

# R.S. PADIA & ASSOCIATES

## COMPANY SECRETARIES

Form No. MR-3

### Secretarial Audit Report

*For The Financial Year Ended 31<sup>st</sup> March 2021.*

*[Pursuant to Regulation 24A of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,

**The Members of Central Bank of India,**

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

Based on our verification of the **Central Bank of India** books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank officials during the conduct of secretarial audit, We hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable to the Bank
- (ii) The Securities Contracts (Regulation) Act, 1957 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Bank for the period under review)**

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- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018;
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the year under review as there were no Buybacks)**
  - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Bank for the year under review)**
  - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Bank for the year under review)**
  - g) Securities and Exchange Board of India (Issue and Listing of Non - Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the Bank for the year under review)**
  - h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - i) The Following other Laws as applicable to the Bank:
    - (a) Banking Regulation Act 1949 along with Notifications and Circulars issued by the Reserve Bank of India (RBI) and Government of India (GOI) from time to time.
    - (b) Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and its amendments thereof.
    - (c) Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1970
    - (d) Central Bank of India (Shares and Meetings) Regulations, 1998

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Bank with BSE Ltd (BSE) and the National Stock Exchange of India Ltd. (NSE)

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

**We further report that**

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Banking laws in consonance with SEBI (LODR).

In the wake of outbreak of Covid 19 pandemic and subject to relaxations issued by Ministry of Corporate Affairs and SEBI, Board meetings and General meetings were conducted via video or audio visual mode and notices of all the meetings were sent through e-mail and proper recordings are maintained for subsequent reference.

Decisions at the Meetings of the Board of Directors of the Bank, including the resolutions approved through circulations, were resolved unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The Bank in its Board meeting held on 20<sup>th</sup> May, 2020 amended two codes namely: Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Code of Conduct for Prevention of Insider Trading in terms of SEBI (Prohibition of Insider Trading) Regulation, 2015.
2. The Bank in its Annual General Meeting held on 7<sup>th</sup> August, 2020 passed Special resolution to create, offer, issue and allot (including with provision for reservation on firm allotment and/or competitive basis of such part of issue and for such categories of persons as may be permitted by the law then applicable) by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares upto the value of Rs. 5,000/-crore (Rupees Five Thousand Crore Only) (including premium, if any).

Accordingly, In the Capital Raising Committee Meeting which was held on 28<sup>th</sup> September, 2020 16,57,99,736 equity shares of the face value of Rs 10 each at the issue price of Rs 15.38 per equity share were allotted to Qualified Institutional Buyers.

3. Reserve Bank of India in exercise of powers conferred under section 47A (1) (C) read with sections 46(4)(i) and 51(1) of Banking Regulation Act 1949 vide order dated November 10, 2020 imposed a penalty of Rs 50 lakh ( Rupees Fifty Lakh only) for non -compliance with directions on 'Housing Sector-Innovative Housing Loan Products up front disbursal of housing loans dated September 03, 2013.
4. The Capital Raising Committee in its meeting held on 11<sup>th</sup> December, 2020 approved the proposal for raising capital funds upto Rs 500 crore by issuance and allotment of Non-Convertible Redeemable Unsecured Basel III compliant Tier 2 Bonds in the nature of promissory notes.
5. Financial Intelligence Unit vide order in Original No. 14/DIR/Flu-IND/2020 dated 23<sup>rd</sup> December 2020 imposed fine of Rs. 2,00,000/- (Rupees Two Lakhs only) on the Bank for certain lapses observed under Prevention of Money Laundering Act, 2002. Fine was paid on 15<sup>th</sup> January 2021.
6. The Bank entered into a binding agreement to divest its entire equity stake of 64.40% i.e 1,61,00,000 shares of Rs. 10 each in Cent Bank Home Finance Limited to M/s Centrum Housing Finance Limited.

The Bank further informed that the said share purchase agreement lapsed on 31<sup>st</sup> March, 2021. Therefore, the said agreement stand rescinded with effect from 1<sup>st</sup> April, 2021.

