

INDEPENDENT AUDITOR'S CERTIFICATE

To
The Board of Directors,
Bandhan Bank Limited

Dear Sirs

Independent Auditor's certificate on non-applicability of conditions under Paragraph I(A)(9)(b) of Annexure I of the circular dated 10 March 2017 issued by the Securities & Exchange Board of India (the "SEBI"), bearing reference number CFD/DIL3/CIR/2072, as amended from time to time

1. This certificate is issued in accordance with the terms of the Master Engagement Agreement (the "MEA") dated August 8, 2018 and the Service scope letter (the "SSL") dated January 3, 2019 which serves as an addendum to the MEA.
2. We, the statutory auditors of Bandhan Bank Limited (hereinafter the "Company" or "Transferee Company"), have examined the undertaking approved by the Board of Directors in their meeting held on January 7, 2019 (hereinafter referred to as the "Undertaking") stating the reasons for non-applicability of requirements under Paragraph I(A)(9)(b) of Annexure I to the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the "SEBI Circular") in connection with the draft scheme of amalgamation of GRUH Finance Limited ("Transferor Company") into and with the Transferee Company and their respective shareholders and creditors in terms of provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and other rules and regulations framed thereunder ("Draft Scheme").

Management's Responsibility

3. The responsibility for the preparation of the Undertaking and the Draft Scheme is that of the management of the Company. Management is also responsible for ensuring that the Company complies with the requirements of the SEBI Circular in relation to the Draft Scheme.

Auditor's Responsibility

4. Pursuant to the requirements of Paragraph I(A)(9)(c) of Annexure I to the SEBI Circular, our responsibility is to express reasonable assurance in the form of an opinion, based on our examination of the Undertaking and according to the information and explanations given to us, as to whether Paragraph I(A)(9)(b) of Annexure I to the SEBI Circular are applicable to the Draft Scheme.
5. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria, mentioned in paragraph 4 above. Accordingly, we have performed the following procedures in relation to the certificate:
 - a) Read the Draft Scheme and the Undertaking stating the reasons for non-applicability of requirements under Paragraph I(A)(9)(b) of Annexure I to the SEBI Circular, initialed by us for identification purposes.
6. Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Opinion

9. Based on the procedures performed by us and according to the information and explanations given to us, in our opinion, based on the reasons stated in the Undertaking the conditions prescribed in the Paragraph I(A)(9)(b) of Annexure I to the SEBI Circular are not applicable to the Draft Scheme.

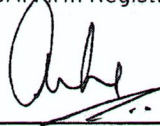
Restriction on Use

10. This certificate has been issued at the request of the Company and addressed to the Board of Directors of the Company, solely for the purpose to comply with the requirements of Paragraph I(A)(9)(b) of Annexure I to the SEBI Circular for onward submission to the Securities and Exchange Board of India, the National Stock Exchange of India Limited, the BSE Limited and National Company Law Tribunal ("NCLT"), as may be applicable and is not to be used or referred to for any other purpose or distributed to anyone other than submission to the Securities and Exchange Board of India, the National Stock Exchange Limited, the BSE Limited and the NCLT. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Amit Kabra

Partner

Membership Number: 094533



Place of Signature: Gurgaon

Date: January 7, 2019

UNDERTAKING IN RELATION TO THE NON APPLICABILITY OF PARAGRAPH I(A)(9)(b) OF ANNEXURE I OF THE CIRCULAR MARCH 10, 2017 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, BEARING REFERENCE NO. CFD/DIL3/CIR/2017/21, AS AMENDED FROM TIME TO TIME

This is with reference to the proposed scheme of amalgamation of GRUH Finance Limited (“**Transferor Company**”), with Bandhan Bank Limited (“**Transferee Company**”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Scheme**”).

We refer to Paragraph I(A)(9)(b) of Annexure I of the circular dated March 10, 2017 issued by the Securities and Exchange Board of India (“**SEBI**”), bearing reference no. CFD/DIL3/CIR/2017/21, as amended from time to time (“**SEBI Circular**”), which states that if a scheme of arrangement falls within the scenarios contemplated under Paragraphs I(A)(9)(b)(i) of Annexure I to I(A)(9)(b)(v) of Annexure I of the SEBI Circular, the scheme of arrangement shall only be acted upon if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it (“**Majority of Minority Requirement**”).

