AU SMALL FINANCE BANK LIMITED
CIN: L36911RJ1996PLC011381
Registered Office: 19-A, DHULESHWAR GARDEN, AJMER ROAD,
JAIPUR – 302001, RAJASTHAN, INDIA
Tel: +91-141 4110060 | Fax: +91-141 4110090
E-mail: investorrelations@aubank.in | Website: www.aubank.in

POSTAL BALLOT NOTICE

(Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

NOTICE is hereby given that pursuant to provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "**Act**") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and pursuant to all other applicable rules/regulations/guidelines/circulars/notifications (including any statutory modification(s), amendment(s) thereto or re-enactment(s) thereof for the time being in force), AU Small Finance Bank Limited (hereinafter referred to as the "**Bank**") is seeking consent of the members of the Bank on special business set out herein below, proposed to be passed by way of Postal Ballot including voting by electronic means ("**e-voting**").

The Explanatory Statement under Section 102 of the Act setting out the material facts and reasons thereof for the resolution is also appended herewith along with the Postal Ballot Form for your consideration.

Please read carefully the instructions printed on the Postal Ballot Form ("**Form**") and return the Form duly completed with the assent ("**for"**) or dissent ("**against"**), in the enclosed self-addressed Postage Prepaid Business Reply Envelope ("**Envelope**") so that it reaches the Scrutinizer on or before the closing of working hours i.e. 05:00 P.M on **Wednesday, 04th March 2020** at the address given on Envelope, failing which, it will be considered that no reply has been received from the member.

E-Voting Option

Members may note that as required under the provisions of Section 108, 110 and other applicable provisions, if any of the Act and the rules made thereunder as applicable in this regard and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,("**LODR Regulations 2015**") the Bank has engaged the services of National Securities Depository Limited ("**NSDL**") to provide e-voting facility to members of the Bank. The members entitled to vote are eligible to fill in the Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Bank.

Therefore, we are pleased to offer e-voting facility also as an alternative which would enable you to cast your votes electronically, instead of physical postal ballot form. E-voting is optional. Please carefully read and follow the instructions on e-voting printed in the Postal Ballot Notice. References to Postal Ballot(s) below include votes received electronically.

The Scrutinizer will submit his report to the Managing Director & CEO/Company Secretary as authorized by Chairman after completion of the scrutiny of the postal ballots (including e-voting) and the result of the voting by postal ballot will be announced within 48 hours from the close of E-voting by the Managing Director & CEO and in his absence by the Company Secretary of the Bank. The result of the postal ballot will be posted on the Bank's website *www.aubank.in* and the website of NSDL (https://*www.evoting.nsdl.com*) immediately after the declaration of result and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited within stipulated time period as prescribed in this regard.

The resolutions, if approved, will be taken as passed effectively on the last date of receipt of the postal ballot forms and e-voting, i.e. **Wednesday, 04th March 2020** ("deemed date of passing of the resolution mentioned in the postal ballot notice dated 22nd January 2020").

RESOLUTION PROPOSED TO BE PASSED THROUGH POSTAL BALLOT

SPECIAL BUSINESS:

ITEM NO.1: TO APPROVE THE RE-APPOINTMENT OF MR. KRISHAN KANT RATHI (DIN:00040094) FOR SECOND TERM AS INDEPENDENT DIRECTOR.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (the “**Act**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A(2A) and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (“**RBI**”) from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), and in consonance with the provisions of the Articles of Associations and compensation policy of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Krishan Kant Rathi **(DIN: 00040094)** whose initial term as an Independent Director of the Bank is expiring on 29th March 2020, who meets the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be reappointed as an Independent Director and in respect of whom the Bank has received a notice in writing under Section 160 of the Act, be and is hereby reappointed as an Independent Director of the Bank for second term starting from 30th March 2020 for a period of 3 (Three) years and who shall not be liable to retire by rotation during the said period, in terms of the provisions of Section 149 (13) of the Act.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any committees constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) of the Bank, be and is hereby authorised, wherever required including the power to delegate the authority to any official(s) of the Bank to sign application, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India and any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts and things as may be required in this regard.”

