmative vote of each of the Investors, so long as it holds any Securities in the Company. It is hereby clarified that in respect of IFC, such consent/vote shall be obtained by way of the prior written consent of IFC to any such matter.

104. The Board may, whenever it thinks fit, convene a General Meeting of the Company. The Board shall also proceed to convene a General Meeting if so requisitioned by the Shareholders of the Company in accordance with the provisions of the Act and the Articles.

105. Subject to any exceptions contained in the Shareholders Agreement, all Shareholders shall have voting rights in proportion to the Equity Shares held by them and the percentage of Shareholding in the paid up share capital of the Company, calculated as one (1) vote per Equity Share.

106. Subject to the provisions of the Act, at least twenty one (21) days clear notice of every General Meeting shall be given to every Shareholder, at their usual address whether in India or abroad, and to the Auditor, either in writing or through electronic mode provided always that a meeting may be convened on shorter notice in accordance with the provisions of the Act and the Articles.

107. Every notice of a General Meeting which shall also be given to all the Directors shall specify the place, date and time of the meeting and shall contain a statement of the business to be transacted thereat and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with the relevant provisions of the Act and the Articles.

108. Subject to Article 103, 109 and 110 below, the quorum for a General Meeting shall be as per the Act.

109. If within thirty (30) minutes of the time appointed for holding a General Meeting, the prescribed quorum is not present and, in the case of a Reserved Matter, prior written consent from the Investors on such Reserved Matter has not been obtained, the meeting shall be adjourned and reconvened at the same day in the next week, at the same time and place, or if that day is a not a Business Day, on the next succeeding day which is a Business Day. At any time prior to such adjourned General Meeting, the Investors may provide their written consent to vote in favour of any of the resolutions pertaining to a Reserved Matter to be voted upon at the adjourned General Meeting. If the adjourned meeting fails to meet the quorum requirement but each of the Investors has given their prior written consent to vote in favour of the Reserved Matter, provided a minimum of two (2) Members or such other number as may be required under the Act, are present, the members present thereat shall constitute a valid quorum for the adjourned meeting.

110. If neither the representative nor the proxy of each of the Investors is present within thirty (30) minutes of the time appointed for the adjourned meeting at which a Reserved Matter is to be considered, and not all of the Investors have given their prior written consent to vote in favour of the Reserved Matter, then notwithstanding anything contained in the Shareholders Agreement, there shall be no valid quorum and the Shareholders present shall not take, approve or otherwise ratify any of the actions or deeds pertaining to such Reserved Matter.

DIRECTORS

115. So long as an Investor's shareholding in the Company equals or exceeds the Minimum Shareholding, such Investor shall have the right, at its sole discretion, to:

(a) nominate one (1) person who shall be elected as an Investor Director on the Board of the Company and one (1) person who shall be elected as an Investor Director on the Board of Directors of any one (1) Material Subsidiary chosen by such Investor;

(b) remove from office any person so appointed; and

(c) appoint another person in his place.

Each Investor Director as described above, shall include any alternate Director nominated by any Investor Director in his/her place and each such alternate Director shall be entitled to receive all materials supplied to Directors/directors of the relevant Material Subsidiary (as applicable) and shall also be entitled to attend and vote at all Meetings of the Board/board of Directors of the relevant Material Subsidiary and committees thereof (as applicable) in the absence of the relevant Investor Director. If any Investor Director is required at any time to retire by rotation under Applicable Law, the Company shall and Mr. Vasudevan shall cause the Company to ensure that such retiring Investor Director(s) is/are re-appointed at the General Meeting in which such Director(s) is/are required to retire and further, the Parties shall exercise their votes accordingly, in order to ensure such re-appointment. Each Investor Director shall be a non-executive Director and shall not in any manner whatsoever be responsible for the day-to-day management of the Company and/or shall not be liable for any failure by the Company to comply with any Applicable Law. An Investor Director shall not be required to hold any qualification Equity Shares. During the term of the Shareholders Agreement, (i) if the Chairman of the Board is a non-executive Director, at least one third of the Directors on the Board shall be Independent Directors; and (ii) if the Chairman of the Board is an executive Director, at least half of the Directors on the Board shall be Independent Directors.

116. The Board shall continue to maintain the following committees: (i) the Audit and Risk Management Committee; (ii) the Remuneration and Nomination Committee; (iii) the Resourcing Committee; (iv) the Business Committee; (v) Corporate Social Responsibility Committee; and (vi) the Governance Committee, in each case, whose Members are all (and shall continue to be) Directors. Further, the Company shall appoint or shall continue to maintain a majority of Independent Directors to the Audit and Risk Management Committee, the Remuneration and Nomination Committee and the Governance Committee. Any financial audit of the Company must be in compliance with Indian GAAP or IFRS, to the extent required by Applicable Laws, and approved by the Audit and Risk Management Committee. The Company shall also maintain an Asset Liability Management Committee which shall include the managing Director and certain identified employees of the Company. The Board (acting by simple majority) may make changes to the terms of reference of any Committee of the Board.

