


To the Stakeholders of the Bank

The Draft Scheme for setting off Accumulated Losses of the Bank as on April 01, 2021 against the Securities Premium Account alongwith the Report of Audit Committee recommending the Draft Scheme, Pre & Post Shareholding Pattern of the Bank, Un-audited Financial Results for the Quarter ended December 31, 2020, Auditor's Certificate as per SEBI Circular, Detailed Compliance Report as per SEBI Circular duly certified by the CS, CFO & Managing Director and Report of Independent Directors' Committee recommending the Draft Scheme, as submitted to the Stock Exchanges today for approval, has been uploaded on the website of the Bank as attached herewith.

The complaints / comments on the Draft Scheme, if any, can be sent to the email id idbiequity@idbi.co.in.

CERTIFIED COPY


12/02/2021

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DRAFT SCHEME OF REDUCTION OF SHARE CAPITAL

BETWEEN

IDBI BANK LIMITED

AND

ITS SHAREHOLDERS

**UNDER SECTIONS 66, 52 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 READ WITH THE NATIONAL COMPANY LAW TRIBUNAL
(PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES,
2016**



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INTRODUCTION

1. Preamble

This Scheme of Reduction of Share Capital is made in accordance with the provisions of Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 for reduction of Share Capital of IDBI Bank Limited ("the Scheme").

2. Parts of the Scheme

This Scheme is divided into the following parts:

Part A which deals with definitions and interpretations;

Part B which deals with details of IDBI Bank Limited;

Part C which deals with reduction of share capital of IDBI Bank Limited;

Part D which deals with the general terms and conditions applicable to this Scheme.



SCHEME

Part A – Definitions and Interpretations

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- i) "Act" means the Companies Act, 2013, including the rules, circulars, orders and regulations made thereunder and will include any statutory amendments, modifications and/or re-enactments thereof for the time being in force.
- ii) "Accumulated Losses" means the losses as indicated in the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2021.
- iii) "Applicable law(s)" mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter.
- iv) "Appointed Date" means April 01, 2021.
- v) "Board" or "Board of Directors" means the Board of Directors of the Bank including any duly constituted Committee(s) thereof.
- vi) "BSE" means BSE Limited.
- vii) "Bank" means IDBI Bank Limited, a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number L65190MH2004GOI148838 and having its Registered Office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India and registered with RBI as a Banking Company.
- viii) "Designated Stock Exchange" means a Stock Exchange which is chosen by the Bank in accordance with SBI Circular Ref. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by Securities and Exchange Board of India read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and for the purpose of the Scheme, BSE is the Designated Stock Exchange.
- ix) "Equity Shares" means the fully paid-up Equity Shares of Rs. 10/- each issued by the Bank.
- x) "Effective Date" means the date on which the final approval of the RBI for setting-off accumulated losses against the balances in the Securities Premium Account is received.

Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.



- xi) "Ind AS" means the Indian Accounting Standards prescribed under Section 133 of the Act.
- xii) "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Circulars issued in this regard by SEBI.
- xiii) "NSE" means National Stock Exchange of India Limited.
- xiv) "RBI" means the Reserve Bank of India.
- xv) "ROC" means the Registrar of Companies, Maharashtra, Mumbai.
- xvi) "Rules" means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, as amended from time to time.
- xvii) "Scheme" means this scheme of reduction of share capital between the Bank and its shareholders, pursuant to the provisions of Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016.
- xviii) "SEBI" means the Securities and Exchange Board of India.
- xix) "Securities Premium Account" means the securities premium account maintained by the Bank in accordance with the provisions of Section 52 of the Act and having such amount as indicated in the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2021.
- xx) "Stock Exchanges" means the stock exchanges where the equity shares of the Bank are listed and are admitted to trading, i.e., BSE and NSE.
- xxi) "Tribunal" or "NCLT" means the National Company Law Tribunal, Mumbai bench.

All terms and words used but not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities and Exchange Board of India Act, 1992, Listing Regulations, Reserve Bank of India Act, 1934, Banking Regulation Act, 1949 and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.



Part B – Details of the Bank

3. Incorporation of the Bank

i) Industrial Development Bank of India

Industrial Development Bank of India (IDBI) was constituted under Industrial Development Bank of India Act, 1964 as a Development Financial Institution (DFI) and came into being as on July 01, 1964 vide Government of India's notification dated June 22, 1964. It was regarded as a Public Financial Institution in terms of the provisions of Section 4A of the Companies Act, 1956. It continued to serve as a DFI for 40 years till the year 2004 when it was transformed into a Bank.

Industrial Development Bank of India Limited

In response to the felt need and on commercial prudence, it was decided to transform IDBI into a Bank. For the purpose, Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 [Repeal Act] was passed repealing the Industrial Development Bank of India Act, 1964. In terms of the provisions of the Repeal Act, a new company under the name of Industrial Development Bank of India Limited (IDBI Ltd.) was incorporated as a Banking Company under the Companies Act, 1956 on September 27, 2004. Thereafter, the undertaking of IDBI was transferred to and vested in IDBI Ltd. with effect from October 01, 2004

Merger of United Western Bank with IDBI Ltd.

The United Western Bank Ltd. (UWB), a Satara-based private sector bank, was placed under moratorium by RBI. Upon IDBI Ltd. showing interest to take over the said bank towards its further inorganic growth, UWB was amalgamated with IDBI Ltd., in terms of the provisions of Section 45 of the Banking Regulation Act, 1949. The merger came into effect on October 03, 2006.

Change of name of IDBI Ltd. to IDBI Bank Ltd.

To truly capture its widened business functions, the name of the Bank was changed to IDBI Bank Ltd. with effect from May 07, 2008 upon issue of the Fresh Certificate of Incorporation by Registrar of Companies, Maharashtra

Merger of IDBI Home Finance Ltd. and IDBI Gilts with IDBI Bank Ltd.

Two wholly owned subsidiaries of IDBI Bank Ltd., viz. IDBI Home Finance Ltd. and IDBI Gilts Ltd. were amalgamated with IDBI Bank Ltd. under Section 391-394 of the Companies Act, 1956 vide Government of India, Ministry of Corporate Affairs order dated April 08, 2011. The appointed day under the scheme of amalgamation has been approved as January 01, 2011. In terms of Section 394(3) of the Companies Act 1956, the Government of India's above Order has been filed with the Registrar of Companies on April 26, 2011.



Re-categorization of IDBI Bank Ltd. as a Private Sector Bank

LIC of India completed acquisition of 51% controlling stake in IDBI Bank on January 21, 2019 making it the majority shareholder of the bank. Subsequent to enhancement of equity stake by LIC of India on January 21, 2019, Reserve Bank of India has clarified vide a Press Release dated March 14, 2019, that IDBI Bank stands re-categorized as a Private Sector Bank, with retrospective effect from January 21, 2019.

- ii) Life Insurance Corporation of India (LIC) is the promoter of the Bank holding 49.24% shareholding and Government of India is the co-promoter (without management control) holding 45.48% shareholding.
- iii) The Registered Office of the Bank is presently situated at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India.
- iv) The Corporate Identity Number is L65190MH2004GOI148838.
- v) The Equity Shares of the Bank are listed on BSE and NSE.

4. Main Objects of the Bank

1. To establish and carry on business of banking in all forms within India and outside India;
2. To acquire by transfer or otherwise the undertaking of the Industrial Development Bank of India, a corporation established under the Industrial Development Bank of India Act, 1964 (18 of 1964) togetherwith all its business, assets, rights, powers, authorities and privileges and all properties, movable and immovable, real and personal, corporeal and incorporeal, in possession or reservation, present or contingent of whatsoever nature and wheresoever situate, including lands, buildings, vehicles, cash balances, deposits, foreign currencies, disclosed and undisclosed reserves, reserve fund, special reserve fund, benevolent reserve fund, any other fund, stocks, investments, shares, bonds, debentures, securities, management of any assisted entities, loans, advances and guarantees given to any person or assisted entities, tenancies, leases and book debts and all other rights and interests arising out of such property as were immediately before the date of transfer in the ownership, possession or power of the Industrial Development Bank of India in relation to its undertaking, within or outside India, all books of accounts, registers, records and documents, relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind within or outside India, then subsisting of the Industrial Development Bank of India.
3. To finance, promote or develop industry and assist in the development of industries by –
 - a. granting loans and advances to –
 - i. any State Financial Corporation or any other state industrial development corporation or any state industrial and investment corporation, non-banking financing company, any financial institution, any scheduled bank or State co-operative bank by way of refinance of any loans or advances granted by such corporations, financial institutions or banks;
 - ii. any scheduled bank or State co-operative bank or any State Financial Corporation or any other financial institution, by way of refinance of any loans or advances granted by such bank or institution which are for the purpose of, or in



connection with, the export of capital goods, commodities or merchandise from India or the execution of any turn-key project outside India.

- b. accepting, discounting or re-discounting bills of exchange and promissory notes made, drawn, accepted or endorsed by any manufacturer, user or any person selling capital goods;
- c. subscribing to or purchasing stocks, shares, bonds or debentures of any State Financial Corporation or any other financial institution, whether within or outside India;
- d. granting lines of credit or loans and advances to any State Financial Corporation or any other financial institution for the purpose of any business of such corporation or institution;
- e. granting loans and advances or subscribing, or purchasing, or underwriting the issue of stocks, shares, bonds or debentures or securities:

Provided that nothing contained in this clause shall be deemed to preclude the Company from granting loans or advances, or subscribing to debentures, the amounts outstanding thereon may be convertible at the option of the Company into stocks or shares of that entity within the period the loan, advance or debenture is repayable.

Explanation - In this clause, the expression "the amounts outstanding thereon" used in relation to any loan or advance, shall mean the principal, interest and other charges payable on such loan or advance as at the time when the amounts are sought to be converted into stocks or shares;

- f. granting loans and advances –
 - i. to any person exporting products; or
 - ii. to any person outside India, in connection with the export of capital goods from India; or
 - iii. for the execution of turn-key projects outside India by any person in India;
- g. transferring for consideration any instrument relating to loans and advances granted by the Company;
- h. granting loans and advances to any person for purposes of investment;
- i. guaranteeing deferred payments;
- j. guaranteeing –
 - i. loans which are floated in the public market; and
 - ii. loans from any scheduled bank or State co-operative bank or any State Financial Corporation or any other financial institution;
- k. guaranteeing the obligations of any scheduled bank or State co-operative bank or any State Financial Corporation or any other financial institution, arising out of, or in connection with, underwriting the issue of stocks, shares, bonds or debentures or securities;



- l. granting, opening, issuing, confirming or endorsing letters of credit and negotiating or collecting bills and other documents drawn thereunder;
 - m. providing consultancy and merchant banking services in or outside India;
 - n. acting as the trustee for the holders of debentures or other securities;
 - o. acquiring, the undertaking including the business, assets and liabilities of any institution the principal object of which is the promotion or development of industry, or the grant of financial assistance for such promotion or development;
 - p. undertaking research and surveys for evaluating or dealing with marketing or investments and undertaking and carrying on techno-economic studies in connection with the development of industry;
 - q. providing technical, legal, marketing and administrative assistance to any person for promotion, management or expansion of any industry;
 - r. planning, promoting and developing industries to fill up gaps in the industrial structure in India and outside India;
 - s. promoting, forming or conducting or associating in the promotion, formation or conduct of companies, subsidiaries, societies, trusts or such other association of persons as the Company may deem fit;
4. To generally engage in every form of banking business;
 5. Soliciting or procuring insurance business as a corporate agent.