ITEM NO. 2: TO APPROVE THE RE-APPOINTMENT OF MS. JYOTI NARANG (DIN: 00351187) FOR SECOND TERM AS INDEPENDENT DIRECTOR.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (the “**Act**”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A(2A) and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (“**RBI**”) from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), and in consonance with the provisions of the Articles of Associations and compensation policy of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Jyoti Narang **(DIN:00351187)** whose initial term as an Independent Director of the Bank is expiring on 29th March 2020, who meets the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be reappointed as an Independent Director and in respect of whom the Bank has received a notice in writing under Section 160 of the Act, be and is hereby reappointed as an Independent Director of the Bank for second term starting from 30th March 2020 for a period of 3 (Three) years and who shall not be liable to retire by rotation during the said period, in terms of the provisions of Section 149 (13) of the Act.

RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any committees constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) of the Bank, be and is hereby authorised, wherever required including the power to delegate the authority to any official(s) of the Bank to sign application, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India and any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts and things as may be required in this regard.”

ITEM NO.3: TO APPROVE THE RE-APPOINTMENT OF MR. RAJ VIKASH VERMA (DIN:03546341) FOR SECOND TERM AS INDEPENDENT DIRECTOR.

To consider and, if thought fit, to pass the following Resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (the “**Act**”) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A(2A) and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (“**RBI**”) from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), and in consonance with the provisions of the Articles of Associations and compensation policy of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Raj Vikash Verma **(DIN: 03546341)** whose initial term as an Independent Director of the Bank is expiring on 29th January 2021, who meets the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be reappointed as an Independent Director and in respect of whom the Bank has received a notice in writing under Section 160 of the Act, be and is hereby reappointed as an Independent Director of the Bank for second term commencing from 30th January 2021 for a period of 3 (Three) years and who shall not be liable to retire by rotation during the said period, in terms of the provisions of Section 149 (13) of the Act.

RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as the "**Board**" which term shall be deemed to include any committees constituted/to be constituted by the board to exercise its powers including the powers conferred by this resolution) of the Bank, be and is hereby authorised, wherever required including the power to delegate the authority to any official(s) of the Bank to sign application, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India and any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts and things as may be required in this regard."

ITEM NO. 4: TO DESIGNATE MR. RAJ VIKASH VERMA AS PART-TIME CHAIRMAN (INDEPENDENT DIRECTOR) (NON-EXECUTIVE) OF THE BANK SUBJECT TO APPROVAL OF RESERVE BANK OF INDIA ("RBI")

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 10A, 10B(1A), 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines, circulars, notifications issued by the Reserve Bank of India ("**RBI**") from time to time and to the extent applicable in this regard, applicable provisions of the Companies Act, 2013 read with the rules made thereunder (the **"Act"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or reenactment(s) thereto, for the time being in force), and in consonance with the provisions of the Articles of Associations and compensation policy of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of members of the Bank be and is hereby accorded to designate Mr. Raj Vikash Verma **(DIN:03546341)** as Part-Time Chairman (Independent Director) (Non-Executive) of the Bank for a period of 1 (one) year effective from 30th March 2020 on following terms and conditions subject to approval of RBI as may be granted in this regard.

- Honorarium of Rs. 20 Lakhs per annum
- Payment of Sitting fees as approved by Board of Directors from time to time & other incidental expenses for attending the meetings of Board/Board Committees

RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as the "**Board**" which term shall be deemed to include any committees constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) of the Bank, be and is hereby authorised, wherever required including the power to delegate the authority to any official(s) of the Bank to sign application, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India and any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts and things as may be required in this regard."

BY THE ORDER OF THE BOARD OF DIRECTORS
FOR AU SMALL FINANCE BANK LIMITED

MANMOHAN PARNAMI
COMPANY SECRETARY
F9999

Place: Jaipur
Date: 22nd January 2020
Registered Office: 19-A, Dhuleshwar Garden,
Ajmer Road, Jaipur – 302001, Rajasthan
Website: www.aubank.in
Tel: +91 141 4110060
Fax: +91 141 4110090
E-mail: investorrelations@aubank.in

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 in respect of the special business is annexed herewith and forms part of this notice.