117. The Investor Directors so appointed to the Board may, at the option of the Investor appointing such Investor Director (as applicable), be nominated as members of up to fifty per cent. (50%) of the committees of the Board, including the Remuneration and Nomination Committee, the Audit and Risk Management Committee and such other committee(s) of the Board as may be formed by the Board from time to time. Each Investor shall have the right to alter its nominations to the Committees to which any such nomination is made at any time, subject only to the aggregate fifty per cent. (50%) limit. Further, the Investor Directors appointed to the board of any Subsidiary may, at the option of the Investor nominating such Investor Director (as applicable), be nominated as Members of up to fifty per cent. (50%) of the committees of the board of directors of such Subsidiary.

118. So long as an Investor holds a minimum holding of Equity Shares equal to not less than four per cent (4%) of the Equity Shares in issue from time to time (including the total Shares reserved or proposed to be issued under the ESOP Scheme but excluding any grant of options under any further employee stock option scheme), such Investor shall have a right to nominate an observer ("**Observer**") to attend all meetings of the Board and all meetings of the board of directors of any Material Subsidiary (other than the Material Subsidiary in respect of which such Investor has nominated an Investor Director). However, the term 'Investor' in this Article, solely and to the extent applied in connection with the right to nominate an Observer as provided herein, shall not include IFC.

119A. The Observer appointed as per Article 118 in respect of the Board and any Material Subsidiary may, at the option of the Investor nominating any such Observer (as applicable), be nominated as Observer in relation to fifty per cent (50%) of the committees of the Board and board of directors of any Material Subsidiary. It is hereby clarified, for the avoidance of doubt, that each Observer nominated pursuant to Article 118 shall have the right to attend the meetings of the Board and the meetings of the board of directors of the relevant Material Subsidiary but shall not have the right or be entitled to vote on any resolutions of the Board and of the board of directors of such Material Subsidiary. The Observer appointed pursuant to Article 118 will not attract any liability as an 'officer in default' under the Act or otherwise be liable for any failure by the Company and/or relevant Material Subsidiary to comply with any Applicable Law.

119. To the maximum extent permitted by Applicable Law, the Investor Directors as well as the other non-executive Directors shall not be liable for any default or failure of the Company in complying with the provisions of any laws, including but not limited to, defaults under the Act, taxation and labour laws of India, unless otherwise finally held by any Governmental Authority.

120. The Investor Directors as well as other non-executive Directors shall not be construed as officers in default of the Company, or identified as occupiers of any premises used by the Company or employees of the Company. Further the Company undertakes to ensure that the other Directors or suitable Persons are nominated as occupiers and/or employers as the case may be, in order to ensure that the Investor Directors and other non-executive Directors do not incur any liability. However this immunity will be lost if the Director is aware of contravention of any of the provisions of the Act by virtue of the receipt of any proceedings of the Board or participation in such proceedings without objecting to the same or whether such contravention had taken place with his consent or connivance.

121. Subject to the provisions of the Act, the Company shall indemnify and hold harmless to the fullest extent permitted by Applicable Law, the Investor Directors and other non-executive Directors from and against any and all threatened pending or completed actions, suits, Claims or proceedings and any and all costs, damages, judgments, amounts paid in settlement and expenses (including without limitation reasonable attorney's fees and out of pocket expenses) which such Director may directly or indirectly incur, suffer and/or bear due to the failure of the Company to comply with any of the provisions of any Applicable Laws, or this Article or by reason of the fact that such person is or was a Director of the Company. The Company shall ensure that it maintains the liability insurance for (a) all the Directors; and (b) the managing director of the Company, i.e. currently Mr. Vasudevan or any other person with equivalent designation ("**key management personnel**"). The Company has procured and shall continue to maintain directors' liability insurance for all the Directors, including alternate directors. Unless otherwise determined by the Board, insurance cover aggregating to a maximum amount of ₹ 100,000,000 (Rupees One Hundred Million Only) shall be adequate for directors' liability insurance as aforesaid. Further, the

Company shall obtain and maintain key man insurance in respect of the key management personnel of the Company in an amount of at least USD 10,000,000 (or its Rupee equivalent).

122. During the period during which an Investor holds Equity Shares in the Company, such Investor shall be provided with the agenda, minutes and briefings to the Board as well as of the board of the Subsidiaries and any committees/sub committees thereof or of the Board, irrespective of such Investor having nominated an Investor Director to the Board and/or to any committee of the Board. Notwithstanding the applicable provisions of the Shareholders Agreement, the information under this Article and under Article 124 and 125 may be sent by the Company to the Investors (including IFC) through electronic mail.

123A. Each member of the Board shall be entitled to remuneration in accordance with the Company's policies. At each Investor's option, the remuneration (as well as the reasonable expenses) of such Investor's nominee Investor Director (relating to his/her directorial duties) shall be paid directly to such Investor Director.

MEETINGS OF THE BOARD

123. Subject to the provisions of the Act, Company shall hold a minimum number of four (4) meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty (120) days shall intervene between two (2) consecutive meetings of the Board. The Board Meetings shall be held in Chennai or such other location as may be determined by the Board or Chairman from time to time.

124. Written notice of at least fourteen (14) Business Days of every meeting of the Board of Directors shall be given to every Director and every Observer and every alternate Director at their usual address whether in India or abroad. For Meetings at which Key Matters are to be discussed, prior written notice of at least twenty one (21) Business Days shall be given to every Director and every alternate Director at their usual address whether in India or abroad. A meeting may, however, be convened by shorter notice with the prior written consent of all the Directors. If a meeting is held by giving less than seven (7) days' notice, it shall be held in accordance with the provisions of the Act applicable for holding meetings.