7. The Bank informed that The President of India (Government of India) has sanctioned release of Rs 4800.00 Crore (Rupees Four Thousand Eight Hundred Crore only) towards contribution in the Preferential allotment of equity shares (Special Securities/Bonds) of the Bank during the financial year 2020-21. The said fund was received by the Bank on 31<sup>st</sup> March, 2021 and has been kept in the Share Application Money Account.
8. Bank has redeemed following debt instruments in terms of information memorandum and approval granted by Reserve Bank of India:

<b>Date of Redemption</b>	<b>Nature of instrument</b>	<b>Amount of redemption (in `Rs )</b>	<b>Purpose</b>
11.06.2020	Upper Tier II Bonds Series V (ISIN : INE483A09229)	1000,00,00,000	As per clause of Information Memorandum
21.01.2021	Upper Tier II Bonds Series VI (ISIN : INE483A08015)	300,00,00,000	As per clause of Information Memorandum

9. Pursuant to Regulation 57(1) of the SEBI (Listing Obligation and Disclosure Requirement), 2015 the Bank made payment of principle and interest for the following non-convertible debt securities and intimated the stock exchange on principle or interest or both becoming due.

Sr No.	Particulars	Due Date	Interest Amount	Principal Amount
1.	Upper Tier II Bonds Series V (ISIN: INE483A09229) on exercise of call option.	11.06.2020	Rs. 85,70,00,000/-	Rs. 1000,00,00,000/-
2.	Perpetual Bonds Series II (ISIN : INE483A09252) of Rs. 139.10 crore at a coupon rate of 9.40% to the eligible bondholders.	28.09.2020	Rs. 13,07,54,000/-	NA
3.	Basel III Compliant Tier II Bonds Series IV (ISIN : INE483A08023) of Rs. 500.00 Crore at a coupon rate of 9.80% to the eligible bondholders.	30.09.2020	Rs 49,00,00,000/-	NA
4.	Basel III Compliant Tier II Bonds Series I (ISIN : INE483A09260) of Rs.1000.00 Crore at a coupon rate of 9.90% to the eligible bondholders	09.11.2020	Rs 99,00,00,000/-	NA
5.	Lower Tier II Bonds Series XIV (ISIN: INE483A09245) of Rs 500 crore at a coupon rate of 9.33% to the eligible bondholders.	21.12.2020	Rs 46,65,00,000/-	NA
6.	Upper Tier II Bonds Series VI (ISIN : INE483A08015) on exercise of call option.	21.01.2021	Rs. 27,60,00,000/-	Rs. 300,00,00,000/-
7.	Basel III Compliant Tier II Bonds Series II (ISIN : INE483A09278) of Rs. 500 crore at a coupon rate of 8.62% to the eligible bondholders.	08.03.2021	Rs. 43,21,80,822/-	NA

8.	Basel III Compliant Tier II Bonds Series V (ISIN : INE483A08031) of Rs. 500 crore at a coupon rate of 9.20% to the eligible bondholders.	20.03.2021	Rs. 46,00,00,000/-	NAa
9.	Basel III Compliant Tier II Bonds Series III (ISIN : INE483A09286) of Rs. 500 crore at a coupon rate of 10.80% to the eligible bondholders.	30.03.2021	Rs. 54,00,00,000/-	NA

**Date: 27.05.2021**

**Place: Mumbai**

**UDIN: F006804C000380683**

**For R.S. Padia & Associates  
Company Secretaries**

**Rajshree Padia  
FCS: 6804; CP: 7488**

*Note: In order to prevent and contain the spread of COVID 19, The Government of Maharashtra imposed lockdown like restrictions as a result of which it was not allowed to visit any Government Department/Organization.*

*Accordingly, Secretarial audit has been conducted based on the documents, records and information along with explanations provided through electronic mode.*

**Annexure-I to the Secretarial Audit Report for the Financial Year Ended 31<sup>st</sup> March 2021**

To,

**The Members of Central Bank of India,**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Compliances of provisions of all laws, rules, regulations, standards applicable to Central Bank of India (The Bank) is the responsibility of the Management of the Bank. Our Examination was limited to the verification of records and procedures on test check basis for the purpose of the issue of the Secretarial Audit report.
2. Maintenance of the secretarial and other records of the applicable laws is the responsibility of the management of the Bank. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Bank, along with the explanations where so required.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the process and practices we followed, provides reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events during the Audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

**Date: 27.05.2021**

**Place: Mumbai**

**For R.S. Padia & Associates  
Company Secretaries**

**Rajshree Padia  
FCS: 6804; CP: 7488**