Annexure I
REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a system of rules, practices and processes by which a company is directed and run. It is about commitment to values, ethical business conduct and considering all stakeholder's interest in the conduct of its business.

Over the last few years, there have been several changes in the way corporates run their operations. One there has been tighter regulatory regime, significantly enhancing responsibilities for the Board of Directors, Independent Directors and the growing presence of shareholders' activism leading to building of a self-governed environment. Secondly, the cardinal principles such as independence, accountability, responsibility, transparency, fair & timely disclosures and credibility among others serve as the means for implementing the philosophy of corporate governance in true letter and spirit.

PHILOSOPHY ON CORPORATE GOVERNANCE

Your Bank believes in nurturing long-term relationships and encouraging an open dialog with all its key constituents and build the governance structure based on trust for becoming an admired institution. Your Bank's philosophy of Corporate Governance is always aimed at value creation, keeping interest of all stakeholders protected in most inclusive way. We as an organisation believe that timely and accurate communication with stakeholders enables building of an environment where confidence, trust and mutual respect is continuously enhanced.

Corporate Governance mechanism of your Bank is aimed at creating and nurturing a valuable bond with stakeholders to maximise stakeholders' value. Your Bank has conducted itself by adhering to the core values of transparency, accountability and integrity in all its business practices and management.

AU Bank understands and respects its fiduciary role and responsibility to enhance the long-term interest of its shareholders, customers, employees and other stakeholders, to provide good management, to adopt prudent risk management structure and comply with required standards of capital adequacy, thereby safeguarding the interest of all stakeholders. We continuously focus on upgrading Bank's governance practices and systems to effectively address the challenges that are faced by Bank under ever-evolving regulatory environment.

YOUR BANK'S INITIATIVE FOR GOOD CORPORATE GOVERNANCE

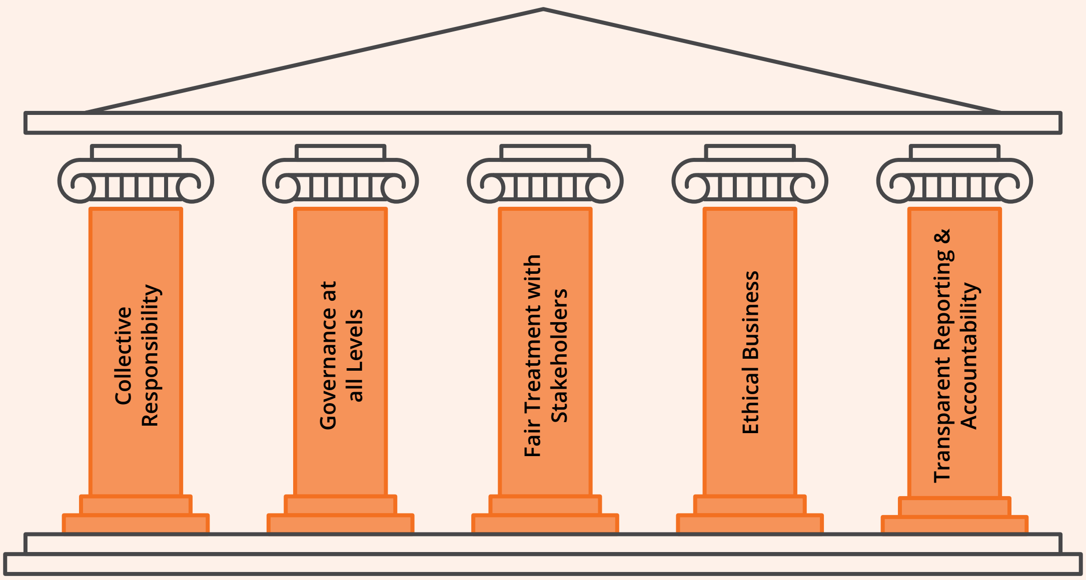
- Involvement and enthusiastic participation of Board of Directors and Committees thereof;
- Appropriate and timely checks through audits, conducted by Independent Auditors at various levels to ensure healthy governance practices and to ensure that control measures are operating effectively;
- Implementation of Internal Financial Control over financial Reporting;
- Codes, policies, process and systems are in place for sound governance in the Bank; and
- Transparent and timely disclosure that ensure compliance with all applicable statutory requirements.

Your Bank adheres with all relevant codes and standards, and simultaneously provides flexibility and accommodates new approaches and ideas that are beneficial for the long-term interests of stakeholders. Good Corporate Governance is a tool for socio economic development to enhance economic efficiency, growth and stakeholder confidence.

Your Bank believes in carrying out its operations in a sustainable manner with optimal utilisation of natural resources. The Board is collectively responsible to ensure that processes are structured to direct the Bank's actions, assets and agents to achieve the aim of maximisation of stakeholders' value.

AU CORPORATE GOVERNANCE ETHOS

Your Bank believes in Corporate Governance beyond regulatory requirements as there exists a fundamental link among businesses, corporate responsibility and shareholder's wealth maximisation. The AU Corporate Governance Ethos are mentioned below.



BOARD OF DIRECTORS

The composition of the Board of Directors of the Bank is governed by the Banking Regulations Act, 1949 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and consist of eminent individuals possessing professionalism, knowledge & experience in field of accountancy, economics, finance, law, small-scale industry and taxation as required in the banking industry.

As on 31st March 2018, the Board of Directors, comprising a combination of Executive and Non-Executive Directors, consisted of seven (7) Directors, of whom five (5) are Non-Executive Directors. The Chairman of the Board and three (3) other Directors are Independent (Non-Executive Director) including one (1) Women Independent Director.

The names and categories of Directors, their attendance at the Board Meetings held during FY 2017-18 and at the last Annual General Meeting, the number of Directorships and Committee positions held by them in public limited companies & private limited companies (excluding the Bank).

Seven (7) Board meetings were held during FY 2017-18 on 13th May 2017, 02nd June 2017, 14th June 2017, 03rd July 2017, 09th August 2017, 27th October 2017, 30th January 2018

All Board Meetings were held and convened by giving proper notices and within the stipulated timelines as provided under the Companies Act, 2013 and other regulatory requirements.

The Bank has a three layer structure wherein, the Board is provided with strategic inputs and operational updates by the Board committees and the Board-delegated committees report to Board Committees on operational and other matters.

BOARD

BOARD COMMITTEES

- Audit Committee
- Nomination and Remuneration Committee
- IT Strategy & Information System Security Committee
- Disciplinary Committee

Mr. Krishan Kant Rathi
Chairman

- Risk Management Committee
- Stakeholders' Relationship Committee
- Review of classification of Wilful Defaulter
- Special Committee for Fraud Monitoring (FMC)

Mr. Mannil Venugopalan
Chairman

- Corporate Social Responsibility Committee
- Customer Service Committee (CSC)

Ms. Jyoti Narang
Chairman

BOARD DELEGATED COMMITTEES

- Executive Committee
- Credit Committee
- Investment Committee (IC)
- Product Approval Committee

- Premises & Procurement Committee
- Identification of Wilful Defaulter Committee
- Asset Liability Management Committee (ALCO)
- Credit Risk and NPA Management Committee - Retail & Wholesale

- Standing Committee on Customer Service
- IT Risk Management Committee
- Operational Risk Management Committee
- Committee for Outsourcing of Financial Services

Composition of Board, Meetings held & attended by the Directors during the Financial Year 2017-18

S. no	Name of Director/ Chairman	Category	Board Meeting entitled to attend during FY 2017-18	No. of Board Meeting attended during FY 2017-18	Attendance at the last AGM held on 27th September 2017	Number of Directorship held in other companies**	No. of Committee positions held in other companies $		No. of Shares Held
							Chairman	Member	
1	Mr. Mannil Venugopalan	Chairman -Independent Director (Non-Executive)	7	6	Yes	9	1	3	NIL
2	Mr. Sanjay Agarwal	Managing Director & CEO (Executive)	7	7	Yes	Nil	Nil	Nil	5,59,82,359
3	Mr. Krishan Kant Rathi	Independent Director (Non-Executive)	7	7	Yes	12	Nil	3	94,289
4	Ms. Jyoti Narang	Independent Director (Non-Executive)	7	6	Yes	2	Nil	Nil	NIL
5	Mr. Uttam Tibrewal	Whole-time Director (Executive)	7	7	Yes	Nil	Nil	Nil	19,76,596
6	Mr. Raj Vikash Verma*	Additional Director (Independent) (Non-Executive)	1	0	NA	4	Nil	Nil	NIL
7	Mr. Narendra Ostawal*	Nominee Director# (Non- Executive)	1	1	NA	7	1	1	NIL

*Mr. Raj Vikash Verma and Mr. Narendra Ostawal have been appointed as Additional Director (Independent) and Nominee Director respectively by the Board of Directors in their meeting held on 30th January 2018.
** Excludes Directorship in Foreign Companies & Section 8 companies.
$ Chairpersonship and membership of the Audit committee and the Stakeholders' Relationship Committee has been considered.
$$ No inter-se relationship among any of the Directors.
Mr. Narendra Ostawal is representing Redwood Investments Ltd. in Capacity of Equity Investor.
None of the Directors belong to promoter & promoter group except for Mr. Sanjay Agarwal.

BOARD PROCEDURE AND FUNCTION

The Board of Directors plays a pivotal role in the organisation for ensuring transparency in decision-making. Decisions taken by the Board are based on detailed discussion and deliberations and the Board members have the absolute liberty to question and raise an issue for discussion. Apart from review and consideration of matters referred to under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A of Schedule II mentioned therein, Board of Directors also review periodically matters as covered under its calendar of reviews.

CRITICAL THEMES FOR REVIEW BY THE BOARD

The Agenda items for Board meeting includes matters forming part of critical themes, which include business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion and human resources.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the Bank has familiarised the newly appointed Independent Directors & other Directors through various programmes about the Bank inter-alia including the following:

(a) Nature of the Industry
(b) Business model of the Bank
(c) Roles, rights and responsibilities of Independent Directors

Details of familiarisation programme for Independent Directors & other Directors are available on the website of the Bank at following location and can be accessed through **https://www.aubank.in/au-notice-board**

INDUCTION PROGRAMME FOR NEW DIRECTORS

The new Directors are inducted through one-to-one meetings with the Managing Director & CEO, Whole-time Director on issues relating to business strategy, regulatory environment, business plans and key performance indicators. They are also provided with information related to the finance and operations of the Bank, the organisation structure and their roles, duties and responsibilities. On appointment, the Directors are issued a Letter of Appointment setting out the terms and conditions relating to their appointment, duties and responsibilities under applicable laws.

SELECTION AND APPOINTMENT

The selection for appointment of Directors of Bank is carried out in accordance with provision of Companies Act, 2013 and relevant rules made thereunder, Banking Regulation Act, 1949, the guidelines issued by RBI, Listing Regulations and as per Director's appointment and remuneration policy.

The Bank duly adheres to the process and methodology prescribed by RBI 'Fit and Proper' criteria applicable to private-sector banks, signing of deed of covenants, which binds the Directors to discharge their responsibilities to the best of their abilities, individually and collectively to be eligible to be appointed as a Director of a Bank. At the time of their appointment on the Board, prescribed declarations are obtained from the Directors and submitted to Nomination and Remuneration Committee (NRC) for their review and put forth for the noting of the Board. The said declaration is also obtained at the time of re-appointment in compliance of applicable laws.

The NRC reviews structure, size, composition mix of Executive and Non-executive Directors, background, their exposure, industry experience, expertise and other relevant information and documents of Directors before making recommendation to the Board for their appointment, reappointment, remuneration and assignment of duties, (viz, nomination to various committee of the Board). While reviewing the potential candidates the knowledge in the field of accountancy, agriculture, rural economy, banking, co-operation, economics, finance, law, small-scale industry, information technology, core industries, infrastructure sector, payment & settlement systems, human resource, risk management and business management as stipulated under section 10A of BR Act, 1949. This ensures that people who have relevant specialised knowledge, practical experience and skills, to serve the diverse business interests of the Bank are being inducted on the Board.

AUDIT COMMITTEE

The Audit Committee constituted by the Bank in terms of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 and is chaired by Non-Executive Independent Director.

At present the audit committee comprises six Directors as its members all of them being financially literate and of which four are Independent Directors. The composition of the Committee is in adherence to provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015.

The committee has met five (5) times during the year under review on 13th May 2017, 02nd June 2017, 09th August 2017, 27th October 2017 and 30th January 2018.

FUNCTIONING OF AUDIT COMMITTEE

The Board of Directors has formed and approved a charter for the Audit Committee setting out the roles, responsibilities and functioning of the Committee. In addition to adherence to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 and all other applicable regulatory requirements, the terms of reference of the

Audit Committee is covered by its charter. Its functioning inter alia broadly include the following:

- Review and approve the remit, nature and scope of the internal audit function and ensure it has adequate resources, skills, qualifications and appropriate access to information to enable it to perform its function effectively.
- Monitor the reporting of issues identified by internal auditors to the management as per the defined frequencies and ensure that corrective actions are being taken in a timely manner.
- Consider major findings of internal quarterly, semi-annual and annual audit reviews and management's response; and to promote co-ordination between the internal and external auditors and review management letter(s) and management response to the findings, recommendations of the external auditor(s).
- Ensure that the Bank properly documents the identified risks and the related policies & assesses whether awareness and identification of risks are percolating to all levels and ascertains that systems are in place for adherence to all regulations.
- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

  (a) matters required to be included in the Director's Responsibility Statement to be included in the Board 's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

  (b) changes, if any, in accounting policies and practices and reasons for the same;

  (c) major accounting entries involving estimates based on the exercise of judgment by management;

  (d) significant adjustments made in the financial statements arising out of audit findings;

  (e) compliance with listing and other legal requirements relating to financial statements;

  (f) disclosure of any related party transactions;

  (g) modified opinion(s) in the draft audit report;

- Review and scrutinise matters including the inter-corporate loans and investments.
- Perform any other duties and responsibilities expressly delegated by the Board from time to time and provide the Board with such assurance as it may require regarding the reliability of financial information.

In addition to above the Audit Committee performs all such functions as specified under the provisions of section 177 of the Companies Act, 2013, relevant guidelines issued by RBI & Regulation 18 read with part C of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and all other applicable regulatory requirements.

All committee meetings were held and convened by giving proper notices and within the stipulated timelines as provided under the Companies Act, 2013 and other regulatory requirements.

The composition of the committee and particulars of attendance of members at the committee meetings are given below in **Annexure A of Corporate Governance Report**.

The Chief Financial Officer and representative(s) from Auditors of the Bank are invited to be present in the meetings for responding to the observations of the Committee. The Company Secretary acts as Secretary to the Committee.

Chairman of the Audit Committee was present in the Annual General Meeting to answer the queries of the shareholders.