2. All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts are open for inspection by the Members at the Registered Office of the Bank between 10:00 A.M and 05:00 P.M on all working days of the Bank from the date hereof up to **Wednesday, 04th March, 2020.**

3. Pursuant to Rule 22 (5) of the Companies (Management and Administration) Rules, 2014, The Board of Directors has appointed CS Manoj Maheshwari (FCS: 3355), Practicing Company Secretary, Jaipur as Scrutinizer and failing him CS Vikas Mehta (FCS:9985), Practicing Company Secretary as the Alternate Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

4. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on **Friday, 24th January 2020.** The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants. For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with Form and Envelope.

5. In terms of Sections 108 and 110 and other applicable provisions, if any, of the Act, as amended, read with the Companies (Management and Administration) Rules, 2014 and in compliance with Regulation 44 of the LODR Regulations, 2015 , the Bank is pleased to offer remote e-voting facility to all the Members of the Bank. The Bank has appointed National Securities Depository Limited ('**NSDL**') for facilitating e-voting as an option to enable the Members to cast their votes electronically ('**Remote e-voting**').

6. Postal Ballot notice along with Form is also available on the website of the Bank i.e. www.aubank.in and can also be downloaded by accessing website of the Registrar and Transfer Agent at www.linkintime.co.in and NSDL at www.evoting.nsdl.com.

7. If the Members are voting through Form in Physical mode, Members are requested to carefully read the instructions printed on the Form sent herewith and return the Form duly completed along with assent (FOR) or dissent (AGAINST), in the attached Envelope so as to reach the Scrutinizer on or before 5:00 P.M on **Wednesday, 04th March, 2020**. The postage cost will be borne by the Bank. However, envelopes containing Form, if sent by courier or registered/speed post or delivered by the member in person at his/her expense at the address as mentioned in the Envelope will also be accepted. Assent/ Dissent received after 5:00 P.M on **Wednesday, 04th March 2020** would be treated as if reply from the Member(s) has not been received. No other form or photocopy thereof is permitted**.**

8. Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if the same have been passed at a General Meeting of the Members.

9. The Members can opt for only one mode of voting, i.e. either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical postal ballot form will be treated as invalid.

10. In case a member desires to exercise vote by using e-voting facility, please carefully follow the instructions given under the heading "**e-voting Instructions**" of Postal Ballot Notice.

11. Any query in relation to the resolutions proposed to be passed by Postal Ballot or member desirous of obtaining physical copy of Postal Ballot Notice may be addressed to the Company Secretary, via email at manmohan.parnami@aubank.in

12. The votes should be cast either in favour or against by putting the tick (√) mark in the column provided for assent or dissent in the Postal Ballot Form.

Explanatory statement for Agenda Item No. 1 to 4 pursuant to provisions of Section 102(1) of the Companies Act,2013.

The following statements sets out all material facts relating to the special business under Item No. 1 to 4 of the accompanying Notice dated 22nd January 2020

Item No.1 & 2

Mr. Krishan Kant Rathi **(DIN:00040094)** and Ms. Jyoti Narang **(DIN:00351187)** were appointed as Independent Directors by members of the company w.e.f. 30th March 2015 and accordingly their 1st term is due for completion on 29th March 2020. Further their term on the Board of the Bank commenced on 19th April 2017 i.e. start of the Banking operations and their tenure as per Banking Regulation Act, 1949 is to be construed from the said date. In view of provisions of Section 149(10) of the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 and on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 22nd January, 2020 after having carried out the fit and proper assessment & performance evaluation of Mr. Krishan Kant Rathi (DIN:00040094) and Ms. Jyoti Narang (DIN: 00351187) respectively has considered their profile suitable to be re-appointed for second term and accordingly recommend their reappointment as Independent Director of the Bank for second term for a period of 3 (Three) years effective from 30th March, 2020.

