

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
AU Small Finance Bank Limited
 19-A, Dhuleshwar Garden
 Jaipur – 302 001 (Rajasthan)

1. We have examined the compliance of conditions of Corporate Governance of AU Small Finance Bank Limited ("the Bank") for the year ended on March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations"].

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Bank, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
4. We have examined the relevant records and documents maintained by the Bank for the

purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Bank.

5. We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India ("ICSI").

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
7. We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Restriction on use

8. The certificate is addressed and provided to the members of the Bank solely for the purpose to enable the Bank to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Jaipur

Date: 29th April 2021
 UDIN: F003355C000208661

For V. M. & Associates
 Company Secretaries
 (ICSI Unique Code P1984RJ039200)
 PR 581 / 2019

Sd/-
CS Manoj Maheshwari
 Partner
 Membership No.: FCS3355
 C P No.: 1971

Annexure I

REPORT ON CORPORATE GOVERNANCE

Corporate Governance in Banking Sector

Banking and financial institutions provide the necessary architecture for facilitating economic growth and development of a country which is positively correlated with the sound functioning of its Banking & financial services sector. With the growing size and complexity of India's financial system, the significance of effective Corporate Governance practices is essential for achieving and maintaining the public's trust in the banking system. Banks have been entrusted with a greater responsibility to conduct their operations in a manner keeping controls and governance measures at highest level that alleviate and minimise the risks of likely failures that may result in serious systemic issues for the Banking system and economy at large.

Philosophy on Corporate Governance

AU Small Finance Bank Limited ("the Bank") is committed to achieve the highest standards of Corporate Governance by maintaining the right balance between values such as fair and timely disclosures, credibility, accountability, sustainability, and transparency. Bank's efforts are aimed at maximising the value for the stakeholders while carrying out its operations in well governed manner.

The Board of Directors of the Bank has adopted a Code of Conduct for its Directors and Senior Management Personnel, and also adopted Code of Conduct for employees.

AU Bank Governance Ecosystem

The Board of Directors of the Bank ("the Board") has a comprehensive responsibility of approving and overseeing management's implementation of the bank's strategic objectives, governance framework, and compliance culture.

Over the years, Bank has strengthened its governance practices and placed greater emphasis on the empowerment, integrity, and safety of its employees. The values of diversity and transparency are practiced in all its dealings to show accountability towards all the stakeholders. It is a firm conviction of the Bank that good Corporate Governance practices are powerful enablers that can attract and retain Financial and Human Capital.

Your Board deeply believes and adhere to the following principles which are considered as the essential elements of good corporate governance:

- Well-structured Board and Committees capable of taking independent and objective decisions
- Ensuring compliance with all applicable laws and regulations
- Maintaining transparency and fair disclosure
- Integrity and Business ethics at all levels
- Equitable treatment of all Stakeholders
- Timely and adequate disclosure of material information to all stakeholders
- Avoidance of Conflict of Interest

Board of Directors ("the Board")

The Board of the Bank is duly constituted with an optimal mix of Independent, Non-Executive, and Executive Directors with a majority of the Board members comprising of Independent Directors ("IDs") to maintain its independence and separate its functions of governance and management. The Board consists of professionals having diversified knowledge, varied background, and vast experience that enables it to delegate responsibilities effectively.

The composition of the Board conforms with the Banking Regulation Act 1949, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the relevant rules made thereunder.

As of the date of this report, the Board has eight (8) Directors with six (6) Independent Directors including a woman Independent Director, and two (2) Executive Directors.

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 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. In terms of the Companies (Appointment and Qualification of Directors) Rules 2014, all the Independent Directors of the Bank have completed their registration on Independent Director's databank and the required Independent Directors have completed passing of the online proficiency self-assessment test, as applicable to them within the timeline prescribed under the said rules.

The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance of the provisions of the Act/RBI guidelines and details of appointment/ re-appointment/ cessation of Directors during the year under review are covered in Board's Report of this Annual Report.