RISK MANAGEMENT COMMITTEE

The Bank has formed Risk Management Committee of the Board for assisting the Board to establish a risk culture and risk governance framework in the organisation. The function of the Committee is to identify management of risk inherent in all the products and services across the Bank and to ensure that the established risk culture is adopted across all levels. The responsibilities of the Committee are to review compliance of NPA management policy, review the status of Basel Norms, risk appetite framework, risk return profile of the Bank and to ensure that all systems are being implemented in Bank with adequate security controls.

Terms of Reference of the Risk Management Committee inter alia include the following :

- Review, approve/recommend, periodically update policies, strategies and risk management frameworks and seek the Board's approval for the same.
- Ensure that the procedures for identifying, measuring, monitoring and controlling risks are in place.
- Ensure appropriate risk organisation structure with authority and responsibility clearly defined, adequate staffing and the independence of the Risk Management function.

- Provide appropriate and prompt reporting to the Board of Directors to fulfil the oversight responsibilities of the Board of Directors.

- Review reports from management concerning:

  - Risk management framework (i.e. principles, policies, strategies, process and controls) and to ensure that the same is being communicated throughout the Bank.

  - Changes in the factors relevant to the projected strategy, business performance and capital adequacy.

  - Implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and all other major initiatives.

- Review reports from management concerning changes in the factors relevant to the projected strategy, business performance or capital adequacy.

- Review reports from management concerning implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives, in order to monitor them.

- Ensure adherence to the extant internal policy guidelines and also regulatory guidelines published time to time.

- Review performance and set objectives for the Chief Risk Officer (CRO) and ensure the CRO has unfettered access to the Board.

- Oversee statutory/regulatory reporting requirements related to risk management.

- Monitor and review capital adequacy computation with an understanding of methodology, systems and data.

- Approve the stress testing results/analysis and monitor the action plans and corrective measures periodically in line with internal guidelines.

- Monitor and review non-compliance, limit breaches, audit/regulatory findings and policy exceptions with respect to risk management as well as frauds, potential losses.

- Reviewing and confirming orders/decisions about wilful defaulters.

- Oversee the working of the Credit Risk & NPA Management Committee (CRNPAC), Asset Liability Management Committee (ALCO).

- Review and ensure that all systems are being implemented in the Bank with adequate security controls.

- Review information security events and security-related audit items periodically.

Current composition of Risk Management committee comprises of five (5) Directors as its members and committee has met four (4) times during the year on 13th May 2017, 09th August 2017, 26th October 2017 and 29th January 2018.

The Composition of the committee and particulars of attendance of members at the committee meetings are given below in **Annexure A of Corporate Governance Report**.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted by the Bank in terms of Provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 and is chaired by Non-Executive Independent director.

At present the Nomination and Remuneration committee comprises of four (4) Directors as its members, all of them being Non-Executive Directors. The composition of the Committee is in adherence to provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015.

The committee has met four (4) times during the year on 13th May 2017, 09th August 2017, 27th October 2017 and 30th January 2018.

The Board of Directors has formed and approved a charter for the Nomination and Remuneration committee setting out the roles, responsibilities and functioning of the Committee. In addition to adherence to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 the terms of reference of Nomination and Remuneration committee is covered by its Charter and its functioning broadly inter alia include the following:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

- Devising a policy on diversity of Board of Directors.

- Conduct appropriate due diligence and scrutinise the declarations made by probable candidates at the time of appointment/re-appointment of Directors of the Board, based upon qualification, expertise, track record, integrity and 'Fit & Proper' criteria.

- Ensure that the Bank has a detailed succession and management continuity plan for key positions.

- Ensure that the policy formulated for remuneration of Directors, Key Managerial Personnel and senior management is reasonable & sufficient to attract, retain and motivate quality Directors required to run the Bank.

- Assist in defining the performance evaluation criteria for Directors and other Key Management Personnel and ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- Review and oversee the Employee Benefits' programme of the Bank including deferred benefits plans and retirement plans.

- Perform any other duties and responsibilities expressly delegated by the Board from time to time and as driven by the Directors Appointment & Remuneration Policy of the Bank.

- Perform such functions as are required to be performed by the Nomination and Remuneration Committee (Compensation Committee) under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:

    - Administering the ESOP plans;

    - Determining the eligibility of employees to participate under the ESOP plans;

    - Granting options to eligible employees and determining the date of grant;

    - Determining the number of options to be granted to an employee;

    - Determining the exercise price under the ESOP plans; and

    - Construing and interpreting the ESOP plans and any agreements defining the rights and obligations of the Bank and eligible employees under the ESOP plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP plans.

The Composition of the Committee and particulars of attendance of member at the Committee meetings are given below in **Annexure A of Corporate Governance Report.**

Chairman of Nomination and Remuneration Committee was present in the 22nd Annual General Meeting to answer the queries of the shareholders.

DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Bank has formulated Directors Appointment and Remuneration policy. The policy is formed with the objective to regulate the appointment and remuneration of Directors (including Independent Directors), Key Managerial Personnel (KMP), Senior Management Personnel and other employees as per the criteria formulated by the Nomination and Remuneration Committee of the Board under the requirement of the Companies Act, 2013 read with applicable Rules and Regulations under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy of the Bank on Director's appointment and remuneration is reviewed annually by the Board of Directors and the policy is also hosted by the Bank on its website and can be accessed through the link at **https://www.aubank.in/au-notice-board**

SUCCESSION PLANNING

The Bank believes that a sound Succession Plan for the Directors and Senior Management executives is important for continuity of seamless operations and future growth. Accordingly, the Bank has put in place the policy for Succession Planning and the same can be accessed through the link at **https://www.aubank.in/au-notice-board**

PERFORMANCE EVALUATION OF DIRECTORS

Your Bank followed objectives based approach for carrying out performance evaluation of Directors.

Performance Evaluation of the Board as a whole, as well as that of its Committees, Independent Directors and Non-Independent Directors was done in accordance with the relevant provisions of the Companies Act, 2013 read with relevant rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance of guidance note issued by SEBI under Circular no. SEBI/HO/ CFD/ CMD/CIR/P/2017/004 dated 5th January 2017.

Performance evaluation is carried out on the basis of mechanism adopted by the Board of Directors as recommended by the Nomination and Remuneration Committee for evaluating the performance for Individual Directors, the Board as a whole and of Board Committees in below manner:

A. Performance of Independent Directors was evaluated on the basis of their qualifications, experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution and integrity, impartial approach and shareholders' interest, knowledge & participation.

B. Performance of the Board as a whole including the Structure of the Board, Meetings of the Board, Functions of the Board was reviewed and evaluated.

c. Evaluation of performance for Chairman, including of qualifications, experience, knowledge and competency, fulfilment of functions, initiative, attendance, contribution and integrity, effectiveness of leadership, impartial and shareholders' interest, independence.

D. Performance evaluation of Committees includes its mandate, composition & effectiveness of the committees.

E. The performance evaluation of Independent Directors of the Bank is carried out by the Board of Directors of the Bank excluding the Director being evaluated. The Directors expressed their satisfaction with the evaluation process.

In view of the guidance note on Board evaluation issued by the Securities and Exchange Board of India (SEBI) vide circular no. SEBI/HO/CFD/ CMD/CIR/P/2017/004 dated 5th January 2017 pursuant to which the Independent Directors of the Bank in their meeting:

i. reviewed the performance of non-independent Directors and the Board as a whole.

ii. reviewed the performance of the Chairperson of the Bank, taking into account the views of Executive Directors and Non-Executive Directors.

iii. assessed the quality, quantity and timeliness of flow of information between the Bank's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

REMUNERATION OF EXECUTIVE DIRECTORS

Mr. Sanjay Agarwal, Managing Director & CEO of the Bank and Mr. Uttam Tibrewal, Whole-time Director of the Bank are categorised as Executive Directors.

RBI vide its letter dated 13th July 2017 has fixed and approved the remuneration to be paid to Mr. Sanjay Agarwal, Managing Director & CEO and Mr. Uttam Tibrewal, Whole-time Director i.e. Executive Directors of the Bank.

Remuneration paid to the Executive Directors is approved by the Board of Directors of the Bank on the recommendation of Nomination and Remuneration Committee and remuneration paid to both Executive Directors has been paid within the limit as approved by RBI and members of the Bank Employment agreement.

The remuneration paid to Executive Directors is governed by employment agreement executed between the Bank and Executive Directors.

Details of Remuneration paid to Managing Director & Chief Executive officer and Whole-time Director for Financial year 2017-18 are as under:

Sr. No.	Items	Mr. Sanjay Agarwal Remuneration (p.a.)	Mr. Uttam Tibrewal Remuneration (p.a.)
1	Salary	₹58,86,744	₹51,04,248
2	House rent allowance	₹23,54,700	₹20,41,704
3	Other allowances		
	(a) Special Allowance	₹64,38,804	₹55,78,068
	(b) Transport Allowance	₹19,200	₹19,200
	(c) Education Allowance	₹2,400	₹2,400
	(d) Medical Reimbursement	₹15,000	₹15,000
	Total	**₹1,47,16,848**	**₹1,27,60,620**
	Perquisites		
1	Free furnished house	Nil	Nil
2	Free use of bank's car - official Purpose - private purpose - Servant Allowance	 Two cars with chauffeur for each car - Reimbursement of servant expenses	 One car with chauffeur - -
3	Provident Fund/Gratuity/Pension - provident Fund - Gratuity	As applicable to all employees of bank ₹24,048 ₹2,59,104	As applicable to all employees of bank ₹24,048 ₹2,21,472
4	Travelling and Halting Allowances	On Actuals	On Actuals
5	Medical reimbursement	Ceiling of one month's basic salary annually or three months' basic salary over 3 years	Ceiling of one month's basic salary annually or three months' basic salary over 3 years
6	Other benefits - Insurance - Leave Travel Concession	• Total of ₹5,00,00,000 for health, personal accidental insurance and Group Insurance Scheme, together • For self and family once a year incurred in accordance with Company rules	• Total of ₹5,00,00,000 for health, personal accidental insurance and Group Insurance Scheme, together • For self and family once a year incurred in accordance with Company rules

Mr. Uttam Tibrewal, Whole-time Director of the Bank was granted 38,702 ESOPs under ESOP Scheme 2015 - Plan A & 10,18,758 ESOPs Under ESOP Scheme 2015 - Plan B during the year at exercise price of ₹10.11 & ₹33.37 each respectively, which are subject to RBI approval. During the year, 3,33,000 ESOPs under ESOP Scheme 2015 - Plan A & 4,12,385 ESOPs Under ESOP Scheme 2015 - Plan B were vested and exercised variable pay.

Your Bank follows objective based approach for performance evaluation of Executive Directors in view of their contribution to the bank's overall growth.

Variable pay is decided as a percentage of fixed pay which is recommended by the Nomination & Remuneration Committee on the basis of objective assessment of their performance.

The tenure of the office of the Managing Director & CEO and Whole-time Director is three years from their respective dates of appointments and can be terminated by either party by giving one month notice in writing. There is no provision for payment of severance fees.

REMUNERATION OF NON- EXECUTIVE DIRECTORS

The remuneration to the Non-Executive Directors is paid in form of sitting fees and commission.

The RBI vide Circular No. DBR. No.BC.97/29.67.001/2014-15 dated 1st June 2015 issued Guidelines on Compensation of Non-Executive Directors of Private Sector Banks emphasising that in order to enable banks to attract and retain professional Directors, it is essential that such Directors are appropriately compensated.

Sitting fees paid to Non-Executive Directors for attending each meeting of the Board & Committee Non-Executive Directors (Excluding Nominee Director) are paid ₹40,000 and ₹20,000, respectively for every Board and Committee meeting attended, the amount paid to Independent Director by way of sitting fees and commission are within the limits prescribed under the provisions of Companies Act, 2013.

None of the Non-Executive Directors have any pecuniary relationship or transaction with the Bank apart from receiving sitting fee and Profit related commission.

The details of Sitting fees and profit link commission paid to Non-Executive Directors is mentioned as below:

(₹ in lakh)

Name of Director	Sitting Fees	Commission	Total
Mr. Mannil Venugopalan	7.20	16.64	23.84
Mr. Krishan Kant Rathi	9.40	10.00	19.40
Ms. Jyoti Narang	5.60	10.00	15.60
Mr. Raj Vikash Verma*	Nil	1.69	1.69

* Mr. Raj Vikash Verma's profit related commission pertaining to FY 2017-18 was paid after 31st March 2018.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Bank has a Stakeholders' Relationship Committee for resolving the grievances of the security holders of the Bank including complaints related to transfer of shares, non-receipt of annual report.

The Board has approved Charter for Stakeholders' Relationship committee setting out roles and responsibilities of the committee. Terms of reference of the Committee are in adherence to the Provisions as stipulated under Section 178 of the Companies Act 2013 and Regulation 20 read with Part D of the Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Terms of reference are covered in charter, which inter alia broadly includes the following:

- Change in any correspondence details of the shareholder(s).
- Develop and recommend improvements in the investor services initiatives undertaken by the Bank.
- Review and address of all matters pertaining to Depositories for dematerialisation of shares of the Bank and other matters connected therewith.
- Monitor the shareholding structure of the Bank including foreign holding in terms of FDI policy.
- Review and address of matters pertaining to Registrar and Share Transfer Agents including appointment of new Registrar and Share Transfer Agent in place of existing one.
- Perform any other duties and responsibilities expressly delegated by the Board from time to time.

Composition of Stakeholders' Relationship Committee comprises of four (4) members and Committee has met four (4) times during the year on 13th May 2017, 09th August 2017, 26th October 2017 and 29th January 2018. The details and attendance for period under review is as per **Annexure-A of Corporate Governance Report.**

INVESTORS COMPLAINTS

All shares of the Bank are in dematerialised form. Link Intime India Private Limited has been appointed and it has been acting as the Registrar and Share transfer agent of the Bank for carrying out share transfer and other ancillary work related thereto. Link Intime India Private Limited has appropriate systems to ensure that requisite service is provided to investors of the Bank in accordance with the applicable corporate and securities laws and within the adopted service standards. Mr. Manmohan Parnami, Company Secretary has been appointed as compliance officer of the Bank.

During the period complaints as stated herein below were received by the Share Transfer Agent for period under review:

Sr. No.	Nature of Complaint	Number of Complaints received during the period	Number of Complaints disposed of during the period	Number of Complaints remained unresolved
1	Non-Receipt of Dividend/Interest/Redemption Warrant	1	1	0
2	Non-Receipt of Annual Report	1	1	0
3	Non-receipt of Refund/Credit of Shares – IPO	599	599	0
4	SEBI-Scores	4	4	0
	Total	**605**	**605**	**0**

The status of investor correspondence(s)/complaint(s) received and resolved during the year was also tabled at the meeting(s) of Stakeholder Relationship Committee for its review and noting.

All complaints received during the period under review have been satisfactorily resolved by the Bank.