The Bank has also received declarations from Mr. Krishan Kant Rathi (DIN:00040094) and Ms. Jyoti Narang (DIN: 00351187) that they meet the criteria for being appointed as Independent Director as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of their re-appointment a notice of candidature under section 160 of the Act has been received. The Board has reviewed and affirmed the veracity of the declaration of independence as provided by them.

They are not disqualified/debarred from being re-appointed as Independent Directors in terms of Section 164 of the Act, or by any order of SEBI and have given their consent to act as Director of the Bank. In the opinion of the Board, they fulfill the conditions for their re-appointment as prescribed under the relevant provisions of the Act and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Banking Regulation Act, 1949 and other guidelines issued by the RBI from time to time.

Mr. Krishan Kant Rathi and Ms. Jyoti Narang and their relatives are not related to any directors of the Bank and is independent of management.

Except for Mr. Krishan Kant Rathi and Ms. Jyoti Narang & their relatives, None of the other Directors / Key Managerial Personnel of the Bank / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 & 2 of the Notice except to the extent of their shareholding, if any in the Bank.

The Board recommends passing of Special Resolution set out at Item No. 1 & 2 of the Notice for approval by the members.

This explanatory statement along with the additional information as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 , Secretarial Standard 2 on General Meetings issued by Institute of Company Secretaries of India (ICSI), as annexed herewith may also be regarded as disclosure under the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No.3

Mr. Raj Vikash Verma **(DIN: 03546341)** was appointed as an Independent Director by the members of the bank for a period of 3 years effective from 30th January 2018. In view of provisions of Section 149(10) of the Companies Act, 2013 (the "**Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 22nd January, 2020 after having carried out the fit and proper assessment & performance evaluation of Mr. Raj Vikash Verma, considered and found his profile suitable to be re-appointed for second term and accordingly recommend the reappointment of Mr. Raj Vikash Verma as Independent Director of the Bank for second term for a period of 3 (Three) years effective from 30th January 2021.

The Bank has also received a declaration from Mr. Raj Vikash Verma that he meets the criteria for being appointed as Independent Director as provided under Section 149(6) of the Act and Regulation 16(1)(b)of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of his re-appointment candidature under section 160 of the Act has been received. The Board has reviewed and affirmed the veracity of the declaration of independence as provided by him.

He is not disqualified/debarred from being reappointed as director of the Bank in terms of Section 164 of the Act and have given his consent to act as Director of the Bank. In the opinion of the Board, he fulfill the conditions for his reappointment as aforesaid as prescribed under the relevant provisions of the Act and rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Banking Regulation, Act, 1949 and other guidelines issued by the RBI from time to time.

Mr. Raj Vikash Verma and his relatives, are not related to any directors of the Bank and are independent of Management.

Except for Mr. Raj Vikash Verma and his relatives, None of the other Directors / Key Managerial Personnel of the Bank / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice except to the extent of their shareholding, if any in the Bank.

The Board recommends passing of Special Resolution set out at Item No. 3 of the Notice for approval by the member.

This explanatory statement along with the additional information as per Regulation 36 of the and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 , Secretarial Standard 2 on General Meetings issued by Institute of Company Secretaries of India (ICSI), as annexed herewith may also be regarded as disclosure under the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No.4

Mr. Mannil Venugopalan was appointed as the Part-Time Chairman (Independent Director) (Non-Executive) of the Bank in April 2017 and his tenure is getting completed on 29th March 2020. In view of the same, members are hereby apprised that Bank would require to appoint and designate a Director as Part-Time Chairman to take charge after the completion of tenure of present Chairman of the Bank. Further as per Section 35B of Banking Regulation Act, 1949, appointment of Chairman requires prior approval of Reserve Bank of India.

On the Recommendation of Nomination and Remuneration Committee, the Board of Directors of the Bank at its Meeting held on 13th December, 2019 after assessing the fit and proper assessment of Mr. Raj Vikash Verma has found his profile suitable for designating him as Part-Time Chairman (Independent Director) (Non-Executive) of the Bank for a period of 1 (one) year effective from 30th March,2020 or such other date/tenure as may be specified by RBI.