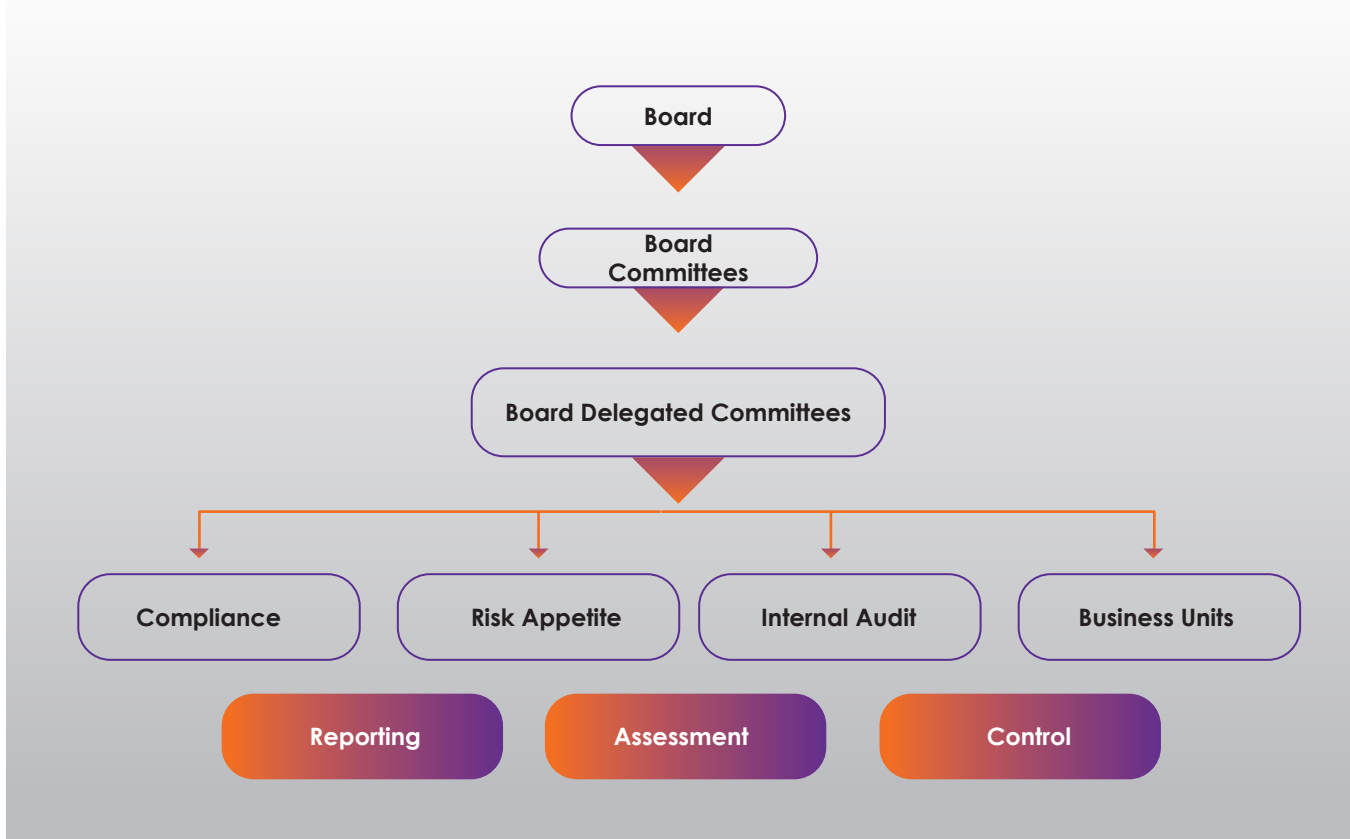
Key Skills/ Expertise/ Competence of Board

The Bank in compliance of Section 10A (2) of the Banking Regulation Act 1949 read with RBI Notification dated 24th November 2016 identified below skills/expertise/competencies required to be possessed by the Board of Director(s), in the context of its business(es) and the sector(s), for it to function effectively:

1. Accountancy
2. Agriculture and Rural Economy,
3. Banking,
4. Co-operation,
5. Economics,
6. Finance,
7. Law,
8. Small-scale industry,
9. Information Technology,
10. Payment and settlement systems,
11. Human Resources,
12. Risk Management,
13. Business Management,

Apart from the above, the Bank also identified Customer Service, Treasury, Financial Inclusion and Rural Banking as areas of specialised knowledge and practical experience which in the opinion of the Board would be useful for the banking company.

Governance Structure



The brief description of the Board of Directors of the Bank including skills and domain expertise are given below:

Mr. Raj Vikash Verma



Part-time Chairman
(Independent Director)

Nationality	Indian
Age	66
Qualification	MA (Economics), MBA (Finance) & CAIIB
Date of Appointment in Current Term	30 th January 2021
Term of Directorship	For a term of three years
No. of Equity Shares held	NIL
Directorship in other companies	4
Committee position in other Public companies	
Chairman	Nil
Member	Nil
Directorship in other listed entities (Category of Directorship)	NIL
Areas of Expertise	Banking, Economics, Finance, Risk Management and Business Management