5. Capital Structure of the Bank

- i. Authorized Share Capital: Rs. 25000 crore (2500,00,00,000 Equity Shares of Rs. 10 each)
- ii. Issued, Subscribed and Paid-up Share Capital: Rs. 10752,40,21,750 (10752,40,21,75 Equity Shares of Rs 10 each)
- iii. Security Premium: Rs. 5,07,32,26,83,579.06

6. Financial Position of the Bank

Bank has declared its financial results for the Q3/ Nine months ended December 31, 2020 FY 2020-21 on January 28, 2021. Unaudited financial statement along with Auditors' Limited Review Report is annexed herewith.

7. Accumulated Losses and Securities Premium of the Bank

- i) The accumulated losses (i.e., debit balance of Profit or Loss Account) of the Bank from previous years as per Audited Financial Statements for the Financial Year ended March 31, 2020 and as on April 01, 2020 is Rs. 45,586 Crore (Rupees Forty-Five Thousand Five Hundred and Eighty-Six Crore). The said balance as on December 31, 2020 stood at Rs. 44,739 Crore (Rupees Forty-Four Thousand Seven Hundred and Thirty-Nine Crore) as per the unaudited financial statements. The accumulated losses as at March 31, 2021, shall be ascertained after the audited Financial Statements are approved by the Board of Directors of the Bank.



- ii) The balance standing to the credit of Securities Premium Account of the Bank as per Audited Financial Statements for the Financial Year ended March 31, 2020 and as on April 01, 2020 is Rs. 49,669 Crore (Rupees Forty-Nine Thousand Six Hundred and Sixty-Nine Crore). The said balance as on December 31, 2020 stood at Rs.50,718 crore as per the unaudited financial statements. The balance standing to the credit of Securities Premium Account as at March 31, 2021, shall be ascertained after the audited Financial Statements are approved by the Board of Directors of the Bank.



Part C – Reduction of Share Capital

8. Rationale and Purpose of the Scheme

- i) Accumulated losses have wiped-off the value represented by the Share Capital of the Bank and in view of the accumulated losses, the distributable items, in terms of RBI's Notification DBR.BP.BC.No.50/21.06.201/2016-17 dated February 02, 2017, is negative and the Bank is not eligible to make coupon payment of AT 1 Bonds. Bank had to repay entire AT1 Bonds aggregating to Rs.5000 crore in March 2018. This is affecting the Bank's plan to raise AT1 Bonds in the near future.
- ii) Accordingly, with future prospects of growth and value addition to the Bank and its Shareholders, the Bank now proposes to re-align the relationship between its capital and its assets.
- iii) By Article 8 of the Articles of Association of the Bank, the Bank is authorized to reduce its share capital in any manner in accordance with the provisions of the Act.
- iv) RBI, vide its letter dated December 18, 2020 has given its in-principle no objection to the Bank from a regulatory standpoint, for setting off the accumulated losses as on April 01, 2020 against the balance standing to the credit of the Securities Premium Account on the same date, subject to compliance with the provisions of Sections 52 and 66 of the Act and also compliance with all other laws and regulations applicable in the matter. Further, RBI has stated that the Bank shall approach it for final approval after obtaining requisite approvals/ confirmations in terms of the aforesaid provisions of the Act/ other laws/ regulations.
- v) However, since by the time all regulatory approvals are obtained, financial results for financial year 2020-21 would be audited and finalised. Accordingly, it is proposed to set off Accumulated Losses as on April 01, 2021 against balance standing to the credit of Securities Premium Account of the Bank as on the said date. RBI has been consulted in this regard. Final approval of RBI will be obtained accordingly.
- vi) Section 52 of the Act prescribes the purposes for which the balance standing to the credit of Securities Premium Account can be utilized and any utilization of Securities Premium Account for any purpose other than that prescribed under Section 52 of the Act, shall be construed as a reduction of share capital of the Company and the provisions of Section 66 of the Act would accordingly be applicable in such cases.
- vii) In view of the aforesaid, the Bank, in accordance with the provisions of Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and subject to approval of the Shareholders, the NCLT, the RBI and other statutory / regulatory authorities, as applicable, proposes to set-off the accumulated losses in full or to such extent as may be possible by utilizing the balance standing to the credit of Securities Premium Account, to have a rational structure which is commensurate with its business and assets.



viii) The Bank believes that the reduction of share capital is the most practical and economically efficient option available to the Bank in the present scenario so as to present a true and fair view of the financial position of the Bank. Further, the said exercise of rearrangement of liabilities i.e., setting off of accumulated losses against Securities Premium would be a Balance Sheet neutral exercise.

9. Benefits / Objects of the Scheme

- i) Under this Scheme, if approved:
 - a) the Bank will be able to represent its true financial position which would benefit Shareholders as their holding will yield better value;
 - b) will place the Bank in a better position to achieve its Turnaround Plan in a time-bound manner;
 - c) will enable the Bank to explore opportunities for the benefit of the Shareholders of the Bank including in the form of dividend payment as per the applicable provisions within a reasonable timeframe; and
 - d) will enable the Bank to utilize a balance of the amount standing to the credit of its Securities Premium Account in an effective manner for the benefit of the Bank

10. Accounting Treatment

- i) Upon the Scheme becoming effective, the accumulated losses (i.e., debit balance of Profit or Loss Account) shall be set-off with corresponding adjustments by way of a debit to the Securities Premium Account.
- ii) The Bank shall pass appropriate entries as per the applicable accounting standards as regards accounting for the reduction of Share Capital and setting-off the accumulated losses.

11. Form of Minute

- i) The form of minute proposed to be registered under Section 66(5) of the Act is as under:

"The issued, subscribed and paid-up share capital of IDBI Bank Limited is Rs. 10752,40,21,750 (Rupees Ten Thousand Seven Hundred and Fifty Two crore Forty Lakh Twenty One Thousand Seven Hundred & Fifty only divided into 10752,40,21,75 Equity Shares of Rs. 10/- each. At the date of the registration of this minute 107524021750 Equity Shares of Rs. 10/- each have been issued and are deemed to be fully paid-up."

12. Effect of the Scheme on Financial Statement

The exercise of rearrangement of liabilities i.e. setting off of Accumulated Losses against Securities Premium is balance sheet neutral and will not:

- (a) alter the Bank's liabilities; or
- (b) change in any way its assets position; or



- (c) change the shareholding; or
- (d) alter or impact the capital structure ; or
- (e) impact the capital adequacy ratio; or
- (f) adversely impact the net-worth; or
- (g) impact or impair the voting rights or other shareholders rights;
- (h) impact the position of non-performing assets; or
- (i) any other ratios

13. Effect of the Scheme on Tax Liability

There will be no impact of the Scheme on:

- i) Tax Books and tax benefits available to Bank;
- ii) Tax liability of the Bank and carry forwards of accumulated losses in tax Books;
- iii) DTA position of the Bank

14. Effect of the Scheme on Shareholders

- i) The proposed reduction of Share Capital does not involve extinction or reduction of any liability in respect of unpaid share capital or cancellation of paid-up share capital which is lost or is unrepresented by available assets or the payment to any shareholder of any paid-up share capital.
- ii) The proposed reduction of Share Capital does not entail discharge of any consideration by the Bank to its shareholders. Accordingly, the Bank's equity capital structure and shareholding pattern post reduction of Securities Premium Account will remain unchanged. The Book Value of the equity shares will also remain unchanged.
- iii) The proposed reduction of Share Capital will not have any adverse effect on the Shareholders of the Bank.

15. Effect of the Scheme on Employees / Workers

- i) The proposed reduction of Share Capital would not affect the employees and workers of the Bank in any manner and their service shall be continuous and they would continue to enjoy the same benefits as they used to before the reduction of Share Capital.

16. Effect of the Scheme on Creditors / Banks / Financial Institutions

- i) The proposed reduction of Share Capital would not in any way adversely affect the ordinary operations of the Bank or the ability of the Bank to honour its commitments or pay the debts in ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the Creditors/ Banks/ Financial institutions. They would in fact be generally benefitted as the Scheme would help improving the financial position of the Bank.



- ii) The proposed reduction of Share Capital in any manner whatsoever does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

17. Legal Proceedings

- i) The Scheme will not affect any legal or other proceedings by or against the Bank, pending or arising, but the proceedings may be continued, prosecuted and enforced by or against the Bank in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Bank prior to the Scheme.

18. Conduct of Business by the Bank

- i) The Scheme does not involve any financial outlay / outgo and therefore, will not affect the ability or liquidity of the Bank to meet its obligations / commitments in the normal course of business. Further, this Scheme will also not in any way adversely affect the ordinary operations of the Bank during the course, or after the approval, of the Scheme.

19. Miscellaneous

- i) No inspection, inquiry or investigation have been instituted and are pending against the Bank under the Act.
- ii) Being a Banking Company, provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder pertaining to deposits are not applicable to the Bank.
- iii) The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts including all or any of the statutory dues payable or outstanding.
- iv) The Scheme does not envisage transfer or vesting of any of the properties and/or liabilities of the Bank to any person or entity.
- v) The Scheme is merely a reduction of Share Capital and does not involve any conveyance or transfer of any property of the Bank and does not involve any issue of shares.
- vi) Notwithstanding the reduction of Share Capital in pursuance to this Scheme and subject to the orders of the NCLT, the Bank shall not be required to add the words "And Reduced" as a suffix to its name.



Part D – General Terms and Conditions applicable to this Scheme

18. Date of Taking Effect and Operative Date

- i) The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

19. Application to NCLT

- i) The Bank shall make applications / petitions under Section 66 and other applicable provisions of the Act to the NCLT for the sanction of this Scheme, minute of reduction and all matters ancillary or incidental thereto.

20. Modifications / Amendments to the Scheme

- i) The Bank will be at liberty to apply to the NCLT from time to time for necessary directions in matters relating to this Scheme or any terms thereof, in terms of the Act.
- ii) Subject to the provisions of the applicable law, the Bank through its Board, may assent to any modifications/ amendments to the respective part of this Scheme and/ or to any conditions or limitations, including such modifications/ amendments and/ or conditions or limitations that the NCLT, the SEBI, the Stock Exchanges and/ or any other competent authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Bank, through its authorized representatives, be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the NCLT or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

21. Conditionality of the Scheme

- i) The Scheme is conditional upon and subject to:
 - a) the Scheme being approved by the shareholders of the Bank through a Special resolution
 - b) The requisite sanctions and approvals under the applicable law including but not limited to approvals, sanctions required under the SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be required by applicable law in respect of this Scheme, being obtained;
 - c) The Scheme being sanctioned by the NCLT under Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National



Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016;

- d) The certified copy of the order of the NCLT sanctioning the Scheme and the minute of reduction being filed with the ROC;
- e) The final approval of the RBI for setting-off Accumulated Losses against the balances in the Securities Premium Account is received.

