

# 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.

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organisation's wealth-generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At AU Bank, it is imperative that our affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

Recently, the Securities and Exchange Board of India (SEBI) has amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**) to bring in additional corporate governance norms. These norms provide for additional disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders.

Over the last few decades, Corporate Governance is getting ever increasing importance across the globe. Systems and policies are required to be upgraded regularly, to meet the challenges of rapid growth in a dynamic business environment.

### 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, ensuring integrity and transparency in its operations, keeping the interest of all stakeholders protected in the most inclusive way. The organisation believes that timely and accurate communication with stakeholders enables it to build an environment where confidence, trust and mutual respect is continuously enhanced.

The 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.

The Bank and its Directors understand and respect their 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. The Bank continuously focusses on upgrading the governance practices and systems to effectively address the challenges that are faced by the Bank under an ever-evolving regulatory environment.

### YOUR BANK'S INITIATIVE FOR GOOD CORPORATE GOVERNANCE

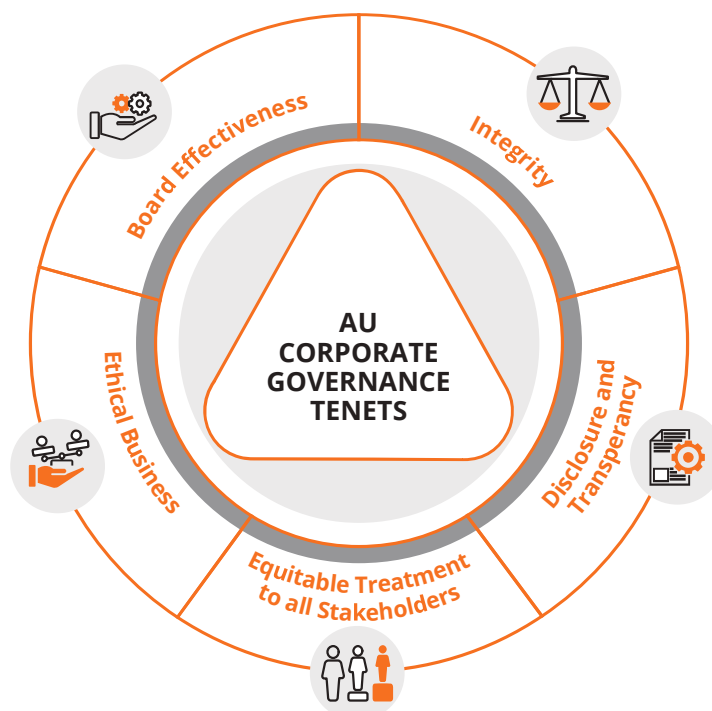
- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties
- Independent verification and assured integrity of financial reporting
- Transparency and independence in the function of the Board
- Adequate risk management and internal control
- Codes, policies, process and systems are in place for sound governance in the Bank
- Transparent and timely disclosure that ensure compliance with all applicable statutory requirements

Your Bank adheres to all relevant codes and standards, and simultaneously provides flexibility and accommodates new approaches and ideas that are beneficial for the long-term interest of stakeholders.

AU Bank always aim at institutionalising accountability, transparency and equality of treatment for all its stakeholders, as central tenets of good corporate governance. The Board is collectively responsible for ensuring 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 TENETS

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 Bank Corporate Governance Tenets are mentioned below.



## BOARD OF DIRECTORS

The composition of the Board of Directors of the Bank is in accordance with the Banking Regulations Act, 1949, Regulation 17 of the Listing Regulations, Companies Act, 2013 and rules made thereunder, the Articles of Association of the Bank and it consist of eminent individuals possessing professionalism, knowledge and experience in the field of accountancy, economics, finance, law, small-scale industry and taxation as required in the banking industry.

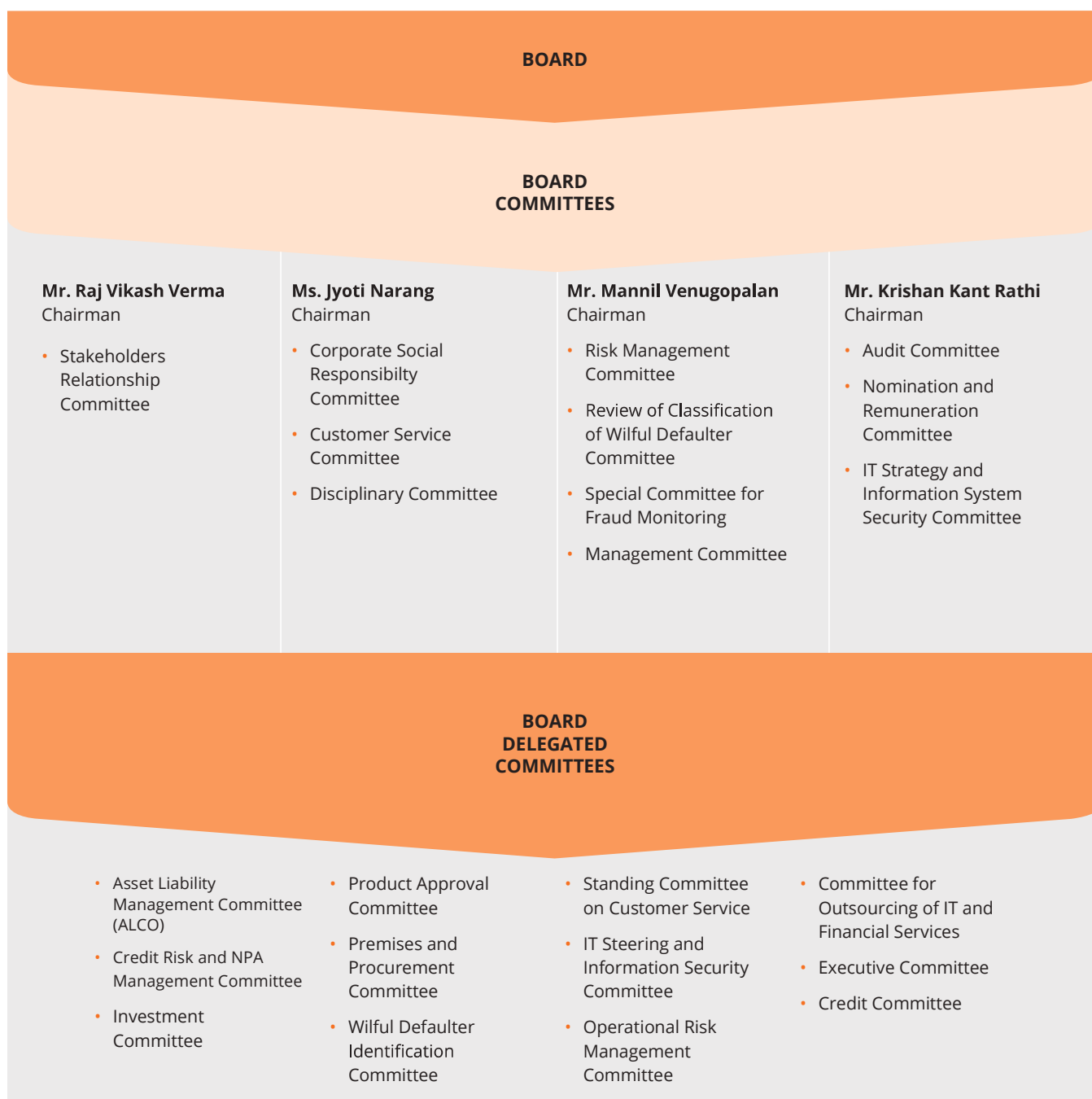
The Board of Directors of the Bank has an optimum combination of Independent, Non-executive and Executive Directors. As on 31<sup>st</sup> March 2019, the Board of Directors comprises seven (7) Directors, out of which five (5) are

Non-executive Directors. The Chairman of the Board and three (3) other Directors are Independent including one (1) Woman Independent Director.