IT STRATEGY & INFORMATION SYSTEMS SECURITY COMMITTEE

IT Strategy & Information Systems Security Committee was formed by the Board of Directors of the Bank for facilitating and building an effective IT infrastructure and governance framework, to periodically review the IT Policy of the Bank. The Company further identifies the risks affecting operations of the Bank and managing it through Risk Control Matrix, internal controls and ensuring that management has sufficient resources for mitigation of IT and security related risks.

Composition of IT Strategy & Information Systems Security Committee comprises of six (6) members and committee has met four (4) times during the year on 13th May 2017, 09th August 2017, 27th October 2017 and 29th January 2018.

Terms of reference in addition to the regulatory requirements is governed by the charter which broadly inter-alia includes the following:

- Review the IT related strategy and policy.
- Review the investments made into IT infrastructure to sustain the Bank's growth
- Implementation of an IT governance framework covering basic principles of value delivery, IT Risk Management, IT resource management and performance management
- Ensure a governance structure shall be created for IT which will include technology and development, IT operations, IT assurance and supplier and resource management
- Review Security incidents and corrective action plans

The Composition of the Committee and particulars of attendance of members at the Committee meetings are given below in **Annexure A of Corporate Governance Report.**

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of Section 135 of the Companies Act, 2013 Corporate Social Responsibility (CSR) Committee was constituted and the Board has approved the Charter of the CSR Committee setting out the responsibilities, roles of the Committee, the terms of reference of the committee inter-alia include the following:

- Formulate and recommend to the Board of the Bank, a Corporate Social Responsibility (CSR) policy, which shall indicate the activities to be undertaken by the Bank as per Schedule VII of the Companies Act, 2013
- Recommend the amount of expenditure to be incurred in the activities provided for the CSR policy
- Monitor the implementation and effectiveness of the CSR policy from time to time
- Perform such other duties with respect to CSR activities, as may be required to be done under any law, statute, rules, regulations and others enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.

The committee has met twice (2 times) during the year on 13th May 2017 & 26th October 2017. The Composition of the Committee and particulars of attendance of members at the Committee meetings are given below in **Annexure A of Corporate Governance Report.**

Report on Corporate social responsibility is annexed as Annexure II to the Board Report.

CUSTOMER SERVICE COMMITTEE

Customer Service Committee is constituted by the Board of Directors of the Bank to ensure fairness and reasonableness in all the dealings with the customers and ensuring transparent communication of information pertaining to products, services and related procedures and to resolve customer complaints quickly and empathetically and facilitate continuous improvement in quality of the customer service and to ensure overall customer satisfaction level.

Terms of reference in addition to the regulatory requirements is governed by the charter, which broadly inter alia includes the following:

- Review the effectiveness of grievance redressal mechanism within the Bank for redressing complaints received about services rendered by Business Correspondents (BC)
- Review the trend analysis of customer complaints by product categories/channels/BCs and monitor improvement plans.
- Review and approve Comprehensive Deposit Policy and seek to address issues such as treatment of death of a depositor for operations in such accounts.
- Review Banking Ombudsman awards on a periodic basis, address systemic deficiencies brought out by these awards and report cases with delayed implementation of more than three months to the Board with reasons for delay to facilitate necessary remedial action on priority.

- Statement of complaints along with an analysis of the complaints
- To review the performance of 'Standing Committee' and other Sub Committees
- Benchmarking review of turnaround time for key products offerings and monitoring improvement plans put in place

Composition of Customer Service committee comprises five (5) members and committee has met four (4 times) during the year on 13th May 2017, 09th August 2017, 26th October 2017 and 29th January 2018.

The Composition of the Committee and particulars of attendance of members at the committee meetings are given below in **Annexure A of Corporate Governance Report.**

REVIEW OF CLASSIFICATION OF WILFUL DEFAULTERS COMMITTEE

The Committee has been formed by Board for carrying out an independent review, monitoring and follow up of wilful defaults cases of ₹25 lakh and above and provide assistance to the Audit Department, Recovery Department and the relevant members of the management involved in the loan granting and recovery process.

The Committee responsibility inter-alia includes review and examining the evidence of wilful default on the part of the borrower, borrowing company and its Director/Whole-time Director and control, manage and review wilful defaulters on a Bank-wide basis as identified by the Wilful Defaulters Identification Committee.

Terms of reference in addition to the regulatory requirements is governed by the charter, which broadly inter alia includes the following:

- Identification of wilful defaulters based on thorough review and examination of the borrower, borrowing company and its Director/Whole-time Director.
- Identification of problematic areas leading to additions of wilful defaults and examine evidence of wilful default on the part of the Bank's borrowers.
- Identification of the cause of delay in detection of wilful defaults.
- Issue show cause notice to concerned borrower and the Promoter/Whole-time Director and call for their submissions and after considering their submissions, issue an order recording the details and reasons of wilful default.
- Make recommendations and assist the management to design mechanisms to improve the process and technical knowledge of the staff and to share leading practices to early identify the wilful defaulters.

Composition of Review of classification of Wilful Defaulter comprises five (5) members and committee has met four (4 times) during the year on 13th May 2017, 09th August 2017, 26th October 2017 and 29th January 2018.

The Composition of the Committee and particulars of attendance of members at the Committee meetings are given below in **Annexure A of Corporate Governance Report.**

SPECIAL COMMITTEE FOR FRAUD MONITORING (FMC)

Pursuant to the directives issued by Reserve Bank of India, The Bank has set up and formed Special Committee for Fraud Monitoring (FMC) for monitoring and follow up on cases amounting to ₹1 crore and above. The Committee identifies the systemic lacunae, if any, that facilitate perpetration of the fraud and put in place measures to plug the same and also evaluate existing systems and procedures for fraud detection and prevention.

Terms of reference in addition to the regulatory requirements is governed by the charter, which broadly inter alia includes the following:

- Monitor and review all the frauds of ₹1 crore and above
- Identify the system lacunae if any that facilitate perpetration of the fraud and put in place measures to plug the same.
- Evaluation of existing systems and procedures for fraud detection and prevention.
- Identify the reasons for delay in detection, if any, in reporting to top management of the Bank and RBI.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- Monitoring progress of Police investigation and recovery position and ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Put in place other measures to strengthen preventive measures against frauds

Composition of Special Committee for Fraud Monitoring (FMC) comprises six (6) members and committee has met once (1 time) during the year under review on 30th January 2018.

The Composition of the Committee and particulars of attendance of members at the Committee meetings are given below in **Annexure A of Corporate Governance Report.**

DISCIPLINARY COMMITTEE

The Disciplinary Committee has been formed by the Board of Directors of the Bank to achieve the following key objectives:

- Approve the policy on Code of Conduct that must be followed by the employees and recommend the same to the Board and appropriately review as and when required.
- Setting up of a transparent mechanism to decide and resolve complaints from employees and take appropriate corrective action plan.
- Resolution of any formal written complaint received by the Bank including sexual harassment and enforce disciplinary action against erring employees.
- Taking appropriate remedial measures to respond to any substantiated allegations of a complaint (sexual harassment or disciplinary) against an employee.
- Promote appropriate working conditions and a safe environment for all employees.

Terms of reference in addition to the regulatory requirements is governed by the charter which broadly inter alia includes the following:

- Maintaining complete confidentiality and protection of identity of the whistle blowers/complainants.
- Creating awareness of the rights of female employees with regards to sexual harassment.
- Take necessary steps to assist the affected person in terms of support and preventive action if the instance of sexual harassment occurs as a result of an act or omission by any outsider.
- Initiate disciplinary actions such as fine or suspension or termination against the responsible employee if an improper/unethical act is proved.
- Review number and nature of complaints received from the whistle-blowing platform and resolution status of the same.

Composition of Disciplinary Committee comprises of five (5) members and the Committee has met once (1 time) during the year under review on 26th October 2017.

The Composition of the Committee and particulars of attendance of members at the Committee meeting are given below in **Annexure A of Corporate Governance Report.**

ANNEXURE A

Details of Attendance of members for Committee meetings:

Name of Committee	Name of Members and Number of Meeting Attended							
	Meeting held for FY 2017-18	Mr. Mannil Venugopalan	Mr. Krishan Kant Rathi	Mr. Sanjay Agarwal	Mr. Uttam Tibrewal	Ms. Jyoti Narang	Mr. Raj Vikash Verma	Mr. Narendra Ostawal
Audit Committee	5	5	5	5	NA	5	NA	NA
Risk Management Committee	4	4	4	4	4	NA	NA	NA
Nomination and Remuneration Committee	4	4	4	NA	NA	4	NA	NA
Stakeholders' Relationship Committee	4	4	4	4	NA	NA	NA	NA
IT Strategy & Information Systems Security Committee	4	NA	4	4	4	3	NA	NA
Corporate Social Responsibility Committee	2	2	2	2	NA	2	NA	NA
Customer Service Committee	4	NA	4	4	4	NA	NA	NA
Review of classification of Wilful Defaulter	4	4	4	4	4	NA	NA	NA
Special Committee for Fraud Monitoring (FMC)	1	1	1	1	1	1	0	NA
Disciplinary Committee	1	NA	1	1	1	1	NA	NA

Audit Committee - Mr. Raj Vikash Verma and Mr. Narendra Ostawal have been appointed as members of the committee on 30th January 2018.
Risk Management Committee - Mr. Raj Vikash Verma and Mr. Narendra Ostawal have been appointed as members of the committee on 30th January 2018 and Mr. Uttam Tibrewal ceased to be member of the committee w.e.f. 30th January 2018.
Nomination & Remuneration Committee - Mr. Narendra Ostawal has been appointed as member of the committee on 30th January 2018.
Stakeholder Relationship Committee - Mr. Narendra Ostawal has been appointed as the member of the Committee on 30th January 2018.
IT Strategy & Information Systems Security Committee - Ms. Jyoti Narang has been appointed as member of the committee w.e.f. 13th May, 2017. Mr. Raj Vikash Verma and Mr. Narendra Ostawal have been appointed as members of the committee w.e.f 30th January 2018.
Corporate Social Responsibility Committee - Mr. Raj Vikash Verma has been appointed as member of the committee on 30th January 2018 and Ms. Jyoti Narang has been appointed as chairman of the committee on 30th January 2018.
Customer Service Committee - Mr. Raj Vikash Verma and Mr. Narendra Ostawal and Ms. Jyoti Narang have been appointed as members of the committee w.e.f 30th January , 2018 and Mr. Krishan Kant Rathi has ceased to be Chairman and member of the committee w.e.f 30th January 2018 and Ms. Jyoti Narang has been appointed as chairman w.e.f 30th January 2018.
Review of Classification of Wilful Defaulters Committee - Mr. Raj Vikash Verma has been appointed as member of the committee w.e.f 30th January 2018.
Special Committee for Fraud Monitoring - Mr. Raj Vikash Verma is appointed as member of the committee with effect from 30th January 2018.
Disciplinary Committee - Mr. Krishan Kant Rathi has been appointed as the chairman of the committee with effect from 30th January 2018 and Mr. Narendra Ostawal has been appointed as member of committee on 30th January 2018.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Bank met 2 (Two) times on 09th August 2017 and 28th September 2017 without the presence of any Non-Independent Directors inter- alia to consider the following:

- Review of performance of Non-Independent Directors.
- Review of performance of Board as a whole.
- Review of Performance of the Chairman of the Bank, taking into account the views of Executive Directors and Non- Executive Directors excluding the chairperson being evaluated.
- Review of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present in the meetings held during the period under the review.

GENERAL SHAREHOLDER INFORMATION

Financial Year - 1st April, 2017 to 31st March, 2018

The details of the location and time of the last three annual general meetings are given below:

Year	Date & Time	Venue	Special Resolutions Passed
2014-15	13th July 2015 3.00 P.M.	Registered Office: 19 – A, Dhuleshwar Garden, Ajmer Road, Jaipur	1. Authorisation to borrow money in excess of paid up capital and free reserves of the company u/s Section 180(1)(c) 2. Authorisation to sell, lease or otherwise dispose of the assets of the Company for such borrowings u/s Section 180(1)(a) of the Companies Act, 2013; 3. Alteration of Existing Articles of Association of the Company.
2015-16	31st August 2016 11.00 AM	Flexible Room, B-11-E, behind CEG Building Malviya Nagar, Industrial Area, Malviya Nagar, Jaipur - 302017	1. Authorisation to Borrow money in excess of paid up capital and free reserves of company U/s 180 (1) (c) of the companies Act, 2013 2. Authorisation to sell, lease or otherwise dispose of the assets of the Company for such borrowings u/s Section 180(1)(a) of the Companies Act, 2013; 3. Alteration of Existing Articles of Association of the Company.
2016-17	27th September, 2017 02:00 PM	Suryavanshi Mahal- Ground floor, ITC Rajputana Palace Road, Jaipur - 302006	1. To confirm/ratify article no. 13(b) of Articles of association of the bank. 2. To ratify Employee Stock Option scheme 2015 of AU Small Finance Bank Limited 3. To ratify Employee Stock Option scheme 2016 of AU Small Finance Bank Limited.

During the period under review no Extra Ordinary General Meeting has been held.

POSTAL BALLOT

During the period under review no resolutions has been passed through postal Ballot.

ANNUAL GENERAL MEETING

Annual General Meeting of the Bank is scheduled to be held on 07th August 2018 at 03:30 pm at Chancellor Hall, Hotel Holiday Inn, Sardar Patel Marg, 22 Godam Circle, C –Scheme, Jaipur – 302001, Jaipur – 302001, Rajasthan, India

DATE OF BOOK CLOSURE

01st August 2018 – 7th August 2018

REGISTERED OFFICE OF BANK

19-A Dhuleshwar Garden, Ajmer Road
Jaipur-302001
Rajasthan

REGISTRAR AND SHARE TRANSFER AGENT

The Equity Shares of Bank have been admitted with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Bank has appointed Link Intime India Pvt. Ltd. as the connectivity agent to provide electronic connectivity interface with NSDL & CDSL for securities of the Bank.

DETAILS OF REGISTRAR AND SHARE TRANSFER AGENT IS AS FOLLOW:

Link Intime India Private Limited
C-101, 1st floor, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai 400083
Maharashtra, India
Tel: +91 22 4918 6200, FAX: +91 22 49186195
Website: www.linkintime.co.in
Email ID: rnt.helpdesk@linkintime.co.in

DEBENTURE TRUSTEES

IDBI Trusteeship Services Ltd.
Regd. Office: Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate, Mumbai 400001
Phone: +91 022 40807000
Fax: +91 022 66311776
Email: itsl@idbitrustee.com

ADDRESS FOR CORRESPONDENCES

The Company Secretary & Compliance Officer,
AU Small Finance Bank Limited
Registered Office: 19-A, Dhuleshwar Garden,
Jaipur - 302001
Tel: +91-141-4110060/6660666 | Fax: +91-141-4110090
Email: investorrelations@aubank.in

LISTING ON STOCK EXCHANGE(S)

BSE Limited- SCRIP CODE: 540611
P J Towers, Dalal Street, Fort, Mumbai - 400 001

National Stock Exchange of India Limited- SYMBOL: AUBANK
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

ISIN: **INE949L01017**

Bank has deposited the annual listing fees to the stock exchange(s) where the securities of the Bank are listed.