125. An agenda setting out the business proposed to be transacted at the meeting shall be circulated to all the Directors at least seven (7) days before the Meeting. Unless waived by each of the Investor Directors in writing, any item not included in the agenda of a Meeting shall not be considered or voted upon at that Meeting of the Board. The agenda and any related materials for any Meeting of the Board where a Key Matter is to be discussed shall separately be circulated to the Investors irrespective of their Shareholding in the Company, and irrespective of whether the same has been provided to the Investor Directors, and the aforesaid shall apply mutatis mutandis where the decision in relation to a Key Matter is to be obtained by way of a circular resolution. The participation of Directors in a Meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such Meetings along with date and time:

126. Subject to Articles 127, 128, 129 below, the quorum for a Board Meeting shall be one third of the total number of Directors for the time being or two (2) Directors, whichever is higher.

127. Notwithstanding anything to the contrary contained in the Shareholders Agreement or the Articles, the quorum for a Board Meeting at which any Key Matter is to be discussed and/or resolved upon shall require the presence of at least two thirds (2/3rd) of the Investor Directors (including any nominee of the Existing Investors). In addition, the Company shall not, and shall ensure that each of the Subsidiaries shall not take any decisions or actions in respect of any Key Matter without the Super Majority Approval (as defined below) being duly obtained.

The Super Majority Approval in respect of any Key Matter shall have been obtained where three-fourths of the aggregate of (a) total number of Directors (excluding the vote of the IFC Director) present at a quorate meeting of the Board plus (b) 1 (representing either IFC or the IFC Director, as per the principles provided in this Article), have voted in favour of or approved such Key Matter ("**Super Majority Approval**").

The following principles shall apply for purposes of calculating the Super Majority Approval:

(a) If IFC has not appointed an Investor Director, the Company shall include the decision of IFC communicated in writing on the relevant Key Matter for purposes of determining whether the Super Majority Approval has been achieved (in the manner illustrated below).

(b) If IFC has appointed an Investor Director, but such Director has recused himself/herself or abstains from voting on the relevant Key Matter, the Company shall include the decision of IFC communicated in writing on the relevant Key Matter for purposes of determining whether the Super Majority Approval has been achieved (in the manner illustrated below). Further, in such case, such Investor Director shall be deemed as not being present for purposes of determining whether the Super Majority Approval has been achieved.

(c) If IFC has appointed an Investor Director, and such Investor Director nominated by IFC exercises a vote on any Key Matter, then the Company shall include the vote of such Investor Director and disregard the decision of IFC communicated in writing on the relevant Key Matter for purposes of determining whether the Super Majority Approval has been achieved (in the manner illustrated below).

Where the Board's approval for any Key Matter is sought to be obtained by way of a circular resolution/written consent, the Super Majority Approval shall have been obtained where three-fourths of the aggregate of (a) the total number of Directors that have responded (whether by way of an assent or dissent), excluding the response of the IFC Director plus (b) 1 (representing either IFC or the IFC Director, as per the principles provided in this Article), have voted in favour of or approved such Key Matter. The provisions of sub-article (a), (b) and (c) of this Article shall apply *mutatis mutandis* in the case of a circular resolution/written consent.

Illustration 1 (where IFC has not appointed a Director)

If the number of Directors present at a quorate meeting be 7, the total number of votes for purposes of calculating the Super Majority Approval shall be deemed to be 7 + 1, i.e., 8. Accordingly, Super Majority Approval shall have been obtained if consent of three-fourths of such number has been obtained (i.e., 6), where such consent (A) may consist of 5 votes from the Directors present and voting and the written consent of IFC (in accordance with (a) above) or (B) may consist of 6 votes from the Directors present and voting.

Illustration 2 (where IFC has appointed a Director and such Director has not voted on a Key Matter)

If the number of Directors (including IFC Director) present at a quorate meeting be 7, the total number of votes for purposes of calculating the Super Majority Approval shall be deemed to be 6 + 1 (as the IFC Director will be excluded and IFC's decision will be included). Accordingly, Super Majority Approval shall have been obtained if consent of three-fourths of such number has been obtained (i.e., 6), where such consent (A) may consist of 5 votes from the Directors (excluding the IFC Director) present and voting and the written consent of IFC (in accordance with (b) above) or (B) may consist of 6 votes from the Directors present and voting (excluding the IFC Director).

Illustration 3 (where IFC has appointed a Director and such Director has voted on a Key Matter)

If the number of Directors (including the IFC Director) present at a quorate meeting be 6, the total number of votes for purposes of calculating the Super Majority Approval shall be deemed to be 6 (as the IFC Director decision shall be counted and the IFC's decision communicated to the Company will be excluded). Accordingly, Super Majority Approval shall have been obtained if consent of three-fourths of such number has been obtained (i.e.,5), where such consent shall consist of 5 votes from the Directors present and voting.