Seven (7) Board meetings were held during FY 2018-19 on 26<sup>th</sup> April 2018, 19<sup>th</sup> May 2018, 07<sup>th</sup> August 2018, 13<sup>th</sup> October 2018, 29<sup>th</sup> October 2018, 22<sup>nd</sup> November 2018 and 17<sup>th</sup> January 2019.

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

The Bank has a three-layer Corporate Governance structure wherein the Board is provided with strategic inputs and operational updates by the Board Committees which is further supported by Board delegated committees on operational and other key matters.



The names and categories of Directors, their attendance at the Board Meetings held during FY 2018-19 and at the last Annual General Meeting, the number of Directorships and Committee positions held by them in public limited companies and private limited companies (excluding the Bank) are disclosed below.

Sr.No	Name of Director/ Chairman	Category	Board Meeting entitled to attend during FY 2018-19	No. of Board Meetings attended during the FY 2018-19	Attendance at the Last AGM held on 7 <sup>th</sup> August 2018	Number of Directorships held in Other Companies (*)	No. of Committee positions held in Other Companies (**)		No. of Equity Shares held
							Chairman	Member	
1	Mr. Mannil Venugopalan	Chairman -Independent Director (Non-executive)	7	7	Yes	6	Nil	1	Nil
2	Mr. Sanjay Agarwal	Promoter- Managing Director & CEO (Executive)	7	7	Yes	Nil	Nil	Nil	5,67,66,359
3	Mr. Krishan Kant Rathi	Independent Director (Non-executive)	7	7	Yes	11	Nil	3	94,289
4	Ms. Jyoti Narang	Independent Director (Non-executive)	7	7	Yes	3	Nil	Nil	2,414
5	Mr. Uttam Tibrewal	Whole Time Director (Executive)	7	7	Yes	Nil	Nil	Nil	35,44,673
6	Mr. Raj Vikash Verma	Independent Director (Non-executive)	7	7	Yes	5	Nil	Nil	Nil
7	Mr. Narendra Ostawal	Additional Director (Non- executive)	6	3	No	11	1	2	Nil

1. Mr. Narendra Ostawal ceased to be the Nominee Director of the Bank w.e.f. closing of business hours on 16<sup>th</sup> January 2019.
2. Mr. Narendra Ostawal was representing as Nominee Director on behalf of Redwood Investments Ltd. in capacity of Equity Investor.
3. Mr. Narendra Ostawal has been appointed as the Additional Director (Non-executive) by the Board of Directors in their meeting held on 17<sup>th</sup> January 2019.
4. No inter-se relationship among any of the Directors.
5. None of the Directors belong to promoter and promoter group except for Mr. Sanjay Agarwal.
6. None of the Directors of the Bank were members of more than 10 committees or acted as Chairman of more than 5 committees across all Public Limited Companies in which they were Directors
7. None of the Directors held directorship in more than 10 Public Limited Companies.
8. None of the Independent Directors of the Bank served as Independent Director in more than seven listed companies.
9. None of the Non-Executive Directors hold any convertible instruments in the Bank.

\*Includes Directorship in foreign companies, private limited companies and Section 8 companies.

\*\*Chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee has been considered.

### Details of other Listed Entities of Director(s)

Name of the Director	Name of the Listed Entity	Category
Mr. Mannil Venugopalan	Shreyas Shipping and Logistics Limited	Independent Director
	Dewan Housing Finance Corporation Limited*	Independent Director
Mr. Krishan Kant Rathi	Future Consumer Limited	Non-executive Director
	Aavas Financiers Limited	Independent Director
Ms. Jyoti Narang	Nil	Not Applicable
Mr. Raj Vikash Verma	Nil	Not Applicable
Mr. Narendra Ostawal	Laurus Labs Limited	Non-executive Director
	Capital First Limited**	Non-executive Director
Mr. Sanjay Agarwal	Nil	Not Applicable
Mr. Uttam Tibrewal	Nil	Not Applicable

\* Mr. Mannil Venugopalan has ceased to be the Director of Dewan Housing Finance Corporation Limited w.e.f 30<sup>th</sup> March 2019

\*\*Mr. Narendra Ostawal has ceased to be Director of Capital First Limited w.e.f. 18<sup>th</sup> December 2018

### List of Core Skills/Expertise/Competencies Identified by the Board of Directors in the Context of Banking Business:

1. Accountancy
2. Agriculture and rural economy
3. Banking
4. Economics
5. Finance
6. Law
7. Small-scale industry
8. Information technology
9. Payment and settlement
10. Human resources
11. Risk management
12. Business management
13. Co-operation

From the above core skills identified by the Bank's Board, your Board members possess requisite skills for carrying out their duties effectively for the business of the Bank.

Independent Directors of the Bank have submitted their annual disclosures/declarations with respect to the criteria of independence as stipulated under the provisions of the Companies Act, 2013, Listing Regulations and the Banking Regulation Act, 1949 and the guidelines issued by the RBI from time to time and confirmed that they are independent of the management and meet the criteria of independence laid down thereunder. The declarations obtained are put forth to the Board of Directors for their noting.

No Independent Director has resigned during the period under review.

### 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 Listing Regulations read with Part A of Schedule II mentioned therein, the Board of Directors also review periodically matters as covered under its calendar of reviews.

### CRITICAL THEMES FOR REVIEW BY THE BOARD

The Board deliberates on matters such as business strategy, risk, financial results, compliance, customer service, IT and human resources as covered under the seven critical themes prescribed by the RBI and the Bank has a Board-approved calendar of review(s) of agendas to be discussed at the Board and Board Committee(s) meeting in addition to such other matters as deemed appropriate.

The Board spends considerable time reviewing the information provided to them which facilitates informed decision-making and effective participation at meetings, leading to higher Board effectiveness. The Board oversees the actions and results of the management to ensure that the long-term objectives of enhancing shareholders' value are met. The Board has the discretion to engage the services of external experts/advisors as deemed appropriate.

### FAMILIARISATION PROGRAMME

In compliance of the Listing Regulations, the Bank conducts a familiarisation programme for Directors on regular basis and also nominates Directors to attend programmes to familiarise them with their roles, rights, responsibilities in the Bank, risk management system, technology for effective contribution in the growth of the Bank Board members attended programmes organised by CAFRAL & IDRBT during the year as part of knowledge sharing and Board effectiveness enhancement initiatives.

Details of the familiarisation programme for Directors are available on the website of the Bank at [www.aubank.in/au-notice-board](http://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 and 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, organisation structure, duties and responsibilities.

### SELECTION AND APPOINTMENT

The selection for appointment of Directors of the Bank is carried out in accordance with provisions of Companies Act, 2013 and relevant rules made thereunder, Banking Regulation Act, 1949, the guidelines issued by RBI, Listing Regulations and in accordance with Compensation Policy of the Bank.

The Bank duly adheres to the process and methodology prescribed by RBI i.e. '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/re-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 on the recommendation of the NRC.

NRC reviews the structure, size, composition mix of the Executive and Non-executive Directors, their background, exposure, industry experience, expertise and other relevant information and documents of proposed Director(s) before making recommendation to the Board for their appointment, re-appointment, remuneration and assignment of duties. While reviewing potential candidates their 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 Banking Regulation Act, 1949 is considered by the Committee. This ensures that people who have relevant specialised knowledge, expertise, practical experience and skills to serve the diverse business interest of the Bank are inducted to the Board.