22. Effect of Non-Receipt of Approvals

- i) In the event of any of the sanctions and approvals referred to above not being obtained and / or the reduction of Share Capital not being sanctioned by the NCLT or such other appropriate authority, if any, this reduction of Share Capital shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the reduction of Share Capital or as may otherwise arise in law and agreed between the relevant parties.
- ii) The Board of Directors shall be entitled to revoke, cancel and declare the Scheme or any part thereof to be of no effect and / or to withdraw the Scheme or any part thereof and respective applications/ petitions filed with the NCLT for any reason including if the Board is of view that the coming into effect of the Scheme or of any part thereof, in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on the Bank or in case any condition or alteration imposed by the NCLT or any other authority or entity is not on terms acceptable to them.

23. Cost, Charges and Expenses

- i) The Bank shall bear all the costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto and all such costs shall be treated as costs relating to this Scheme.

24. Listing Benefits

- i) Notwithstanding the reduction of Share Capital, the listing benefits of the Bank on all the Stock Exchange(s) shall continue and the Bank will comply with the applicable provisions of the listing regulations.

25. Severability

- i) If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme.
- ii) If any part of this Scheme hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then subject to the decision of the Board, such part shall be severable from the remainder of the Scheme,



and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification in the Scheme.

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REPORT OF AUDIT COMMITTEE OF IDBI BANK LIMITED ("THE BANK") RECOMMENDING THE DRAFT SCHEME OF REDUCTION OF SHARE CAPITAL BETWEEN THE BANK AND ITS SHAREHOLDERS UNDER SECTIONS 66, 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016

To,

Board of Directors

IDBI Bank Limited

Mumbai

1. BACKGROUND

- 1.1. The meeting of Audit Committee was held on February 11, 2021 to give its recommendation on the proposed Scheme of Reduction of Share Capital between the Bank and its Shareholders under Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016. ("The Scheme")
- 1.2. The Scheme is for setting off Accumulated Losses as indicated in the Audited Financial Statements for the Financial Year ending March 31, 2021 in full or to such an extent as may be possible by utilizing the balance standing to the credit of Securities Premium Account of the Bank as on the said date (Resulting into reduction of share capital). The Scheme shall be considered for approval by the Board of Directors of the Bank at their meeting to be held on February 12, 2021. If approved by the Board, the Bank will be filing the Scheme with Stock Exchanges along with necessary information / documents.
- 1.3. This report is made pursuant to the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, read with SEBI (LODR) Regulations, 2015 in order to submit the same to the Stock



Exchanges/SEBI for obtaining their Observation / No Objection Letter to the Proposal pursuant to Regulation 37 of the SEBI (LODR) Regulations, 2015, as amended from time to time.

2. DOCUMENTS PLACED BEFORE THE COMMITTEE

2.1. The following documents / facts were placed before the Committee:

2.1.1. In-principle No Objection letter dated December 18, 2020, issued by the Reserve Bank of India conveying its no objection to the Bank from a regulatory standpoint for setting off the accumulated losses as on April 01, 2020 against the balances in the Securities Premium Account on the same date, subject to compliance with applicable laws. The Bank has informed that, since by the time all regulatory approvals are obtained; financial results for financial year 2020-21 would be audited and finalised. Thus, it is proposed to set off accumulated losses as on April 01, 2021 against balance standing to the credit of Securities Premium Account of the Bank as on the said date. RBI has been consulted in this regard. Final approval of RBI will be obtained accordingly.

2.1.2. Draft Scheme.

2.1.3. Auditors Certificate to the effect that the accounting treatment contained in the Scheme is in compliance with applicable accounting standards under Companies Act, 2013 and the generally accepted accounting standards in India.

2.1.4. Undertaking by the Bank along with Auditors Certificate with respect to non-applicability of Para I(A)(9)(a) and Para I(A)(9)(b) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 March 10, 2017.

✓

3. PROPOSAL

3.1. The Audit Committee noted that the Draft Scheme for reduction of Share Capital is for the setting-off of Accumulated Losses in full or to such extent as may be possible by utilizing the balance standing to the credit of Securities Premium Account, to have a rational structure which is commensurate with its business and assets.

4. NOTINGS OF THE COMMITTEE

4.1. The Audit Committee notes the rationale and purpose of the Scheme as under:

4.1.1. In view of the accumulated losses, the distributable items, in terms of RBI's Notification DBR. BP. BC. No. 50/21.06.201/2016-17 dated February 02, 2017, is negative and the Bank is not eligible to make coupon payment of AT1 Bonds. Bank had to repay entire AT1 Bonds aggregating to Rs.5000 crore in March 2018. This is affecting the Bank's plan to raise AT1 Bonds in the near future.

4.1.2. RBI, vide its letter dated December 18, 2020 has given its in-principle no objection to the Bank from a regulatory standpoint, for setting off the Accumulated Losses as on April 01, 2020 against the balance standing to the credit of the Securities Premium Account on the same date, subject to compliance with the provisions of Sections 52 and 66 of the Act and also compliance with all other laws and regulations applicable in the matter.

4.1.3. Since by the time all regulatory approvals are obtained, financial results for financial year 2020-21 would be audited and finalised, the Bank proposes to set off Accumulated Losses as on April 01, 2021 against balance standing to the credit of Securities Premium Account of the Bank as on the said date. RBI has been consulted in this regard. Further, RBI has stated that the Bank shall approach it for final approval after obtaining requisite approvals/ confirmations in terms of the aforesaid provisions of the Act/ other laws/ regulations.



4.1.4. Section 52 of the Act prescribes the purposes for which the balance standing to the credit of Securities Premium Account can be utilized and any utilization of Securities Premium Account for any purpose other than that prescribed under Section 52 of the Act, shall be construed as a reduction of share capital of the Bank and the provisions of Section 66 of the Act would accordingly be applicable in such cases.

4.1.5. The Bank believes that for reduction of capital, this is the most practical and economically efficient option available to the Bank in the present scenario so as to present a true and fair view of the financial position of the Bank. Further, the said exercise of rearrangement of liabilities i.e., setting off of accumulated losses against Securities Premium would be a Balance Sheet neutral exercise.

4.2. The Audit Committee notes the benefits / objects of the Scheme as under:

4.2.1. Under this Scheme, if approved:

- 4.2.1.1. the Bank will be able to represent its true financial position which would benefit Shareholders as their holding will yield better value;
- 4.2.1.2. will place the Bank in a better position to achieve its Turnaround Plan in a time-bound manner;
- 4.2.1.3. will enable the Bank to explore opportunities for the benefit of the Shareholders of the Bank including in the form of dividend payment as per the applicable provisions within a reasonable timeframe; and
- 4.2.1.4. will enable the Bank to utilize the balance amount standing to the credit of its Securities Premium Account in an effective manner for the benefit of the Bank.

4.3. The Audit Committee notes the impact of the Scheme on the Financial Statement of the Bank, as presented to the Audit Committee.

3-

4.4. The Audit Committee notes the opinion obtained from the Tax Consultant of the Bank.

4.5. The Audit Committee notes the impact of the Scheme on Shareholders of the Bank, as under:

4.5.1. The proposed reduction of Share Capital does not involve extinction or reduction of any liability in respect of unpaid share capital or cancellation of paid-up share capital which is lost or is unrepresented by available assets or the payment to any shareholder of any paid-up share capital.

4.5.2. The proposed reduction of Share Capital does not entail discharge of any consideration by the Bank to its shareholders. Accordingly, the Bank's equity capital structure and shareholding pattern post reduction of Securities Premium Account will remain unchanged. The Book Value of the equity shares will also remain unchanged.

4.5.3. The proposed reduction of Share Capital will not have any adverse effect on the Shareholders of the Bank.

4.6. The Audit Committee notes the impact of the Draft Scheme on Employees / Workers of the Bank as well as the Creditors / Banks / Financial Institutions, as under:

4.6.1. The proposed reduction of Share Capital would not affect the employees and workers of the Bank in any manner and their service shall be continuous and they would continue to enjoy the same benefits as they used to before the reduction of Share Capital.

4.6.2. The proposed reduction of Share Capital would not in any way adversely affect the ordinary operations of the Bank or the ability of the Bank to honour its commitments or pay the debts in ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the Creditors/ Banks/ Financial institutions. They



would in fact be generally benefitted as the Scheme would help improving the financial position of the Bank.

4.6.3. The proposed reduction of Share Capital in any manner whatsoever does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

5. COMMENTS ON SPECIFIC AREAS

5.1. In accordance with the provisions of Para I(A)(2)(c) of Annexure I of SEBI Circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017, comments of the Committee are as under:

Specific Area	Comments of the Committee
Need for the merger/ demerger/ amalgamation/ arrangement	Please refer Para 4.1 aforesaid – The Committee agrees with the need stated therein
Rationale of the Scheme	Please refer Para 4.1 aforesaid – The Committee agrees with the rationale of the scheme stated therein
Synergies of business of the entities involved in the Scheme	Not Applicable
Impact of the Scheme on the shareholders	Please refer Para 4.5 aforesaid – The Committee agrees with the Impact of the scheme on the shareholders stated therein
Cost benefit analysis of the Scheme	Please refer Para 4.2 aforesaid – The Committee agrees with the benefits / objects of the scheme stated therein



6. RECOMMENDATION OF THE COMMITTEE:

6.1. The Audit Committee having noted the facts, the need, rationale, benefits and impact of the Scheme on shareholders and other stakeholders and after detailed deliberations and in consideration of the documents placed before it, approves and recommends the Scheme to Board of Directors of the Bank for their consideration and approval.

By order of the Audit Committee of IDBI Bank Limited

Date: February 11, 2021

Place: Mumbai



(J. Samuel Joseph)

Dy. Managing Director and Member of ACB

PRE AND POST SHAREHOLDING PATTERN OF IDBI BANK LIMITED

1. Name of Listed Entity:IDBI BANK LIMITED
2. Scrip Code/Name of Scrip/Class of Security:500116,IDBI,EQUITY SHARES
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg.31(1)(b)/Reg.31(1)(c)
 - a. if under 31(1)(b) then indicate the report for quarter ending 05/02/2021
 - b. if under 31(1)(c) then indicate date of allotment/extinguishment
4. Declaration : The Listed entity is required to submit the following declaration to the extent of submission of information:

	Particulars	YES*	NO*
a	Whether the Listed Entity has issued any partly paid up shares		NO
b	Whether the Listed Entity has issued any Convertible Securities or Warrants?		NO
c	Whether the Listed Entity has any shares against which depository receipts are issued?		NO
d	Whether the Listed Entity has any shares in locked-in?	Yes	
e	Whether any shares held by promoters are pledge or otherwise encumbered?		NO

*if the Listed Entity selects the option 'NO' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

- 5 The tabular format for disclosure of holding of specified securities is as follows:

Kindly note that the activity of Capital Reduction is being carried out to utilize the Security Premium amount for setting off the accumulated losses of the Bank



Table 1 - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)		(IX)		(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	
(A)	Promoter & Promoter Group	2	10183974842	0	0	10183974842	94.71	10183974842	0	10183974842	94.71	0	94.71	4900987246	48.12	0	0.00	10183974842
(B)	Public	473851	568427333	0	0	568427333	5.29	568427333	0	568427333	5.29	0	5.29	0	0.00	NA	NA	558989419
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	473853	10752402175	0	0	10752402175	100.00	10752402175	0	10752402175	100.00	0	100.00	4900987246	45.53	0	0.00	10742963261