128. IFC shall make all efforts to provide its decision on a Key Matter within fourteen (14) days of receiving the agenda from the Company (including the materials for the relevant Key Matter) for the Board Meeting at which such Key Matter is proposed to be taken up. Even if the relevant Board Meeting takes place prior to the expiry of the abovementioned fourteen (14) day period and the Key Matter has been approved by the Board, the Company shall not take any action with respect to such Key Matter till such time it receives the decision from IFC and upon such receipt, the Company shall take action with respect to such Key Matter only where such Key Matter has received Super Majority Approval as per Article 127, provided that the Company may nevertheless proceed with such matter if the number of Directors voting in favour of such Key Matter at the relevant Board meeting would have been sufficient to constitute the Super Majority Approval as per Article 127 even if IFC were to vote against such Key Matter. If IFC does not provide its decision on the relevant Key Matter within the abovementioned fourteen (14) day period, it shall be deemed that IFC has abstained from voting on such Key Matter, and the Company shall proceed with such matter if the number of Directors voting in favour of such Key Matter at the relevant Board meeting is sufficient to constitute the Super Majority Approval as per Article 127.

129. If at any meeting of the Board, including a Meeting that contains a Key Matter on the agenda, the prescribed quorum is not present, the Meeting shall stand adjourned to the same day in the next week, at the same time and place, or if that day is not a Business Day, on the next succeeding Business Day. The quorum at such adjourned Meeting shall be the Directors present thereat, provided a minimum of two (2) Directors are present, and on all matters including Key Matters, decisions shall be taken by such Directors present, irrespective of Article 127 above.

130. Subject to Article 126, 127 and 128 above, all decisions of the Board shall be taken by a majority vote of the Directors present or represented at the meeting.

131. The Company shall reimburse expenses incurred by all Directors including Investor Directors and Observers towards attending meetings of the Board, excluding any cost of international travel incurred by a Director and the Observer, i.e. from outside India to India or from India to any place outside India. The Company shall cause its Material Subsidiaries to reimburse the expenses incurred by any Investor Director nominated to the Board of Directors of such Material Subsidiary and Observers, towards attending meetings of the board of directors of such Material Subsidiary, excluding any cost of international travel incurred by a Director and the Observer, i.e. from outside India to India or from India to any place outside India.

132. Subject to the provisions of the Act, the control of the Company shall be vested in the Board of Directors who shall be entitled to exercise all such powers, and to do all such acts, deeds and things as the Company is authorised to exercise and do.

133A. Any initiation of litigation or arbitration proceedings by the Company or any Material Subsidiary outside the ordinary course of business, the outcome of which may have a Material Adverse Effect, shall be subject to the Board's prior approval (by way of a resolution approving the same, passed by a simple majority of the Board).

INFORMATION OBLIGATIONS

152. Quarterly Information

The Company shall deliver within thirty (30) Business Days of the end of each fiscal quarter to the Investors, the unaudited quarterly financial statements (on a consolidated and unconsolidated basis) of the Company and each of the Material Subsidiaries prepared in accordance with Indian GAAP or IFRS, to the extent required by the Applicable Laws and which shall include the operational and financial milestones and performance, each report covering such quarter to date, contrasted against budget, certified by the managing director or the chief financial officer of the Company.

Unless requested otherwise by an Investor, the Company shall deliver the information above to each Investor by e-mail.

153. Annual Financial Statements and Budget

As soon as they become available (and in any case not later than sixty (60) days after the end of the each Financial Year), the Company shall deliver to each Investor copies of the Audited Financial Statements of the Company and each of its Material Subsidiaries on a consolidated and unconsolidated basis (including a balance sheet, income statement and cash flow statement).

154. Business Plan

No later than forty five (45) days before the commencement of each Financial Year, the Company shall prepare and deliver to each Investor the proposed Business Plan and the annual operating financing budget approved by the Board, including targeted performance milestones.

155. Requests for information and Delivery of Material Information

If an Investor reasonably requests certain information concerning the running, progress or activities of the Company that is not ordinarily provided to it under this Schedule, and such information is not detrimental to the Company, the Company shall deliver such information within a reasonable period of time after the Investor's request and in the manner and mode of communication which the Investor requests.

Further the Company shall deliver information in relation to the material developments in or affecting the Company's and any of its Material Subsidiaries business and shall provide written particulars of any matters relating to such matters as may be required in order for the Investors to obtain an accurate account of the same.

156. Enquiries

The Company shall respond promptly to any enquiries that an Investor may reasonably make from time to time.

157. Communication with the Company's Auditor

The Company shall authorise its Auditor in writing to communicate directly to each Investor in relation to information regarding the Company's financial statements, accounts and operations.

158A. Ongoing Notifications

As soon as the Company becomes aware of the following, it shall provide each Investor prompt notification of:

(a) any offer or potential offer to any shareholders of the Company to buy any of their shares;

(b) any material breach by the Group of the Policy Covenants (including any alleged matters which, if proven, would constitute a breach), whether or not the matter would result in a breach of Applicable Laws; and

(c) any adverse event likely to impact on the Group's compliance with investment or banking documents.