## BOARD COMMITTEES

The Board has constituted various Committees of Directors to monitor the activities in accordance with Board-approved terms of reference. The Board Committees focus on specific areas and take informed decisions on the specific businesses assigned to them in the best interest of the Bank. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Bank has eleven Board Committees as on 31<sup>st</sup> March 2019, which are described below:

### 1. Audit Committee

The Audit Committee has been constituted by the Bank in terms of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations and is chaired by Independent Director.

As on 31<sup>st</sup> March 2019 audit committee comprised six (6) Directors as its members, all of them being financially literate and of which four (4) are Independent Directors. The composition of the Committee is in adherence to provisions of Companies Act, 2013 and Listing Regulations.

The committee met five (5) times during the year under review on 26<sup>th</sup> April 2018, 07<sup>th</sup> August 2018, 13<sup>th</sup> October 2018, 29<sup>th</sup> October 2018 and 17<sup>th</sup> January 2019.

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 Listing Regulations and all other applicable regulatory requirements, the terms of reference of the Audit Committee is broadly covered by its charter.

Its functioning inter alia broadly includes the following:

- Review and approve 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 according to the defined frequencies and ensure that corrective actions are being undertaken in a timely manner
- Consider major findings of internal quarterly, semi-annual and annual audit reviews and management's response; and to promote coordination 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 and assesses whether awareness and identification of risks are percolating to all levels and ascertains that systems are in place for adherence to all regulations
- Review and monitor compliance function, its policies and Implementation of Compliance Frameworks of the Bank
- To recommend the appointment including terms of appointment and removal of statutory, internal and Secretarial Auditors, fixation of audit fees and also to approve payment for other services
- To review Annual Long Form Audit Report as prepared by the Statutory Auditors along with Management response.
- To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) including statement of deviation, if any

- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with 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 Listing Regulations 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 particulars of attendance of members at the committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the Audit Committee

S. No.	Name	Position
1	Mr. Krishan Kant Rathi	Chairman
2	Mr. Raj Vikash Verma	Member
3	Mr. Mannil Venugopalan	Member
4	Ms. Jyoti Narang	Member
5	Mr. Sanjay Agarwal	Member
6	Mr. Narendra Ostawal	Member

The Chief Financial Officer (CFO) and Auditors of the Bank are invited to be present in the meeting(s) for responding to the observations of the Committee. The Audit Committee discusses with the Statutory Auditors, the key highlights of the quarterly and annual financial results of the Bank, before recommending the same to the Board of Directors of the Bank for their approval. The representatives of the Statutory Auditors have attended the meetings of the Audit Committee held during the year for review of the quarterly/ annual financial results of the Bank. The Audit Committee also discusses with the Statutory Auditors on matters connected with the said financial results, and other matters without the presence of any executives of the Bank.

The Company Secretary acts as Secretary to the Committee.

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

### 2. 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 the Bank with adequate security controls.

As on 31<sup>st</sup> March 2019, composition of the Risk Management Committee comprised five (5) Directors as its members and the committee met four (4) times during the year under review on 25<sup>th</sup> April 2018, 06<sup>th</sup> August 2018, 29<sup>th</sup> October 2018 and 16<sup>th</sup> January 2019.

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

- Review, approve/recommend, periodically update policies, strategies and risk management framework 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:
  - a) Risk management framework (i.e. principles, policies, strategies, process and controls) and to ensure that the same is being communicated throughout the Bank
  - b) Changes in the factors relevant to the projected strategy, business performance and capital adequacy
  - c) 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 regulatory guidelines published from 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 periodically monitor the action plans and corrective measures 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 and potential losses
- Reviewing and confirming orders/decisions about wilful defaulters
- Oversee the working of the Credit Risk & NPA Management Committee (CRNPAC) for Retail and Small & Mid Corporate, Asset and 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

The Chief Risk Officer (CRO) of the Bank reports directly to the Managing Director & CEO of the Bank. The CRO of the Bank oversees the risk management function and is responsible for developing and setting the risk management framework, developing and maintaining systems and processes to identify, approve, measure, monitor, control and report risks, developing risk controls and mitigation processes and ensuring adherence to the Risk Appetite established by the Board.

The CRO of the Bank is independent of the business lines and is actively involved in key decision-making processes. The CRO of the Bank has unfettered access to Board members & discusses with the RMCB Committee members without the presence of other executive management of the Bank.

The particulars of attendance of members at the committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the Risk Management Committee

S. No.	Name	Position
1	Mr. Mannil Venugopalan	Chairman
2	Mr. Raj Vikash Verma	Member
3	Ms. Jyoti Narang	Member
4	Mr. Sanjay Agarwal	Member
5	Mr. Narendra Ostawal	Member

### 3. Nomination and Remuneration Committee (NRC)

The NRC 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 Listing Regulations and is chaired by Independent director.

As on 31<sup>st</sup> March 2019, the NRC comprised 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 Listing Regulations.

The committee met six (6) times during the year under review on 25<sup>th</sup> April 2018, 06<sup>th</sup> August 2018, 30<sup>th</sup> August 2018, 13<sup>th</sup> October 2018, 22<sup>nd</sup> November 2018 and 17<sup>th</sup> January 2019.

The Board of Directors has formed and approved a charter for the NRC setting out the roles, responsibilities and functioning of the Committee. In addition to adherence to the provisions of the Companies Act, 2013 and Listing Regulations the terms of reference of NRC is covered by its Charter and its functioning broadly inter alia includes 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
- Forming criteria for determination of qualifications, positive attributes and independence of Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees which is reasonable and sufficient to attract, retain and motivate quality Directors required to run the Bank
- 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
- 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
- To carry out evaluation of every Director's and senior management performance of the Bank for every financial year
- 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 Compensation 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
  - Construing and interpreting the ESOP plans and any agreements defining the rights and obligations of 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 particulars of attendance of member at the Committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the NRC

S. No.	Name	Position
1	Mr. Krishan Kant Rathi	Chairman
2	Mr. Mannil Venugopalan	Member
3	Ms. Jyoti Narang	Member
4	Mr. Narendra Ostawal	Member

Chairman of NRC was present in the Annual General Meeting to answer shareholders' queries.

### Compensation Policy

On the recommendation of NRC, the Board of Directors of the Bank has formulated Compensation policy in terms of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, Regulation 19 of the Listing Regulations and Guidelines issued by RBI in this regard, from time to time and has repealed Director Appointment and Remuneration policy.

The policy is annually reviewed by the Board of Directors in addition to the other amendments that may be required in the policy during the year. The policy is hosted by the Bank on its website and can be accessed through the link at [www.aubank.in/au-notice-board](http://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 to sustain 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 [www.aubank.in/au-notice-board](http://www.aubank.in/au-notice-board)

### Performance Evaluation of Directors

The 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 completed in accordance with the relevant provisions of the Companies Act, 2013 read with relevant rules made thereunder and Listing Regulations and in compliance of guidance note issued by SEBI.

Performance evaluation is carried out on the basis of criteria and mechanism adopted by the Board of Directors as recommended by the NRC. The said evaluation is carried out on the basis of below parameters:

- Performance of Directors was evaluated on the basis of their qualifications, experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiatives undertaken, availability and attendance, commitment, contribution and integrity, leadership, value creation, governance, impartial approach and shareholders' interest
- Performance of the Board as a whole, including the structure of the Board, meetings of the Board, functions of the Board were reviewed and evaluated
- Evaluation of performance for Chairman, including qualifications, experience, knowledge and competency, fulfilment of functions, initiatives undertaken, attendance, contribution and integrity, effectiveness of leadership, impartial and shareholders' interest
- Performance evaluation of Committees include its mandate, composition and their effectiveness

The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings assigned against each parameter. The performance evaluation of Independent Directors of the Bank is carried out excluding the Director being evaluated, Board as a whole and its committees by the Board of Director of the Bank.