OTHER DISCLOSURES

1. CEO and CFO Certification

Managing Director & CEO and CFO of the Bank have issued a certificate in terms of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Bank's affairs. The said certificate is annexed and forms part of the Annual Report.

2. Code of Conduct

In accordance with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, declaration from Managing Director & CEO of the Bank has been received confirming that all the Directors and the Senior Management Personnel of the Bank have Complied to the Code of Conduct for the financial year ended 31st March 2018 as attached with this report.

3. Code for prevention of Insider Trading

Bank has formulated a code for Prohibition of insider trading in the shares of the Bank. The Code of Conduct - Prohibition of Insider Trading Policy, inter alia, prohibits purchase / sale of shares of the Bank by Designated persons & other connected persons while in possession of unpublished price sensitive information in relation to the Bank.

The Code requires Designated Persons to obtain pre-clearance of the Compliance Officer for dealing in the Bank's securities beyond prescribed threshold limits. The Designated Persons are also prohibited from entering contra trades on the floor of the Stock Exchange(s) and from dealing in securities of the Bank's Listed Client Companies during the period(s) notified to them.

The Bank periodically reviews the efficacy of its systems, controls and processes to ensure that access to unpublished price sensitive information relating to its financial results or that of its securities is on a need to know basis.

4. Related party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which conflicted with the interest of the Bank. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time.

Further, the Board of Directors has formulated a policy on Related Party Transactions and materiality for dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The same is displayed on the website of the Bank at **https://www.aubank.in/au-notice-board**

5. Penalties

No penalties, strictures have been imposed on the Bank by the Stock Exchange(s)/SEBI or any other statutory authorities on matters relating to capital market during the last three years.

6. Whistle Blower policy & Vigil Mechanism

The Whistle Blower Policy has been formulated as part of corporate governance norms and transparency where the employees, customers, stakeholders or Non-Governmental Organisations (NGOs) are encouraged to refer any Protected Disclosures which have not been resolved or satisfactorily resolved within the usual applicable protocols. The employees may refer any Protected Disclosures covering areas such as corruption, misuse of office, criminal offences, suspected/ actual fraud, failure to comply with existing rules and regulations and acts resulting in financial loss/ operational risk, loss of reputation etc. detrimental to customers' interest/ public interest. During the year, no person was denied access to the audit committee or its chairman to raise his/her concern under vigil mechanism.

7. Declaration of Independence

The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under provisions of Section 149(6) Companies Act, 2013 & Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Terms and Conditions of appointment of Independent Directors have been hosted on the Bank's website and can be accessed through link at **https://www.aubank.in/about-us/board-directors**

8. SEBI (LODR) Regulations

During the period under review Bank has complied with all the Mandatory requirements of Regulation 17 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for Regulation 24 which is not applicable to the Bank. Further, Bank has also adopted certain voluntary compliance requirement as stipulated in Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other act, rules, regulations & guidelines as applicable on the Bank.

Bank has also complied with Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9. Subsidiary Companies

During the period under review Bank does not have any Subsidiary Companies.

10. Accounting Treatment

Bank has adopted accounting policies which are in line with the Accounting Standards and Financials statements are prepared in adherence to the accounting policies, Accounting Standards and applicable provisions of Companies Act, 2013 and Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Means of Communication

Pursuant to the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Bank publishes financial results on quarterly basis which are duly reviewed by the Audit Committee before submission to the Board. The financial results of the Bank are also posted on the website of the Bank. The Managing Director & CEO/WTD/CFO and Chief of Investor Relations at regular intervals comes on conference call with the analysts/ shareholders and responds to the queries from investors on quarterly basis. The financial results of the Bank are generally published in the renowned dailies such as Economic Times, Punjab Kesari and Financial Express. The financial results, presentations and press releases of the Bank are also hosted on the website of the Bank at **www.aubank.in**.

For Share transfers, dividend payments and all other investor related activities are attended to and processed at the office of our Registrars & Share Transfer Agents, i.e. Link Intime India Private Limited, contact details of the agents are as specified above.

Bank has Board approved "Investor Grievance Redressal Policy" which lays down the simplified procedure for shareholders to submit their queries, concerns and grievances and process for timely resolution. In case of shareholders having any queries, they can write at **investorrelations@aubank.in** and for more information about the Bank, investors can visit the Bank's website at **www.aubank.in**.

12. Dividend Payment

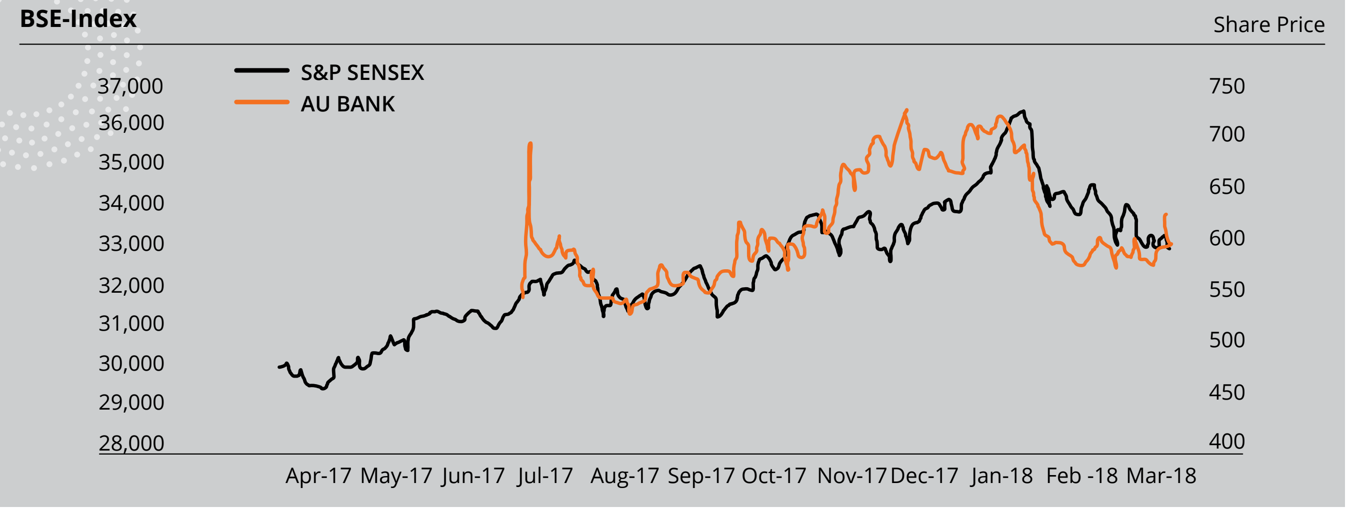
Board of Directors of Bank at its meeting held on 26th April 2018 has recommended payment of dividend of ₹0.50/- per equity shares on face value of ₹10 per equity shares subject to approval of members of the Bank in the 23rd Annual General Meeting scheduled on 07th August 2018. The payment period of dividend if approved by members will commence from 08th August 2018 and will be completed by 06th September 2018.

13. Market Price Data

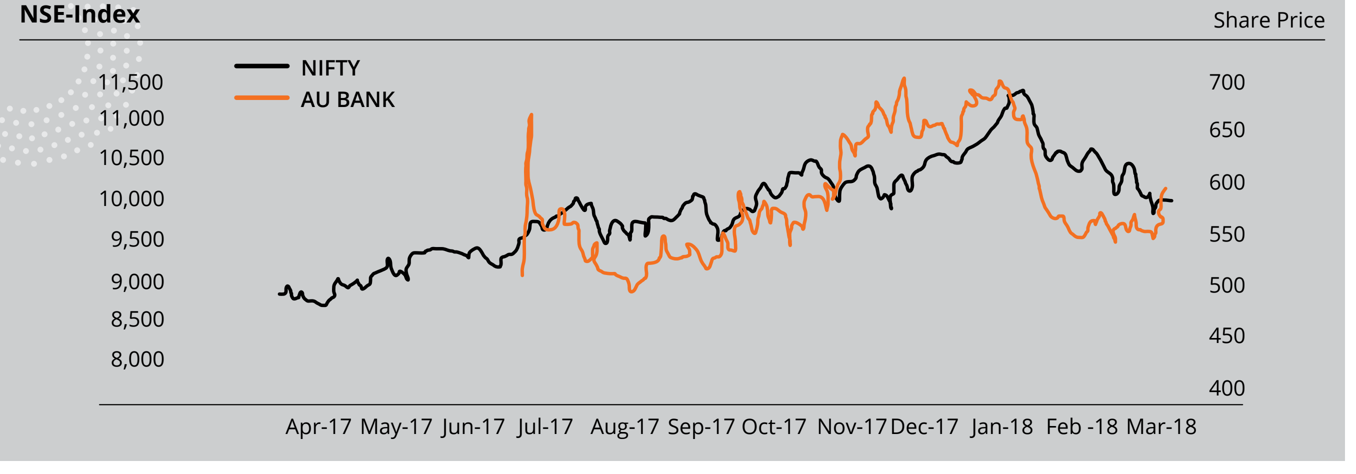
Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
Apr-17	Unlisted			Unlisted		
May-17						
Jun-17						
Jul-17	725.50	523.70	12,93,91,222	724.45	506.80	6,51,60,722
Aug-17	592.50	496.25	2,28,90,782	592.95	496.40	51,48,179
Sep-17	578.00	528.50	98,44,604	578.70	528.85	18,33,804
Oct-17	623.00	557.55	1,02,83,943	618.50	559.00	29,42,696
Nov-17	713.00	580.00	83,37,762	712.50	579.95	11,92,014
Dec-17	737.00	650.00	62,09,325	736.00	651.50	7,02,338
Jan-18	741.10	645.40	42,91,837	739.00	646.55	6,24,649
Feb-18	674.00	555.55	29,37,865	667.95	565.00	17,16,832
Mar-18	639.00	565.30	28,01,899	636.90	567.30	3,98,023

COMPARISON TO BROAD -BASED INDICES

AU BANK relative to S&P BSE SENSEX



AU BANK relative to NIFTY



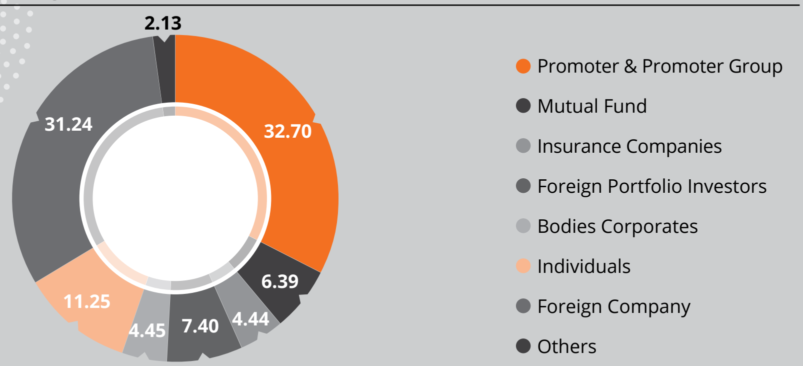
14. Distribution of Shareholding as on 31st March 2018

Distribution of Shareholding based on Nominal Value (₹) as on 31st March 2018

SR. NO.	CATEGORY (NOMINAL VALUE OF SHARES)	NUMBER OF SHAREHOLDERS	% OF TOTAL	TOTAL SHARES	SHARE AMOUNT (₹)	% OF TOTAL SHARE AMOUNT
1	10 to 5,000	92,160	95.61	72,38,946	7,23,89,460	2.53
2	5,001 to 10,000	2,416	2.51	16,33,511	1,63,35,110	0.57
3	10,001 to 20,000	854	0.89	11,43,504	1,14,35,040	0.40
4	20,001 to 30,000	283	0.29	6,88,298	68,82,980	0.24
5	30,001 to 40,000	87	0.09	3,04,273	30,42,730	0.11
6	40,001 to 50,000	64	0.07	2,98,461	29,84,610	0.10
7	50,001 to 1,00,000	163	0.17	11,89,122	1,18,91,220	0.42
8	1,00,001 & above	362	0.38	27,32,07,505	2,73,20,75,050	95.63
Total		**96,389**	**100.00**	**28,57,03,620**	**2,85,70,36,200**	**100.00**

	CATEGORY OF SHAREHOLDERS	NO. OF SHARES	IN %
I	Promoter & Promoter Group	9,34,28,304	32.70
II	Other Institution		
	Mutual Fund	1,82,52,741	6.39
	Financial Institutions/Bank	63,995	0.02
	Insurance Companies	1,26,81,602	4.44
	Foreign Portfolio Investors	2,11,54,612	7.40
III	Other Non-Institution		
	Bodies Corporates	1,27,03,691	4.45
IV	Individuals		
	(i) Individuals holding nominal share capital upto 2 lakh	1,16,87,269	4.09
	(ii) Individuals holding nominal share capital in excess of 2 lakh	2,04,50,250	7.16
V	Trusts	55,414	0.02
VI	Non- Resident Indians (Non Repat)	20,22,130	0.71
	Non- Resident Indians (Repat)	4,80,724	0.17
VII	Hindu Undivided Family	5,07,787	0.18
VIII	Clearing Members	3,06,295	0.11
IX	Foreign Companies	8,92,58,529	31.24
XI	Alternative Investment Fund	26,50,277	0.93
	Total	**28,57,03,620**	**100.00%**

Shareholding Pattern (%)



LIST OF SHAREHOLDERS HOLDING MORE THAN 1% SHARES IN THE BANK AS ON 31st March,2018

S. No.	Name	No. of Shares	%
	Promoters & Promoter Group		
1	Sanjay Agarwal	5,59,82,359	19.59%
2	Shakuntala Agarwal	1,18,20,430	4.14%
3	Jyoti Agarwal	1,18,18,560	4.14%
4	Chiranji Lal Agarwal	68,29,321	2.39%
5	MYS Holdings Private Limited	68,83,722	2.41%
	Others		
6	Redwood Investment Ltd	4,49,70,794	15.74%
7	International Finance Corporation	2,27,16,509	7.95%
8	Labh Investments Limited	1,07,87,530	3.78%
9	Ourea Holdings Limited	1,07,83,696	3.77%
10	SBI Magnum Balanced Fund	99,19,937	3.47%
11	Motilal Oswal Most Focused Multicap 35 Fund	50,63,424	1.77%
12	ICICI Prudential Life Insurance Company Limited	48,57,144	1.70%
13	SBI Life Insurance Co. Ltd	48,57,144	1.70%
14	Amansa Holdings Private Limited	45,21,582	1.58%
15	Motilal Oswal Sec. Ltd	33,37,515	1.17%

15. Share Transfer System

The Bank's shares are traded under compulsory dematerialised mode and freely tradeable and the entire share transfer process is monitored by the Registrar and Share Transfer Agent of the Bank. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.