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholdng as a % of total no of shares (calculated as per SCRR, 1957 (VIII)) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian																		
(a)	Individuals/Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Central Government/State Government(s)		1	4889871903	0	0	4889871903	45.48	4889871903	0	4889871903	45.48	0	45.48	2005135620	41.01	0	0.00	4889871903
	PRESIDENT OF INDIA	1204720012202893	1	4889871903	0	0	4889871903	45.48	4889871903	0	4889871903	45.48	0	45.48	2005135620	41.01	0	0.00	4889871903
(c)	Financial Institutions/Banks		1	5294102939	0	0	5294102939	49.24	5294102939	0	5294102939	49.24	0	49.24	2895851526	54.70	0	0.00	5294102939
	LIC OF INDIA PENSION PLUS MIXED FUND	AAACL0582H	1	5294102939	0	0	5294102939	49.24	5294102939	0	5294102939	49.24	0	49.24	2895851526	54.70	0	0.00	5294102939
(d)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)		2	10183974842	0	0	10183974842	94.71	10183974842	0	10183974842	94.71	0	94.71	4900987146	48.12	0	0.00	10183974842
(2)	Foreign																		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		2	10183974842	0	0	10183974842	94.71	10183974842	0	10183974842	94.71	0	94.71	4900987146	48.12	0	0.00	10183974842



Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked In Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(1)	Institutions																		
(a)	Mutual Funds		6	6459127	0	0	6459127	0.06	6459127	0	6459127	0.06	0	0.06	0	0.00	NA	NA	6459127
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors		8	18231178	0	0	18231178	0.17	18231178	0	18231178	0.17	0	0.17	0	0.00	NA	NA	18231078
(f)	Financial Institutions/Banks		31	210483425	0	0	210483425	1.96	210483425	0	210483425	1.96	0	1.96	0	0.00	NA	NA	210477245
(g)	Insurance Companies		6	22141562	0	0	22141562	0.21	22141562	0	22141562	0.21	0	0.21	0	0.00	NA	NA	22141562
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																		
	Qualified Institutional Buyer		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(1)		51	257315292	0	0	257315292	2.39	257315292	0	257315292	2.39	0	2.39	0	0.00	NA	NA	257309012
(2)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(3)	Non-Institutions																		
(a)	I.Individual shareholders holding nominal share capital up to Rs.2 l		459527	198138128	0	0	198138128	1.84	198138128	0	198138128	1.84	0	1.84		0.00	NA	NA	189953931
	II.Individual shareholders holding nominal share capital in excess o		985	55442352	0	0	55442352	0.52	55442352	0	55442352	0.52	0	0.52		0.00	NA	NA	55413872
(b)	NBFCs Registered with RBI		2	5745	0	0	5745	0.00	5745	0	5745	0.00	0	0.00	0	0.00	NA	NA	5745
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0		0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																		
	TRUSTS		45	332500	0	0	332500	0.00	332500	0	332500	0.00	0	0.00	0	0.00	NA	NA	308180
	NON RESIDENT INDIANS		4469	5947637	0	0	5947637	0.06	5947637	0	5947637	0.06	0	0.06	0	0.00	NA	NA	4904986
	CLEARING MEMBERS		297	13335542	0	0	13335542	0.12	13335542	0	13335542	0.12	0	0.12	0	0.00	NA	NA	13335542
	DIRECTORS		2	28600	0	0	28600	0.00	28600	0	28600	0.00	0	0.00	0	0.00	NA	NA	28600
	SOCIETIES		6	28160	0	0	28160	0.00	28160	0	28160	0.00	0	0.00	0	0.00	NA	NA	0
	NRI NON-REPATRIATION		1347	1539554	0	0	1539554	0.01	1539554	0	1539554	0.01	0	0.01	0	0.00	NA	NA	1539554
	BODIES CORPORATES		1366	23489790	0	0	23489790	0.22	23489790	0	23489790	0.22	0	0.22	0	0.00	NA	NA	23364964
	I E P F		1	4959699	0	0	4959699	0.05	4959699	0	4959699	0.05	0	0.05	0	0.00	NA	NA	4959699
	H U F		5763	7864334	0	0	7864334	0.07	7864334	0	7864334	0.07	0	0.07	0	0.00	NA	NA	7864334
	Sub Total (B)(3)		473810	311112041		0	311112041	2.89	311112041	0	311112041	2.89	0	2.89	0	0.00			301679407
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		473861	568427333	0	0	568427333	5.29	568427333	0	568427333	5.29	0	5.29	0	0.00			558988419

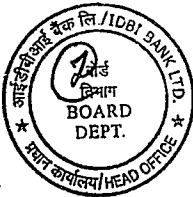
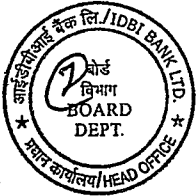


Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00			0



Details of the shareholders acting as persons in Concert including their Shareholding:			
Name of Shareholder	Name of PAC	No of shares	Holding%
Life Insurance Corporation of India	LIC & Associates	5294102939	49.24
Total:		5294102939	49.24



Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders,	
No of Shareholders	No of shares
19	3760





CIN: L65190MH2004GOI148838

आईडीबीआई बैंक लिमिटेड
पंजीकृत कार्यालय : आईडीबीआई टॉवर,
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Website : www.idbibank.in

IDBI BANK LIMITED

Unaudited Standalone Financial Results for the Quarter /Nine Months Ended December 31, 2020

(' in Lakh)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020 (Reviewed)	30.09.2020 (Reviewed)	31.12.2019 (Reviewed)	31.12.2020 (Reviewed)	31.12.2019 (Reviewed)	31.03.2020 (Audited)
1	Interest earned (a)+(b)+(c)+(d)	4563 98	4689 21	4937 24	14150 62	15226 69	20825 14
	(a) Interest/discount on advances/bills	2915 66	2945 12	3090 09	8919 29	9641 48	13092 90
	(b) Income on investments	1255 08	1324 92	1457 41	3963 93	4409 76	5780 64
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	175 09	151 71	101 59	465 13	271 01	453 76
	(d) Others	218 15	267 46	288 15	802 27	904 44	1497 84
2	Other Income	1368 27	1071 85	1278 36	3443 72	3143 85	4470 33
A.	Total Income (1+2)	5932 25	5761 06	6215 60	17594 34	18370 54	25295 47
3	Interest Expended	2754 46	2994 08	3404 88	8872 53	10605 12	13847 30
4	Operating Expenses (a)+(b)	1538 53	1520 78	1532 88	4510 32	4527 20	6336 16
	(a) Employees cost	796 28	789 30	772 61	2357 73	2321 49	3245 49
	(b) Other operating expenses	742 25	731 48	760 27	2152 59	2205 71	3090 67
B.	Total Expenditure (3+4) (excluding provisions and contingencies)	4292 99	4514 86	4937 76	13382 85	15132 32	20183 46
C.	Operating profit (A-B) (Profit before Provisions & Contingencies)	1639 26	1246 20	1277 84	4211 49	3238 22	5112 01
D.	Provisions (other than tax) and Contingencies (Net)	796 31	581 15	521 95	2265 51	12495 31	14079 45
	of which provisions for Non-performing Assets	48 52	(164 60)	440 00	(1450 88)	10994 41	9483 03
E.	Exceptional items	-	-	-	-	-	-
F.	Profit (+)/Loss(-) from Ordinary Activities before tax (C-D-E)	842 95	665 05	755 89	1945 98	(9257 09)	(8967 44)
G.	Provision for taxes	464 53	340 65	6518 93	1098 72	3765 63	3919 90
II.	Net Profit (+)/Loss(-) from Ordinary Activities after tax (F-G)	378 42	324 40	(5763 04)	847 26	(13022 72)	(12887 34)
I.	Exceptional items (net of tax expense)	-	-	-	-	-	-
J.	Net Profit (+)/Loss(-) for the period (H-I)	378 42	324 40	(5763 04)	847 26	(13022 72)	(12887 34)
5	Paid-up equity share capital (Face Value ` 10 Per Share)	10752 40	10380 59	10380 59	10752 40	10380 59	10380 59
6	Reserves excluding Revaluation Reserves (as per Balance sheet of previous year)	17140 41	17140 41	23147 71	17140 41	23147 71	17140 41
7	Analytical Ratios						
	(i) Percentage of shares held by Government of India	45.48	47.11	47.11	45.48	47.11	47.11
	(ii) Capital Adequacy Ratio (%) (Basel III)	14.77	13.67	12.56	14.77	12.56	13.31
	(a) CET 1 Ratio (including CCB Ratio) (%)	12.22	11.06	9.96	12.22	9.96	10.54
	(b) Additional Tier 1 ratio (%)	0.00	0.00	0.20	0.00	0.20	0.03
	(iii) Earning Per Share (EPS) (Rupees) (not annualised) Before and After Extraordinary items						
	(a) Basic	0.36	0.31	(5.91)	0.81	(15.49)	(14.48)
	(b) Diluted	0.36	0.31	(5.91)	0.81	(15.49)	(14.48)
	(iv) (a) Amount of Gross Non-performing assets	37559 39	41090 53	49502 68	37559 39	49502 68	47272 37
	(b) Amount of Net Non-performing assets	2410 90	3362 66	6805 49	2410 90	6805 49	5439 49
	(c) % of Gross Non-performing assets	23.52	25.08	28.72	23.52	28.72	27.53
	(d) % of Net Non-performing assets	1.94	2.67	5.25	1.94	5.25	4.19
	(v) Return on Assets % (Annualised)	0.51	0.43	(7.63)	0.38	(5.70)	(4.26)



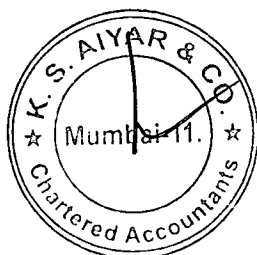
Standalone Segment Information for the Quarter / Nine Months ended December 31, 2020