In view of the guidance note on the Board evaluation issued by the Securities and Exchange Board of India (SEBI) vide circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated

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

Details of remuneration paid to Executive Director is enumerated below:

		(in ₹)	
S. No.	Items	Mr. Sanjay Agarwal Remuneration (p.a.)	Mr. Uttam Tibrewal Remuneration (p.a.)
1	Salary	67,60,464	58,60,596
2	House rent allowance	33,80,232	29,30,304
3	Other allowances		
	(a) Special Allowance	67,23,858	58,24,002
	(b) Transport Allowance	19,200	19,200
	(c) Education Allowance	2,400	2,400
	(d) Medical Reimbursement	15,000	15,000
	<b>Total</b>	<b>1,69,01,154</b>	<b>1,46,51,502</b>
	<b>Perquisites</b>		
1	Free furnished house	Nil	Nil
2	Free use of the Bank's car		
	-Official purpose	Two cars with chauffeur for each	One car with chauffeur
	-Private use	-	-
	-Servant allowance	Reimbursement of servant expenses	-

5<sup>th</sup> January 2017 and Secretarial Standards issued by the Institute of Company Secretaries of India, Independent Directors of the Bank in their meeting:

- Reviewed the performance of Non-independent Directors and the Board as a whole
- Evaluated the performance of the Chairperson of the Bank, taking into account the views of Executive Directors and Non-executive Directors
- 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 performing duties of Executive Directors.

RBI vide its letter dated 21<sup>st</sup> February 2019 has approved the remuneration (fixed pay) 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 recommended by Nomination and Remuneration Committee to the Board, the Board if deems fit, approves the same and it is subject to shareholder's approval.

The remuneration paid to executive Directors were within the limits as approved by RBI.

(in ₹)

S. No.	Items	Mr. Sanjay Agarwal	Mr. Uttam Tibrewal
		Remuneration (p.a.)	Remuneration (p.a.)
3	Provident Fund/Gratuity/Pension -Provident Fund -Gratuity	As applicable to all employees of the Bank 23,670 3,25,176	As applicable to all employees of the Bank 23,670 2,81,892
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.

The Bank has not granted any Stock Options to any Directors of the Bank except for Mr. Uttam Tibrewal Whole Time Director of the Bank. Mr. Uttam Tibrewal, Whole Time Director of the Bank was granted 63,90,120 ESOPs under various Employee Stock Option Schemes of the Bank. Out of which 24,69,198 options have been vested and exercised till 31<sup>st</sup> March 2019. Further, 39,20,922 options remain unvested as on 31<sup>st</sup> March 2019.

He was granted 10,00,000 ESOPs under ESOP Scheme 2018 during the year at exercise price of ₹664 which are subject to RBI approval. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options and could extend up to six years from the date of Grant of such options subject to RBI approval. During the year 4,99,500 ESOPs under ESOP Scheme 2015 - Plan A & 6,18,577 ESOPs Under ESOP Scheme 2015 - Plan B were vested and exercised. He was granted 38,702 ESOPs under ESOP Scheme 2015 - Plan A and 10,18,758 ESOPs Under ESOP Scheme 2015 - Plan B during last financial year at exercise price of ₹10.11 and ₹33.37 each, respectively which are subject to RBI approval. Variable Pay for Mr. Sanjay Agarwal for FY 2017-18 and Mr. Uttam Tibrewal for performance for FY 2016-17 and FY 2017-18 is pending with RBI for its approval.

The 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 NRC on the basis of objective assessment of their performance and in consonance with RBI guidelines in the matter.

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 the form of sitting fees and profit linked commission.

In pursuance to the guidelines issued by RBI vide Circular No. DBR. No.BC.97/29.67.001/2014-15 dated 1st June 2015 on the Compensation of Non-executive Directors of Private Sector Banks so as to attract and retain professional Directors, it is essential that such Directors are appropriately compensated. Accordingly, in addition to sitting fees, the Bank also pays profit linked commission to the Non-executive Independent Directors.

The Bank pays sitting fees of ₹40,000 and ₹20,000 to Non-executive Directors for every Board and Committee meeting attended respectively. 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-linked commission.

### The details of sitting fees and profit linked commission paid to Non-executive Directors is mentioned as below:

Name of Director	Sitting Fees	Commission*	(in ₹)
			Total
Mr. Mannil Venugopalan	8,20,000	17,00,000	25,20,000
Mr. Krishan Kant Rathi	9,20,000	10,00,000	19,20,000
Ms. Jyoti Narang	7,60,000	10,00,000	17,60,000
Mr. Raj Vikash Verma	7,80,000	10,00,000	17,80,000

\*The payment of Profit Linked Commission pertaining to FY 2018-19 Directors is being released post finalisation of Annual Accounts for FY 2018-19 of the Bank.

#### 4. Stakeholders Relationship Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, 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 and others.

As on 31<sup>st</sup> March 2019 the composition of Stakeholders Relationship Committee comprised three (3) members and the Committee met four (4) times during the year under review on 26<sup>th</sup> April 2018, 06<sup>th</sup> August 2018, 29<sup>th</sup> October 2018 and 17<sup>th</sup> January 2019.

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 Listing Regulations. 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 all matters pertaining to Depositories for dematerialisation of shares of the Bank and other matters connected therewith
- To oversee the performance of the Registrar and Transfer Agent of the Bank and recommends measures for overall improvement in the quality of investor services
- 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

The Company Secretary acts as Secretary to the Committee.

The particulars of attendance of members at the committee meetings are given as Annexure A of Corporate Governance Report.

#### Composition of the Stakeholders Relationship Committee

S. No	Name	Position
1	Mr. Raj Vikash Verma	Chairman
2	Mr. Krishan Kant Rathi	Member
3	Mr. Sanjay Agarwal	Member

#### Investors Complaints

All shares of the Bank are in dematerialised form. The Bank has appointed Link Intime India Private Limited 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. The performance of the Registrar & Share Transfer Agent (RTA) is reviewed by the Stakeholders Relationship committee in every quarterly meeting.

#### Compliance Officer of the Bank

Mr. Manmohan Parnami, Company Secretary designated as compliance officer of the Bank.

During the year under review, complaints as stated below were received by the RTA for the period under review:

S. No	Name	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	NIL	NA	NA
2	Non-Receipt of Annual Report	1	1	NIL
3	Non-receipt of Refund/Credit of Shares - IPO	3	3	NIL
4	Non-receipt/Non-allotment of shares	1	1	NIL
5	SEBI Scores	4	4	NIL
<b>Total</b>		<b>9</b>	<b>9</b>	<b>NIL</b>

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

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

## 5. 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, governance framework and periodically review the Bank's IT policy. The Committee further identifies the risks affecting operations of the Bank and managing it through Risk Control Matrix, internal controls and ensuring that the management has sufficient resources for mitigation of IT and security related risks.

As on 31<sup>st</sup> March 2019 Composition of IT Strategy & Information Systems Security Committee comprised four (4) members. The committee met four (4) times during the year under review on 25<sup>th</sup> April 2018, 06<sup>th</sup> August 2018, 29<sup>th</sup> October 2018 and 16<sup>th</sup> January 2019.

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
- Evaluate the investments made into IT infrastructure to sustain the Bank's growth
- Implement IT governance infrastructure 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 particulars of attendance of members at the Committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the IT Strategy & Information Systems Security Committee

S. No	Name	Position
1	Mr. Krishan Kant Rathi	Chairman
2	Mr. Raj Vikash Verma	Member
3	Mr. Uttam Tibrewal	Member
4	Mr. Narendra Ostawal	Member

## 6. 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.

As on 31<sup>st</sup> March 2019 composition of Corporate Social Responsibility Committee comprised five (5) members. The committee met twice (2 times) during the year on 26<sup>th</sup> April 2018 and 29<sup>th</sup> October 2018.