16. Dematerialisation of Shares

All shares of the Bank are held in Dematerialised form.

17. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity

During the Financial year 2017-18, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date, which would have an impact on the equity of the Bank.

18. Commodity price risk or foreign exchange risk and hedging activities

During the Financial year 2017-18, the Bank does not undertake trading in any commodity. However, the Bank may be exposed to commodity price risks of customers in its capacity as a lender and Bank is operating in India and is not directly exposed to foreign exchange risk and hedging activities.

19. Status of Compliance of Discretionary Requirements

Sr. No.	Discretionary Requirements	Status
1	A half-yearly declaration of financial performance including summary of the significant events in the last six months may be sent to each household of shareholders.	Quarterly as well as half-yearly financial results are published in the newspapers, displayed on the website of the Bank as well as disseminated to the Stock Exchanges immediately after Board approval for information of Shareholders and other Stakeholders.
2	The Company may appoint separate persons to the post of Chairperson and MD & CEO	The Bank has separate positions of a Non-Executive (Part- time) Chairman and a MD & CEO.
3	The Internal auditor may report directly to the Audit Committee.	The internal auditor reports directly to the Audit Committee.

CERTIFICATE ON COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

I confirm that Bank has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the 'code of Conduct' for financial year 2017-18.

Jaipur
26th April 2018

Sanjay Agarwal
Managing Director & CEO

CEO & CFO CERTIFICATION

We, Sanjay Agarwal, Managing Director & CEO and Deepak Jain, Chief Financial Officer, of AU Small Finance Bank Limited hereby certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:

  i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.

  ii. these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d. We have indicated, to the Auditors and the Audit Committee:

  i. Significant changes in internal control over financial reporting during the year;

  ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  ii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Yours faithfully

Place: Jaipur
Date: 26th April 2018

Sanjay Agarwal
Managing Director & CEO

Deepak Jain
Chief Financial Officer

AU SMALL FINANCE BANK

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Our CSR Policy

1. BRIEF OUTLINE OF THE CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES

The Corporate Social Responsibility Policy (CSR Policy) of the Bank sets out the broad framework guiding the Bank's CSR activities. The Policy also sets out the principles and the rules that need to be adhered while taking up and implementing CSR activities to be undertaken as specified in Schedule VII of the Companies' Act, 2013 (excluding the activities pursued in the normal course of business) and the expenditure thereon.

Amongst several initiatives enlisted under Schedule VII of Indian Companies Act, 2013, the Bank has identified promoting opportunities for sustainable livelihood for underprivileged through vocational skilling, digital and financial literacy and promoting sporting talent by providing the right intervention in the field of nationally recognised sports, as its focus areas.

While undertaking projects related to its core focus areas or other initiatives, the Bank will universally follow the key principles of sustainability, accountability, equality and undertakes projects, which benefit a larger section of society that helps in addressing critical development issues of the communities in which we operate.

Approach towards CSR

The Bank shall have a three-tier structure for the governance of CSR responsibilities under the Companies' Act and Rules comprising the Board, CSR Committee and the Company Secretary. It would be implementing CSR activities through direct contribution and collaborate with credible implementing partners to achieve right penetration and results for the CSR efforts of the Bank.

Focus areas of CSR

1. Livelihood enhancement through vocational skilling
2. Promotion of rural, national, Paralympic & Olympic sports
3. Financial and digital literacy
4. Promoting education
5. Healthcare and social welfare
6. Environmental sustainability
7. Rural development
8. Eradicating hunger, poverty and malnutrition
9. Gender equality
10. Protection of national heritage, art and culture

The Bank's Corporate Social Responsibility policy is available at the web link: **https://www.aubank.in/au-notice-board**

2. COMPOSITION OF CSR COMMITTEE AS ON 31ST MARCH 2018

Ms. Jyoti Ishwar Chandra Narang (Independent Director)	Chairman
Mr. Mannil Venugopalan (Independent Director)	Member
Mr. Krishan Kant Rathi (Independent Director)	Member
Mr. Sanjay Agarwal (Managing Director & CEO)	Member
Mr. Raj Vikash Verma (Independent Director)	Member

Note: Mr. Raj Vikash Verma appointed as member of CSR Committee with effect from 30th January 2018 and Ms. Jyoti Narang appointed as chairman of CSR Committee with effect from 30th January 2018

3. AVERAGE NET PROFITS OF THE BANK FOR LAST THREE FINANCIAL YEARS: ₹334.69 CRORE

4. PRESCRIBED CSR EXPENDITURE (2% OF TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹6.69 CRORE

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

- Total amount to be spent for the financial year as per the Companies Act, 2013 was ₹7.18 crore (₹6.69 crore + ₹0.49 crore, being amount unspent of FY 2016-17)
- Amount spent during the financial year: ₹4.23 crore
- Amount unspent for the financial year: ₹2.95 crore

Manner in which the amount spent during the financial year is detailed below

Sr. No	CSR Project or Activity Identified	Sector in which the Project is covered	Project or Programmes Local Area/State where the project or programme is undertaken	Amount Outlay (₹ in lakh)	Amount Spent (₹ in lakh)	Cumulative Expenditure up to reporting period (₹ in lakh)	Amount Spent directly or through Implementing Agency
1	Promotion of Sports	Clause VII: Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Contribution to: - Jaipur Mahakhel - Season 2 - Podar Tennis Vikas Society - Support to Rajasthan U-14 girls team - Support to Balaji Vikas Sansthan - Grassroot level football tournament (The above-mentioned projects were carried out in Jaipur area of Rajasthan.)	292.03	122.09	144.62	Directly and through implementing agencies
2	Promotion of Preventive Healthcare	Clause I: Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Contribution to: - SIDART- Health camps - Shekhawati Agarwal Samaj for health & eye check-up camp - Blood donation camps through Gem City Charitable Trust - Kids Zone at J.K Lone Hospital (The above mentioned projects were carried out in Jaipur and other areas of Rajasthan.)	73.20	73.20	174.00	Through implementing agencies
3	Promotion of Art & Culture	Clause V: Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Contribution to: - Initiative for Moral and Cultural Training Foundation - Promotion of art & culture at Jaipur (The above mentioned projects were carried out in Jaipur area of Rajasthan.)	79.34	79.34	109.34	Through implementing agencies
4	Promotion of Education	Clause II: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects	Contribution to: - Akshaya Patra Foundation – mid-day meal programme - Pratham Shiksha Charitable trust - HECARDS NGO - Muskaan Foundation - Distribution of school infrastructure, school bags, sweaters and other educational materials in government schools in and around Jaipur and Shahpura - Educational Scholarship to merit holders through Shekhawati Agarwal Samaj (The above-mentioned projects were carried out in Jaipur, Shahpura and nearby areas in Rajasthan.)	132.86	32.86	484.50	Directly and through implementing agencies

Sr. No	CSR Project or Activity Identified	Sector in which the Project is covered	Project or Programmes Local Area/State where the project or programme is undertaken	Amount Outlay (₹ in lakh)	Amount Spent (₹ in lakh)	Cumulative Expenditure up to reporting period (₹ in lakh)	Amount Spent directly or through Implementing Agency
5	Measures for promoting Animal Welfare	Clause IV: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Contribution to: - Animal welfare – Goshala Renovation (The above-mentioned projects were carried out in Jaipur area of Rajasthan.)	41.99	41.99	41.99	Through implementing agencies
6	Promotion of Swachh Bharat Mission through Sanitation	Clause I: Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Construction of toilet at: - Public Toilet facility at Vridhjan Park at Bikaner - Girls Toilet at Adarsh Vidya Mandir - Girls Toilet at Nursing College Amarsar - Toilet at Kalyan Singh School, Shahpura (The above-mentioned projects were carried out in Jaipur and other district of Rajasthan.)	26.74	26.74	26.74	Directly
7	Making available safe drinking water	Clause I: Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Installation of water coolers at Jaipur, Shahpura and nearby areas of Rajasthan	25.86	25.86	41.56	Directly
8	Setting up old age homes	Clause III: Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Old age home at Louis Braille Drishtiheen Vikas Sansathan, Jaipur in Rajasthan	10	10	10.00	Through implementing agencies
9	Measures for the benefit of war widows and their dependents	Clause VI: Measures for the benefit of armed forces veterans, war widows and their dependents	Programme at Shahpura for measures for the benefit of war widows and their dependents in Rajasthan	0.31	0.31	0.31	Directly
10	Administrative expenditure	Administrative expenditure inclusive of staff salary for execution of CSR activities	Administrative expenditure inclusive of staff salary for execution of CSR activities	35.91	11.07	11.50	-
	Total			**718.24**	**423.46**	**1044.56**	

DETAILS OF IMPLEMENTING AGENCIES

Pratham Shiksha Charitable Trust

AU Bank is providing financial support to 'Pratham Shiksha Charitable Trust' for operating school for underprivileged children in Jaipur district. Illiteracy is a serious impediment to development and improvement in quality of life and this trust is committed to promote and support basic education for unprivileged children from backward and low-income families with special focus on improving the quality of education and to help the deprived section of the society to uplift themselves to mainstream economy. This institution is supported with funds from personal and corporate contributions.

Muskaan Foundation

Muskaan Foundation is a not-for-profit organisation (NPO) trust committed to contribute towards safety on roads through awareness, education, training, and promotions. Road safety refers to the methods and measures used to prevent road users from being killed or getting seriously injured. The NGO uses an integrated, community-centric approach towards the issue of road safety. Road accidents takes around 1.5 lakh lives every year. This year on the world Remembrance Day, AU Bank joined hands with Muskaan Foundation, to spread awareness on road safety through an event on the theme of 'Love, Hope, and Positive Action'.

Akshaya Patra Foundation

The Akshaya Patra Foundation is a not-for-profit organisation feeding millions of underserved children in India by implementing the mid-day meal scheme in the government schools and government-aided schools. Akshaya Patra Foundation is committed to eradicating the two crucial issues of hunger and malnutrition in India. Today, Akshaya Patra is the world's largest (not-for-profit run) Mid-Day Meal Programme serving wholesome food every day to over 1.6 million children from 13,839 schools across 12 states in India. In Rajasthan, it has been providing food to 2,672 schools and 1,70,729 children have benefitted under their mission.

The education sector in India has grown in leaps and bounds and there have been significant improvements across different indicators. Over the years, your Bank's persistent partnership with Akshaya Patra has made it possible to raise a generation of hunger-free, educated and nourished Indians. The mid-day meal scheme is truly one of the best interventions in promoting education, reducing dropout rates and improving overall physical and mental health of children.

Louis Braille Drishtiheen Vikas Sansthan

Louis-Braille Drishtiheen Vikas Sansthan is a non-government social service organisation based in Jaipur. It was established in 1981 on the birth date of Sir Louis Braille, father of literacy for the visually challenged. The organisation works to provide service towards the visually challenged through education and vocational training with special focus on women, socially backward and vulnerable persons. Vocational skills are also important and endeavour to build the children's social skills and confidence.

HECARDS

Human Educational Cultural Art & Rural Development Society (HECARDS) has been a NGO partner for implementing of promotion of education based CSR activities for the Bank. This year we joined hands with HECARDS for promoting sporting talent, educational activities and preventive healthcare facilities and also to organise vocational employment generating training programme for women.

Promotion of Sports

The Bank joined hands with Sports Omnibus, for promotion of football at grass root level and rural areas. Sports Omnibus, with the team of technical experts, helped in moulding and shaping the first steps of children in football. More than 200 children associated with us for the grass root football festival hosted at AU Bank Sports Village.

We also partnered with Public Charitable Trust for the second season of Jaipur Mahakhel where more than 5000 students participated in sports events covering schools of rural Rajasthan.

DIRECT INITIATIVES

Water coolers

One billion people around the world don't have access to clean, safe water. Safe water is a critical environmental and public health issue, as well as a means to lift people out of poverty and ensure human security. Yet the number of people without safe water is increasing. Providing safe water is an essential step for human health and development. By encouraging leadership and generating momentum for solutions, we can save millions of lives. Over last few years, AU Bank has installed several water coolers at various high population density areas across Rajasthan with the aim of providing chilled potable drinking water during scorching summers. AU Bank also further extends to the timely repair and maintenance of these water coolers. AU Bank has set up over 73 water coolers in and around Jaipur.

Health camps and Eye check-up camps

The Bank promotes the cause of good hygiene and sanitation practices in the community. For underprivileged and poor people receiving the right healthcare services is a tough task. AU Bank has been associated with Shekhawati Agrawal Samaj in providing affordable and free healthcare services to the poor. AU Bank has collaborated with them for providing financial assistance to organise monthly health check-up camps and eye check-up camps at Jaipur. Through eye check-up camps 5093 patients got benefit of free OPD services.

Sanitation-related Initiatives – promoting Swachh Bharat Mission

AU Bank supports the Swachh Bharat Mission through multiple initiatives focussed on promoting sanitation. Our key sanitation initiatives for the FY 2017 -18 included:

- Public toilet facility at Vridhjan Park in Bikaner for providing facility to morning walkers who frequent this public park. More than 1000+ people use this facility daily.
- AU Bank supported the construction of toilet built at Girls Nursing College, Amarsar.
- AU Bank supported Kalyan Singh School, a government school in Shahpura, in building a urinal facility for the children, thereby benefitting over 800 children

6. REASON FOR NOT SPENDING 2% OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF:

AU Bank spent ₹4.23 crore in FY17-18 for CSR activities, the details of which were captured above. This amounts to 1.24% of average net profits of the last three financial years.

The lower spend in FY 2017-18 was on account of:

1) Adoption of a Collective and Sustainable CSR Framework on Bank Platform

It is pertinent to highlight that in FY 2017-18, AU transitioned from being an NBFC to a Bank and continued its mission of last 22 years of serving the unbanked and under-banked populous. In FY 2017-18, AU Bank also took a strategic call to develop a sustainable and collective CSR framework. Towards this, AU Bank developed their in-house capabilities, beefed up its CSR team.

Also, AU Bank approached RBI and received approval from it for setting up its own foundation. AU Bank is currently awaiting an approval from RBI on the names of Trustees of the foundation and post which the foundation would be set up.

2) Part diversion of management bandwidth for Bank transitioning

Given the transition into becoming a Bank, some portion of management bandwidth got consumed in key activities associated with the Bank transitioning and took their regular focus away from CSR projects. The Bank transitioning required investment of management bandwidth in hiring the entire new team of branch banking and liabilities, equipping the Bank with best-in-class technology stack to offer easy, convenient and accessible banking to its customers. Besides that, to comply with the SFB guidelines, the Bank went public and got listed on BSE and NSE.