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Nine Months Ended		Year Ended
		Dec 31, 2020	Sept 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	March 31, 2020
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
a.	Segment Revenue						
	Corporate/Wholesale banking	2520 58	2251 79	2794 01	6880 31	8803 03	12093 45
	Retail banking	6558 17	6810 69	7321 72	20554 19	21799 01	28905 50
	Treasury	71 46	8 28	115 88	157 32	493 66	753 61
	Other banking operations	-	-	-	-	-	-
	Unallocated	-	-	-	-	-	-
	TOTAL	9150 21	9070 76	10231 61	27591 82	31095 70	41752 56
	Less :- Inter-segment revenue	3217 96	3309 70	4016 01	9997 48	12725 16	16457 09
	Net sales / Income from operations	5932 25	5761 06	6215 60	17594 34	18370 54	25295 47
b.	Segment Results -Profit/(loss) before tax						
	Corporate/Wholesale banking	(149 07)	20 75	218 01	(726 13)	(10624 80)	(11308 74)
	Retail banking	908 96	640 94	430 06	2511 38	1034 51	1766 71
	Treasury	83 06	3 36	107 82	160 73	333 20	574 59
	Other banking operations	-	-	-	-	-	-
	Unallocated	-	-	-	-	-	-
	Profit/(Loss) before tax	842 95	665 05	755 89	1945 98	(9257 09)	(8967 44)
	Income taxes	464 53	340 65	6518 93	1098 72	3765 63	3919 90
	Net profit/(Loss)	378 42	324 40	(5763 04)	847 26	(13022 72)	(12887 34)
c.	Segment assets						
	Corporate/Wholesale banking	115824 37	110377 85	101725 72	115824 37	101725 72	106428 41
	Retail banking	166113 07	174012 86	173685 35	166113 07	173685 35	171633 57
	Treasury	1295 98	479 84	1900 28	1295 98	1900 28	174 85
	Other banking operations	-	-	-	-	-	-
	Unallocated assets	19441 06	20568 65	20626 03	19441 06	20626 03	21691 27
	Total assets	302674 48	305439 20	297937 38	302674 48	297937 38	299928 10
d.	Segment liabilities						
	Corporate/Wholesale banking	46367 04	51909 15	53059 10	46367 04	53059 10	53464 67
	Retail banking	225967 01	225179 64	217149 67	225967 01	217149 67	217843 56
	Treasury	379 10	244 65	398 20	379 10	398 20	1098 85
	Other banking operations	-	-	-	-	-	-
	Unallocated liabilities	-	-	-	-	-	-
	Total liabilities	272713 15	277333 44	270606 97	272713 15	270606 97	272407 08
e.	Capital employed (Segment assets-Segment liabilities)						
	Corporate/Wholesale banking	69457 33	58468 70	48666 61	69457 33	48666 61	52963 74
	Retail banking	(59853 94)	(51166 78)	(43464 31)	(59853 94)	(43464 31)	(46209 99)
	Treasury	916 88	235 19	1502 08	916 88	1502 08	(924 00)
	Other banking operations	-	-	-	-	-	-
	Unallocated	19441 06	20568 65	20626 03	19441 06	20626 03	21691 27
	Total	29961 33	28105 76	27330 41	29961 33	27330 41	27521 02

Notes on Segment Reporting:

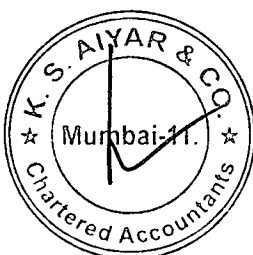
- As per RBI guidelines and in compliance with the applicable Accounting Standard (AS)- 17 on Segment Reporting, the Bank has classified "Corporate/Wholesale Banking", "Retail Banking" and "Treasury" as Primary Business Segments.
- These segments have been identified in line with the said Accounting Standard (AS) after considering the nature and risk profile of the products and services, the target customer profile, the organization structure and the internal reporting system of the Bank.
- In determining 'Segment Results', the funds transfer price mechanism adopted by the Bank has been used.
- Results, Revenue and Capital Employed of International operations are included in Corporate/Wholesale Banking segment.



IDBI BANK LIMITED
Unaudited Consolidated Financial Results for the Quarter / Nine Months ended December 31, 2020

(₹ in Lakh)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020 (Reviewed)	30.09.2020 (Reviewed)	31.12.2019 (Reviewed)	31.12.2020 (Reviewed)	31.12.2019 (Reviewed)	31.03.2020 (Audited)
1	Interest earned (a)+(b)+(c)+(d)	4568 95	4695 92	4945 68	14168 67	15249 00	20854 22
	(a) Interest/discount on advances/bills	2915 22	2944 67	3090 09	8918 03	9641 48	13092 90
	(b) Income on investments	1256 75	1326 38	1459 84	3968 63	4415 61	5788 12
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	174 89	151 45	101 68	464 47	271 71	454 21
	(d) Others	222 09	273 42	294 07	817 54	920 20	1518 99
2	Other Income	1418 91	1112 51	1321 55	3582 78	3225 71	4631 23
A.	Total Income (1+2)	5987 86	5808 43	6267 23	17751 45	18474 71	25485 45
3	Interest Expended	2752 66	2992 72	3403 16	8867 44	10600 27	13841 12
4	Operating Expenses (a)+(b)	1566 63	1546 71	1561 79	4593 59	4610 11	6447 17
	(a) Employees cost	829 96	821 63	805 31	2456 09	2419 73	3378 77
	(b) Other operating expenses	736 67	725 08	756 48	2137 50	2190 38	3068 40
B.	Total Expenditure (3+4)	4319 29	4539 43	4964 95	13461 03	15210 38	20288 29
C.	Operating profit (A-B)	1668 57	1269 00	1302 28	4290 42	3264 32	5197 16
D.	Provisions (other than tax) and Contingencies (Net)	798 65	585 22	523 85	2272 78	12499 80	14093 65
	: of which provisions for Non-performing Assets	48 52	(164 60)	440 00	(1450 88)	10994 41	9483 03
E.	Exceptional items	-	-	-	-	-	-
F.	Profit (+)/Loss(-) from Ordinary Activities before tax (C-O-E)	869 92	683 78	778 43	2017 64	(9235 47)	(8896 49)
G.	Provision for taxes	470 77	346 67	6523 35	1116 89	3777 62	3950 91
H.	Net Profit (+)/Loss(-) from Ordinary Activities after tax (F-G)	399 15	337 11	(5744 92)	900 75	(13013 09)	(12847 40)
I.	Exceptional Items (net of tax expense)	-	-	-	-	-	-
J.	a) Net Profit (+)/Loss(-) for the period before Minority Interest & Share of Loss in Associate (H-I)	399 15	337 11	(5744 92)	900 75	(13013 09)	(12847 40)
K.	Add: Share of Profit (+)/Loss (-) in Associate	-	-	20 72	-	27 90	28 10
L.	Less: Minority Interest	6 00	4 48	4 50	15 83	13 65	15 94
	b) Net Profit (+)/Loss(-) for the period after Minority Interest & Share of Loss in Associate (J+K-L)	393 15	332 63	(5728 70)	884 92	(12998 84)	(12835 24)
5	Paid-up equity share capital (Face Value ₹ 10 Per Share)	10752 40	10380 59	10380 59	10752 40	10380 59	10380 59
6	Reserves excluding Revaluation Reserves (as per Balance sheet of previous year)	17951 76	17951 76	23882 72	17951 76	23882 72	17951 76
7	Analytical Ratios						
	(i) Percentage of shares held by Government of India	45.48	47.11	47.11	45.48	47.11	47.11
	(ii) Capital Adequacy Ratio (%) (Basel III)	14.91	13.82	12.72	14.91	12.72	13.37
	(a) CET 1 Ratio (including CCB Ratio) (%)	12.38	11.23	10.13	12.38	10.13	10.61
	(b) Additional Tier 1 ratio (%)	0.00	0.00	0.20	0.00	0.20	0.03
	(iii) Earning Per Share (EPS) (Rupees) (not annualised) Before and After Extraordinary items						
	(a) Basic	0.38	0.32	(5.88)	0.85	(15.46)	(14.42)
	(b) Diluted	0.38	0.32	(5.88)	0.85	(15.46)	(14.42)



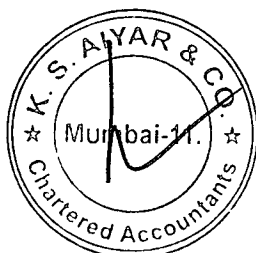
Consolidated Segment Information for the Quarter / Nine months ended December 31, 2020

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Nine Months Ended		Year Ended
		Dec 31, 2020 (Reviewed)	Sept 30, 2020 (Reviewed)	Dec 31, 2019 (Reviewed)	Dec 31, 2020 (Reviewed)	Dec 31, 2019 (Reviewed)	Mar 31, 2020 (Audited)
a.	Segment Revenue						
	Corporate/Wholesale banking	2516 33	2681 61	2777 73	6856 95	8752 00	11999 71
	Retail banking	6558 17	6629 56	7321 72	20554 18	21799 01	28905 51
	Treasury	71 46	14 67	115 88	157 32	493 67	753 61
	Other banking operations	59 86	62 28	67 91	180 48	155 19	283 70
	Unallocated	-	-	-	-	-	-
	TOTAL	9205 82	9388 12	10283 24	27748 93	31199 87	41942 53
	Less :- Inter-segment revenue	3217 96	3579 69	4016 01	9997 48	12725 16	16457 08
	Net sales / income from operations	5987 86	5808 43	6267 23	17751 45	18474 71	25485 45
b.	Segment Results -Profit/(loss) before tax						
	Corporate/Wholesale banking	(131 27)	200 80	219 11	(689 87)	(10624 09)	(11328 85)
	Retail banking	908 96	459 82	430 06	2511 38	1034 51	1766 71
	Treasury	83 06	9 75	107 82	160 73	333 21	574 58
	Other banking operations	3 17	8 93	37 66	19 57	35 15	103 23
	Unallocated	-	-	-	-	-	-
	Profit/(Loss) before tax	863 92	679 30	794 65	2001 81	(9221 22)	(8884 33)
	Income taxes	470 77	346 67	6523 35	1116 89	3777 62	3950 91
	Net profit/(Loss)	393 15	332 63	(5728 70)	884 92	(12998 84)	(12835 24)
c.	Segment assets						
	Corporate/Wholesale banking	115702 66	110234 14	101565 58	115702 66	101565 58	106262 85
	Retail banking	166113 07	174012 86	173685 35	166113 07	173685 35	171633 57
	Treasury	1295 99	479 84	1900 28	1295 99	1900 28	174 85
	Other banking operations	806 01	1140 74	919 63	806 01	919 63	854 23
	Unallocated assets	19507 54	20638 16	20729 85	19507 54	20729 85	21773 57
	Total assets	303425 27	306505 74	298800 69	303425 27	298800 69	300699 07
d.	Segment liabilities						
	Corporate/Wholesale banking	46133 74	51699 91	52905 68	46133 74	52905 68	53233 18
	Retail banking	225967 02	225179 64	217149 67	225967 02	217149 67	217843 56
	Treasury	379 10	244 65	398 20	379 10	398 20	1098 85
	Other banking operations	303 71	416 75	228 42	303 71	228 42	191 11
	Unallocated liabilities	-	-	-	-	-	-
	Total liabilities	272783 57	277540 95	270681 97	272783 57	270681 97	272366 70
e.	Capital employed (Segment assets-Segment liabilities)						
	Corporate/Wholesale banking	69568 92	58534 23	48659 90	69568 92	48659 90	53029 67
	Retail banking	(59853 95)	(51166 78)	(43464 32)	(59853 95)	(43464 32)	(46209 99)
	Treasury	916 89	235 19	1502 08	916 89	1502 08	(924 00)
	Other banking operations	502 30	723 99	691 21	502 30	691 21	663 12
	Unallocated	19507 54	20638 16	20729 85	19507 54	20729 85	21773 57
	Total	30641 70	28964 79	28118 72	30641 70	28118 72	28332 37

Notes on Segment Reporting:

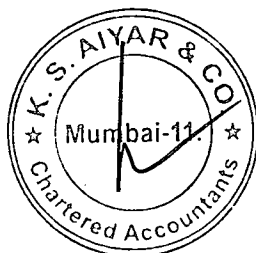
- As per RBI guidelines and in compliance with the applicable Accounting Standard (AS)- 17 on Segment Reporting issued, the Bank has classified "Corporate/Wholesale Banking", "Retail Banking" and "Treasury" as Primary Business Segments.
- These segments have been identified in line with the said Accounting Standard (AS) after considering the nature and risk profile of the products and services, the target customer profile, the organization structure and the internal reporting system of the Bank.
- In determining 'Segment Results', the funds transfer price mechanism adopted by the Bank has been used.
- Results, Revenue and Capital Employed of International operations are included in Corporate/Wholesale Banking segment.