The terms of reference of the committee which broadly 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 the Government of India, the Reserve Bank of India or by any other regulatory or statutory body

The particulars of attendance of members at the Committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the Corporate Social Responsibility Committee

S. No	Name	Position
1	Ms. Jyoti Narang	Chairperson
2	Mr. Mannil Venugopalan	Member
3	Mr. Krishan Kant Rathi	Member
4	Mr. Raj Vikash Verma	Member
5	Mr. Sanjay Agarwal	Member

Report on Corporate Social Responsibility is enclosed as Annexure II to the Board's Report.

## 7. 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 & 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.

As on 31<sup>st</sup> March 2019 composition of Customer Service committee comprised three (3) members and committee met four (4) times during the year under review on 25<sup>th</sup> April 2018, 06<sup>th</sup> August 2018, 29<sup>th</sup> October 2018 and 16<sup>th</sup> January 2019.

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)
- Evaluate 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
- Assess 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
- Review statement of complaints, along with an analysis of complaints
- Review the performance of 'Standing Committee for Customer Services' and other Sub Committees
- Benchmark review of turnaround time for key products offerings and monitoring improvement plans put in place

The particulars of attendance of members at the Committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the Customer Service Committee

S. No	Name	Position
1	Ms. Jyoti Narang	Chairperson
2	Mr. Mannil Venugopalan	Member
3	Mr. Sanjay Agarwal	Member

### 8. Review of Classification Of Wilful Defaulters Committee

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

As on 31<sup>st</sup> March 2019 Composition of Review of classification of Wilful Defaulter Committee comprised five (5) members and the committee met four (4) times during the year under review on 26<sup>th</sup> April 2018, 06<sup>th</sup> August 2018, 29<sup>th</sup> October 2018 and 16<sup>th</sup> January 2019.

The Committee responsibility inter alia includes review and examination of 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:

- To review and confirm the order of Wilful Defaulters Identification committee
- Identification of wilful defaulters based on thorough review and examination of the borrower, borrowing company and its Director/Whole-time Director
- Identification of critical 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.
- Technical knowledge of the staff and to share leading practices to early identify the wilful defaulters

The particulars of attendance of members at the Committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the Review of Wilful Defaulters Committee

S. No	Name	Position
1	Mr. Mannil Venugopalan	Chairperson
2	Mr. Raj Vikash Verma	Member
3	Mr. Krishan Kant Rathi	Member
4	Mr. Sanjay Agarwal	Member
5	Mr. Uttam Tibrewal	Member

### 9. Special Committee For Fraud Monitoring (SFMC)

Pursuant to the directives issued by the RBI, the Bank has set up and formed Special Committee for Fraud Monitoring (SFMC) 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.

As on 31<sup>st</sup> March 2019 Composition of Special Committee for Fraud Monitoring (SFMC) comprised five (5) members and the committee has met one (1) time during the year under review on 25<sup>th</sup> April 2018.

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 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 undertaken 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 fraud cases and staff side action, if required, is completed quickly without loss of time
- Put in place other measures to strengthen preventive measures against frauds

The particulars of attendance of members at the Committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the Special Committee for Fraud Monitoring

S. No	Name	Position
1	Mr. Mannil Venugopalan	Chairperson
2	Mr. Raj Vikash Verma	Member
3	Mr. Krishan Kant Rathi	Member
4	Mr. Sanjay Agarwal	Member
5	Mr. Uttam Tibrewal	Member

### 10. 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 for employees, 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 complaints received by the Bank including sexual harassment and enforce disciplinary action against the 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

As on 31<sup>st</sup> March 2019 Composition of Disciplinary Committee comprised five (5) members and the Committee has met two (2) times during the year under review on 25<sup>th</sup> April 2018 and 29<sup>th</sup> October 2018.

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.

The composition of the committee and particulars of attendance of members at the committee meeting are given as Annexure A of Corporate Governance Report.

### Composition of the Disciplinary Committee

S. No	Name	Position
1	Ms. Jyoti Narang	Chairperson
2	Mr. Krishan Kant Rathi	Member
3	Mr. Sanjay Agarwal	Member
4	Mr. Uttam Tibrewal	Member
5	Mr. Narendra Ostawal	Member

### 11. Management Committee

The Management Committee has been constituted to consider all matters of credit approvals including sanction of loans and advances, modifications in terms and conditions etc. The committee is also responsible for compliance of RBI directives on loans & advances and monitoring of credit proposals. The Committee is headed by an Independent Director who shall be chairman of the committee.

As on 31<sup>st</sup> March 2019 composition of Management Committee comprised three (3) members and committee has met one (1) time during the year under review on 17<sup>th</sup> January 2019.

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

- To approve credit facilities ₹50 crore & above to New Exposure/Loan to Existing Customers along with Existing facility.

- Proposals for credit facilities to the relatives of senior officers of the Bank sanctioned by the appropriate authority should be reported to the Board through Management Committee.
- Any company in which any of the relatives of any senior officer of the financing bank holds substantial interest or is interested as a director or as a guarantor, such transaction should also be reported to the Board through Management Committee.
- Sanction of proposals with exposure of more than ₹25 lakh to:
  - Any relative of the Chairman/Managing Directors or other Directors of the Bank
  - Any relative of the Chairman/Managing Director or other directors of other banks
  - Any firm in which any of the relatives as mentioned in (i) & (ii) above is interested as a partner or guarantor
  - Any company in which any of the relatives as mentioned in (i) & (ii) above hold substantial interest or is interested as a director or as a guarantor

The particulars of attendance of members at the Committee meetings are given as Annexure A of Corporate Governance Report.

### Composition of the Management Committee

S. No	Name	Position
1	Mr. Mannil Venugopalan	Chairman
4	Mr. Raj Vikash Verma	Member
5	Mr. Sanjay Agarwal	Member

## Annexure A

## Details of Attendance of members for Committee meetings held during FY 2018-19

Name of Members (Meeting Attended)

Name of Committee	Meeting Held For FY 2018-19	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	5	3
Risk Management Committee	4	4	4	4	NA	NA	4	2
Nomination and Remuneration Committee	6	6	6	NA	NA	6	NA	4
Stakeholders Relationship Committee	4	4	4	4	NA	NA	NA	2
IT Strategy & Information Systems Security Committee	4	NA	4	4	4	4	4	2
Corporate Social Responsibility Committee	2	2	2	2	NA	2	2	NA
Customer Service Committee	4	NA	NA	4	4	4	4	2
Review of classification of Wilful Defaulter	4	4	4	4	4	NA	4	NA
Special Committee for Fraud Monitoring (SFMC)	1	1	1	1	1	1	1	NA
Disciplinary Committee	2	NA	2	2	2	2	NA	2
Management Committee	1	1	NA	1	NA	NA	1	NA

**Audit Committee**

Mr. Narendra Ostawal ceased to be the member of the committee on 16<sup>th</sup> January 2019 and was re-appointed as a member of the committee w.e.f. 17<sup>th</sup> January 2019.

**Risk Management Committee**

Mr. Narendra Ostawal ceased to be the member of the committee on 16<sup>th</sup> January 2019 and was re-appointed as a member of the committee w.e.f. 17<sup>th</sup> January 2019.

Mr. Krishan Kant Rathi ceased to be a member of the committee w.e.f. 17<sup>th</sup> January 2019.

Ms. Jyoti Narang was appointed as a member of the committee w.e.f. 17<sup>th</sup> January 2019.