Profile Link

<https://www.aubank.in/about-us/board-of-directors>

Mr. Krishan Kant Rathi



Independent Director

Nationality	Indian
Age	59
Qualification	CA, CS, B.Com (Hons.)
Date of Appointment in Current Term	30 th March 2020
Term of Directorship	For a term of three years
No. of Equity Shares held	83,289
Directorship in other companies	8
Committee position in other Public companies	
Chairman	Nil
Member	2
Directorship in other listed entities (Category of Directorship)	Future Consumer Limited (Non-Executive Director)
Areas of Expertise	Accountancy, Banking, Economics, Finance, Law, Risk Management and Business Management

Profile Link

<https://www.aubank.in/about-us/board-of-directors>

Ms. Jyoti Narang



Independent Director

Nationality	Indian
Age	63
Qualification	BA (Economics), MBA (Finance), Advanced Management Programme - Harvard Business School
Date of Appointment in Current Term	30 th March 2020
Term of Directorship	For a term of three years
No. of Equity Shares held	5,237
Directorship in other companies	4
Committee position in other Public companies	
Chairman	Nil
Member	1
Directorship in other listed entities (Category of Directorship)	NIL
Areas of Expertise	Banking, Economics, Finance, Human Resource, Business Management and Customer Service

Profile Link

<https://www.aubank.in/about-us/board-of-directors>

Mr. V G Kannan



Independent Director

Nationality	Indian
Age	64
Qualification	MBA, CAIIB, Organizational Leadership Change Program, Wharton Business School
Date of Appointment in Current Term	22 nd January 2020
Term of Directorship	For a term of three years
No. of Equity Shares held	100
Directorship in other companies	3
Committee position in other Public companies	
Chairman	Nil
Member	Nil
Directorship in other listed entities (Category of Directorship)	Nil
Areas of Expertise	Agriculture and Rural Economy, Banking, Co-operation, Economics, Finance, Small scale Industry, Risk Management, Business Management and Treasury

Profile Link

<https://www.aubank.in/about-us/board-of-directors>

Mr. Pushpinder Singh

Independent Director

Nationality	Indian
Age	67
Qualification	B.SC, CAIIB
Date of Appointment in Current Term	21 st October 2019
Term of Directorship	For a term of three years
No. of Equity Shares held	100
Directorship in other companies	Nil
Committee position in other Public companies	
Chairman	Nil
Member	Nil
Directorship in other listed entities (Category of Directorship)	Nil
Areas of Expertise	Banking, Information Technology, Payment and Settlement System and Business Management

Profile Link
<https://www.aubank.in/about-us/board-of-directors>
Mr. M S Sriram

Independent Director

Nationality	Indian
Age	59
Qualification	Graduate from IRMA, Fellow – IIMB
Date of Appointment in Current Term	21 st October 2019
Term of Directorship	For a term of three years
No. of Equity Shares held	Nil
Directorship in other companies	4
Committee position in other Public companies	
Chairman	Nil
Member	1
Directorship in other listed entities (Category of Directorship)	NIL
Areas of Expertise	Agriculture and Rural Economy, Banking, Co-operation, Economics, Finance, Business Management, Financial Inclusion and Rural Banking

Profile Link
<https://www.aubank.in/about-us/board-of-directors>
Mr. Sanjay Agarwal

Promoter - Managing Director & CEO (Executive)

Nationality	Indian
Age	50
Qualification	B. Com, CA
Date of Appointment in Current Term	19 th April 2020
Term of Directorship	For a term of three years
No. of Equity Shares held	5,67,66,359
Directorship in other companies	Nil
Committee position in other Public companies	
Chairman	Nil
Member	Nil
Directorship in other listed entities (Category of Directorship)	Nil
Areas of Expertise	Accountancy, Agriculture and Rural economy, Banking, Economics, Finance, Small scale Industry, Human Resource, Risk Management and Business Management

Profile Link
<https://www.aubank.in/about-us/board-of-directors>
Mr. Uttam Tibrewal

Whole Time Director (Executive)

Nationality	Indian
Age	50
Qualification	B. Com
Date of Appointment in Current Term	19 th April 2020
Term of Directorship	For a term of three years
No. of Equity Shares held	49,08,135
Directorship in other companies	Nil
Committee position in other Public companies	
Chairman	Nil
Member	Nil
Directorship in other listed entities (Category of Directorship)	Nil
Areas of Expertise	Accountancy, Agriculture and Rural economy, Banking, Finance, Small scale Industry, Risk Management and Business Management

Profile Link
<https://www.aubank.in/about-us/board-of-directors>

The areas of expertise mentioned in the above table provides skills/expertise/competencies as required to be possessed by the Board of Directors, in the context of its business(es) and the sector(s), for it to function effectively.