The Transferee Company hereby undertakes and states that the Majority of Minority Requirement as contemplated in Paragraph I(A)(9)(b) of Annexure I of the SEBI Circular is not applicable as the transaction contemplated under the Scheme does not fall within the scenarios contemplated under Paragraphs I(A)(9)(b)(i) of Annexure I to I(A)(9)(b)(v) of Annexure I of the SEBI Circular, for the following reasons:

All capitalized terms used but not defined in this undertaking shall have the same meanings assigned to them under the SEBI Circular.

(i) **Paragraph I(A)(9)(b)(i) of Annexure I of the SEBI Circular**

“Where additional shares have been allotted to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the listed entity.”

Reason for non-applicability

- a) As per the Scheme, all the equity shareholders of the Transferor Company shall be allotted equity shares in the Transferee Company in accordance with the share exchange ratio contemplated under the Scheme and no additional shares shall be allotted by the Transferee Company to the Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Transferor Company or the Transferee Company.
- b) Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall within the scenario contemplated under Paragraph I(A)(9)(b)(i) of Annexure I of the SEBI Circular.

(ii) **Paragraph I(A)(9)(b)(ii) of Annexure I of the SEBI Circular**

“Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group.”



Reason for non-applicability

- a) The Scheme involves the Transferor Company and the Transferee Company. The Transferee Company, into which the Transferor Company is merging, is not an entity within the Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Transferor Company.
- b) Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall within the scenario contemplated under Paragraph I(A)(9)(b)(ii) of Annexure I of the SEBI Circular.

(iii) Paragraph I(A)(9)(b)(iii) of Annexure I of the SEBI Circular

“Where the parent listed entity, has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.”

Reason for non-applicability

- a) The Scheme contemplates merger of the Transferor Company with the Transferee Company. The Transferor Company is not a subsidiary of the Transferee Company.
- b) Therefore, pursuant to the Scheme, the Transferee Company will not have acquired shares from any of the shareholders of the Subsidiaries who may be the Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Transferee Company.
- c) Accordingly, the transaction to be undertaken pursuant to the Scheme does not fall within the scenario contemplated under Paragraph I(A)(9)(b)(iii) of Annexure I of the SEBI Circular as there can be no shares in the Transferor Company that are owned by the Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Transferee Company.

(iv) Paragraph I(A)(9)(b)(iv) of Annexure I of the SEBI Circular

“Where the scheme involving an merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee/resulting company by more than 5% of the total capital of the merged entity.”

Reason for non-applicability

- a) The equity shares of both the Transferor Company and the Transferee Company are listed on the recognized stock exchanges in India. Since the Scheme contemplates merger of the Transferor Company with the Transferee Company (both of which are listed entities), therefore the transaction to be undertaken pursuant to the Scheme does not fall within the scenario contemplated under Paragraph I(A)(9)(b)(iv) of Annexure I of the SEBI Circular.





Bandhan Bank

Bandhan Bank Limited

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(v) **Paragraph I(A)(9)(b)(v) of Annexure I of the SEBI Circular**

"Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.

For the purpose of this clause, the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of value of the company in terms of consolidated net worth or consolidated total income during previous financial year as specified in Section 180(1)(a)(i) of the Companies Act, 2013"

Reason for non-applicability

- a) Pursuant to the Scheme, the Transferor Company shall be merged into and with the Transferee Company and in consideration thereof, the Transferee Company shall issue shares to all the shareholders of the Transferor Company in accordance with the share exchange ratio contemplated under the Scheme.
- b) The Scheme does not involve transfer of whole or substantially the whole of the undertaking of the Transferor Company, where the consideration for such transfer is not in the form of listed equity shares.
- c) Accordingly the transaction to be undertaken pursuant to the Scheme does not fall within the scenario contemplated under Paragraph I(A)(9)(b)(v) of Annexure I of the SEBI Circular.

This undertaking is being issued pursuant to the requirement under Paragraph I(A)(9)(c) of Annexure I of the SEBI Circular.

For and on behalf of **Bandhan Bank Limited**

Indranil Banerjee
Company Secretary

Date: 07.01.2019

Place: Mumbai