EXIT

63A. Initial Public Offer (IPO)

The Company and Mr. Vasudevan undertake to cause an IPO on a Recognized Stock Exchange prior to the Exit Date. Subject to compliance with the requirements below, the terms and structure of the IPO will be a Key Matter for determination by the Board acting in accordance with these Articles:

(a) subject to Applicable Law, if an IPO is proposed, the Company and the Shareholders shall: (i) ensure that all the Equity Shares are included in the IPO such that the Investor Securities will be freely tradable by each of the Investors immediately following the IPO; and (ii) shall keep each Investor fully informed of all material activities undertaken in connection with the IPO;

(b) subject to any Applicable Law, the Company shall ensure that the Investors are not in any way liable or responsible for the Prospectus or classified as a “Promoter of the Company” or “Promoter Group” for any purpose whatsoever;

(c) nothing in these Articles shall require the Investors to do or omit to do anything that may result in them becoming a “Promoter of the Company” or “Promoter Group” under the SEBI Guidelines;

(d) subject to any Applicable Law, the Company undertakes that it shall not name the Investors as “Promoter of the Company” or as part of “Promoter Group” in any Prospectus or other document relating to the issuance of any Securities;

(e) where any Securities are required by any Recognized Stock Exchange, SEBI or any other authority under Applicable Law to be subjected to a lock-in or other restriction for the purpose of facilitating or making the IPO, or for any other reason, Mr. Vasudevan, but not the Investors, shall be obliged to offer their Securities for such lock-in and/or restriction so as to ensure the Investor Securities are subjected to only such lock-in and/or restriction to the minimum extent required by such Recognised Stock Exchange, SEBI and/or other authority under Applicable Law;

(f) the Company and Mr. Vasudevan shall take all such steps as may be required for the purpose of expeditiously making and completing an IPO prior to the Exit Date;

(g) to the extent permitted by Applicable Law, the Company shall indemnify and hold harmless each Investor, and each of its Affiliates, officers, directors, employees and agents, from and against any loss, claim or liability (and any actions, proceedings or settlements in respect thereof) arising out of or based on: (i) any untrue statement of a material fact contained in any Prospectus, offering circular, or other offering document relating to any listing or IPO; (ii) any failure to state therein a material fact necessary to make the statements therein not misleading; and (iii) any violation of Applicable Law (including but not limited to, securities laws and exchange requirements applicable to any listing or IPO);

provided, that the Company shall not be liable under this Article to the extent that any such loss, claim or liability is directly based on any written statement furnished by the relevant Investor to the Company expressly for inclusion in the relevant offering document;

(h) the Company shall pay all reasonable out-of-pocket expenses incurred; and

(i) the Investors shall have the right to sell all or part of the Investor Securities held by them in the Company in an offer for sale as a part of the IPO on a *pro rata* basis. Provided, however, that the terms and conditions of the IPO being a Key Matter shall be decided by the Company with the Super Majority Approval of the Board, and the Super Majority Approval of the Board on such matters, shall be final and binding on the Parties. Provided, however, that the pricing of the Equity Shares in the IPO and the actual number of Equity Shares to be constituted in the offer for sale shall be such price and number as is acceptable to the Majority Investors, and the Company shall finalise such price and number upon obtaining consent of the Majority Investors.

LIQUIDITY EVENT

69. If the Company and Mr. Vasudevan fail to provide the Investors with an Exit pursuant to Article 61 to 69A within the timelines provided for the same, i.e., within a maximum of twelve (12) months after the expiry of the Exit Date for the exits specified in Article 63A through 63 or within the timelines provided for the recourse for non-compliance with policy covenants in Article 67 (such failure, the "**Liquidity Event**"), the following provisions of Articles 70 to 74 shall apply.

Drag Along Rights

70. Upon the occurrence of a Liquidity Event or an Event of Default, the Majority Investors shall have the right to require all of the Shareholders in the Company (including, for the avoidance of doubt, Mr. Vasudevan, the other Investors and any Other Shareholders but excluding IFC) to Transfer all of the Securities held by them in the Company (the "**Drag Along Right**") to a third party buyer (the "**Third Party Buyer**").

71. The Majority Investors shall be required to deliver a written notice to the Company and Mr. Vasudevan, within thirty (30) Business Days confirming acceptance by the Third Party Buyer of the offer to Transfer all of the Securities held by them, to each of Mr. Vasudevan, the other Investors and any Other Shareholders of the Company, informing them of the Majority Investors' intention to sell all of their Securities and their intention to exercise the Drag Along Right, together with the terms on which such sale shall proceed (the "**Drag Along Notice**"). The Drag Along Notice shall set out:

(a) the price for the Securities and the mode of payment of such consideration;

(b) details of the proposed Third Party Buyer; and

(c) a summary of the material terms of the proposed Transfer.

72. Upon receipt of the Drag Along Notice, Mr. Vasudevan, the other Investors and Other Shareholders of the Company shall be obliged to:

(a) sell all of the Securities held by them, free from any Encumbrances, to the proposed Third Party Buyer on terms and conditions no less favourable than those offered to the Majority Investors; and

(b) take all necessary action to cause the consummation of such transaction, including, without limitation, voting in favour of such transaction.

73. The Parties agree that:

(a) the Drag Along Right of the Majority Investors with respect to Mr. Vasudevan, the other Investors and Other Shareholders of the Company shall be applicable only where such Third Party Buyer is desirous of acquiring all of the Securities of the Company (deducting, however, the IFC Shares from the total Securities of the Company for purposes of such proposed acquisition);

(b) the price and other material terms and conditions for the sale of the Securities by the Majority Investors, Mr. Vasudevan, any other Investors and any Other Shareholders of the Company shall be the same; and

(c) the sale of the Securities of the Majority Investor, Mr. Vasudevan, any other Investors and any Other Shareholders of the Company shall take place simultaneously and the consideration shall be paid simultaneously to all Parties.