Further, Bank has in place shareholder(s) approval for his association as Independent Director for 1st Term till 29th January 2021 and accordingly approval for continuation as Independent Director on the Board of the Bank for second term effective from 30th January 2021 is sought from members of the Bank as stated out in item No.3 of the Notice, this will also ensure his uninterrupted tenure as Part-Time Chairman (Independent Director) (Non-Executive) of the Bank.

Mr. Raj Vikash Verma has been on the Board of the Bank from past 2 years, he has seen the complete transition and growth on the Banking platform and has given due guidance for improving the governance structure, laying down of policies, procedures and his regulatory experience benefitted the Bank in enhancing the qualitative & quantitative matters that should be looked by the Board and committees of Board.

The resolution as stated out in the Item No. 4 of notice seeks the approval of members to designate Mr. Raj Vikash Verma as Part Time Chairman of the Bank for 1(one) year effective from 30th March 2020 or such date as may be specified by RBI.

Mr. Raj Vikash Verma and his relatives are not related to any directors of the Bank and are independent of Management.

Except for Mr. Raj Vikash Verma and his relatives, None of the other Directors / Key Managerial Personnel of the Bank / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice except to the extent of their shareholding, if any in the Bank

The Board recommends passing of Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

BRIEF PROFILE AND OTHER INFORMATION OF DIRECTORS BEING APPOINTED / RE-APPOINTED / WHOSEREMUNERATION IS BEING REVISED, AS SET OUT IN THIS NOTICE, IN TERMS OF THE REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA.

Particulars	Krishan Kant Rathi	Jyoti Narang	Raj Vikash Verma
Age	58 Years	61 Years	64 years
Date of first appointment on Board	30th March 2015 (First appointment as Independent Director under the Companies Act 2013)	30th March 2015 (First appointment as Independent Director under the Companies Act 2013)	30th January 2018
Qualification	• Chartered Accountant - The Institute of Chartered Accountants of India. (All India Rank Holder) • Company Secretary - The Institute of Company Secretaries of India • B. Com. (Hons.) - University of Rajasthan, Jaipur	• MBA in Finance with additional specialization in Marketing from Faculty of Management Studies, Delhi; • BA in Economics from Lady Shriram College, University of Delhi; • Advanced Management Programme - Harvard Business School, USA.	• Certified Associate of the Indian Institute of Bankers (CAIIB) • Master's in business administration, FMS, Delhi University • Master's in economics, Delhi School of Economics, Delhi University • BA (Honors), Economics, Delhi University
Brief Resume including experience	Mr. Krishan Kant Rathi has over 31 years of experience at senior positions in some of the India's most reputed Business houses. He is a vital asset in the management and brings knowledge and executive competence of a rare kind encompassing finance and accounting, strategic finance management in high growth organizations, treasury management, mergers, expansions, joint ventures (JVs), divestment, financial restructuring and fundraising (domestic and international), system driven operations, risk management and acquisitions. Over the years, Bank has been immensely benefitted with his experience covering financial management, strategy, business development & treasury management and his continuation as Independent Director for second term shall be valuable for consistent growth of the Bank.	Ms. Jyoti Narang was the Chief Operating Officer for Taj Hotels, a group of luxury hotels and a founding member of 'Experience India Society' that created the first global campaign for marketing India as a preferred tourism destination. She has 40 years of overall experience and her domain expertise lies in the understanding of in hospitality, customer service & human capital management, Banking, Economics, Administration, Business Management and the impact of technology on both distribution and operations. Her contribution and experience in enhancing the customer delight at Bank is being appreciated and as the member of CSR committee, her guidance in taking several new initiatives under CSR programs has been invaluable. With rich experience on her side and constructive role played as Women Independent Director, proposal for re-appointment as Independent Director for second term is desirable and recommended herein to the shareholders.	Mr. Raj Vikash Verma possesses over 37 years of experience in the financial sector, particularly in the field of development finance, regulatory supervision, housing, mortgage finance and real estate sector. He was Chairman of National Housing Bank (“**NHB**”) apex body for regulating the housing finance companies. During his stint at NHB and other institutions he led several leadership and team building initiatives, developing vision and mission for the institution, chairing high level boards comprising eminent professionals including international representatives and senior bureaucrats, policy formulation and guiding the developments-financing, regulatory and promotional, market infrastructure initiatives, advocacy role under a social and economic charter etc. With the strong regulatory exposure and experience in the field of development finance, Board of Directors are of the opinion that his reappointment would be beneficial for the Bank.