**Nomination & Remuneration Committee**

Mr. Narendra Ostawal ceased to be the member of the committee on 16<sup>th</sup> January 2019 and was re-appointed as a member of the committee w.e.f. 17<sup>th</sup> January 2019.

**Stakeholder Relationship Committee**

Mr. Narendra Ostawal ceased to be member of the committee w.e.f. 16<sup>th</sup> January 2019.

Mr. Mannil Venugopalan ceased to be a member and the chairman of the committee w.e.f. 17<sup>th</sup> January 2019.

Mr. Raj Vikash Verma was appointed as a member and the chairman of the committee w.e.f. 17<sup>th</sup> January 2019.

**IT Strategy & Information Systems Security Committee**

Mr. Narendra Ostawal ceased to be the member of the committee on 16<sup>th</sup> January 2019 and was re-appointed as a member of the committee w.e.f. 17<sup>th</sup> January 2019.

Mr. Sanjay Agarwal ceased to be a member of the committee w.e.f. 17<sup>th</sup> January 2019.

Ms. Jyoti Narang ceased to be a member of the committee w.e.f. 17<sup>th</sup> January 2019.

**Customer Service Committee**

Mr. Narendra Ostawal ceased to be a member of the committee w.e.f. 16<sup>th</sup> January 2019.

Mr. Raj Vikash Verma ceased to be a member of the committee w.e.f. 17<sup>th</sup> January 2019.

Mr. Uttam Tibrewal ceased to be a member of the committee w.e.f. 17<sup>th</sup> January 2019.

Mr. Mannil Venugopalan was appointed as a member of the committee w.e.f. 17<sup>th</sup> January 2019.

**Special Committee for Fraud Monitoring**

Ms. Jyoti Narang ceased to be a member of the committee w.e.f. 17<sup>th</sup> January 2019.

**Disciplinary Committee**

Mr. Narendra Ostawal ceased to be the member of the committee on 16<sup>th</sup> January 2019 and was re-appointed as a member of the committee w.e.f. 17<sup>th</sup> January 2019.

Mr. Krishan Kant Rathi ceased to be the Chairman of the committee w.e.f. 17<sup>th</sup> January 2019.

Ms. Jyoti Narang was appointed as the Chairman of the committee w.e.f. 17<sup>th</sup> January 2019.

## GENERAL SHAREHOLDER INFORMATION

### Financial Year - 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March 2019

The details of the location and time of the last three Annual General Meetings are given below:

Year	Date & Time	Venue	Special Resolutions Passed
2015-16	31 <sup>st</sup> August 2016 11.00 AM	Flexible Room, B-11-E, behind CEG Building Malviya Nagar, Industrial Area, Malviya Nagar, Jaipur - 302017	<ol style="list-style-type: none"> <li>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</li> <li>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;</li> <li>3. Alteration of Existing Articles of Association of the Company.</li> </ol>
2016-17	27 <sup>th</sup> September 2017 02:00 PM	Suryavanshi Mahal- Ground floor, ITC Rajputana Palace Road, Jaipur - 302006	<ol style="list-style-type: none"> <li>1. To confirm/ratify article no. 13(b) of Articles of association of Bank.</li> <li>2. To ratify Employee Stock Option scheme 2015 of AU Small Finance Bank Limited</li> <li>3. To ratify Employee Stock Option scheme 2016 of AU Small Finance Bank Limited</li> </ol>
2017-18	07 <sup>th</sup> August 2018 03:30 PM	Chancellor Hall, Hotel Holiday Inn, Sardar Patel Marg, 22 Godam Circle, C-Scheme, Jaipur-302001	<ol style="list-style-type: none"> <li>1. To authorise the Board to borrow money in excess of paid up capital, free reserves and securities premium of Bank u/s 180(1)(c) of the Companies Act, 2013</li> <li>2. To approve issue of securities/bonds/other permissible instruments, in one or more tranches</li> <li>3. To approve AU Small Finance Bank Limited Employee Stock Option Scheme 2018</li> </ol>

### Resolutions passed in the Extraordinary General Meeting (EGM) of the Bank held during the Financial Year 2018-19, by means of a Special Resolution

During the year under review, Extraordinary General Meeting of the Bank was held on 15<sup>th</sup> June 2018, wherein the approval of the Members was sought for the following matters, by means of a special resolution.

Year	Date & Time	Venue	Special Resolutions Passed
2018-19	15 <sup>th</sup> June 2018 04:00 PM	Bank house, Mile 0, Ajmer Road, Jaipur - 302001	Issuance of Equity shares and convertible warrants on preferential Basis

### POSTAL BALLOT

During the period under review, no special resolutions has been passed by the Bank through postal Ballot However, pursuant to the Provisions of Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the

Companies (Management and Administration) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, as amended from time to time the Bank has passed the following resolution as Ordinary Resolution through Postal Ballot on 20<sup>th</sup> October 2018.

### Agenda: To reclassify the status of existing Promoter's Group to Public Shareholders.

No. of Votes in favour	No. of Votes against	Percentage (%) of votes in favour	Percentage (%) of votes against
19,84,83,388	1760	99.9991	0.0009

CS Manoj Maheshwari, Practicing Company Secretary (Jaipur), was appointed as the scrutiniser for monitoring & scrutinising remote e-Voting and postal ballot process of the Bank.

None of the special resolution proposed to be passed in the AGM Notice requires to be conducted through postal ballot.

## PROCEDURE OF THE POSTAL BALLOT

The Postal Ballot procedure followed by the Bank is as stipulated under the provisions of Section 108 and Section 110 of the Companies Act, 2013 read with applicable Rules and Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Members are provided with the facility to cast their votes through electronic voting (e-Voting) or through postal ballot. The Board of Directors of the Bank appointed Scrutiniser for conducting the postal ballot voting process in a fair and transparent manner. The Scrutiniser submits his report to the Chairman or any other Director as authorised by the Board on this behalf after the completion of the scrutiny of the postal ballots (including e-Voting).

Considering the results, along with report of the Scrutiniser of the Postal Ballot the resolution is considered approved.

The necessary intimations as required under the applicable Listing regulations are submitted to the Stock Exchanges and post declarations of the results the same are displayed on website of the Bank & of Registrar and Share Transfer Agent and displayed at the Registered Office of the Bank.

## ANNUAL GENERAL MEETING

Annual General Meeting of the Bank is scheduled to be held on Friday, 26<sup>th</sup> July 2019 at Suryavanshi Mahal – Ground Floor, ITC Rajputana, Palace Road, Jaipur-302006, Rajasthan, India at 04:00 p.m.

## FINANCIAL YEAR

The Bank follows the financial year starting from 1<sup>st</sup> April to 31<sup>st</sup> March, every year.

## DATE OF BOOK CLOSURE

20<sup>th</sup> July 2019 to 26<sup>th</sup> July 2019 (both days inclusive)

## REGISTERED OFFICE OF BANK

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

## REGISTRAR AND SHARE TRANSFER AGENT & CONNECTIVITY

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

## DEBENTURE TRUSTEES

### IDBI Trusteeship Services Ltd.

Regd. Office: Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai 400001  
Phone: +91 22 40807000  
Fax: +91 22 66311776  
Email: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

### Catalyst Trusteeship Limited

Regd. Office: GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune 411038 IN  
Phone: +91 22-49220555  
Email: [compliancectl-mumbai@ctltrustee.com](mailto:compliancectl-mumbai@ctltrustee.com)

## DETAILS OF REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Limited  
C-101, 1<sup>st</sup> 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](http://www.linkintime.co.in)  
Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## CREDIT RATING DISCLOSURE

Below table covers the Credit Ratings of the Bank as on 31<sup>st</sup> March 2019

Nature of Debt Instrument	Nature of Term	India Ratings	CRISIL	ICRA	CARE
Non-Convertible Debentures	Long Term	AA-/Stable	AA-/Stable	AA-/Stable	-
Subordinated Debt/Tier II Bonds	Long Term	AA-/Stable	AA-/Stable	AA-/Stable	-
Bank Loans	Long Term	AA-/Stable	-	AA-/Stable	AA-/Stable
Certificate of Deposits	Short Term	A1+	A1+	-	-

During the year, credit rating of the Bank was upgraded by ICRA & CRISIL from A+/Positive to AA-/Stable, respectively.