Notes:

- i) Mr. Raj Vikash Verma has been designated as Part-Time Chairman (Independent director) (Non-Executive) of the Bank w.e.f. 8th April 2020 in terms of approval received from RBI and the same has been duly approved by the shareholders. Further, RBI has approved his tenure for another period of 2 years from 8th April 2021 & the same has been duly approved by the shareholders.
- ii) Mr. Sanjay Agarwal – MD & CEO, Re-appointment for second term has been approved by the RBI vide its communication dated 8th April 2020 to be effective from 19th April 2020 for a period of 3 years.
- iii) Mr. Uttam Tibrewal - WTD, Re-appointment for second term has been approved by the RBI vide its communication dated 8th April 2020 to be effective from 19th April 2020 for a period of 3 years.
- iv) None of the Directors on the Board hold directorship in more than 10 Public Limited Companies and not exceeding 20 companies in compliance with the requirement of Companies Act 2013.
- v) None of the Independent Director serves as an Independent Director on more than Seven Listed Companies.
- vi) None of the Directors of the Bank are member of more than 10 committees or acted as a chairman of more than 5 committees across Public Limited Companies in which they hold directorship.
- vii) Audit Committee and Stakeholders Relationship Committee have been considered above for Committee Chairmanship and membership.
- viii) None of the Directors are related with each other.
- ix) Necessary disclosures regarding Committee positions in other public companies as on 31st March 2021 have been made by the Directors.
- x) Independent Directors confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.
- xi) None of the Director belong to promoters and promoter group except Mr. Sanjay Agarwal.
- xii) None of the Non-Executive Directors hold any convertible instruments of the Bank.

Board and Committee Meetings

The Board meets at regular intervals to take strategic and business decisions considering matters referred to under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A of Schedule II and matters covered under the Calendar of Reviews. The discussion among Board members is held in detail wherein Board/Committees spend 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 / Committee Meetings are pre-scheduled and the notice is circulated to the Directors well in advance to allow them to plan their schedule and to ensure better participation in the meetings. However, in case of a special and urgent business need, the Bank exceptionally convene meetings physically or through electronic means on shorter notice in the presence of at least one independent director.

The Board Meetings of the Bank are organised by giving apposite notice, agenda papers, and other explanatory notes/presentation/relevant information

to each of the directors of the Bank in compliance of applicable requirement under Secretarial Standard - I (SS-I). At least one meeting is held every quarter, to review the quarterly performance of the Bank. The Senior management including Head of various departments are invited to attend the Board/ committee meetings to present specific details as desired by the Board for its deliberation and decision.

Board Meeting Attendance

During the period under review the Board of the Directors of the Bank met Eleven (11) times on 2nd May 2020, 30th May 2020, 23rd July 2020, 5th September 2020[#], 24th October 2020, 28th October 2020, 15th December 2020, 28th January 2021, 27th February 2021, 12th March 2021 and 27th March 2021.

The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present for all the meetings of the Board held during FY 2020-21.

Details of the Directors' attendance at Board meetings held during FY 2020-21 and at Annual General Meeting are as under:

Name of Director	Board Meeting		Whether attended last AGM held via VC on 21 st July 2020
	Held during the tenure	Attended	
Mr. Raj Vikash Verma	11	11	✓
Mr. Krishan Kant Rath	11	11	✓
Ms. Jyoti Narang	11	11	✓
Mr. M S Sriram	11	11	✓
Mr. Pushpinder Singh	11	11	✓
Mr. V G Kannan	11	11	✓
*Mr. Narendra Ostawal	6	6	✓
Mr. Sanjay Agarwal	11	11	✓
Mr. Uttam Tibrewal	11	10	✓

*Mr. Narendra Ostawal ceased to be Non-Executive Director of the Bank on 28th October 2020 (Close of Business hours)

#The Board Meeting was adjourned to 9th September 2020.

The role and the composition of Board Committees as of 31st March 2021 are as follows:

1. Audit Committee

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> • Section 177 of the Companies Act 2013 • Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 • Board Approved Charter of the Audit Committee. 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> • 02nd May 2020 • 23rd July 2020 • 28th October 2020 • 28th January 2021 <p>The time gap between any two meetings were less than 120 days.</p>	<p>Mr. Krishan Kant Rathi (Chairman)</p> <p>Ms. Jyoti Narang</p> <p>Mr. M S Sriram</p> <p>Mr. V G Kannan</p> <p>The Chairman of the Audit Committee was present in Annual General Meeting to answer the queries to the shareholders.</p>

Terms of Reference

The terms of reference of the Audit Committee, inter-alia, include:

- Review and approve the nature and scope of the internal audit function and ensure it has adequate resources that are appropriate to access the information to perform its function effectively.
- Monitor reporting of issues identified by internal auditors to the management and ensure that corrective actions are being undertaken in a timely manner.
- Consider major findings of internal quarterly, semi-annual and annual audit reviews, LFAR and management's response; 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, 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 section 134 (3)(c) 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.
 - h) oversight of the financial reporting process and the disclosure of its financial information and other terms of reference covered under the part C of scheduled II of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
 - i) scrutiny of inter-corporate loans and investment.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

2. Risk Management Committee

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> RBI Guidelines on Risk Management System Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Board Approved Charter of the Risk Management Committee. 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 27th October 2020 25th January 2021 	<p>Mr. V G Kannan (Chairman)</p> <p>Mr. Krishan Kant Rathi</p> <p>Ms. Jyoti Narang</p> <p>Mr. M S Sriram</p> <p>The Chief Risk Officer has unfettered access to Risk Management Committee.</p>

Terms of Reference

The terms of reference of the Risk Management Committee, inter-alia, include:

- Review, approve/recommend, periodically update of internal/ external policies, regulatory guidelines, 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.
- Review reports from management concerning:
 - Risk management framework (i.e., principles, policies, strategies, process, and controls) and to ensure that the same is being communicated throughout the Bank.
 - Changes in the factors relevant to the projected strategy, business performance and capital adequacy.
 - Implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and all other major initiatives.
- Review reports from management concerning changes in the factors relevant to the projected strategy, business performance or capital adequacy.
- Review reports from management concerning implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives to monitor them.
- 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 and capital adequacy computation with an understanding of methodology.
- 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 exception of risk management as well as fraud and potential losses.
- Oversee the working of the Credit Risk & NPA Management Committee (CRNPAC), Operational Risk Management Committee, Information Security Risk Management Committee and Asset & Liability Management Committee (ALCO).
- Review and ensure that all systems are being implemented in the Bank with adequate security controls and detailed succession and management continuity plan for key positions.

3. Nomination and Remuneration Committee (NRC)

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Section 178 of the Companies Act, 2013 Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Board Approved Charter of the NRC. 	<p>The Committee met 8 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 4th September 2020 25th September 2020 24th October 2020* 11th December 2020 27th January 2021 27th March 2021 	<p>Mr. M S Sriram (Chairman)</p> <p>Mr. Krishan Kant Rathi</p> <p>Ms. Jyoti Narang</p> <p>The Chairman of the NRC was present in Annual General Meeting to answer the queries to the shareholders.</p>

*The meeting was adjourned to 27th October 2020.

Terms of Reference

The terms of reference of the NRC, inter-alia, include:

- Identifying persons who are qualified to become directors and senior management in accordance with the criteria laid down, evaluation thereof and recommend to the Board their appointment and removal.
- Formulation of criteria for determination of qualifications, positive attributes and independence of Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.
- Devising a policy on diversity of Board of Directors detailed succession and management continuity plan for key positions.
- Conduct appropriate due diligence and scrutinize the declarations made by probable candidates at the time of appointment/re-appointment of Directors, 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, Key Management Personnel and Senior Management Personnel, ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Review and oversee the Employee Benefits' programme of the Bank, including deferred benefits plans and retirement plans.
- Perform such functions as are required to be performed under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:
 - Administering, Determining the eligibility of employees, Granting options to eligible employees the ESOP plans.
 - Determining the number of options to be granted and exercise price to an employee.
 - Construing and interpreting the ESOP plans and any agreements defining the rights and obligations and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP plans.

4. Stakeholders Relationship Committee (SRC)

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Section 178(5) of the Companies Act 2013 Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Board Approved Charter of the SRC. 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 27th October 2020 26th January 2021 	<p>Mr. Raj Vikash Verma (Chairman)</p> <p>Mr. Krishan Kant Rathi</p> <p>Mr. Uttam Tibrewal</p> <p>The Chairman of the SRC was present in Annual General Meeting to answer the queries to the shareholders</p>

Terms of Reference

The terms of reference of the SRC, inter-alia, include:

- Redressal of Grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of Annual Report and Non-receipt of declared dividends.
- Review and address all matters pertaining to Depositories for dematerialisation of shares, performance of the Registrar and Transfer Agent including appointment and other matters connected therewith.
- Change in any correspondence details of the shareholder(s).
- Develop and recommend improvements in the investor services initiatives undertaken by the Bank.
- Monitor the shareholding structure of the Bank, including foreign holding in terms of FDI policy.

