

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
IDBI Bank Limited
CIN:L65190MH2004GOI148838
IDBI Tower,WTC Complex,
Cuffe Parade,Mumbai – 400005.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IDBI Bank Limited (hereinafter called 'the Bank'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the Financial Year ended 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the Financial Year ended 31st March, 2021 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not applicable as no reportable event during the year under review;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not applicable as there was no reportable event during the year under review;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable as the Bank is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Bank has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review;



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable as the Bank has not bought back/proposed to buy back any of its securities during the financial year under review; and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The management has identified and confirmed the following laws as specifically applicable to the Bank:
 1. The Banking Regulation Act, 1949 and Rules, Notifications, Circulars and Guidance issued by the Reserve Bank of India from time to time;
 2. The Reserve Bank of India (RBI) Act, 1934;
 3. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;
 4. The Payment and Settlement Systems Act, 2007;
 5. The Negotiable Instruments Act, 1881.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

- The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Independent Director subject to the comment made elsewhere in the report*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors pertaining to the schedule of the Board/Committee Meetings and agenda & detailed notes on agenda were sent atleast seven days in advance except where consent of Directors was received for circulation of the notice, Agenda and notes on Agenda less than seven days before the meeting.
- A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committee meetings were carried with requisite majority.

*Mr. Jambunathan Narayanan, an Independent Director (ID) of the Bank was unable to renew his registration as an Independent Director in the Independent Directors' Databank (Databank) maintained by Institute of Corporate Affairs (ICA) within stipulated period, due to which his registration has expired from the Databank with effect from 8th February, 2021. We have been informed that the matter has been taken up with ICA and Ministry of Corporate Affairs for re-inclusion of his name in the databank. There has been no change in status till the date of this report. We note from the disclosure made by Mr. Jambunathan and as also confirmed by the Bank, as a matter of propriety and good governance, Mr Jambunathan has been seeking and will continue to seek leave of absence from attending the Meetings of the Board/ Committees till re-inclusion of his name in the Databank.

We further report that based on the review of the compliance mechanism established by the Bank and on the basis of Compliance Certificate(s) issued by various authorized officials and taken on record by the Board of Directors at their meeting(s) we are of the opinion that the Bank has systems and processes in place and is taking efforts to further strengthen them so as to make them commensurate with the size and operations of the Bank, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

- As informed, the Bank has responded appropriately to notices received from various statutory/regulatory authorities by initiating actions for corrective measures, wherever necessary.

Corporate Governance Report

During the Audit period the following events/ actions having a major bearing on the Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards referred to above have taken place:

- The Bank has:
 1. Issued and allotted 37,18,08,177 equity shares to Qualified Institutional Buyers pursuant to Qualified Institutions Placement on 19th December, 2020;
 2. Redeemed Debt Securities (including call options) aggregating to ₹ 2,141.20 crore on their respective due dates.
- The Members at the Annual General Meeting held on 17th August, 2020 by way of with Special Resolutions
 1. authorised the Board of Directors to raise funds by way of issue of equity shares through one or more modes, upto ₹ 11,000 crore;
 2. approved the alteration of Articles of Association to bring them in line with Reserve Bank of India guidelines for Private Sector Banks issued by RBI.
- The Board of Directors at their meeting held on 12th February, 2021, accorded approval to the Scheme of Reduction of Capital by setting off accumulated losses in full or to such extent as may be possible by utilizing the balance standing to the credit of Securities Premium Account as indicated in the Audited Financial Statements of the Bank for the Financial Year ending 31st March, 2021 subject to Statutory/Regulatory and Member's approval.

The Report is to be read with our letter of even date which is annexed as Annexure – A hereto and forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian

Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206C000280537

May 12, 2021 | Thane



Annexure – A

To,
The Members,
IDBI Bank Limited
CIN: L65190MH2004GOI148838
IDBI Tower, WTC Complex,
Cuffe Parade, Mumbai – 400005.

Our Secretarial Audit Report for the Financial Year ended 31st March, 2021 of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Bank to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Bank with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Bank's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. Due to the pandemic caused by COVID-19 and prevailing lockdowns/ restrictions on movement of people imposed by the Government, for the purpose of issuing this report we have conducted our audit remotely based on the records and information made available to us by the Bank electronically.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.
7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner

FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206C000280537
May 12, 2021 | Thane