

Auditor's Report

To
The Board of Directors,
Equitas Holdings Limited.

We, the Statutory auditors of Equitas Holdings Limited, (herein after referred to as "the Company"), have examined the proposed accounting treatment specified in Clause 6 of the Proposed Scheme of Arrangement between Equitas Holdings Limited, Equitas Small Finance Bank Limited and their respective shareholders in terms of Sections 230 read with Sections 52 and other applicable provisions of the Companies Act, 2013 (the "Proposed Scheme") with reference to its compliance with the applicable Accounting Standards notified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2006 (as amended) and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the accounting treatment included in the Proposed Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised), issued by the Institute of Chartered Accountants of India.

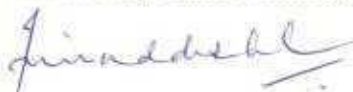
Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 6 of the Proposed Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2006 (as amended), and Other Generally Accepted Accounting Principles.

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for onward Submission to National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent. This certificate should be read together with the statement attached herewith (Annexure 1).

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



Aniruddh Sankaran

Partner

Membership Number: 211107



Place: Chennai

Date: **JANUARY 30, 2019**

Annexure to Certificate issued pursuant to Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities Exchange Board of India on the accounting treatment prescribed in the Proposed Scheme of Arrangement

To
The Board of Directors,
Equitas Holdings Limited.

1. This annexure is issued in accordance with the terms of our master service agreement dated September 28, 2018 read with the Service Scope Letter dated January 7, 2019 and forms an integral part of the Auditors' Certificate.
2. The Proposed Scheme of Arrangement between Equitas Holdings Limited, Equitas Small Finance Bank Limited (together, the "Companies") and their respective shareholders ("the "Proposed Scheme") for issuance and allotment of fully paid-up equity shares of Equitas Small Finance Bank Limited to shareholders of Equitas Holdings Limited and the consequent reduction in the securities premium account, revenue and other reserves and the surplus in profit and loss account of Equitas Small Finance Bank Limited pursuant to Sections 230 read with Sections 52 and other applicable provisions of the Companies Act, 2013 has been prepared by the Company.

Management's Responsibility

3. The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards notified under section 133 of the Companies Act, 2013, read with the relevant rules thereunder, and Other Generally Accepted Accounting Principles, is that of the Board of Directors of the Companies.

Auditor's Responsibility

4. Pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our responsibility is to provide reasonable assurance on the reporting criteria as to whether the accounting treatment contained in the Proposed Scheme complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Accounting Standards and Other Generally Accepted Accounting Principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) 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.
6. 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 Engagement.
7. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed procedures in relation to the Certificate in the form of reading the Proposed Scheme and the proposed accounting treatment specified therein and obtained other necessary information and explanations from the management. 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



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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the Proposed Scheme other than the matters referred to in the attached certificate.

Opinion

8. Based on the reading of the scheme as mentioned above, we are of the opinion that that the accounting treatment contained in Clause 6 of the Proposed Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act 2013 read with the relevant rules thereunder, and Other Generally Accepted Accounting Principles.

Restriction on Use

9. The certificate is addressed to and provided to the Board of Directors of Equitas Holdings Limited. solely for the purpose to complying with requirement of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India Limited and BSE Limited. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person 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: I01049W/E300004



Aniruddh Sankaran

Partner

Membership Number: 211107

Place: Chennai

Date: JANUARY 30, 2019



Auditor's Report

To
The Board of Directors,
Equitas Small Finance Bank Limited.

We, the Statutory auditors of Equitas Small Finance Bank Limited, (herein after referred to as the "Company"), have examined the proposed accounting treatment specified in Clause 6 of the Proposed Scheme of Arrangement between Equitas Holdings Limited, Equitas Small Finance Bank Limited and their respective shareholders in terms of Sections 230 read with Sections 52 and other applicable provisions of the Companies Act, 2013 (the "Proposed Scheme") with reference to its compliance with the applicable Accounting Standards notified under Section 133 of Companies Act, 2013 read with the relevant rules thereunder, and Other Generally Accepted Accounting Principles.

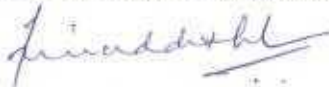
The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the accounting treatment included in the Proposed Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised), issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 6 of the Proposed Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder, and Other Generally Accepted Accounting Principles.

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for onward Submission to National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent. This certificate should be read together with the statement attached herewith (Annexure 1).

For S.R. BATLIBOI & ASSOCIATES LLP**Chartered Accountants**

ICAI Firm Registration Number: 101049W/E300004

**Aniruddh Sankaran**

Partner

Membership Number: 211107



Place: Chennai

Date: **JANUARY 30, 2019**

Annexure 1

Annexure to Certificate issued pursuant to Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities Exchange Board of India on the accounting treatment prescribed in the Proposed Scheme of Arrangement

To
The Board of Directors,
Equitas Small Finance Bank Limited.

1. This annexure is issued in accordance with the terms of our master service agreement dated October 1, 2018 read with the Service Scope Letter dated January 7, 2019 and forms an integral part of the Auditors' Certificate.
2. The Proposed Scheme of Arrangement between Equitas Holdings Limited, Equitas Small Finance Bank Limited (together, the "Companies") and their respective shareholders ("the "Proposed Scheme") for issuance and allotment of fully paid-up equity shares of Equitas Small Finance Bank Limited to shareholders of Equitas Holdings Limited and the consequent reduction in the securities premium account, revenue and other reserves and the surplus in profit and loss account of Equitas Small Finance Bank Limited pursuant to Sections 230 read with Sections 52 and other applicable provisions of the Companies Act, 2013 has been prepared by the Company.

Management's Responsibility

3. The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards notified under section 133 of the Companies Act, 2013, read with the relevant rules thereunder, and Other Generally Accepted Accounting Principles, is that of the Board of Directors of the Companies.

Auditor's Responsibility

4. Pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our responsibility is to provide reasonable assurance on the reporting criteria as to whether the accounting treatment contained in the Proposed Scheme complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Accounting Standards and Other Generally Accepted Accounting Principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) 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.
6. 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 Engagement.
7. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed procedures in relation to the Certificate in the form of reading the Proposed Scheme and the proposed accounting treatment specified therein and obtained other necessary information and explanations from the management. 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,



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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the Proposed Scheme other than the matters referred to in the attached certificate.

Opinion

8. Based on the reading of the scheme as mentioned above, we are of the opinion that that the accounting treatment contained in Clause 6 of the Proposed Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act 2013 read with the relevant rules thereunder, and Other Generally Accepted Accounting Principles.

Restriction on Use

9. The certificate is addressed to and provided to the Board of Directors of Equitas Small Finance Bank Limited solely for the purpose to complying with requirement of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India Limited and BSE Limited. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person 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



Aniruddh Sankaran

Partner

Membership Number: 211107

Place: Chennai

Date: JANUARY 30, 2019