Plan for FY 2018-19: AU Bank sincerely assumes its CSR responsibilities and is committed that all its CSR programmes cater to community needs, addressing issues of national interest through a long-term strategic approach. Therefore, AU Bank proposes to utilise the unspent amount of FY 2017-18 in due course.

7. A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE THAT THE IMPLEMENTATION AND MONITORING OF CSR POLICY IS IN COMPLIANCE WITH THE CSR OBJECTIVES AND POLICY OF THE COMPANY.

CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and CSR policy of the Bank.

For and on behalf of the Board of Directors
AU SMALL FINANCE BANK LIMITED

Sd/-	Sd/-
Sanjay Agarwal	**Jyoti Narang**
Managing Director & CEO	Chairman-CSR Committee
DIN: 00009526	DIN: 00351187

Date: 26th April, 2018
Place: Jaipur

Annexure III

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure
1.	Ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.	Mr. Sanjay Agarwal, MD & CEO 64X Mr. Uttam Tibrewal, WTD 56X Mr. Mannil Venugopalan, Non-Executive Chairman 7X The median remuneration for FY 2017-18 does not include amount of bonus for the performance of FY 2016-17 as the same was not recommended for Managing Director & CEO and approval for Whole-time Director for bonus is pending with RBI as on the reporting date.
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year	**Name & Designation of Director's & KMP** — **Increase%/ (Decrease)%** Mr. Sanjay Agarwal, MD & CEO* — 0.16% Mr. Uttam Tibrewal, WTD* — 0.18% Mr. Mannil Venugopalan – Chairman — 129.73% Mr. Krishan Kant Rathi - Director — 78.57% Ms. Jyoti Ishwar Chand Narang - Director — 47.06% Mr. Deepak Jain, CFO** — -31.37% Mr. Manmohan Parnami, CS** — 19.13% *The remuneration for FY 2017-18 and FY 2016-17 does not include amount of Bonus for the performance of previous year to present the figure on comparable basis. **The remuneration for FY 2017-18 includes bonus figures for FY 2016-17 but excluding perquisites on ESOPs exercised by Mr. Deepak Jain - CFO and Mr. Manmohan Parnami - CS for calculation of percentage increase/decrease. Mr. Raj Vikash Verma was not paid any amount during the year FY 2017-18 and No sitting fees was payable to Mr. Narendra Ostawal.
3.	The percentage decrease/increase in the median remuneration of employees in the financial year.	There has been increase of 43.44% in median remuneration of employees. The employees have been taken as on year end and there has been increase in number of employees for 2,636 during FY 2017-18 over FY 2016-17 and median has been calculated taking employees on comparable basis and annualised remuneration arrived considering employees as on year end worked for whole year. During the year, Bank started its banking operations and hired banking staff resulting in increase in median.
4.	The number of permanent employees on the rolls of the Bank as on 31st March 2018.	There were 11,151 employees as on 31st March 2018.
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There was average percentile increase of 36.00% (excluding perquisites on ESOP Exercise) in FY 2017-18 over FY 2016-17 for employees other than in managerial capacity. For managerial personnel, there were decrease of 13.79% (excluding perquisites on ESOP Exercise) in remuneration of managerial personnel on overall basis in FY 2017-18 over FY 2016-17. The percentage increase in the remuneration of the employees other than managerial personnel is higher than the managerial personnel. Hence, justification is not required. **Note:** Bonus for the FY 2017-18 was paid to Mr. Deepak Jain and Mr. Manmohan Parnami only amongst the KMPs.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.

General Note:

- KMP's remuneration have been taken as recorded in Audited Financial Statements of the Bank and same has been annualised and taken on comparable basis.
- Remuneration includes Fixed pay + Variable paid during the year + perquisite value as calculated under the Income Tax Act, 1961 but does not include value of perquisites on ESOP options
- The Non-executive - Independent Director receive remuneration in the form of sitting fees for attending the Board/Committee meetings and in the form of an annual profit based commission.

For and on behalf of the Board of Directors
AU SMALL FINANCE BANK LIMITED

Sanjay Agarwal
Managing Director & CEO
DIN: 00009526

Uttam Tibrewal
Whole-time Director
DIN: 01024940

Date: 26th April, 2018
Place: Jaipur

Annexure IV

DISCLOSURES OF EMPLOYEES PURSUANT TO SUB RULE 2 & 3 OF RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS IN FORCE

No.	Name of employee	Designation	Remuneration (₹ In crore)	Nature of employment (contractual/ otherwise)	Qualifications and experience of the employee;	Date of commencement of employment	Age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the Bank within the meaning of clause (iii) of sub-rule (2) above; and	Whether any such employee is a relative of any Director or manager of the Bank and if so, name of such Director or manager
1	Sanjay Agarwal	Managing Director & CEO	1.47	Contractual	FCA, B. Com, 22 years	*Appointed as Managing Director since 14th February 2008 and Appointed for a period of 3 years with effect from 19th April 2017 after receiving RBI approval.	47	Na	19.59%	No
2	*Uttam Tibrewal	Whole-time Director	1.28	Contractual	B. Com, 21 years	*Appointed as Whole-time Director since 14th February 2008 and appointed for a period of 3 years with effect from 19th April 2017 after receiving RBI approval.	47	Na	0.69%	No
3	**Deepak Jain	Chief Financial Officer	1.98	Permanent employee	FCA, 20 years	17th May 2010	44	Na	0.32%	No
4	Rishi Dhariwal	Chief of Credit & Collection Retail	3.15	Permanent employee	Postgraduate Programme in Management for Executive from IIM Ahmedabad	15th November 2013	47	Citicorp Finance (India) Limited and Ashok Leyland Limited	0.02%	No
5	Manoj Tibrewal	Group Head HR	2.75	Permanent employee	Company Secretary from Institute of Companies Secretaries of India, 25 years	1st February 2009	48	Auto Lite (India) Limited	0.49%	No
6	Sharad Vishvanath	Group Head Digital Bank Analytics & HR	2.08	Ex-employee	Master of Business Administration from the Wharton school and Master of Business Administration from Delhi University, 22 years	08th April 2017 (date of relieving – 15th December 2017)	46	Tata Steel, Hong Kong and Shanghai Banking Corporation and Aon Hewitt Middle East ltd	0.00% (negligible)	No
7	Bhaskar Vittal Karkera	Chief of Wheels	1.68	Permanent employee	Bachelor of Engineering (automobile engineering) from the University of Bombay.	17th January 2017	26	Mahindra and Mahindra Financial Services Limited, HMP Engineers Limited, Mahindra & Mahindra Limited and HDFC Bank Limited	0.00% (negligible)	No
8	Amit Malhotra	Regional Business Manager – Wheels	1.53	Permanent employee	Diploma in Mechanical Engineering from Rajasthan university, 21 years	05th June 2007	41	Bikaner Motors Private Limited, Nicco Corporation Limited and Bobshell Electrodes Limited.	0.02%	No
9	Yogesh Jain	Chief Treasury Officer	1.52	Permanent employee	Chartered accountant from the institute of chartered accountants of India, 11 years	01st April 2010	38	Panchratna Motels and Resorts Private Limited (KGK Group)	0.02%	No
10	Sanjay Singh Rajawat	Group Head Liabilities	1.46	Ex- employee	Chartered Accountant from the Institute of Chartered Accountants of India and Master of Philosophy from Rajasthan University, 26 years	01st August 2016 (date of relieving - 6th December 2017)	50	Deutsche bank, ICICI Bank Limited and IDBI Bank Limited	0.00% (negligible)	No

No.	Name of employee	Designation	Remuneration (₹ In crore)	Nature of employment (contractual/ otherwise)	Qualifications and experience of the employee;	Date of commencement of employment	Age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the Bank within the meaning of clause (iii) of sub-rule (2) above; and	Whether any such employee is a relative of any Director or manager of the Bank and if so, name of such Director or manager
11	Sumit Madan	Chief of Branch Banking	1.36	Permanent employee	Completed postgraduate Diploma in Management from Lal Bahadur Shastri Institute of Management, Delhi, 18 years	12th September 2016	41	Citibank, State Bank of India Cards And Payments Services Private Limited, J.L.. Morison (India) Limited and HDFC Bank Limited	0.00% (negligible)	No
12	Vijendra Singh Shekhawat	Chief of Operations & Technology	1.32	Permanent employee	Chartered Accountant from the Institute of Chartered Accountants of India, 14 years	02nd May 2012	36	Religare Enterprise Limited (formerly known as Fortis Securities limited)	0.02%	No
13	Pankaj Sharma	National Business Manager - MSME	1.29	Permanent employee	Masters of Business Administration from Mohanlal Sukhadia University, Jaipur, 18 years	03rd March 2012	43	DSP Merrill lynch Capital Limited, Indiabulls Housing Finance Limited, ICICI Bank Limited and BOB Housing Finance Limited	0.01%	No
14	Priyam Alok	Chief of Business Banking	1.26	Permanent employee	Masters of Business Administration from Bharathidasan University, 15 years	22nd March 2016	37	Kotak Mahindra Primus Limited, Citibank India, ING Vysya Bank Limited and Reliance Broadcast Network Limited	0.03%	No
15	Vivek Tripathi	Chief of SME and Mid Corporate	1.19	Permanent employee	Postgraduate diploma in Management for Executives from Indian Institute of Management Society, Lucknow and Masters of Textiles from the University of Mumbai, 16 years	09th April 2014	39	ICICI Bank Limited, Reliance Capital Limited, Grasim Industries Limited and Sintex Industries Limited	0.01%	No
16	Ankur Tripathi	Senior Vice President - Information Technology	1.16	Permanent employee	Bachelor of Technology (chemical engineering) from Indian Institute of Technology, Bombay, 11 years	31st March 2014	34	WKI Solutions Private Limited	0.00% (negligible)	No
17	Naveen Vashisht	National Business Manager - Wheels used	1.13	Permanent employee	Completed the senior management Programme from Indian Institute of Management, Kolkata, 26 years	06th November 2014	50	Equitas Micro Finance Limited, Development Credit Bank Limited, Cholamandalam Investment and Finance Company Limited and India Bulls Infrastructure Credit Limited	0.00% (negligible)	No
18	Vimal Jain	Chief of Finance and Accounts	1.09	Permanent employee	Chartered Accountant from the Institute of Chartered Accountants of India, 13 years	16th January 2010	37	Gera Developments Private Limited, Videocon Industries Limited and Videocon Appliances Limited	0.01%	No

No.	Name of employee	Designation	Remuneration (₹ In crore)	Nature of employment (contractual/ otherwise)	Qualifications and experience of the employee;	Date of commencement of employment	Age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the Bank within the meaning of clause (iii) of sub-rule (2) above; and	Whether any such employee is a relative of any Director or manager of the Bank and if so, name of such Director or manager
19	Shekhar Shukla	Chief of Operations - Liabilities and Assets	1.09	Permanent employee	Chartered Accountant from the Institute of Chartered Accountants of India, 24 years	20th August 2016	49	ICICI Bank Limited and Transamerica Apple Distribution Finance Limited	0.00% (negligible)	No

Note: For KMPs the remuneration as recorded in Audited Financial Statement for FY 2017-18 has been mentioned hereinabove.
*The remuneration of Mr. Uttam Tibrewal – Whole Time Director of the Bank does not include perquisites on ESOP amounting to ₹ 41.38 crore which were exercised during the period under review.
** The remuneration of Mr. Deepak Jain – Chief Financial Officer of the Bank does not include perquisites on ESOP amounting to ₹ 5.79 crore which were exercised during the period under review.

For and on behalf of the Board of Directors
AU SMALL FINANCE BANK LIMITED

Sanjay Agarwal
Managing Director & CEO
DIN: 00009526

Uttam Tibrewal
Whole-time Director
DIN: 01024940

Date: 26th April, 2018
Place: Jaipur

Annexure V

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year Ended 31st March 2018

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

To,
The Members,
AU Small Finance Bank Limited
[Erstwhile Au Financiers (India) Limited]
19-A, Dhuleshwar Garden
Jaipur – 302 001 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AU Small Finance Bank Limited [Erstwhile Au Financiers (India) Limited]** (hereinafter called **'the Bank'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the Financial Year ended on March 31, 2018 (Audit Period) 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 March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Bank during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Bank during the Audit Period)**;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) As confirmed, following other laws are specifically applicable to the Bank for which the Management has confirmed that the Bank has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

(a) The Reserve Bank of India Act, 1934;

(b) The Banking Regulation Act, 1949;

(c) Guidelines issued by Reserve Bank of India ("RBI") on Small Finance Bank dated 27th November 2014 and Operational Guidelines issued dated 6th October 2016;

(d) Other Applicable RBI Guidelines to a 'Banking Company'; and

(e) Master Circulars/Circulars/Press Releases issued by the RBI from time to time.

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. and National Stock Exchange of India Limited.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and others mentioned above ***except expense on CSR activities below the prescribed limit***.

We further report that the Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent 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 Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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 the Bank has:

a. Changed its name from Au FINANCIERS (INDIA) LIMITED to AU SMALL FINANCE BANK LIMITED and has received Certificate of Incorporation pursuant to Change of Name dated April 13, 2017 from the Registrar of Companies, Rajasthan and has commenced its banking business with effect from April 19, 2017;

b. Consequently surrendered its NBFC Licence bearing no. B.00.139 to Department of Non-Banking Supervision (DNBS) of RBI on April 19, 2017;

c. Completed the Initial Public Offering (IPO) by way of an Offer for Sale of 5,34,22,169 (Five crore Thirty Four Lakh Twenty Two Thousand One Hundred and Sixty Nine) equity shares of ₹10 (Rupees Ten) each at a price of ₹358 (Rupees Three Hundred and Fifty Eight) per share by selling shareholders, vide Prospectus dated 03rd July 2017 and the equity shares of the Bank were listed at BSE Ltd. and National Stock Exchange of India Ltd. and admitted to dealings with effect from 10th July 2017;

d. Allotted 6,85,922 (Six Lakh Eighty Five Thousand Nine Hundred and Twenty Two) equity shares under Plan A and 7,66,792 (Seven Lakh Sixty Six Thousand Seven Hundred and Ninety Two) equity shares under Plan B of Employee Stock Option Scheme 2015;

e. Allotted 4900 (Four Thousand Nine Hundred) secured, rated, Listed, Redeemable Non-Convertible Debentures (NCDs) at a face value of ₹10,00,000/- (Rupees Ten Lakh) each at par aggregating to ₹4,90,00,00,000/- (Rupees Four Hundred and Ninety Crores Only) to Asian Development Bank (ADB).

f. Granted 14,60,970 (Fourteen Lakh Sixty Thousand Nine Hundred and Seventy) equity stock options under Employee Stock Option Scheme 2015 and 15,53,701 (Fifteen Lakh Fifty Three Thousand Seven Hundred and One) equity stock options under Employee Stock Option Scheme 2016 at different prices;

g. Ratified the Employee Stock Option Scheme 2015 and Employee Stock Option Scheme 2016 in the Annual General Meeting of the Bank held on September 27, 2017.