5. Corporate Social Responsibility (CSR) Committee

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Section 135 of the Companies Act 2013 Companies (Corporate Social Responsibility Policy) Rules 2014 Board Approved Charter of the CSR Committee. 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 26th Oct 2020 27th February 2021 27th March 2021 	<p>Mr. Krishan Kant Rathi (Chairman)</p> <p>Mr. M S Sriram</p> <p>Ms. Jyoti Narang</p> <p>Mr. Pushpinder Singh</p> <p>Mr. Sanjay Agarwal</p>

Terms of Reference

The terms of reference of the CSR Committee, inter-alia, include:

- Formulate and recommend to the Board 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.
- To analyse and design the CSR strategy and annual action plan.
- Recommend the amount of expenditure to be incurred in the activities provided under the CSR policy in compliance of applicable rules and regulations.
- Monitor the implementation and effectiveness of the CSR policy from time to time.

6. IT Strategy and Information Systems Security Committee

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> RBI Guidelines on Information security, Electronic Banking, Technology Risk Management and cyber security. Board Approved Charter of the IT Strategy and Information Systems Security Committee. 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 26th October 2020 27th January 2021 	<p>Mr. Pushpinder Singh (Chairman)</p> <p>Mr. Raj Vikash Verma</p> <p>Mr. V G Kannan</p> <p>Mr. Sanjay Agarwal</p>

Terms of Reference

The terms of reference of the IT Strategy and Information Systems Security Committee, inter-alia, include:

- Review the IT and Digital 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.
- Ensure the IT risks and controls are documented and covered and risk mitigation and monitoring initiative are taken.
- Review IT security incidents and corrective action plans.

7. Customer Service Committee (CSC)

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Master Circular of RBI on Customer Service in Banks Board Approved Charter of the CSC 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 27th October 2020 27th January 2021 	<p>Ms. Jyoti Narang (Chairperson)</p> <p>Mr. M S Sriram</p> <p>Mr. V G Kannan</p> <p>Mr. Pushpinder Singh</p> <p>Mr. Uttam Tibrewal</p>

Terms of Reference

The terms of reference of the CSC, inter-alia, include:

- Evaluate the trend analysis of customer complaints by product categories/channels/BCs and monitor improvement plans.
- Review and approve comprehensive Deposit Policy and statement of complaints, along with an analysis of complaints.
- 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 the performance of 'Standing Committee for Customer Services' and other Sub Committees.
- Benchmark review of turnaround time for key product offerings and monitoring improvement plans put in place.
- Review the effectiveness of grievance redressal mechanism within the Bank for redressing complaints received about services rendered by Business Correspondents (BC).

8. Review of Classification of Wilful Defaulters Committee

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Master Circular of RBI on Wilful Defaulters Board Approved Charter of the Review of Classification of Wilful Defaulters Committee. 	<p>The Committee met 5 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 24th August 2020 26th October 2020 26th January 2021 	<p>Mr. Raj Vikash Verma (Chairman)</p> <p>Mr. Krishan Kant Rathi</p> <p>Mr. V G Kannan</p> <p>Mr. Sanjay Agarwal</p>

Terms of Reference

The terms of reference of the Review of Classification of Wilful Defaulters Committee, inter-alia, include:

- To review and confirm the order of Wilful Defaulters Identification committee.
- Monitor that the borrower is given necessary opportunity to put forth their cases before classifying them under wilful defaulters.
- Review the wilful defaulter's status of the Bank in a periodic manner and highlight unfavorable trends.
- Monitor the progress of the agreed action plans in co-ordination with Collection department and suggest remedial actions for unresolved issues and unattended actions.

9. Special Committee on Fraud Monitoring (SFMC)

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Master Circular of RBI on Frauds - Classification and Reporting Board Approved Charter of the SFMC 	<p>As committee is required to meet for fraud case monitoring of ₹1 crore and above only. No such case was reported for the period under review; hence, no meeting was held during the financial year under review.</p>	<p>Mr. Raj Vikash Verma (Chairman)</p> <p>Mr. Pushpinder Singh</p> <p>Mr. V G Kannan</p> <p>Mr. M S Sriram</p> <p>Mr. Sanjay Agarwal</p>

Terms of Reference

The terms of reference of the SFMC, inter-alia, include:

- 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 and 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, put in place other measures to strengthen preventive measures against frauds.

10. Disciplinary Committee (DC)

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> RBI circular on Sexual Harassment at Workplace RBI Circular(s) issued on Whistle-Blower policy from time to time The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 Board Approved Charter of the DC 	<p>The Committee met 2 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 27th October 2020 	<p>Ms. Jyoti Narang (Chairman)</p> <p>Mr. M S Sriram</p> <p>Mr. Pushpinder Singh</p> <p>Mr. Uttam Tibrewal</p>

Terms of Reference

The terms of reference of the Disciplinary Committee, inter-alia, include:

- Approve the policy on Code of Conduct for employees, Whistle Blower policy and Vigil Mechanism and Prevention and Redressal against Sexual Harassment Policy, 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 in the matter.
- Taking appropriate remedial measures to respond to any substantiated allegations of a complaint (sexual harassment or disciplinary) against any employee.
- Promote appropriate working conditions and a safe environment for all employees.