Nature of his expertise in specific functional areas	Expertise in following areas in accordance with the provisions of Section 10 of Banking Regulation Act: • Accountancy • Banking • Economics • Finance • Law • Small & Medium Enterprises	Expertise in following areas in accordance with the provisions of Section 10 of Banking Regulation Act: • Banking • Economics • Administration • Hospitality & Customer Service • Business Management	Expertise in following areas in accordance with the provisions of Section 10 of Banking Regulation Act: • Banking • Economics • Finance • Housing • Mortgage Finance • Risk Management • Business Administration
Other Directorship	• First Bridge Capital Partners LLP • Indianivesh Investment Advisors LLP • First Bridge Fincap Services LLP • Autoline Industries Limited • Future Consumer Limited • Shendra Advisory Services Private Limited • Sprint Advisory Services Private Limited • Future Generali India Life Insurance Company Limited • Future Generali India Insurance Company Limited • Indianivesh Fund Managers Private Limited • Innefu Labs Private Limited • CLR Facility Services Private Limited • Indianivesh First Bridge Fund Managers Private Limited	• Calderys India Refractories Limited • Avanamd Healthcare Private limited • Niraamaya Retreats Private Limited	• Rurban Agri Ventures (India) Private Limited • Ravi Integrated Logistics (India) Private Limited • Ravi Renewable Energy & Lighting (India) Private Limited • India Mortgage Guarantee Corporation Private Limited • Art Housing Finance (India) Limited • Ajivika Finance Limited
*Chairmanship/Membership of Committees in other companies in which position of Director is held	Following memberships have been held in other Companies. **Audit Committee** • Future Consumer Limited • Future Generali India Life Insurance Company Limited **Share Transfer and Allotment Committee** • Future Generali India Life Insurance Company Limited • Future Generali India Insurance Company Limited	Following membership have been held in other Companies. **Audit Committee** Calderys India Refractories Limited	Following membership have been held in other Companies. **Audit Committee** Art Housing Finance (India) Limited

Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None	None	None
No. of equity shares held in the Company	94,289 Equity Shares	2,414 Equity Shares	NIL
Performance Evaluation Summary	The evaluation of Mr. Krishan Kant Rathi was carried out by Nomination and Remuneration Committee and Board of Directors in the prescribed format and after assessing the fit and proper assessment and other factors, Board of Directors opined that his reappointment would be beneficial for the Bank.	The evaluation of Ms. Jyoti Narang was carried out by Nomination and Remuneration Committee and Board of Directors in the prescribed format and after assessing the fit and proper assessment and other factors, Board of Directors opined that her reappointment would be beneficial for the Bank.	The evaluation of Mr. Raj Vikash Verma was carried out by Nomination and Remuneration Committee and Board of Directors in the prescribed format and after assessing the fit and proper assessment and other factors, Board of Directors opined that his reappointment would be beneficial for the Bank.
No. of Board meetings attended during the year (till 22nd January 2020)	6 Meetings of Board of Directors have been convened and he has attended all the meetings.	6 Meetings of Board of Directors have been convened out of which she has attended 5 meetings.	6 Meetings of Board of Director have been convened and he has been attended all the meetings.
Terms and conditions of appointment or re-appointment	Re-appointment for second term for a period of 3 years.	Re-appointment for second term for a period of 3 years.	• Re-appointment for second term for a period of 3 years • Designated as Part -Time Chairman for a period of 1 (one) year effective from 30th March 2020.
Remuneration last drawn	1. Rs. 10 Lakhs Per annum in accordance with RBI guidelines on compensation to Non-Executive Director 2. Sitting fees details are as follows: • 75,000/- for Board Meeting • 30,000/- for each committee meeting	1. Rs. 10 Lakhs Per annum in accordance with RBI guidelines on compensation to Non-Executive Director 2. Sitting fees are as follows: • 75,000/- for Board Meeting • 30,000/- for each committee meeting	1. Rs. 10 Lakhs Per annum in accordance with RBI guidelines on compensation to Non-Executive Director 2. Sitting fees are as follows: • 75,000/- for Board Meeting • 30,000/- for each committee meeting
Remuneration sought to be paid	Compensation to be paid in accordance with RBI guidelines and sitting fees as may be approved by Board of Directors from time to time & other incidental expenses for attending the meetings of Board/Board Committees.	Compensation is to be paid in accordance with RBI guidelines and sitting fees as may be approved by Board of Directors from time to time & other incidental expenses for attending the meetings of Board/Board Committees.	• **Item 3**: For his appointment as Independent Director for second term compensation to be paid in accordance with RBI Guidelines and Sitting fees as may be approved by Board of Directors from time to time. • **Item 4**: For his designation as Chairman, Honorarium of Rs. 20 Lakhs Per annum or an amount as approved by Reserve Bank of India and sitting fees as may be approved by Board of Directors from time to time & other incidental expenses for attending the meetings of Board/Board Committees.