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)

CS Manoj Maheshwari
Partner
FCS 3355
C P No. : 1971

Place: Jaipur
Date: 26th April, 2018

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members,
AU Small Finance Bank Limited
(Erstwhile Au Financiers (India) Limited)
19-A, Dhuleshwar Garden
Jaipur – 302 014 (Rajasthan)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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.

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)

CS Manoj Maheshwari
Partner
FCS 3355
C P No. : 1971

Place: Jaipur
Date: 26th April, 2018

Annexure VI

FORM NO. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L36911RJ1996PLC011381
Registration Date	10th January, 1996
Name of the Company	AU SMALL FINANCE BANK LIMITED Formerly known as “Au FINANCIERS (INDIA) LIMITED”
Category	Company limited by shares
Sub-Category of the Company	Non-govt Company (Banking Company)
Address of the Registered office and contact Details	19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan Phone no. 0141-4110060 Fax: 0141-4110090 Website: www.aubank.in Email id: Investorrelations@aubank.in
Whether listed company	• Bank’s Equity Shares are listed on National Stock Exchange of India Ltd. and BSE Ltd. with effect from 10th July 2017. • Privately Placed Debentures are listed at WDM segment of BSE Ltd.
Name, Address and Contact details of Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 Website: www.linkintime.co.in Email id: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated—

Sr. No.	Name and description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Banking Services	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
Not applicable (The Bank is not having any Holding/Subsidiary/Associate)					

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category wise Shareholding

Category of Share holders	No. of Shares held at the beginning of the year*				No. of Shares held at the end of the year*				% of Change During in FY 2017-18
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter/Promoter Group									
(1) Indian									
a) Individual/HUF	9,49,65,360	-	9,49,65,360	33.41	8,65,44,582	-	8,65,44,582	30.29	(3.12)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	74,60,466	-	74,60,466	2.62	68,83,722	-	68,83,722	2.41	(0.21)
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**10,24,25,826**	**-**	**10,24,25,826**	**36.03**	**9,34,28,304**	**-**	**9,34,28,304**	**32.70**	**(3.33)**
(2) Foreign									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total A.(A)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**10,24,25,826**		**10,24,25,826**	**36.03**	**9,34,28,304**	**-**	**9,34,28,304**	**32.70**	**(3.33)**
B. Public Shareholding									
1.Institutions	-	-	-	-		-	-	-	-
a) Mutual Funds	-	-	-	-	1,82,52,741	-	1,82,52,741	6.38	6.38
b) Banks/Financial Institutions	-	-	-	-	63,995	-	63,995	0.02	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,45,81,602	-	1,45,81,602	5.13	1,26,81,602	-	1,26,81,602	4.44	(0.69)
g) FIIs	3,02,88,678	-	3,02,88,678	10.66	2,15,249	-	2,15,249	0.08	(10.58)
h) Foreign Venture Capital Funds	-	-	-	-		-	-	-	-
i) Foreign Portfolio Investor	-	-	-	-	2,09,39,363	-	2,09,39,363	7.33	7.33
j) Alternate Investment Funds	8,86,806	-	8,86,806	0.31	26,50,277	-	26,50,277	0.93	0.62
k) Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-
l) Others-Trust	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	**4,57,57,086**		**4,57,57,086**	**16.10**	**5,48,03,227**	**-**	**5,48,03,227**	**19.18**	**3.08**
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-		-	-	-	-
i) Indian	83,68,266	-	83,68,266	2.94	1,27,03,691	-	1,27,03,691	4.45	1.51
ii) Overseas	10,34,57,388	-	10,34,57,388	36.40	8,92,58,529	-	8,92,58,529	31.24	(5.15)
b) Individual	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹1 lakh	25,98,000	-	25,98,000	0.91	1,08,24,365	-	1,08,24,365	3.79	2.88
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,93,32,900	-	1,93,32,900	6.80	2,13,13,154	-	2,13,13,154	7.45	0.65
c) Other (Specify)									
Trusts	83,004	-	83,004	0.03	55,414	-	55,414	0.02	(0.01)
Hindu Undivided Family	85,572	-	85,572	0.03	5,07,787	-	5,07,787	0.18	0.15
LLP	21,42,864		21,42,864	0.75	-	-	-	-	(0.75)
Non- Resident Indians (Non Repat)	-	-	-	-	20,22,130	-	20,22,130	0.71	0.71
Non- Resident Indians (Repat)	-	-	-	-	4,80,724	-	4,80,724	0.17	0.17
Clearing Member	-	-	-	-	3,06,295	-	3,06,295	0.11	0.11
Sub-total (B)(2):	**13,60,67,994**	**-**	**13,60,67,994**	**47.87**	**13,74,72,089**	**-**	**13,74,72,089**	**48.12**	**0.25**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**18,18,25,080**	**-**	**18,18,25,080**	**63.97**	**19,22,75,316**	**-**	**19,22,75,316**	**67.30**	**3.33**
C. Non- Promoter - Non- Public									
a) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
c. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**28,42,50,906**	**-**	**28,42,50,906**	**100.00**	**28,57,03,620**		**28,57,03,620**	**100.00**	**-**

Note: All above shares are having face value of ₹10 each.

*The shareholders covered under Promoter Group post listing of Equity Shares of the Bank on applicability of SEBI (ICDR) Regulations, 2009 and the shareholding as on 31st March 2017 and 31st March 2018 has been accordingly presented herein above.

(ii) Shareholding of Promoter/Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in the Shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Sanjay Agarwal	5,84,77,128	20.57	5.61	5,59,82,359	19.59	-	(0.98)
2	Jyoti Agarwal	1,41,82,272	4.99	-	1,18,18,560	4.14	-	(0.85)
3	Shakuntala Agarwal	1,40,94,756	4.96	-	1,18,20,430	4.14	-	(0.82)
4	Chiranji Lal Agarwal	8,119,770	2.86	-	68,29,321	2.39	-	(0.47)
5	MYS Holdings Private Limited*	74,60,466	2.62	-	68,83,722	2.41	-	(0.21)
6	Chanda Devi Kedia*	28,572	0.01	-	28,817	0.01	-	0.00 (Negligible)
7	Srikant Kedia*	28,572	0.01	-	28,768	0.01	-	0.00 (Negligible)
8	Suresh Chand Kedia*	28,572	0.01	-	28,767	0.01	-	0.00 (Negligible)
9	Manoj Kumar Agarwal*	5,718	0.00 (Negligible)	-	7,560	0.00 (Negligible)	-	0.00 (Negligible)
	Total	**10,24,25,826**	**36.03**	**5.61**	**9,34,28,304**	**32.70**	**0.00**	**(3.33)**

*These shareholders covered under Promoter Group post listing of Equity Shares of the Bank in compliance of SEBI (ICDR) Regulations, 2009.

(iii) Change in shareholding of Promoter/Promoter Group

1. Mr. Sanjay Agarwal

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		5,84,77,128	20.57	5,84,77,128	20.57
	Transfer (Shares offered in Initial Public Offer via Offer for Sale)	23rd June 2017	(24,94,769)	(0.88)	5,59,82,359	19.69
	At the end of the year		**5,59,82,359**	**19.59**	**5,59,82,359**	**19.59**

2. Ms. Jyoti Agarwal

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		1,41,82,272	4.99	1,41,82,272	4.99
	Transfer (Shares offered in Initial Public Offer via Offer for Sale)	23rd June 2017	(23,63,712)	(0.83)	1,18,18,560	4.16
	At the end of the year		**1,18,18,560**	**4.14**	**1,18,18,560**	**4.14**

3. Ms. Shakuntala Agarwal

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		1,40,94,756	4.96	1,40,94,756	4.96
	Transfer (Shares offered in Initial Public Offer via Offer for Sale)	23rd June 2017	(22,74,326)	(0.80)	1,18,20,430	4.16
	At the end of the year		**1,18,20,430**	**4.14**	**1,18,20,430**	**4.14**

4.	Mr. Chiranji Lal Agarwal					
Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		81,19,770	2.86	81,19,770	2.86
	Transfer (Shares offered in Initial Public Offer via Offer for Sale)	23rd June 2017	(12,90,449)	(0.45)	68,29,321	2.40
	At the end of the year		**68,29,321**	**2.39**	**68,29,321**	**2.39**

5.	MYS HOLDINGS PRIVATE LIMITED					
Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		74,60,466	2.62	74,60,466	2.62
	Transfer (Shares offered in Initial Public Offer via Offer for Sale)	23rd June 2017	(5,76,744)	(0.20)	68,83,722	2.42
	At the end of the year		**68,83,722**	**2.41**	**68,83,722**	**2.41**

6.	Ms. Chanda Devi Kedia					
Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		28,572	0.01	28,572	0.01
	Transfer	21st July 2017	245	0.00	28,817	0.01
	At the end of the year		**28,817**	**0.01**	**28,817**	**0.01**

7.	Mr. Srikant Kedia					
Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		28,572	0.01	28,572	0.01
	Transfer	07th July 2017	41	0.00	28,613	0.01
		21st July 2017	155	0.00	28,768	0.01
	At the end of the year		**28,768**	**0.01**	**28,768**	**0.01**

8.	Mr. Suresh Chand Kedia					
Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		28,572	0.01	28,572	0.01
	Transfer	21st July 2017	195	0.00	28,767	0.01
	At the end of the year		**28,767**	**0.01**	**28,767**	**0.01**

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9.	Mr. Manoj Kumar Agarwal					
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		5,718	0.00	5,718	0.00
	Transfer	7th July 2017	1,042	0.00	6,760	0.00
	Transfer	14th July 2017	(200)	0.00	6,560	0.00
	Transfer	15th December 2017	1000	0.00	7560	0.00
	At the end of the year		**7,560**	**0.00**	**7,560**	**0.00**

Note: During the year under review, there is change in percentage of capital because of shares were offered by the promoters in Initial Public Offering of the Bank via Offer for Sale and purchase and sale made by the promoters group as mentioned hereinabove. The variation in terms of percentage is due to increase in paid up share capital of the Bank on account of allotment of shares during the year ended 31st March 2018.

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	REDWOOD INVESTMENT LTD					
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		5,97,70,794	21.03	5,97,70,794	21.03
	Transfer	23rd June 2017	(1,48,00,000)	(5.21)	4,49,70,794	15.82
	At the end of the year		**4,49,70,794**	**15.74**	**4,49,70,794**	**15.74**

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	INTERNATIONAL FINANCE CORPORATION (IFC)					
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		3,02,88,678	10.66	3,02,88,678	10.66
	Transfer	23rd June 2017	(75,72,169)	(2.65)	2,27,16,509	7.99
	At the end of the year		**2,27,16,509**	**7.95**	**2,27,16,509**	**7.95**

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	LABH INVESTMENTS LIMITED					
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		2,25,37,530	7.93	2,25,37,530	7.93
	Transfer	23rd June 2017	(1,12,50,000)	(3.96)	1,12,87,530	3.97
	Transfer	29th June 2017	(5,00,000)	(0.17)	1,07,87,530	3.80
	At the end of the year		**1,07,87,530**	**3.78**	**1,07,87,530**	**3.78**

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4.	OUREA HOLDINGS LIMITED					
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		2,11,49,064	7.44	2,11,49,064	7.44
	Transfer	23rd June 2017	(1,03,65,368)	(3.65)	1,07,83,696	3.79
	At the end of the year		**1,07,83,696**	**3.77**	**1,07,83,696**	**3.77**

Sr. No	5. SBI MAGNUM BALANCED FUND Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		0	0.00	0	0.00
	Transfer	07th July 2017	8,86,289	0.31	8,86,289	0.31
	Transfer	12th July 2017	89,29,959	3.13	98,16,248	3.45
	Transfer	13th July 2017	41	0.00	98,16,289	3.45
	Transfer	21th July 2017	(17,669)	0.01	97,98,620	3.45
	Transfer	11th August 2017	5,15,000	0.18	1,03,13,620	3.63
	Transfer	08th September 2017	(20,962)	(0.01)	1,02,92,658	3.62
	Transfer	06th October 2017	9,803	0.00	1,03,02,461	3.62
	Transfer	27th October 2017	(5,000)	(0.00)	1,02,97,461	3.62
	Transfer	03rd November 2017	(5,16,000)	(0.18)	97,81,461	3.44
	Transfer	17th November 2017	23,941	0.01	98,05,402	3.43
	Transfer	24th November 2017	1,02,391	0.04	99,07,793	3.47
	Transfer	08th December 2017	(23,962)	(0.01)	98,83,831	3.46
	Transfer	16th February 2018	45,000	0.02	99,28,831	3.48
	Transfer	31th March 2018	(8,894)	(0.00)	99,19,937	3.47
	At the end of the year		**99,19,937**	**3.47**	**99,19,937**	**3.47**

Sr. No	6. MOTILAL OSWAL MOST FOCUSED MULTICAP 35 FUND Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		0	0.00	0	0.00
	Transfer	07th July, 2017	5,96,343	0.21	5,96,343	0.21
	Transfer	12th July 2017	22,31,000	0.78	28,27,343	0.99
	Transfer	13th July 2017	1,00,000	0.04	29,27,343	1.03
	Transfer	21st July 2017	6,30,000	0.22	35,57,343	1.25
	Transfer	11th August 2017	2,32,569	0.08	37,89,912	1.33
	Transfer	18th August 2017	85,370	0.03	38,75,282	1.36
	Transfer	25th August 2017	80,359	0.03	39,55,641	1.39
	Transfer	15th September 2017	1,75,184	0.06	41,30,825	1.45
	Transfer	22nd September 2017	2,50,000	0.09	43,80,825	1.54
	Transfer	29th September 2017	1,00,000	0.04	44,80,825	1.58
	Transfer	06th October 2017	2,43,049	0.09	47,23,874	1.66
	Transfer	20th October 2017	25,000	0.01	47,48,874	1.67
	Transfer	03rd November 2017	79,818	0.03	48,28,692	1.70
	Transfer	10th November 2017	33,740	0.01	48,62,432	1.71
	Transfer	24th November 2017	(46,439)	(0.02)	48,15,993	1.69
	Transfer	22nd December 2017	99,950	0.03	49,15,943	1.72
	Transfer	29th December 2017	50	0.00	49,15,993	1.72
	Transfer	26th January 2018	(2,00,000)	(0.07)	47,15,993	1.65
	Transfer	09th February 2018	1,00,000	0.04	48,15,993	1.69
	Transfer	23rd February 2018	5,00,000	0.18	53,15,993	1.86
	Transfer	16th March 2018	1,52,569	(0.05)	51,63,424	1.81
	Transfer	23rd March 2018	1,00,000	(0.04)	50,63,424	1.77
	At the end of the year		**50,63,424**	**1.77**	**50,63,424**	**1.77**