Statement of Assets & Liabilities

(₹ in Lakh)

Particulars	As at 31.12.2020	As at 31.12.2019	As at 31.03.2020	As at 31.12.2020	As at 31.12.2019	As at 31.03.2020
	Standalone			Consolidated		
	(Reviewed)	(Reviewed)	(Audited)	(Reviewed)	(Reviewed)	(Audited)
CAPITAL AND LIABILITIES						
Capital	10752 40	10380 59	10380 59	10752 40	10380 59	10380 59
Reserves and Surplus	25544 98	23508 38	23643 77	26225 36	24296 70	24455 13
Minority Interest	-	-	-	110 65	106 53	103 58
Deposits	224399 37	218180 02	222424 13	224193 95	218047 14	222213 85
Borrowings	30646 76	35822 08	36748 86	30646 76	35822 08	36748 86
Other Liabilities and Provisions	11330 97	10046 31	6730 75	11496 15	10147 65	6797 06
TOTAL	302674 48	297937 38	299928 10	303425 27	298800 69	300699 07
ASSETS						
Cash and balances with Reserve Bank of India	9066 05	12012 29	10538 83	9066 26	12012 59	10539 18
Balances with banks and money at call and short notice	34776 82	14875 88	19891 57	34848 60	14946 97	19955 79
Investments	82783 09	84713 87	81780 42	83140 49	84987 67	81995 83
Advances	124464 79	129671 04	129841 79	124466 93	129674 47	129845 38
Fixed Assets	7893 87	8144 51	8129 18	7938 32	8222 91	8206 76
Other Assets	43689 86	48519 79	49746 31	43964 67	48956 08	50156 13
TOTAL	302674 48	297937 38	299928 10	303425 27	298800 69	300699 07

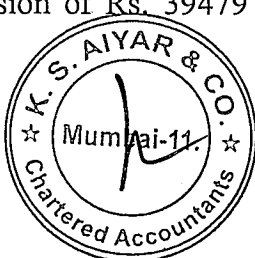


**Notes forming part of the Standalone / Consolidated Financial Results for the
Quarter and Nine Months ended December 31, 2020**

1. The above Standalone and Consolidated Financial Results have been reviewed and recommended by the Audit Committee of Board and approved by the Board of Directors at their meeting held on January 28, 2021. The same have been subjected to review by the Statutory Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and pursuant to SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.
2. The Financial Results for the Quarter and Nine Months ended December 31, 2020 have been prepared following the same accounting policies and practices as those followed in the annual financial statements for the year ended March 31, 2020.
3. The working results for the Quarter and Nine Months ended December 31, 2020 have been arrived at after considering provisions for standard assets including requirements for exposures to entities with Un-hedged Foreign Currency Exposures (estimated by the Bank based on available financial statements and declaration from Borrowers), non-performing advances & investments, provision in respect of cases admitted to NCLT based on RBI directions, depreciation on investments, income tax, employee benefits and other usual and necessary provisions.
4. The SARS-CoV2 virus responsible for COVID-19 has resulted in a significant decline and volatility in global and Indian markets and economic activity. Implementation of lockdown and extensions has resulted in disruptions of business and common life. The Bank is gearing itself on all fronts to meet the challenges imposed by COVID including the likelihood of rise in customer defaults and an increase in provisioning requirements. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.
5. In accordance with the RBI guidelines relating to 'COVID-19 Regulatory Package' on asset classification and provisioning, dated March 27, 2020 and April 17, 2020, May 23, 2020 and clarification issued by RBI through Indian Bankers Association dated May 6, 2020, the Bank has granted a moratorium on the payment of installments and or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. The moratorium period, wherever granted, shall be excluded by the Bank from the number of day's past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. Bank has made COVID 19 related provision of Rs. 24700 Lakhs in March 2020 quarter and Rs.18900 Lakhs in June 2020 quarter, (cumulative COVID 19 related provision of Rs. 43600 Lakhs as at December 31, 2020). The provision made by the Bank is more than minimum required as per the RBI guidelines.

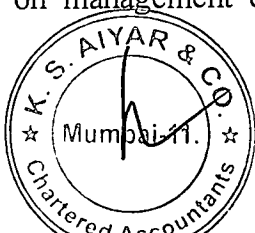


6. RBI has provided for Resolution framework for COVID -19 related stress vide circular dated August 6, 2020. Bank has made provision of Rs. 7000 Lakhs during the quarter. The provision of Rs. 27000 Lakhs as on September 30, 2020, has been continued. The cumulative provision Rs. 34000 Lakhs as at December 31, 2020 is held towards the provisioning requirement for cases to be restructured under the Resolution framework.
7. In the Public Interest Litigation case of Gajendra Sharma vs Union Bank of India & Anr, Supreme Court in its interim order dated September 3, 2020, has directed Banks that the accounts which were not classified as NPA till August 31, 2020, shall not be so classified till further orders of Supreme Court. Pursuant to the order, the Bank has not classified any borrower account as NPA, which has not been classified as NPA as on August 31, 2020 as per RBI Prudential Norms on Income Recognition, Asset Classification, Provisioning and other related matters, after August 31, 2020. Further, accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be classified as NPA till such time the matter is decided by Hon. Supreme Court. Pending disposal of the case, the Bank, as a matter of prudence, in respect of these accounts has created provision of Rs. 28469 Lakhs under Provision for Standard Assets and reversed overdue interest to the extent of Rs. 8400 Lakhs.
- However, had the Bank classified borrower accounts as NPA after August 31, 2020, the Bank's proforma Gross NPA ratio and proforma Net NPA ratio would have been 24.33% at December 31, 2020 (at September 30, 2020 - 25.20%) and 2.75% at December 31, 2020 (at September 30, 2020: 2.81%) respectively. The Proforma Provision coverage Ratio (including Technical Write-Offs) would have been 95.90 % as on December 31, 2020 (95.76% as on September 30, 2020)
8. Provision Coverage Ratio (including Technical Write-Offs) is 97.08 % as on December 31, 2020.
9. Pending industry wide bipartite settlement on wage revision (due with effect from November 2017), a sum of Rs. 6300 Lakhs has been provided by the Bank during the quarter (Rs. 22500 Lakhs for nine months ended December 31, 2020) on this account on estimated basis. (Cumulative provision held as on December 31, 2020 was Rs. 70903 Lakhs). Further during the quarter ended December 31, 2020, Bank has made additional provision of Rs. 9890 Lakhs (Cumulative provision held as on December 31, 2020 was Rs. 28619 Lakhs) towards employee benefits on account of impact of proposed wage revision, towards pension, gratuity liabilities and leave encashment provision.
10. During the quarter ended December 31, 2020, Bank has made additional provision of Rs. 94144 Lakhs over and above the IRAC norms (includes shifting of ICA provision of Rs. 39479 Lakhs to IRAC provision) in respect of certain borrower



accounts in view of the inherent risk and uncertainty of recovery in these identified accounts.

11. Other income includes income from non-fund based banking activities such as commission, fees, earnings from foreign exchange and derivative transactions, profit and loss from sale of investments and recoveries from written off accounts.
12. During the quarter ended December 2020, Bank has raised equity capital by way of QIP and issued 37,18,08,177 number of equity shares at a Rs.10/- each fully paid up with Share premium of Rs. 28.60 per share aggregating to Rs. 143518 Lakhs.
13. During the quarter ended December 2020, Bank has sold 23% stake out of 48% holding in its Joint venture IDBI Federal Life Insurance Company Ltd. (now Ageas Federal Life Insurance Company Ltd.) The post-sale holding in the Joint venture is 25% as on December 31, 2020. The total consideration received towards the stake sale is Rs 50710 Lakhs and resultant profit of Rs. 32310 Lakhs has been booked under income from investment.
14. Pursuant to RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments, the Banks are required to make Pillar 3 disclosures including leverage ratios and liquidity coverage ratio under Basel III Framework. These disclosures are available on the Bank's website at the following link: <http://www.idbi.com/Regulatory-Disclosures-Section.asp> the disclosures have not been subjected to review by the Statutory Auditors.
15. The consolidated financial statements include the accounts of IDBI Bank Limited (Parent company – “the Bank”) and all its subsidiaries/ associates /Joint Venture/ as defined in Accounting Standard AS-21 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27 'Financial Reporting of Interests in Joint Ventures'. The financial statements of the subsidiaries/ Associates/ Joint Venture used in the consolidation are drawn up to the same reporting date as that of the Bank i.e. quarter ended December 31, 2020, except for 4 associates which have not been considered for the consolidation.
16. The consolidated financial statements include the accounts of IDBI Bank Limited (parent company – “the Bank”) and all its subsidiaries (% of holding) viz., IDBI Capital Market Securities Ltd (100%), IDBI Asset Management Ltd (66.67%), IDBI Intech Ltd (100%), IDBI MF Trustee Ltd (100%) based on reviewed accounts, IDBI Trusteeship Services Ltd (54.70%) and Joint Venture viz., IDBI Federal Life Insurance Company Ltd (now Ageas Federal Life Insurance Company Ltd.) (25%) based on management certified accounts. The financials of four associates viz.,



National Securities Depository Limited (26.10%) and North Eastern Development Finance Corporation Limited (25%), Biotech Consortium India Limited (27.93%) and Pondicherry Industrial Promotion Development And Investment Corporation Limited (21.14%) are not considered for consolidation on account of non-receipt of financial statements for Q3 of FY2021, impact of which on the consolidated financial statements is not material. In case of Pondicherry Industrial Promotion Development And Investment Corporation Limited the investment in the said company has been written down to Re 1.

17. The figures for the previous period have been re-grouped/ re-classified wherever considered necessary.

By order of the Board



(J. Samuel Joseph)

Deputy Managing Director

(Suresh Khatanhar)

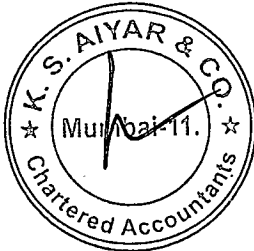
Deputy Managing Director

(Rakesh Sharma)

Managing Director & CEO

Mumbai

January 28, 2021



K S Aiyar & Co
Chartered Accountants
F-7, Laxmi Mills,
Shakti Mills Lane,
(Off Dr. E Moses Rd),
Mahalaxmi,
Mumbai - 400 011.

M P Chitale & Co
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg,
Fort,
Mumbai - 400 001.

Independent Auditors' Limited Review Report on Standalone Unaudited Quarterly and Year to Date Financial Results of IDBI Bank Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

**Board of Directors of
IDBI Bank Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results of IDBI Bank Limited ("the Bank") for the period ended December 31, 2020 ("the statement").
2. This statement which is the responsibility of the Bank's Management and approved by the Board of Directors has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of Banking Regulation Act, 1949, the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. In the conduct of our Review, we have relied on the review report of Dubai International Financial Centre (DIFC) branch of the Bank, reviewed by the auditor

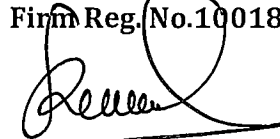


specifically appointed for this purpose and other reports, explanations & information collated by the head office of the Bank from its various branches.