*Chairmanship and Membership of Audit Committee and Stakeholders Relationship Committee of listed and unlisted public companies have been considered.

BY THE ORDER OF THE BOARD OF DIRECTORS
FOR AU SMALL FINANCE BANK LIMITED

MANMOHAN PARNAMI
COMPANY SECRETARY
F9999

Place: Jaipur
Date: 22nd January 2020
Registered Office: 19-A, Dhuleshwar Garden,
Ajmer Road, Jaipur - 302001, Rajasthan
Website: www.aubank.in
Tel: +91 0141 4110060
Fax: +91 0141 4110090
E-mail: investorrelations@aubank.in

E-Voting Instructions: The instructions for shareholders voting electronically are as under:

Procedure and Instructions:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ *with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (I) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "**EVEN 112762**" of Bank for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "**Submit**" and also "**Confirm**" when prompted.
6. Upon confirmation, the message "**Vote cast successfully**" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.vmanda@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in/evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: investorrelations@aubank.in or contact at telephone no. 0141-4110060/61.

2. **Other Instructions:**

I. The remote e-voting period commences from 9.00 A.M. (IST) **Tuesday, 04th February 2020** and ends on 5.00 P.M. (IST) **Wednesday, 04th March 2020**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Friday, 24th January 2020 i.e. Cut-off date**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.

ii. The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Bank subject to the provisions of the Banking Regulation Act, 1949, as amended, as on the cut-off date i.e. **Friday, 24th January 2020**.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

BY THE ORDER OF THE BOARD OF DIRECTORS
FOR AU SMALL FINANCE BANK LIMITED

MANMOHAN PARNAMI
COMPANY SECRETARY
F9999

Place: Jaipur
Date: 22nd January 2020
Registered Office: 19-A, Dhuleshwar Garden,
Ajmer Road, Jaipur – 302001, Rajasthan
Website: www.aubank.in
Tel: +91 141 4110060
Fax: +91 141 4110090
E-mail: investorrelations@aubank.in

AU SMALL FINANCE BANK LIMITED
CIN: L36911RJ1996PLC011381
Registered Office: 19-A, DHULESHWAR GARDEN, AJMER ROAD, JAIPUR – 302001, RAJASTHAN, INDIA
Tel: +91-141 4110060 | **Fax:** +91 0141 4110090
E-mail: investorrelations@aubank.in | **Website:** www.aubank.in

Postal Ballot Form
(To be returned to Scrutinizer appointed by the Bank)

Sr. No.:

1.	Name and Registered address of the sole /first named Shareholder (In Block Letters)	:	
2.	Name(s) of the Joint Shareholder(s), if any	:	
3.	Registered folio no./DP Id No.*/Client Id No.* (*Applicable to members holding shares in dematerialised form)	:	
4.	Number of shares held	:	

I/We hereby exercise my/our vote in respect of the resolution(s) to be passed through postal ballot for the business stated in the Postal Ballot Notice dated 22nd January 2020, of the Bank by sending my/our assent or dissent to the said resolution(s) by placing the tick (√) mark at the appropriate box below:

Item No.	Description	No. of equity shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	TO APPROVE THE REAPPOINTMENT OF MR. KRISHAN KANT RATHI (DIN: 00040094) FOR SECOND TERM AS INDEPENDENT DIRECTOR			
2.	TO APPROVE THE REAPPOINTMENT OF MS. JYOTI NARANG (DIN: 00351187) FOR SECOND TERM AS INDEPENDENT DIRECTOR			
3.	TO APPROVE THE REAPPOINTMENT OF MR. RAJ VIKASH VERMA (DIN: 03546341) FOR SECOND TERM AS INDEPENDENT DIRECTOR.			
4.	TO DESIGNATE MR. RAJ VIKASH VERMA AS PART TIME CHAIRMAN (INDEPENDENT DIRECTOR) (NON-EXECUTIVE) OF THE BANK SUBJECT TO APPROVAL OF RESERVE BANK OF INDIA ("RBI")			

Place :
Date :

#E-mail address: ____________________

____
(Signature of the Member)

ELECTRONIC VOTING PARTICULARS

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
112762		

Last date for receipt of Postal Ballot Forms by Scrutinizer is Wednesday 04th March 2020 by 5:00 pm (IST)

Note: Please read the instructions printed overleaf and in the Postal Ballot Notice dated 22nd January 2020 carefully before exercising your vote.

INSTRUCTIONS FOR FILLING POSTAL BALLOT FORM

1. GENERAL INFORMATION

a) There will be one Postal Ballot Form / e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.

b) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.

c) Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives accompanied by a certified copy of the relevant board resolution with the specimen signature(s) of the authorized signatory(ies) duly attested.

d) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the shareholders on the cut-off date i.e. **Friday, 24th January 2020 (Cut-off date).**

e) Member is requested to fill the Postal Ballot Form with indelible ink pen (and avoid filling it by using erasable writing medium/s, e.g. pencil etc.).

f) postal ballot form shall be considered invalid if

- It has not been signed by or on behalf of the Member
- It is not possible to determine without any doubt the assent or dissent of the Member
- Neither assent nor dissent is mentioned
- Any competent authority has given directions in writing to the Bank to freeze the Voting Rights of the Member
- Signature on the postal ballot form doesn't match the specimen signatures with the Bank
- The envelope containing the postal ballot form is received after the last date prescribed
- The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority
- It is defaced or mutilated in such a way that its identity as a genuine form cannot be established
- Member has made any amendment to the Resolution or imposed any condition while exercising his vote.

2. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT

a) Members desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, CS Manoj Maheshwari, Practicing Company Secretaries, in the enclosed postage self-addressed envelope. Form deposited in person or sent by post or courier at the expense of the Member will also be accepted.

b) In case of joint holding, this Form should be completed and signed by the first named Member and in his absence by the next named Member.

c) The signature of the Member on this Form should be as per the specimen signature furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) or registered with the Bank/Registrar and Transfer Agent, in respect of shares held in dematerialised form or in physical form, respectively.

d) Completed Form should reach the Scrutinizer not later than the close of working hours i.e., 5.00 P.M on **Wednesday, 04th March 2020 (last date of receipt of Ballot paper)** at address given on Business Reply Envelope. Form received after this time and date will be considered invalid.

e) Form which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.

f) A Member seeking duplicate Form or having any grievance pertaining to the Postal Ballot process can write to the Bank's Registrars- Registrar and Transfer Agent-Link Intime India Pvt Ltd. - C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 or send an e-mail to evoting.investors@linkintime.co.in

g) Members opting for voting by "Postal Ballot" as stated above along with the Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.