11. Committee For Financial Inclusion

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Board Approved Charter of the Committee for Financial Inclusion RBI Circular(s) issued from time to time 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 26th October 2020 27th January 2021 	<p>Mr. M S Sriram (Chairman)</p> <p>Mr. Pushpinder Singh</p> <p>Mr. V G Kannan</p> <p>Mr. Uttam Tibrewal</p>

Terms of Reference

The terms of reference of the Committee for Financial Inclusion, inter-alia, include:

- To review the channelisation of deposits (including BSBDA) in unserved and underserved sections of the society and to ensure the supply of credit to small business units, small & marginal farmers, micro and small industries, and other unorganised sector entities through low-cost operations.
- To oversee the functioning of channels of financial inclusion including Banking Outlets, Business Correspondents and Unbanked Branch locations and to analyse the operational efficiency and sustainability.
- Review of the Financial Inclusion initiatives and review of the plan in this regard.
- To review and monitor the progress of enrolments under the pro-poor insurance and pension programmes and other government schemes.
- To set targets and monitor achievements in Priority sector lending including sub targets covering lending under Agriculture, Small & Marginal farmers, Micro Enterprises and to weaker sections of the society.
- To examine the multiplier effect of the products and services offered by the Bank.
- Review financial literacy initiatives carried out by Banks.
- To look at effective ways of partnership (including government and non- government network) that provides the power of aggregation and bulk outreach without significant overheads for the Bank.

12. Management Committee

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Board Approved Charter of the Management Committee 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 02nd May 2020 23rd July 2020 27th October 2020 25th January 2021 	<p>Mr. Raj Vikash Verma (Chairman)</p> <p>Mr. Pushpinder Singh</p> <p>Mr. Sanjay Agarwal</p> <p>Mr. Uttam Tibrewal</p>

Terms of Reference

The terms of reference of the Management Committee, inter-alia, include:

- To approve credit facilities & investment exposure above certain threshold to New Exposure/Loan to Existing Customers along with Existing facility.
- Reporting to Board about 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.
- Reporting to Board about 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.
- 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) and (ii) above is interested as a partner or guarantor.
 - Any company in which any of the relatives as mentioned in (i) and (ii) above hold substantial interest or is interested as a director or as a guarantor.

13. Capital Raising Committee

Regulatory Reference	Dates of Meetings	Composition of the Committee as on 31 st March 2021
<ul style="list-style-type: none"> Board Approved Charter of the Capital Raising Committee 	<p>The Committee met 4 times during the year under review on:</p> <ul style="list-style-type: none"> 8th March 2021 9th March 2021 15th March 2021 (2 meetings were held on same day) 	<p>Mr. V G Kannan (Chairman)</p> <p>Mr. Krishan Kant Rathi</p> <p>Ms. Jyoti Narang</p> <p>Mr. Sanjay Agarwal</p>

Terms of Reference

- To analyse various options for infusion of capital and funds by offering various securities including equity shares, preference shares, debentures, bonds, BASEL compliant Tier I and Tier II Instruments and other debt securities, etc.
- To approve the issue of securities in one or more tranches to various potential Investors within the overall limit as approved by the Board/ Shareholders and determine price/price range for the securities.
- To approve and incur the necessary expenditure relating to capital and fund-raising exercise.
- To issue receipts/ allotment letters/ confirmations of allotment notes either in physical or electronic mode representing the underlying Equity Shares.
- To perform all activities with regard to fundraising by various methods/ means/options under the authority of Board and Shareholders.

Meeting of Independent Directors

Pursuant to Section 149(8) read with Schedule IV of Companies Act 2013, and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a meeting of the Independent Directors of the Bank is required to be held once a year in absence of non-independent directors.

During the year under review, the meetings of Independent Directors were held on 1st May 2020 and 12th March 2021 chaired by Mr. Raj Vikash Verma and attended by all the Independent Directors of the Bank.

No sitting fees was paid to the Independent Directors of the Bank for attending the said meetings.

Directors' Induction and familiarisation programme

The Independent Directors consist of eminent professionals with vast experience in Banking and Finance industry, management areas, and are fully conversant with the business of the Bank. With help of the familiarisation programme, the Bank updates the Board of Directors continuously on significant changes and gives them an insight into their expected roles and responsibilities to be in a position to make well informed timely decisions and contribute significantly to the Bank.

In compliance with Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board familiarisation programme comprises of the following:

- Induction programme for New Independent Directors.
- Familiarisation sessions on Business and Functional issues
- External Training programmes with IDRBT, CAFRAL and other programmes and
- Update on recent regulatory changes at regular intervals.