7. **SBI LIFE INSURANCE CO. LTD**

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		48,57,144	1.71	48,57,144	1.71
	Transfer	07th July 2017	2,95,631	0.10	51,52,775	1.81
	Transfer	13th July 2017	(2,95,631)	(0.10)	48,57,144	1.71
	At the end of the year		**48,57,144**	**1.70**	**48,57,144**	**1.70**

8. **ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		48,57,144	1.71	48,57,144	1.71
	Transfer	-	0	0.00	0	0.00
	At the end of the year		**48,57,144**	**1.70**	**48,57,144**	**1.70**

9. **AMANSA HOLDINGS PRIVATE LIMITED**

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		0.00	0.00	0	0.00
	Transfer	07th July 2017	5,67,312	0.20	5,67,312	0.20
	Transfer	18th August 2017	10,92,426	0.38	16,59,738	0.58
	Transfer	25th August 2017	3,24,494	0.11	19,84,232	0.70
	Transfer	01st September 2017	1,71,925	0.06	21,56,157	0.76
	Transfer	22nd September 2017	2,26,614	0.08	23,82,771	0.84
	Transfer	29th September 2017	10,73,747	0.38	34,56,518	1.22
	Transfer	06th October 2017	3,65,740	0.13	38,22,258	1.34
	Transfer	20th October 2017	4,665	0.00	38,26,923	1.35
	Transfer	27th October 2017	4,08,729	0.14	42,35,652	1.49
	Transfer	23rd February 2018	2,85,930	0.10	45,21,582	1.58
	At the end of the year		**45,21,582**	**1.58**	**45,21,582**	**1.58**

10. MOTILAL OSWAL SEC. LTD

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		32,81,796	1.15	32,81,796	1.15
	Transfer	12th July 2017	1,88,323	0.07	34,70,119	1.22
	Transfer	13th July 2017	(40,537)	(0.01)	34,29,582	1.21
	Transfer	14th July 2017	(28,888)	(0.01)	34,00,694	1.20
	Transfer	21st July 2017	1,17,299	0.04	35,17,993	1.24
	Transfer	28th July 2017	(93,523)	(0.03)	34,24,470	1.20
	Transfer	04th August 2017	(20,206)	(0.00)	34,04,264	1.20
	Transfer	11th August 2017	2,31,915	0.08	36,36,179	1.28
	Transfer	18th August 2017	(62,183)	(0.02)	35,73,996	1.26
	Transfer	25th August 2017	(1,93,683)	(0.07)	33,80,313	1.19
	Transfer	01st September 2017	(9,304)	(0.00)	33,71,009	1.19
	Transfer	08th September 2017	(11,287)	(0.01)	33,59,722	1.18
	Transfer	15th September 2017	42,460	0.01	34,02,182	1.20
	Transfer	22nd September 2017	(37,280)	(0.01)	33,64,902	1.18
	Transfer	29th September 2017	(16,556)	(0.01)	33,48,346	1.18
	Transfer	06th October 2017	38,760	0.01	33,87,106	1.19
	Transfer	13th October 2017	9,396	0.00	33,96,502	1.19
	Transfer	20th October 2017	43,002	0.02	34,39,504	1.20
	Transfer	27th October 2017	(23,931)	(0.01)	34,15,573	1.20
	Transfer	03rd November 2017	36,593	0.01	34,52,166	1.21
	Transfer	10th November 2017	(64,851)	(0.02)	33,87,315	1.19
	Transfer	17th November 2017	11,160	0.00	33,98,475	1.19
	Transfer	24th November 2017	(47,781)	(0.02)	33,50,694	1.17
	Transfer	01st December 2017	17,489	0.01	33,68,183	1.18
	Transfer	08th December 2017	(15,512)	(0.01)	33,52,671	1.17
	Transfer	15th December 2017	3,280	0.00	33,55,951	1.17
	Transfer	22nd December 2017	9,173	0.00	33,65,124	1.18
	Transfer	29th December 2017	(16,335)	(0.01)	33,48,789	1.17
	Transfer	05th January 2018	22,372	0.01	33,71,161	1.18
	Transfer	12th January 2018	(15,913)	(0.01)	33,55,248	1.17
	Transfer	19th January 2018	(5,806)	(0.00)	33,49,442	1.17
	Transfer	26th January 2018	(5,254)	(0.00)	33,44,188	1.17
	Transfer	02nd February 2018	(4,485)	(0.00)	33,39,703	1.17
	Transfer	09th February 2018	(15,080)	(0.01)	33,24,623	1.16
	Transfer	16th February 2018	3,877	0.00	33,28,500	1.17
	Transfer	23rd February 2018	12,581	0.00	33,41,081	1.17
	Transfer	02nd March 2018	(4759)	(0.00)	33,36,322	1.17
	Transfer	09th March 2018	3,388	(0.00)	33,39,710	1.17
	Transfer	16th March 2018	1,183	0.00	33,40,893	1.17
	Transfer	23rd March 2018	(9,946)	(0.00)	33,30,947	1.17
	Transfer	31st March 2018	6,568	0.00	33,37,515	1.17
	At the end of the year		**33,37,515**	**1.17**	**33,37,515**	**1.17**

Note: during the year under review, there is change in percentage of capital because of shares were offered by the investors selling shareholders in Initial Public Offering of the Bank via Offer for Sale. Further, purchase and sale made by the Shareholders as mentioned hereinabove. The variation in terms of percentage is due to increase in paid up share capital of the Bank on account of allotment of shares during the year ended March 31, 2018.

(v) Shareholding of Directors and Key Managerial Personnel

1. Mr. Sanjay Agarwal – Managing Director & CEO

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		5,84,77,128	20.57	5,84,77,128	20.57
	Transfer (Shares offered in Initial Public Offer via Offer for Sale)	23rd June 2017	(24,94,769)	0.88	5,59,82,359	19.69
	At the end of the year		**5,59,82,359**	**19.59**	**5,59,82,359**	**19.59**

2. Mr. Uttam Tibrewal – Whole-time Director

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		25,19,790	0.89	25,19,790	0.89
	Transfer	07th July 2017	1,042	0.00	25,20,832	0.89
	Transfer	06th October 2017	(40,861)	(0.01)	24,79,971	0.87
	Transfer	09th October 2017	(50,000)	(0.02)	24,29,971	0.85
	Transfer	10th October 2017	(50,000)	(0.02)	23,79,971	0.84
	Transfer	11th October 2017	(1,00,000)	(0.04)	22,79,971	0.80
	Transfer	12th October 2017	(35,107)	(0.01)	22,44,864	0.79
	Transfer	13-Oct-17	(1,00,000)	(0.04)	21,44,864	0.75
	Transfer	3-Nov-17	(1,00,000)	(0.04)	20,44,864	0.72
	Transfer	6-Nov-17	(64,352)	(0.02)	19,80,512	0.70
	Transfer	7-Nov-17	(65,416)	(0.02)	19,15,096	0.67
	Transfer	20-Nov-17	(23,173)	(0.01)	18,91,923	0.67
	Transfer	21-Nov-17	(5,17,553)	(0.18)	13,74,370	0.48
	Transfer	24-Nov-17	7,45,385	0.26	21,19,755	0.74
	Transfer	27-Nov-17	(97,284)	(0.03)	20,22,471	0.71
	Transfer	29-Nov-17	(45,875)	(0.02)	19,76,596	0.69
	At the end of the year		**19,76,596**	**0.69**	**19,76,596**	**0.69**

3. Mr. Krishan Kant Rathi- Independent Director

Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		1,14,288	0.04	1,14,288	0.04
	Transfer	02nd June 2017	(19,999)	(0.01)	94,289	0.03
	At the end of the year		**94,289**	**0.03**	**94,289**	**0.03**

4.	Mr. Deepak Jain - Chief Financial Officer					
Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		11,40,438	0.40	11,40,438	0.40
	Transfer	07th July 2017	1,041	0.00	11,41,479	0.40
	Transfer	03rd October 2017	(3,500)	0.00	11,37,979	0.40
	Transfer	06th October 2017	(45,526)	(0.02)	10,92,453	0.38
	Transfer	09th October 2017	(72,000)	(0.03)	10,20,453	0.36
	Transfer	11th October 2017	(1,35,000)	(0.05)	8,85,453	0.31
	Transfer	13th October 2017	(65,000)	(0.02)	8,20,453	0.29
	Transfer	24th November 2017	1,01,912	0.04	9,22,365	0.32
	Transfer	12th December 2017	(8,742)	0.00	9,13,623	0.32
	At the end of the year		**9,13,623**	**0.32**	**9,13,623**	**0.32**

5.	Mr. Manmohan Parnami - Company Secretary					
Sr. No	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year		48,888	0.02	48,888	0.02
	Transfer	07th July 2017	1,041	0.00	49,929	0.02
	Transfer	24th November 2017	5,381	0.00	55,310	0.02
	At the end of the year		**55,310**	**0.02**	**55,310**	**0.02**

Note: During the year under review, there is change in percentage of capital because of shares offered in Initial Public Offering of the Bank via Offer for Sale and shares were purchased and sold during the reporting period. Further, variation in terms of percentage is due to increase in paid up share capital of the Bank on account of allotment of shares during the year ended 31st March 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,23,122.26	1,83,975.44	-	7,07,097.70
ii) Interest due but not paid	16.89	0.00	-	16.89
iii) Interest accrued but not due	16,647.59	1,847.60	-	18,495.19
Total (i+ii+iii)	**5,39,786.75**	**1,85,823.04**	**-**	**7,25,609.79**
Changes in Indebtedness during the financial year				
Addition	5,50,839.03	6,27,298.19	-	11,78,137.21
Reduction	5,96,300.47	5,25,047.98	-	11,21,348.45
Net Change	**(45,461.44)**	**1,02,250.21**	**-**	**56,788.77**
Indebtedness at the end of the financial year				
i) Principal Amount	4,77,660.82	2,86,225.65	-	7,63,886.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,682.65	15,912.51	-	21,595.16
Total (i+ii+iii)	**4,83,343.46**	**3,02,138.16**	**-**	**7,85,481.63**

Note: (i) During the FY 2017-18 status of some NCDs & Term Loan were changed from Secured to Unsecured.

(ii) The effect of the same has been taken in Addition/Reduction Column by deducting the Opening Balance amount from Secured Borrowings in Reduction Column and Added in Unsecured Borrowings in Addition Column.

(iii) Deposits received by the Bank are in the ordinary course of banking business, which does not amount to deposit in terms of the provisions of the Companies Act, 2013, hence, not included hereinabove.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manger		Total Amount (₹ in lakh)
		Mr. Sanjay Agarwal MD & CEO	Mr. Uttam Tibrewal WTD**	TOTAL
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	147.41	127.84	275.25
2	Stock Option	-	10,57,460 ESOP*	-
3	Sweat Equity	-	-	-
4	Commission as % of profit others specify	-	-	-
5	Others please specify	-	-	-
	Total (A)@	**147.41**	**127.84**	**275.25**
	Ceiling as per the Act:	Being 10% of the net profits of the Bank calculated as per Section 198 of the Companies Act, 2013		

*Mr. Uttam Tibrewal, Whole-time Director of the Bank was granted 38,702 ESOPs under ESOP Scheme 2015 - Plan A & 10,18,758 ESOPs Under ESOP Scheme 2015 - Plan B during the year at exercise price of Rs. 10.11 & Rs. 33.37 each respectively, which are subject to RBI approval.

@The total remuneration consist of basic salary, taxable allowances including special allowance and annual performance linked bonus and exclusive of perquisites on ESOPs. ESOPs granted during the year have been mentioned hereinabove. The detailed terms of employment of MD & CEO and WTD are governed by RBI approval.

**The remuneration of Mr. Uttam Tibrewal – Whole Time Director of the Bank does not include perquisites on ESOP amounting to ₹ 41.38 crore which were exercised during the period under review.

Note: As recorded in Audited Financial Statements of the Bank.

B. Remuneration to other Directors

(₹ in lakh)

Sl. No.	Particulars of remuneration		Name of Directors				Total amount
			Krishan Kant Rathi	Mannil Venugopalan	Jyoti Narang	Raj Vikash Verma	
1.	Independent Directors For attending board committee meetings	Director's Sitting Fees	9.40	7.20	5.60	-	22.20
	Commission Others, Please specify	Profit related Commission	10.00	16.64	10.00	1.69	38.33
	Total (1)*		**19.40**	**23.84**	**15.60**	**1.69**	**60.53**
			Name of Directors				Total amount
			Narendra Ostawal				-
2.	Other Non-executive Directors Fee For attending board committee meetings Commission Others, Please specify					-	-
	Total (2)					**-**	**-**
	Total (B)=(1)+(2)		**19.40**	**23.84**	**15.60**	**1.69**	**60.53**
	Total managerial remuneration						
	Ceiling as per the Act	**Note:** In terms of provisions of Companies Act, 2013, the remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Bank. The remuneration paid to directors was within prescribed limits during the year.					

*₹79.02 lakh were recorded as expenditure in books of accounts pertaining to Director sitting fees, profit related commission and Mr. Raj Vikash Verma profit related commission was paid in FY 2018-19.

Mr. Raj Vikash Verma as Independent Director and Mr. Narendra Ostawal as Nominee Director appointed on Board of Bank with effect from 30th January 2018 and no sitting fee was payable to them.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Deepak Jain (CFO)*	Manmohan Parnami (Company Secretary)*	Total
1.	Gross Salary Salary as per provisions contained in Section 17(1) of the income tax act,1961 Value of perquisites u/s 17(2) Income tax act,1961 Profits in lieu of salary u/s 17(3) Income tax Act,1961	97.93	34.23	132.16
2.	Stock Option (granted during the year @ Exercise Price of ₹140 each)	-	2,491	2,491
3.	Sweat Equity	-	-	-
4.	Commission -as a % of profit -others, specify	-	-	-
5.	Others, please specify (It includes amount of Bonus and arrear appraisal for FY 2016-17)	100.00	10.45	110.45
	Total@	**197.93**	**44.68**	**242.61**

@ The total remuneration consist of basic salary, taxable allowances including special allowance and annual performance linked bonus and exclusive of perquisites on ESOPs. ESOPs granted during the year have been mentioned hereinabove.
* The remuneration of Mr. Deepak Jain – Chief Financial Officer & Mr. Manmohan Parnami - Company Secretary of the Bank does not include perquisites on ESOP amounting to ₹5.79 crore & ₹0.30 crore respectively which were exercised during the period under review.

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty /punishment / compounding fees imposed	Authority {RD/ NCLT/COURT}	Appeal made, if any
A. Bank					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Note: There were neither any Penalties levied on the Company nor any punishment was granted and no compounding of offences was carried out during the year under Companies Act, 2013, RBI, SEBI and other authorities.

For and on behalf of the Board of Directors
AU SMALL FINANCE BANK LIMITED

Sanjay Agarwal
Managing Director & CEO
DIN: 00009526

Uttam Tibrewal
Whole-time Director
DIN: 01024940

Date: 26th April 2018
Place: Jaipur