74. Nothing contained in Articles 69 to 73 shall apply to IFC. Accordingly, IFC shall not be entitled to exercise the Drag Along Right and the IFC Shares shall not be subject to the Drag Along Right at any time or in any manner whatsoever (it being understood that IFC (or the IFC Shares) shall not, at any time, be included among the Majority Investors for purpose of Articles 69 to 73).

EVENTS OF DEFAULT

162. Subject to Article 163, the following events, not being rectified (assuming such events are, in all of the Investors' opinion, capable of rectification) within thirty (30) days following receipt of a written notice from an Investor requiring the defaulting party to do so, shall constitute an event of default (the "**Event of Default**"):

(a) the Company proceeds with any Key Matter or Reserved Matter without complying with the requirements set out in Articles 123 to 133A and 103 to 113 of these Articles;

(b) material breach or failure by the Company or Mr. Vasudevan to observe or comply with any provision, undertaking or covenant of any Transaction Document;

(c) any breach of any other material contractual obligations of the Company or Mr. Vasudevan;

(d) the liquidation, bankruptcy or insolvency of the Company or any Material Subsidiary or Mr. Vasudevan or any analogous proceedings;

(e) the appointment of any trustee, receiver or liquidator for substantially all of the assets of the business of the Company or any Material Subsidiary, provided that such trustee, receiver or liquidator is not discharged within thirty (30) days of appointment;

(f) the Company or any Material Subsidiary substantially ceases business operations over a continuous period of six (6) months; or

(g) any licence, approval or permit required by the Company or any Material Subsidiary to carry on its business, including but not limited to its NBFC licence, is cancelled, revoked or amended, other than as a consequence of a change in Applicable Laws, to the extent that such amendment would have an adverse effect on the ability of the Company or the relevant Material Subsidiary to conduct its business.

163. Upon the occurrence of any of the events under Articles 162 (a) or 162(c) above, such an event shall only constitute an Event of Default, upon notice being served on the Company and Mr. Vasudevan by the Majority Investors to that effect.

164. If an Event of Default occurs and, where capable of remedy, is not remedied within the time specified under Article 162 above, then subject to Article 36, each of the Investors shall be entitled to exercise their rights under Articles 69 to 74 and Article 85 to 90, without prejudice to any other rights and remedies available to each of the Investors under the Shareholders Agreement.

167. Equality of Investors: Without the prior consent of all Investors, the Company shall not, and Mr. Vasudevan shall ensure and procure that the Company does not, grant any favourable rights or benefits than those granted to the Investors under the Shareholders Agreement to any new or other Shareholders(other than the Investors). If at any time during the term of the Shareholders Agreement, any new or other Shareholder (other than the Investors) is provided any rights or benefits that in the opinion and sole discretion of each Investor is more favourable to such Shareholder than the rights/benefits provided to such Investor under the Transaction Documents in breach of this undertaking, then at such Investor's request, the Company shall, and Mr. Vasudevan shall ensure that the Company shall make available to such Investor, the same rights and benefits. Any relevant documents, including any Transaction Documents and the Articles, shall be modified, amended or supplemented accordingly, as may be required. However, no additional obligations shall be imposed on the Investors pursuant to this Article.

168. The Company shall:

(a) notify the Investors in writing immediately if it becomes aware of any violation by the Company of any Applicable Law which could, in any respect, materially and adversely affect the business or reputation of the Company or the Investors;

(b) give written notice to the Investors immediately if it becomes aware of any occurrence (including without limitation, any third party claim or liability) which would or could be likely to materially affect adversely its ability to perform its obligations under these Articles or the Shareholders Agreement;

(c) provide written details to the Investor Directors of any Claim which might, by itself, or together with other Claims, either have a material adverse effect on the financial condition of the Company (or adversely affect its ability to perform its obligations under these Articles or the Shareholders Agreement), at the Board Meeting immediately following the issuance of any such threat or institution of any such Claim;

(d) not take any action which would result in the Company being in breach of the rules or regulations under Applicable Law relating to foreign direct investment into India, including but not limited to the rules in respect of minimum capitalisation);

(e) ensure that all of its regulatory and corporate filings are complete, accurate and up to date; and

(f) ensure that it is in compliance with the material terms and conditions of all financing facilities or loan arrangements to which it is a party.

169. TERM

169.1 The Overriding Articles shall cease to have effect at any time as follows:

(a) by the mutual written consent of the Investors, Mr. Vasudevan and the Company; or

(b) as against any Shareholder, automatically when such Shareholder ceases to hold any Securities.

169.2 Notwithstanding any other provisions of this Article, it is hereby clarified that so long as IFC holds any IFC Shares or any of the New Investors holds any Investor Securities, nothing in this Article shall affect the applicability of the provisions of Clause 13 of the Shareholders Agreement (*Policy and Policy Reporting Covenants*), Article 36 of these Articles (*Restricted Transfers*), which shall continue to be in full force and effect.

