

Independent Auditor's Report on applicability of conditions under paragraph 1(A)(9)(B) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21

The Board of Directors
CreditAccess Grameen Limited
New no. #49 (Old no.725), 46th Cross Road
8th Block, Jayanagar (Next to Rajalakshmi Kalyan Mantap)
Bangalore - 560 071

Dear Sirs/ Madams,

1. This certificate is issued in accordance with the terms of the Master Engagement Agreement (the "MEA") dated September 30, 2016 and the addendum to MEA dated November 18, 2019 with CreditAccess Grameen Limited (hereinafter the "Company" or "Transferee Company").
2. We, the statutory auditors of the Transferee Company, have examined the management undertaking approved by the board of directors of the Transferee Company in its meeting held on November 27, 2019 (hereinafter referred to as the "Undertaking") stating the reasons for non-applicability of requirements under Paragraph 1(A)(9)(b) of Annexure I to the Securities and Exchange Board of India ("SEBI") Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended (the "SEBI Circular") in connection with the draft scheme of amalgamation, as approved by the board of directors of the Transferee Company in its meeting held on November 27, 2019, for amalgamation of Madura Micro Finance Limited ("Transferor Company") into 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 ("Scheme").

Management's Responsibility

3. The Management of the Transferor Company is responsible for the preparation of the Undertaking and the Scheme and its compliance with Paragraph 1(A)(9)(b) of Annexure I to the SEBI Circular and other regulations issued by the SEBI from time to time.

Auditor's Responsibility

4. Pursuant to the requirements of Paragraph 1(A)(9)(c) of Annexure I to the SEBI Circular, our responsibility is to provide a limited assurance as to whether the information furnished in the Undertaking is in accordance with the relevant records maintained by the Company or the information and explanations given to us.
5. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria, mentioned in paragraph 4 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures in relation to the accompanying Undertaking, initiated by us for identification purposes:
 - a) Obtained and read the certified copies of the resolution passed by the board of directors approving the Scheme and the Undertaking which states the reasons for non-applicability of requirements under Paragraph 1(A)(9)(b) of Annexure I to the SEBI Circular;
 - b) Obtained from the management of the Transferee Company, a certified list of entities representing Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(ies) of Promoter / Promoter Group of the Transferee Company (collectively referred to as the "Promoter Entities") and noted that no additional shares are proposed to be issued or allotted to such Promoter Entities, as part of the Scheme. We have relied upon the Company's determination of Promoter Entities and have not independently verified the same.
 - c) Compared the list of Promoter Entities, referred to in point (b) above, with the list of the shareholders of the Transferor Company, as certified to us by the management of the Transferee Company;