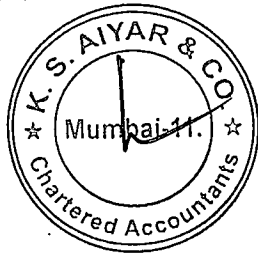
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results prepared in accordance with recognition and measurement principles laid down in aforesaid accounting standard, the RBI guidelines and other accounting principles generally accepted in India, in so far as they apply to Banks, has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
6. We draw attention to Note 4, Note 5 and Note 6 of the accompanying standalone financial results, which describes the business uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Bank's results is significantly dependent on future developments.

Our conclusion is not modified in respect of this matter.

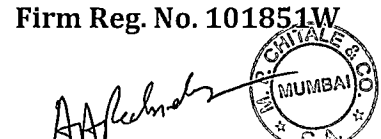
For K S Aiyar & Co
Chartered Accountants,
Firm Reg. No. 100186W



Satish Kelkar
Partner
Membership No. 038934
UDIN: 21038934AAAAA2297



For M P Chitale & Co
Chartered Accountants,
Firm Reg. No. 101851W



Ashutosh Pednekar
Partner
Membership No. 041037
UDIN: 21041037AAAAAL2450



Place: Mumbai
Date: January 28, 2021

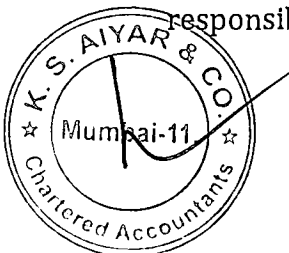
K. S. Aiyar & Co.
Chartered Accountants
F-7, Laxmi Mills,
Shakti Mills Lane,
(Off Dr. E Moses Rd),
Mahalaxmi,
Mumbai - 400 011.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg,
Fort,
Mumbai - 400 001.

Independent Auditors' Limited Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of IDBI Bank Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
**Board of Directors of
IDBI Bank Limited**

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial results of IDBI Bank Limited ("the Parent"/"the Bank") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its Jointly Controlled Entities and its share of the net profit/(loss) after tax of its Associates for the quarter ended December 31, 2020 and year to date results for the period from April 1, 2020 to December 31, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended, except for the disclosures relating to 'Pillar 3 under Basel III Capital Regulations', and those relating to 'Leverage Ratio' and 'Liquidity Coverage Ratio' under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid statement and have not been reviewed by us.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.



3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Domestic Subsidiaries

- (i) IDBI Asset Management Limited
- (ii) IDBI Intech Limited
- (iii) IDBI Capital Markets & Securities Limited
- (iv) IDBI Trusteeship Services Limited
- (v) IDBI Mutual Fund Trustee Company Limited

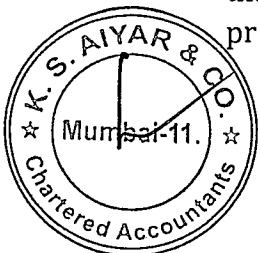
Jointly Controlled Entity

- (i) Ageas Federal Life Insurance Company Limited (formerly known as IDBI Federal Life Insurance Company Limited)

Associates

- (i) Biotech Consortium India Limited
- (ii) National Securities Depository Limited
- (iii) North Eastern Development Finance Corporation Limited
- (iv) Pondicherry Industrial Promotion Development and Investment Corporation Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the interim financial results referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement of Consolidated Unaudited Financial results, prepared in accordance with the recognition and measurement principles laid

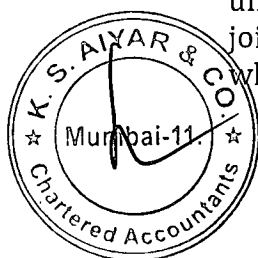


down in the aforesaid Accounting Standard, RBI guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed except for the disclosure relating to consolidated pillar 3 disclosure as at September 30, 2020 including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the statement and have not been reviewed by us, or that it contains any material misstatement.

6. We draw attention to Note 4, Note 5 and Note 6 of the accompanying Consolidated Unaudited Financial Results, which describes the business uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Bank's results is significantly dependent on future developments.

7.

- a. In the conduct of our Review, we have relied on the review report of Dubai International Financial Centre (DIFC) branch of the Bank, reviewed by the auditor specifically appointed for this purpose and other reports, explanations & information collated by the head office of the Bank from its various branches.
- b. We did not review the interim financial results of 4 subsidiaries and included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 56101.60 lakhs as at December 31, 2020 and total revenues of Rs. 5830.39 lakhs and 17262.08 lakhs and total net profit after tax of Rs. 502.21 lakhs and 1732.32 lakhs for the quarter and year to date ended December 31, 2020 respectively, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
- c. The consolidated unaudited financial results include the interim financial results of 1 Subsidiary which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 25263.25 Lakhs as at December 31, 2020 and total revenues of Rs. 2127.95 Lakhs and Rs. 5675.48 Lakhs, total net profit after tax of Rs. 1323.81 lakhs and Rs. 3493.60 Lakhs for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020 respectively. The consolidated unaudited financial results also include the interim financial results of 1 jointly controlled entity which have not been reviewed by their auditors, whose interim financial results reflects Bank's share of assets of Rs.

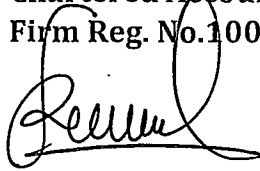


35907.84 Lakhs as at December 31, 2020 and Bank's share of revenues of Rs. 342.10 Lakhs and Rs. 1425.28 Lakhs, Bank's share of net profit after tax of Rs. 246.46 Lakhs and Rs. 947.91 Lakhs for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020 respectively as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entity, is based solely on Management confirmations.

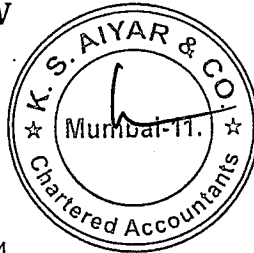
- d. The Consolidated Unaudited Financial Results does not include the results in respect of all 4 Associates for which financial results have not been received. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of the matters mentioned in paragraphs 6 and 7 above.

For K S Aiyar & Co
Chartered Accountants,
Firm Reg. No. 100186W



Satish Kelkar
Partner
Membership No. 038934
UDIN:21038934AAAAAK2992



For M P Chitale & Co
Chartered Accountants,
Firm Reg. No. 101851W



Ashutosh Pednekar
Partner
Membership No. 041037
UDIN:21041037AAAAAM1240



Place: Mumbai
Date: January 28, 2021

K. S. Aiyar & Co.
Chartered Accountants
F-7, Laxmi Mills,
Shakti Mills Lane,
(Off Dr. E Moses Rd),
Mahalaxmi, Mumbai - 400 011.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg,
Fort,
Mumbai – 400 001

**INDEPENDENT AUDITORS' CERTIFICATION UNDER PARA (I)(A)(5)(a) & (b) OF
ANNEXURE I TO SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10,
2017 IN RELATION TO THE DRAFT SCHEME OF REDUCTION OF SHARE
CAPITAL**

To,
The Board of Directors,
IDBI BANK LTD,
IDBI Tower, WTC Complex
Cuffe Parade, Mumbai 400005

1. Introduction

We are the Joint Statutory Auditors of IDBI BANK LIMITED (hereinafter referred to as “the Bank”), having its registered office at IDBI Towers, WTC Complex Cuffe Parade, Mumbai 400005, are issuing a certificate on the proposed accounting treatment specified in Clause 10 of the Draft Scheme of Reduction of Share Capital (“the Draft Scheme”) between the Bank and its Shareholders in terms of the provisions of sections 66, 52 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles as required under Para (I)(A)(5)(a) & (b) of Annexure I to Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“the Circular”) issued by Securities and Exchange Board of India (“SEBI”).

2. Management's Responsibility

The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India is that of the Board of Directors of the Bank. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Board of Directors is also responsible for ensuring that the Bank complies with the requirement of the Circular and other rules and regulations framed by SEBI and the Act with respect to the proposed reduction of share capital of the Bank and furnishing the requisite information to the SEBI and the National Company Law Tribunal (NCLT).

We note that Reserve Bank of India vide its Letter No. DOR.CO.BP.No.1871/21.01.002/2020-21 dated December 18, 2020 providing an in principle approval to the Bank for setting off the accumulated losses as on April 01, 2020 and further that RBI has advised that the Bank shall approach it for final approval after obtaining requisite approvals/ confirmations in terms of the aforesaid provisions of the Act/ other laws/ regulations.

3. Our Responsibility

Pursuant to the requirement of the Circular, it is our responsibility to provide reasonable assurance on the whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles as prescribed in para (I)(A)(5)(a) & (b) of Annexure I to the Circular in relation to the Draft Scheme.

We conducted our examination of the Statement 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.

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.

4. Certification

Based on our examination and according to the information and explanations given to us, we certify that the accounting treatment contained in the aforesaid Draft 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 the Companies Act, 2013 and the above mentioned in-principle approval of Reserve Bank of India and the accounting treatment in respect of setting off of 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 on April 01, 2021 as per Clause 10 of the Draft Scheme.

K S Aiyar & Co
Chartered Accountants

M P Chitale & Co
Chartered Accountants

5. Restriction on Use

This Certificate is issued at the request of the IDBI Bank Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent.

For K S Aiyar & Co
Chartered Accountants,
Firm Reg. No.100186W

**Satish
Krishna
Kelkar**

Digitally signed by Satish Krishna Kelkar
DN: cn=K. S. Aiyar & Co., o=K. S. Aiyar & Co.,
email=satish.kelkar@ksaiyar.com, postalCode=400001,
serialNumber=1, c=IN
Date: 2021.02.10 12:34:38 +05'30'

Satish Kelkar
Partner
Membership No. 038934
UDIN: 21038934AAAAAR3925

For M P Chitale & Co
Chartered Accountants,
Firm Reg. No. 101851W

**Ashutosh
Arvind
Pednekar**

Digitally signed by Ashutosh Arvind Pednekar
DN: cn=A. P. Chitale & Co., o=A. P. Chitale & Co.,
email=ashutosh.pednekar@mpchitale.com, postalCode=400004,
serialNumber=1, c=IN
Date: 2021.02.10 12:34:38 +05'30'

Ashutosh Pednekar
Partner
Membership No. 041037
UDIN: 21041037AAAAAR9076

Place: Mumbai
Date: February 10, 2021

12 फ़रवरी, 2021

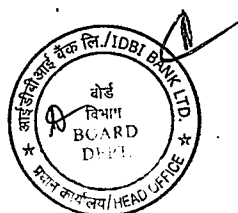
The Manager (Listing) BSE Ltd., 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	The Manager (Listing) National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai – 400 051
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Dear Sir/Madam,

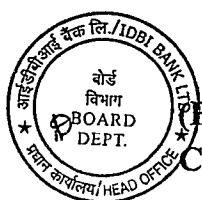
**Compliance report as specified in Part A of Annexure I of
SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017**

It is hereby certified that the draft scheme for setting off the Accumulated Losses of the Bank against the Securities Premium Account of the Bank as on April 01, 2021, does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sr. No.	Reference	Particulars	Remarks by the Bank
1.	Regulations 17 to 27 of LODR Regulations	Corporate Governance Requirement	The Corporate Governance requirements as per the provisions of Regulation 17 to 27 of LODR Regulations have been complied with.
2.	Regulation 11 of LODR Regulations	Compliance with securities laws	The Scheme of Reduction of Capital does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s).