### ADDRESS FOR CORRESPONDENCES

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

### LISTING ON STOCK EXCHANGE(S)

#### BSE Limited- SCRIP CODE: 540611

P J Towers, Dalal Street, Fort, Mumbai - 400001

#### 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.

### PLANT LOCATION

As the Bank is engaged in the business of banking/financial services, there is no plant location.

### 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 Listing Regulations, 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 to the Corporate Governance Report.

#### 2. Code of Conduct

The Bank has formulated and adopted Code of Conduct for Directors and the Senior Management Personnel of the Bank. A certificate issued by the Managing Director & CEO of the Bank confirming that all the Directors

and Senior Management Personnel of the Bank have complied with the said code is annexed to this report.

#### 3. Code of Conduct for Prohibition of Insider Trading

The Bank has formulated a code for the 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 and 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 from 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 Listing Regulations, 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 weblink of the Bank at [www.aubank.in/au-notice-board](http://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 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 and others 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 Listing Regulations.

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

## 8. SEBI (LODR) Regulations

During the period under review, the Bank has complied with all the mandatory requirements of Regulation 17 to 27 and has also complied with requirement of Schedule V of the Listing Regulations except for Regulation 24, which is not applicable to the Bank. Further, the Bank has also adopted certain voluntary compliance requirement as stipulated in Companies Act 2013, Listing Regulations and other act, rules, regulations and guidelines as applicable on the Bank.

The Bank has also complied with Regulation 46 of Listing Regulations.

## 9. Subsidiary Companies

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

## 10. Accounting Treatment

The 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, Banking Regulation Act, Guidelines issued by Reserve Bank of India and Listing Regulations.

## 11. Means of Communication

Bank publishes/announces duly reviewed financial results on quarterly basis at Stock Exchange(s) and a Press Release sent to leading media publications. 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 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 <https://www.aubank.in/investor-relations>

Documents like Notices of general meetings, Annual Reports, ECS advises for dividends, etc. are sent to the shareholders at their e-mail address, as registered with their Depository Participants/Company/Registrar & Share Transfer Agents (RTA). This helps prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

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. The 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](mailto:investorrelations@aubank.in) and for more information about the Bank, investors can visit the Bank's website at [www.aubank.in](http://www.aubank.in)

## 12. Utilisation of Funds

The fund raised during the year, through private placement of securities has been utilised to meet the

capital & business requirement while supporting the growth plans and for other general corporate purposes.

### 13. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

S. No	Particulars	Number
a.	Number of complaints filed during the financial year	1
b.	Number of complaints disposed of during the financial year	1
c.	Number of complaints pending as on the end of the financial year	NIL

### 15. Market Price Data

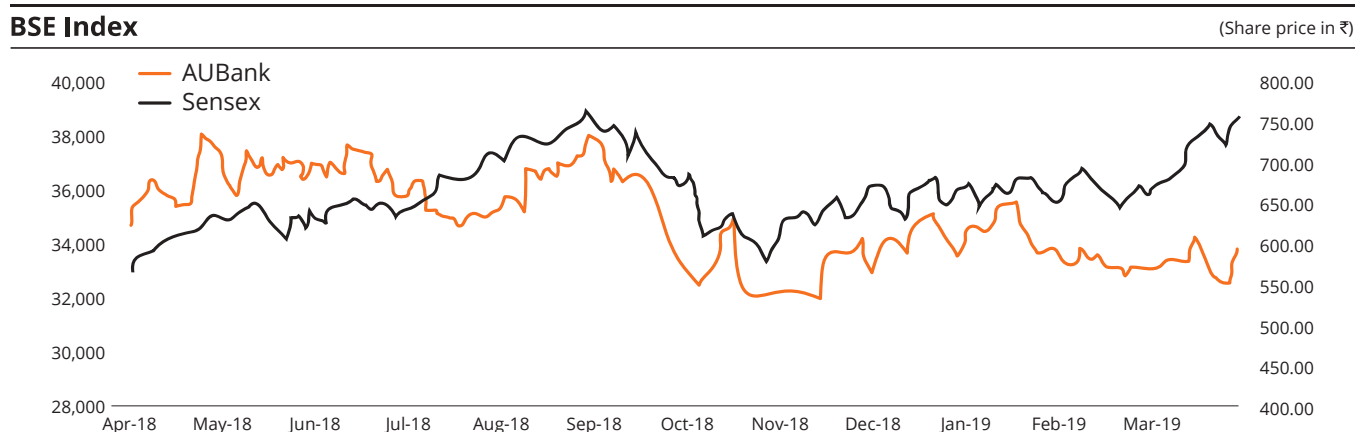
Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-18	748.40	615.00	58,60,079	746.95	615.00	5,23,227
May-18	733.00	651.25	26,98,559	731.95	653.80	2,40,452
Jun-18	734.35	650.00	38,81,055	733.60	651.00	5,50,865
Jul-18	693.10	612.05	2,05,03,499	695.15	612.55	60,20,667
Aug-18	745.00	638.00	1,51,06,737	745.00	638.75	2,95,74,809
Sep-18	735.85	545.05	82,89,566	734.65	546.30	8,45,603
Oct-18	639.95	500.50	1,10,62,391	643.65	502.00	12,90,544
Nov-18	612.40	520.00	87,20,659	610.00	502.00	2,78,630
Dec-18	652.90	566.00	94,90,404	650.90	566.00	3,39,736
Jan-19	668.95	572.10	82,54,601	667.15	574.70	4,07,854
Feb-19	609.85	558.00	27,23,867	608.95	560.00	1,39,221
Mar-19	628.25	541.25	96,29,813	627.00	542.75	5,85,315

### 14. Dividend Payment

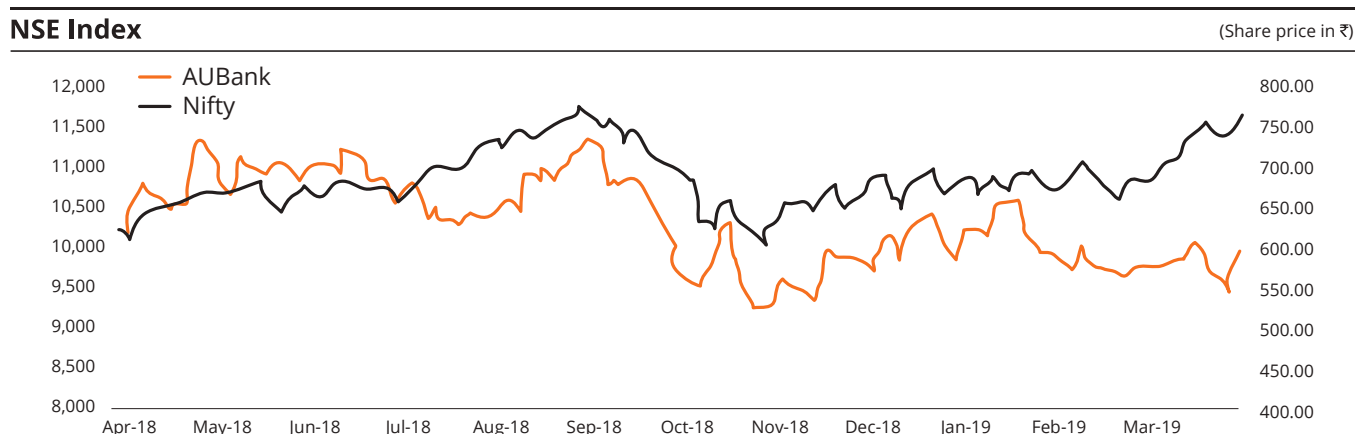
The Board of Directors of the Bank at its meeting held on 22<sup>nd</sup> April 2019 recommended dividend of ₹0.75/- per equity shares on face value of ₹10 per equity shares subject to approval of members of the Bank in the 24<sup>th</sup> Annual General Meeting scheduled on 26<sup>th</sup> July, 2019. The payment period of dividend if approved by members will commence from 27<sup>th</sup> July 2019 and will be completed by 25<sup>th</sup> August 2019.