169.3 With respect to all the Parties, the Overriding Articles shall terminate upon completion of an IPO on a Recognised Stock Exchange. If at the time of the IPO, certain Shareholder agreements/arrangements as are contained in the Shareholders Agreement are required to be suspended (as per Applicable Law, accepted practice of SEBI or the relevant stock exchanges) at the time of filing of the draft red herring prospectus ("**DRHP**"), the Parties shall agree to suspension of such agreements/arrangements, provided always that:

(a) if the IPO is not implemented for any reason within six (6) months of the DRHP filing or such later date as the Parties may agree in writing, such rights shall immediately revive and shall be re-instated and Mr. Vasudevan shall and shall procure that the Company shall take all necessary steps to formalise and otherwise give full effect to the reinstatement of all such rights (to the extent legally permissible), including, without limitation, to amend these Articles of Association to reflect such rights; and

(b) the Articles of Association shall, subject to Applicable Law, always incorporate wording acceptable to the Investors requiring the Company to give full effect to such re-instatement of the Investor's rights.

170. The Company shall be bound by all the Policy and Policy Reporting Covenants as contained in the Shareholders Agreement.

171. Subject to Article 165, any donation or contributions by the Company (or any of its Subsidiaries) to any entities or Persons in cash or in kind shall be in accordance with and as set out in Schedule 12 of the Shareholders Agreement. The Company and Mr. Vasudevan agree that they shall ensure that such entities or Persons shall not use their funds for undertaking any of the activities listed in the Exclusion List (referred to in the Shareholders Agreement), or activities of a political nature (such as donations to political parties) and the Company shall enter into suitable agreements or arrangements with such entities or Persons to document such restrictions.

172. No waiver by a Party of a failure or failure by any other Party to the Shareholders Agreement to perform any provision of the Shareholders Agreement shall operate or be construed as a waiver in respect of any failure or further failure whether of a like or different character.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated October 16, 2015 between our Company, the Selling Shareholders and the BRLMs, as amended by an Agreement dated March 8, 2016.

2. Agreement dated October 16, 2015 between our Company, the Selling Shareholders and the Registrar to the Issue, as amended by agreements dated March 1, 2016 and March 7, 2016.

3. Cash Escrow Agreement dated March 23, 2016 between our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Member and the Escrow Collection Bank(s).

4. Share Escrow Agreement dated March 22, 2016 between the Selling Shareholders, the BRLMs, our Company and the Share Escrow Agent.

5. Syndicate Agreement dated March 23, 2016 between our Company, the Selling Shareholders, the BRLMs and the Syndicate Member.

6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated June 22, 2007.

3. Fresh certificate of incorporation consequent to change of name dated February 1, 2008.

4. Fresh certificate of incorporation consequent to change of name dated February 29, 2012.

5. Fresh certificate of incorporation consequent to conversion of our Company to a public limited company dated June 18, 2015.

6. Resolutions passed by the Board of Directors on August 7, 2015 and March 3, 2016 in relation to the Issue and other related matters.

7. Resolutions passed by our Shareholders on September 7, 2015 and March 7, 2016 in relation to the Issue and other related matters.

8. Authorisation letter dated August 19, 2013 issued by IFC.

9. Resolution passed by the board of directors of FMO on September 15, 2015 and authorisation letter dated October 13, 2015 issued by FMO.

10. Resolution passed by the board of directors of Aavishkaar on September 7, 2015 in relation to Aavishkaar Offered Shares and other related matters.

11. Resolution passed by the board of directors of Aquarius on September 10, 2015 in relation to Aquarius Offered Shares and other related matters.

12. Resolution passed by the board of directors of Creation on September 2, 2015 in relation to Creation Offered Shares and other related matters.

13. Resolutions passed by the board of directors of Helion on October 6, 2015 and March 4, 2016 in relation to Helion Offered Shares and other related matters.

14. Resolution passed by the board of directors of IFIF on September 21, 2015 in relation to IFIF Offered Shares and other related matters.

15. Consent letter dated October 12, 2015 issued by IFIF providing its consent to offer up to 25,938,594 Equity Shares.

16. Resolution passed by the board of directors of Lumen on September 16, 2015 in relation to Lumen Offered Shares and other related matters.

17. Resolution passed by the board of directors of MVH on September 10, 2015 in relation to MVH Offered Shares and other related matters.

18. Resolutions passed by the board of directors of Sarva on September 9, 2015 and March 4, 2016 in relation to Sarva Offered Shares and other related matters.

19. Resolution passed by the board of directors of Sequoia on October 6, 2015 in relation to Sequoia Offered Shares and other related matters.

20. Resolution passed by the board of directors of WestBridge on October 12, 2015 in relation to WestBridge Offered Shares and other related matters.

21. Consent letter dated October 12, 2015 issued by P.N. Vasudevan providing his consent to offer up to 180,000 Equity Shares.

22. Copies of the annual reports of our Company for the Financial Years 2015, 2014, 2013, 2012 and 2011.

23. SFB In-Principle Approval dated October 7, 2015.

24. RBI approval for the Issue dated November 27, 2015.

25. Resolutions passed by the board of directors of certain of our Subsidiaries, namely, EMFL, EFL and EHFL, on November 26, 2015, approving the scheme of amalgamation to form the Proposed SFB.

