

EQUITAS | EQUITAS HOLDINGS LIMITED

The 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 the 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 the Company was subsequently changed to Equitas Holdings Private Limited and the RoC issued a fresh certificate of incorporation on February 29, 2012. The 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 of the Red Herring Prospectus dated March 23, 2016, (the "RHP")

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 of the RHP. 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

THE 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 (THE "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.

Price Band: ₹ 109 to ₹ 110 per Equity Share of face value of ₹ 10 each.

The Floor Price is 10.9 times the face value and the Cap Price is 11.0 times the face value.

Bids can be made for a minimum of 135 Equity Shares and in multiples of 135 Equity Shares thereafter.

Risks to Investors:

- The four Merchant Bankers associated with the Issue have handled 19 public issues in the past three years out of which 6 issues closed below the issue price on listing date.
- The Price/Earnings ratio based on diluted EPS for FY 2015 for the Company at the upper end of the Price Band is as high as 1,571.43 on a restated unconsolidated basis and 24.61 on a restated consolidated basis as compared to the average industry peer group PE ratio of 27.16.
- Weighted Average Return on Net Worth for FY 2015, FY 2014 and FY 2013 is positive i.e. 0.16% on a restated unconsolidated basis and 9.02% on a restated consolidated basis.
- Weighted average cost of acquisition in case of offer for sale is ₹ 34.98 as against offer to public at ₹ 109 to ₹ 110.

BID / ISSUE PERIOD

OPENS ON: TUESDAY APRIL 5, 2016*
CLOSES ON: THURSDAY APRIL 7, 2016

*The 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

ASBA*

Simple, Safe, Smart way of Application!!!

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.

Mandatory in public issue from January 1, 2016. No cheque will be accepted.

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 the 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 the 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 the 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. **THE 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 of the RHP. 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 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 of the RHP. 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 the Company, pursuant to the Issue, shall require the prior approval of the RBI. For further details, see "Terms of the Issue - Basis of Allocation" on pages 734 and 735 of the RHP.

Bidders should note that on the basis of 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 unblocking of ASBA Account or for other correspondence(s) related to the Issue. 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' sole risk. Bidders should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected.

Contents of the Memorandum of the Company as regards its Objects: Investors are requested to refer to Clause III of the Memorandum of Association of the Company for the main objects and other objects of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For details, see the section "Material Contracts and Documents for Inspection" beginning on page 830 of the RHP.

Liability of the members of the Company: Limited by shares.

Amount of share capital of the Company and Capital structure: The authorised, issued, subscribed and paid up share capital of the Company as on the date of the RHP is as follows: The authorised capital of the Company is ₹ 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. The issued, subscribed and paid-up share capital of the Company is ₹ 2,699,203,670 divided into 269,920,367 Equity Shares of ₹ 10 each. For details, see the section "Capital Structure" beginning on page 110 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association P.N. Vasudevan (5,000 Equity Shares) and Choodamani Vasudevan (5,000 Equity Shares) aggregating to 10,000 Equity Shares.

Listing: The Equity Shares offered through the RHP are proposed to be listed on the BSE and the NSE. The 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. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid / Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 830 of the RHP.

Disclaimer Clause of SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Issue or the specified securities or the offer document. The investors are advised to refer to page 714 of the RHP for the full text of the Disclaimer Clause of SEBI.

Disclaimer Clause of BSE (The Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 724 of the RHP for the full text of the Disclaimer Clause of the BSE.

Disclaimer Clause of NSE: It is to be distinctly understood that the 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 certify the correctness or completeness of any of the contents of the offer document. The investors are advised to refer to page 725 of the RHP for the full text of the Disclaimer Clause of NSE.

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 the Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the SEBI nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" beginning on page 24 of the RHP.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE	Company Secretary and Compliance Officer	
 <p>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</p>	 <p>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</p>	 <p>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/12/corporate/equitiesglobalinvestmentbanking Contact Person: Mayank Jain / Shreye Mirani SEBI Registration No.: INM000010353</p>	 <p>ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel: (91 22) 2282 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</p>	 <p>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</p>	<p>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 Website: www.equitas.in</p> <p>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. Bidders 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 letter of allotment, non-credit of Allotted Equity Shares in the respective beneficiary account or non-receipt of refund intimations and non-receipt of funds by electronic mode.</p>