## COMPARISON TO BROAD -BASED INDICES

### AUBANK relative to S&P BSE SENSEX



### AUBANK relative to NIFTY



## Distribution of Shareholding as on 31<sup>st</sup> March 2019

Distribution of shareholding based on nominal value (₹) as on 31<sup>st</sup> March 2019

S. No	Category (No. of Shares)	Number of shareholders	% of total	Total shares	Share amount (₹)	% of total share amount
1	1 to 5,000	83,931	96.21	63,70,304	6,37,03,040	2.18
2	5,001 to 10,000	1,662	1.90	11,80,126	1,18,01,260	0.40
3	10,001 to 20,000	651	0.75	9,28,156	92,81,560	0.32
4	20,001 to 30,000	222	0.25	5,48,361	54,83,610	0.19
5	30,001 to 40,000	107	0.12	3,73,628	37,36,280	0.13
6	40,001 to 50,000	73	0.08	3,32,556	33,25,560	0.11
7	50,001 to 1,00,000	183	0.21	13,30,873	1,33,08,730	0.46
8	1,00,001 & above	420	0.48	28,12,93,482	2,81,29,34,820	96.21
<b>Total</b>		<b>87,249</b>	<b>100.00</b>	<b>29,23,57,486</b>	<b>2,92,35,74,860</b>	<b>100.00</b>

## Categories of Shareholders as on 31<sup>st</sup> March 2019

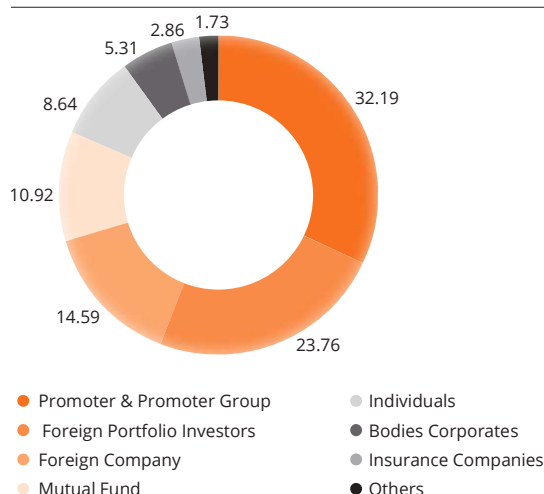
Particulars	No. of Shares	%
<b>I Promoters &amp; Promoter Group</b>		
Sanjay Agarwal	5,67,66,359	19.42%
Shakuntala Agarwal	1,18,20,430	4.04%
Jyoti Agarwal	1,18,18,560	4.04%
Chiranjil Lal Agarwal	68,29,321	2.34%
MYS Holdings Private Limited	68,83,722	2.35%
<b>II Other Institution</b>		
Mutual Fund	3,19,39,498	10.92%
Financial Institutions/Bank	86,828	0.03%
Insurance Companies	83,50,272	2.86%
Foreign Portfolio Investors	6,94,59,585	23.76%
<b>III Other Non-Institution</b>		
Body Corporates	1,55,31,829	5.31%
<b>IV Individuals</b>		
(i) Individuals holding nominal share capital upto 2 lakh	1,02,07,799	3.49%
(ii) Individuals holding nominal share capital in excess of 2 lakh	1,50,56,625	5.15%
<b>V Trusts</b>	16,272	0.01%
<b>VI Non Resident Indians (Non Repat)</b>	17,10,130	0.58%
<b>Non Resident Indians (Repat)</b>	5,15,444	0.18%
<b>VII Hindu Undivided Family</b>	4,61,334	0.16%
<b>VIII Clearing Members</b>	4,39,238	0.15%
<b>IX Foreign Nationals</b>	4,26,41,879	14.59%
<b>X Alternative Investment Fund</b>	17,65,547	0.60%
<b>XI NBFCs registered with RBI</b>	56,814	0.02%
<b>Total</b>	<b>29,23,57,486</b>	<b>100%</b>

## List of Shareholders holding more than 1% share in the Bank as on 31<sup>st</sup> March 2019

S. No	Name	No. of Shares	% of Shares
	<b>Promoters and Promoter Group</b>		
1	Sanjay Agarwal	5,67,66,359	19.42%
2	Shakuntala Agarwal	1,18,20,430	4.04%
3	Jyoti Agarwal	1,18,18,560	4.04%
4	Chiranjil Lal Agarwal	68,29,321	2.34%
5	MYS Holdings Private Limited	68,83,722	2.35%
	<b>Others</b>		
6	Redwood Investment Ltd	2,09,70,794	7.17%
7	Nomura India Investment Fund Mother Fund	1,05,15,631	3.60%
8	Kotak Standard Multicap Fund	1,00,98,256	3.45%
9	SBI Equity Hybrid Fund	1,00,17,785	3.43%
10	Labh Investments Limited	80,87,530	2.77%
11	Ourea Holdings Limited	79,04,427	2.70%
12	Amansa Holdings Private Limited	66,04,110	2.26%
13	International Finance Corporation	56,79,128	1.94%
14	Steadview Capital Mauritius Limited	49,04,244	1.68%
15	HDFC Life Insurance Company Limited	47,08,600	1.61%
16	Motilal Oswal Multicap 35 Fund	46,25,885	1.58%
17	SBI Life Insurance Co. Ltd	44,50,365	1.52%
18	Camas Investments Pte. Ltd.	43,30,441	1.48%
19	Uttam Tibrewal	35,44,673	1.21%
20	Nomura Funds Ireland Public Limited Company- Nomura Funds Ireland - India Equity Fund	33,26,369	1.14%
21	Motilal Oswal Securities Ltd.	32,93,315	1.13%

## Shareholding pattern

(%)



## 16. 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 Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.

## 17. Dematerialisation of Shares

All shares of the Bank are held in dematerialised form.

## 23. Status of Compliance of Discretionary Requirements

S. 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 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 MD & CEO.
3	The Internal Auditor may report directly to the Audit Committee	The Internal Auditor (Chief Audit Officer) report directly to the Audit Committee.

## 18. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

During FY 2018-19, the Bank does not have any outstanding GDRs/ADRs warrants that were due for conversion or any other Convertible instruments having an impact on the equity of the Bank.

## 19. Commodity price risk or foreign exchange risk and hedging activities

During FY 2018-19, 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. Bank is operating in India and is not directly exposed to foreign exchange risk and hedging activities.

## 20. Recommendations of the Committees

No instances have been observed where the Board has not accepted recommendations of any of the Board committee(s).

## 21. Fees paid to Statutory Auditors

Total fees for services of Statutory Auditors is Rupees One crore.

## 22. Certificate from Company Secretary in Practice

The Bank has received certificate from V.M. & Associates, Practicing Company Secretary, Jaipur that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such authority.