26. The scheme of amalgamation under Sections 391-394 of the Companies Act, 1956 whereby certain of our Subsidiaries, namely EMFL and EHFL are proposed to be merged into EFL, pursuant to the scheme of amalgamation to be approved by the Madras High Court.

27. The audit reports of the Statutory Auditors dated February 5, 2016, in relation to our Company's unconsolidated Restated Financial Statements and consolidated Restated Financial Statements, included in this Red Herring Prospectus.

28. The audit reports of the Statutory Auditor in relation to the Subsidiary Restated Financial Statements (EHFL dated February 2, 2016, EFL dated February 3, 2016 and EMFL dated February 4, 2016, ETPL dated February 4, 2016.

29. The Shareholders Agreement dated November 4, 2014 executed amongst our Company, Aavishkaar, IFIF, MVH, Microventures Investments and Microventures Asia, Lumen, IFC, CDC, FMO, Creation, DEG and P. N. Vasudevan.

30. The Supplemental Shareholders Agreement dated September 21, 2009 executed amongst our Company, SIDBI, P. N. Vasudevan, M. Anandan, V.P. Nandakumar, Padma Anandan, Aavishkaar, IFIF, Bellwether, MVA and Kalpathi.

31. The Demerger Scheme pursuant to which the microfinance business of our Company was demerged into EMFL.

32. The Statement of Tax Benefits dated March 8, 2016 from the Statutory Auditor.

33. Consent of the Directors, the BRLMs, Indian Legal Counsel to our Company, Indian Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Indian Legal Counsel to Sequoia, FMO, Westbridge and IFC as to Indian Law, Indian Legal Counsel to Aavishkaar, Aquarius, Creation, Helion, IFIF, Lumen, MVH and Sarva as to Indian Law, Escrow Collection Banks, Statutory Auditors, Registrar to the Issue, Bankers to our Company, Lenders to our Subsidiaries, Chief Financial Officer and Compliance Officer as referred to in their specific capacities.

34. Employment Agreement dated July 27, 2012 entered into by our Company and P.N. Vasudevan.

35. Equitas ESOS Schemes with details of ESOPs granted and issue price.

36. NHB approval for the Proposed Merger dated January 20, 2016.

37. RBI approval for the Proposed Merger dated January 22, 2016.

38. Due Diligence Certificate dated October 16, 2015 addressed to SEBI from the BRLMs.

39. In principle listing approvals dated November 10, 2015 and November 17, 2015 issued by BSE and NSE respectively.

40. Correspondence through e-mails circulated by SEBI on November 10, 2015 in relation to certain observations on the Draft Red Herring Prospectus.

41. SEBI observation letter dated January 8, 2016 bearing reference number DIL/BNS/PR/OW/872/2016.

42. Tripartite agreement dated January 10, 2011 between our Company, NSDL and the Registrar to the Issue.

43. Tripartite agreement dated April 5, 2010 between our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

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 this Red Herring Prospectus 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 this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

______________________	**N. Rangachary** (Chairman, Independent Director)
______________________	**Arun Ramanathan** (Independent Director)
______________________	**Jayshree Ashwinkumar Vyas** (Independent Director)
______________________	**P. T. Kuppuswamy** (Independent Director)
______________________	**Y. C. Nanda** (Independent Director)
______________________	**P. V. Rajaraman** (Independent Director)
______________________	**Vinod Kumar Sharma** (Independent Director)
______________________	**N. Srinivasan** (Independent Director)
______________________	**Paolo Brichetti** (Non-executive and non-Independent Director)
______________________	**S. Ramakrishnan** (Non-executive and non-Independent Director)
______________________	**Nagarajan Srinivasan** (Non-executive and non-Independent Director)
______________________	**Viswanatha Prasad Subbaraman** (Non-executive and non-Independent Director)
______________________	**P. N. Vasudevan** (Managing Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

______________________	**S. Bhaskar** (Chief Financial Officer)

Place: Chennai
Date: March 23, 2016

DECLARATION

International Finance Corporation confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the International Finance Corporation

DECLARATION

Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V. confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V.

DECLARATION

Aavishkaar Goodwell India Microfinance Development Company Ltd. confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Aavishkaar Goodwell India Microfinance Development Company Ltd.

DECLARATION

Aquarius Investments Ltd. confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Aquarius Investments Ltd.

DECLARATION

Creation Investments Equitas Holdings, LLC confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Creation Investments Equitas Holdings, LLC

DECLARATION

Helion Venture Partners II LLC confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Helion Venture Partners II LLC

DECLARATION

India Financial Inclusion Fund confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the India Financial Inclusion Fund

DECLARATION

Lumen Investment Holdings Limited confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Lumen Investment Holdings Limited

DECLARATION

MVH S.p.A. confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the MVH S.p.A.

DECLARATION

Sarva Capital LLC confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Sarva Capital LLC

DECLARATION

Sequoia Capital India Investments III confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the Sequoia Capital India Investments III

DECLARATION

WestBridge Ventures II, LLC confirms that all statements and undertakings specifically made or confirmed by it in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by the WestBridge Ventures II, LLC

DECLARATION

P. N. Vasudevan confirms that all statements and undertakings specifically made or confirmed by him in this Red Herring Prospectus 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 this Red Herring Prospectus.

Signed by P. N. Vasudevan