Requirements of this circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	The Documents specified in Para (I)(A)(2) are being submitted with the application.
(b)	Para (I)(A)(2)	Conditions for schemes of arrangement involving unlisted entities	Not Applicable as this scheme does not involve unlisted entities.
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Not Applicable as there is no change in the shareholding pattern.
(d)	Para (I)(A)(5)	Auditors Certificate regarding compliance with Accounting standards	Certificate dated February 10, 2021 obtained from the Statutory Auditors of the Bank has been enclosed with the application.
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting	Not Applicable and an undertaking certified by the Statutory Auditors dated February 10, 2021 confirming non-applicability of Para I(A)(9) (a) and (b) has been enclosed along with the application.



(Pawan Agrawal)
Company Secretary

(Rakesh Sharma)
Managing Director and Chief Executive Officer

Certified that the transactions / accounting treatment provided in the draft scheme for setting off the Accumulated Losses of the Bank against the Securities Premium Account of the Bank as on April 01, 2021 are in compliance with all the Accounting Standards applicable to a listed entity.

(Ajay Sharma) 12/02/21.
Chief Financial Officer

(Rakesh Sharma)
Managing Director and Chief Executive Officer

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF IDBI
BANK LIMITED ("THE BANK") RECOMMENDING THE DRAFT SCHEME
OF REDUCTION OF SHARE CAPITAL BETWEEN THE BANK AND ITS
SHAREHOLDERS UNDER SECTIONS 66, 52 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE
NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION
OF SHARE CAPITAL OF COMPANY) RULES, 2016**

To,

The Shareholders of IDBI Bank Limited

BSE Limited

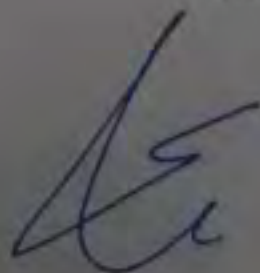
National Stock Exchange of India Limited

1. BACKGROUND

1.1. The meeting of the Committee of Independent Directors was held on February 12, 2021 to give their recommendation on the proposed Scheme of Reduction of Share Capital between the Bank and its Shareholders under Sections 66, 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("Scheme")

1.2. The Scheme is for setting off Accumulated Losses as indicated in the Audited Financial Statements for the Financial Year ending March 31, 2021 in full or to such extent as may be possible by utilizing the balance standing to the credit of Securities Premium Account of the Bank as on the said date (Resulting into reduction of share capital).

1.3. The Scheme has been recommended by the Audit Committee of the Bank at their meeting held on February 11, 2021 through their report dated February 11, 2021. The Scheme has also been approved by the Board of Directors of the Bank at their meeting held on February 12, 2021 and is now to be filed with the Stock Exchanges along with necessary information / documents.



1.4. This report is made pursuant to the requirements of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time ("SEBI Circular"), read with SEBI (LODR) Regulations, 2015 in order to submit the same to the Stock Exchanges/SEBI for obtaining their Observation / No Objection Letter to the Proposal pursuant to Regulation 37 of the SEBI (LODR) Regulations, 2015, as amended from time to time.

2. DOCUMENTS PLACED BEFORE THE COMMITTEE

2.1. The following documents / facts were placed before the Committee:

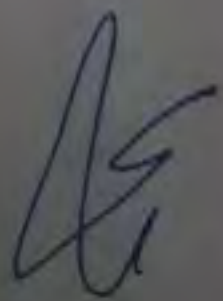
2.1.1. In-principle "No Objection" letter dated December 18, 2020, issued by the Reserve Bank of India conveying its no objection to the Bank from a regulatory standpoint for setting off the Accumulated Losses as on April 01, 2020 against the balances in the Securities Premium Account on the same date, subject to compliance with applicable laws.

2.1.2. However, since by the time all regulatory approvals are obtained, financial results for financial year 2020-21 would be audited and finalised. Accordingly, it is proposed to set off Accumulated Losses as on April 01, 2021 against balance standing to the credit of Securities Premium Account of the Bank as on the said date. RBI has been consulted in this regard. Final approval of RBI will be obtained accordingly.

2.1.3. Scheme

2.1.4. Auditors Certificate to the effect that the accounting treatment contained in the Scheme is in compliance with applicable accounting standards under Companies Act, 2013 and the generally accepted accounting standards in India.

2.1.5. Undertaking by the Bank along with Auditors Certificate with respect to non-applicability of Para I (A) (9) (a) and Para I (A) (9) (b) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.



- 2.1.6. Opinion from M/s. S. N. ANANTHASUBRAMANIAN & Co., Company Secretaries, opining that the draft Scheme of reduction of Share Capital is not detrimental to the interests of shareholders of the Bank.

3. PROPOSAL

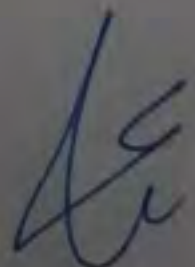
- 3.1. The Committee noted that the Draft Scheme for reduction of Share Capital is for the setting-off of Accumulated Losses in full or to such extent as may be possible by utilizing the balance standing to the credit of Securities Premium Account, to have a rational structure which is commensurate with its business and assets.

4. NOTINGS OF THE COMMITTEE

- 4.1. The Committee notes the rationale and purpose of the Draft Scheme, as under:

4.1.1. Accumulated Losses have wiped-off the value represented by the Share Capital of the Bank and in view of the accumulated losses, the distributable items, in terms of RBI's Notification DBR.BP.BC.No.50/21.06.201/2016-17 dated February 02, 2017, is negative and the Bank is not eligible to make coupon payment of AT 1 Bonds. Bank had to repay entire AT1 Bonds aggregating to Rs.5000 crore in March 2018. This is affecting the Bank's plan to raise AT1 Bonds in the near future

4.1.2. RBI, vide its letter dated December 18, 2020 has given its in-principle no objection to the Bank from a regulatory standpoint, for setting off the Accumulated Losses as on April 01, 2020 against the balance standing to the credit of the Securities Premium Account on the same date, subject to compliance with the provisions of Sections 52 and 66 of the Act and also compliance with all other laws and regulations applicable in the matter. Further, RBI has stated that the Bank shall approach it for



final approval after obtaining requisite approvals/ confirmations in terms of the aforesaid provisions of the Act/ other laws/ regulations.

4.1.3. However, since by the time all regulatory approvals are obtained, financial results for financial year 2020-21 would be audited and finalised. Accordingly, it is proposed to set off Accumulated Losses as on April 01, 2021 against balance standing to the credit of Securities Premium Account of the Bank as on the said date. RBI has been consulted in this regard. Final approval of RBI will be obtained accordingly

4.1.4. Section 52 of the Act prescribes the purposes for which the balance standing to the credit of Securities Premium Account can be utilized and any utilization of Securities Premium Account for any purpose other than that prescribed under Section 52 of the Act, shall be construed as a reduction of share capital of the Company and the provisions of Section 66 of the Act would accordingly be applicable in such cases.

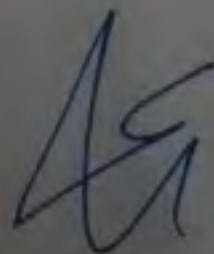
4.1.5. The Bank believes that the proposed reduction of capital is the most practical and economically efficient option available to the Bank in the present scenario so as to present a true and fair view of the financial position of the Bank. Further, the said exercise of rearrangement of liabilities, i.e., setting off of Accumulated Losses against Securities Premium would be a Balance Sheet neutral exercise.

4.2. The Committee notes the benefits / objects of the Scheme as under:

4.2.1. Under this Scheme, if approved:

4.2.1.1. the Bank will be able to represent its true financial position which would benefit Shareholders as their holding will yield better value;

4.2.1.2. will place the Bank in a better position to achieve its Turnaround Plan in a time-bound manner;



4.2.1.3. will enable the Bank to explore opportunities for the benefit of the Shareholders of the Bank including in the form of dividend payment as per the applicable provisions within a reasonable timeframe; and

4.2.1.4. will enable the Bank to utilize a balance the amount standing to the credit of its Securities Premium Account in an effective manner for the benefit of the Bank.

4.3. The Committee notes the impact of the Scheme on Shareholders of the Bank, as under:

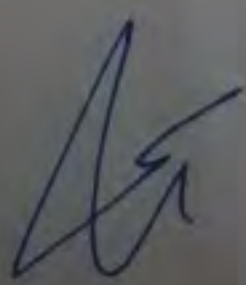
4.3.1. The proposed reduction of Share Capital does not involve extinction or reduction of any liability in respect of unpaid share capital or cancellation of paid-up share capital which is lost or is unrepresented by available assets or the payment to any shareholder of any paid-up share capital

4.3.2. The proposed reduction of Share Capital does not entail discharge of any consideration by the Bank to its shareholders. Accordingly, the Bank's equity capital structure and shareholding pattern post reduction of Securities Premium Account will remain unchanged. The Book Value of the equity shares will also remain unchanged

4.3.3. The proposed reduction of Share Capital will not have any adverse effect on the Shareholders of the Bank

4.4. The Committee notes the impact of the Scheme on Employees / Workers of the Bank as well as the Creditors / Banks / Financial Institutions, as under:

4.4.1. The proposed reduction of Share Capital would not affect the employees and workers of the Bank in any manner and their service shall be continuous and they would continue to enjoy the same benefits as they used to before the reduction of Share Capital.

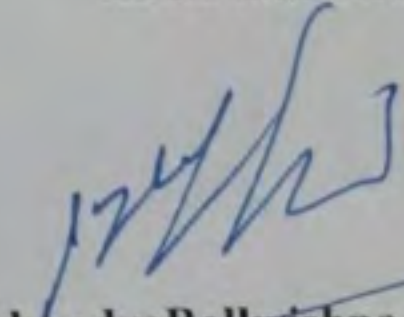


- 4.4.2. The proposed reduction of Share Capital would not in any way adversely affect the ordinary operations of the Bank or the ability of the Bank to honour its commitments or pay the debts in ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the Creditors/ Banks/ Financial institutions. They would in fact be generally benefitted as the Scheme would help improving the financial position of the Bank.
- 4.4.3. The proposed reduction of Share Capital in any manner whatsoever does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable or outstanding.
- 4.5. The Committee also noted the opinion given by M/s. S. N. ANANTHASUBRAMANIAN & Co., Company Secretaries, opining that the draft Scheme of reduction of Share Capital is not detrimental to the interests of shareholders of the Bank.

5. RECOMMENDATION OF THE COMMITTEE:

- 5.1. The Committee having noted the facts, the need, rationale, benefits and impact of the Scheme on Shareholders and other stakeholders and in particular the fact that the Scheme is not detrimental to the interests of Shareholders of the Bank and after detailed deliberations and in consideration of the documents placed before it, Approves and Recommends the Scheme.

**By order of the Independent Directors Committee of
IDBI Bank Limited**


Bhuvanchandra Balkrishna Joshi

Chairman of the Committee.

Date: February 12, 2021

Place: Haldwani