AVAILABILITY OF RHP: Investors are advised to refer to the RHP, and the Risk Factors, beginning on page 24 therein, before applying in the Issue. Full copy of the RHP is available at www.sebi.gov.in, the websites of the BRLMs to the Issue at www.axiscapital.co.in, www.edelweissfin.com, www.hsbc.co.in/12/corporate/equitiesglobalinvestmentbanking, www.icicisecurities.com and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid-cum-Application Forms can be obtained from the Registered Office of EQUITAS HOLDINGS LIMITED, BRLMs: **Axis Capital Limited**, Tel: (91 22) 4325 2183, Fax: (91 22) 4325 3000; **Edelweiss Financial Services Limited**, Tel: (91 22) 4009 4400, Fax: (91 22) 4086 3610; **HSBC Securities and Capital Markets (India) Private Limited**, Tel: (91 22) 2268 5555, Fax: (91 22) 2263 1284; **ICICI Securities Limited**, Tel: (91 22) 2282 2460, Fax: (91 22) 2282 6580; Syndicate Member: **Edelweiss Securities Limited**, Tel: (91 22) 4063 5569, Fax: (91 22) 6747 1347 and at the select locations of the Sub-Syndicate Members (as given below), Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-Application Forms will also be available on the websites of BSE, NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Almondz Global Securities Ltd, Amit Jasani Financial Services Pvt. Ltd., Anand Rathi Share & Stock Brokers Limited, Anil Dhulia, ANS Private Limited, Anush Shares and Securities Private Limited, Ashika Stock Broking Limited, Ashwani Dandia & Co, Asit C Mehta Investments Intermediates Limited, Axis Securities Limited, B N Rathi Securities Limited, Centrum Broking Limited, DB(International) Stock Brokers Ltd, Dalal & Broacha Stock Broking Private Limited, Edelweiss Broking Limited, Edelweiss Securities Limited, Eureka Stock & Share Broking Services Limited, HDFC Securities Limited, Hem Securities Limited, ICICI Securities Ltd, IDBI Capital Market Services Limited, India Infoline Finance Limited, Indiabull Ventures Limited, Jhaveri Securities, JM Financial Services Limited, Jobanputra Fiscal Services Pvt Ltd., Joindre Capital Services Limited, Kalpataru Multiplier Limited, Kamlesh D Joshi, Keynote Capitals Limited, KJMC Capital Market Services Limited, Kotak Securities Limited, LKP Securities Ltd, Marwadi Shares & Finance, Mehta Equities Limited, Monarch Network Stock Broking Limited, Motilal Oswal Securities Limited, Mukesh D Joshi, Nirmal Bang Securities Private Limited, Prabhudas Lilladher Private Limited, Pravin Ratilal Share & Stock Brokers Limited, Raghunandan Capital Private Limited, Reliance Securities Ltd, Religare Securities Limited, RR Equity Brokers Private Limited, SBICAP Securities Limited, Sharekhan Limited, SMC Global Securities Limited, Sushil Financial Services Private Limited, Tanna Financial Services, VCK Share & Stock Broking Services Limited, Way2wealth Brokers Private Limited.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investors. For details on the ASBA process, please refer to the details given in ASBA Form and Abridged Prospectus and also please refer to the section "Issue Procedure" beginning on page 741 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA form can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Form can be obtained from Syndicate, SCSBs, Registered Brokers, RTAs and CDPs, the 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.

Bankers to the Issue/Escrow Collection Banks: Axis Bank Limited and ICICI Bank Limited.

Refund Banks : Axis Bank Limited and ICICI Bank Limited.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For EQUITAS HOLDINGS LIMITED
On behalf of the Board of Directors
Sd/-
Company Secretary and Compliance Officer

Place : Chennai
Date : March 26, 2016

Equitas Holdings Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a RHP with the ROC, on March 23, 2016. The RHP is available on the websites of SEBI and Stock Exchanges at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is available on the websites of the Book Running Lead Managers at www.axiscapital.co.in, www.edelweissfin.com, www.hsbc.co.in/12/corporate/equitiesglobalinvestmentbanking and www.icicisecurities.com, respectively. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see "Risk Factors" beginning on page 24 of the RHP. Potential investors should not rely on the DRHP filed with the SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "U.S. Securities Act"), or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of U.S. Securities Act and applicable state securities laws in the United States.