All new Independent Directors undergo a detailed induction and familiarisation programme at the time of their joining on the Board. The induction programme has exhaustive coverage where the organisation's structure, vision, mission, past growth trajectory, key milestones, Board & Committee approach, the scope of work and overall business and operations, and technology platform, etc. are covered therein.

As part of the induction sessions, Managing Director & CEO presents a brief overview about the organisation, and Senior Management Personnel and Functional Heads are introduced. The Independent Directors are also briefed about the constitution, board procedures, matters reserved for the Board, and made aware of their roles and responsibilities at the time of their appointment in view of applicable regulatory requirements.

Directors are also nominated to attend various programmes organised by CAFRAL, IDRBT and other Bodies to undergo knowledge sharing sessions for effective contribution to the growth of the Bank. The Familiarisation Programme along with details of the same, imparted to the Independent Directors during the year are available on the website of the Bank at <https://www.aubank.in/investors/secretarial-policies>.

Performance Evaluation

In pursuant to Section 149(8) read with Schedule IV, Section 178(2), Section 134(3)(p) of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulation 2015 read with relevant schedule and guidance note issued by the Securities and Exchange Board of India, the Board on the recommendation of the Nomination and Remuneration Committee of the Bank carried out an annual performance evaluation of the Board as a whole and directors individually. The Board also conducted an evaluation of the working of its various Committees for the year under consideration intending to improve the effectiveness of the Board and the Committees. The said evaluation is carried out based on the parameters below:

- Performance of Directors was evaluated based on their qualifications, experience, diversity and 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. Independent Directors were also evaluated on the criteria of independence and independent views and judgement.
- Performance of the Board as a whole, including the structure of the Board, meetings of the Board, and functions of the Board were reviewed and evaluated.
- Evaluation of performance for Chairman includes qualifications, experience, knowledge and competency, fulfilment of functions, initiatives undertaken, attendance, contribution and integrity, effectiveness of leadership and ability to steer the meetings, impartial approach, Commitment and shareholders' interest.
- Performance evaluation of Committees includes their mandate, composition and effectiveness.

A questionnaire for the evaluation of the Board, its Committees and the individual members of the Board (including the Chairperson), has been designed by following the said framework and the same is sent out to Directors covering various aspects of the performance of the Board and its Committees, including composition, quality, roles and responsibilities, processes and functioning, adherence to Code of Conduct and Ethics and best practices in Corporate Governance.

The performance evaluation of the Directors was carried out by the entire Board, other than the Director being evaluated. The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors. The Nomination and Remuneration Committee carried out the performance evaluation of all the Directors of the Bank. The Directors expressed their satisfaction over the evaluation process.

Director & Officer's Liability Insurance Policy

Pursuant to the Regulation 25(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board Members are provided with the insurance cover under the Directors & Officers Liability Insurance Policy to secure against the Legal liability of Directors arising out of any claims first made against the Directors and the insurance cover under the said policy is commensurate with present size of the Bank.

Board Diversity Policy

The Bank has Board approved policy which sets out the approach to diversity on the Board of the Bank. The policy provides for having a truly diverse board, comprising of appropriately qualified people with a broad range of experience relevant to the business of the Bank.

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. The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure an orderly succession in appointments to the Board and of senior management. The Bank strives to maintain an appropriate balance of skills and experience within the organisation and at the Board level in an endeavor to introduce new perspectives while maintaining experience and continuity. Accordingly, the Bank has put in place the policy for an orderly succession for appointment to the Board of Directors and Senior Management and the same can be accessed through the link at <https://www.aubank.in/investors/secretarial-policies>.

Compensation Policy

In terms of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Circular on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff dated 4th November 2019, Bank has in place Compensation policy which is duly approved by the Board of Directors of the Bank.

The objective of the Compensation policy is to regulate the appointment and remuneration of Directors (including Independent Directors), Key Managerial

Personnel (KMP), Senior Management Personnel and other employees as per the criteria formulated by the Nomination and Remuneration Committee of the Board under the requirement of laws, rules & regulations and other applicable guidelines.

The abovesaid policy covers all aspects of the compensation structure such as fixed pay, variable pay, perquisites, performance bonus, guaranteed bonus, share-linked instruments i.e., employee stock options etc.

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 no changes were made in the policy. The policy is hosted by the Bank on its website and can be accessed through the link at <https://www.aubank.in/investors/secretarial-policies>.

Director's Remuneration Criteria

Remuneration of Executive Directors

On recommendation of Nomination and Remuneration Committee, the Board of the Bank approves to pay remuneration to executive directors subject to shareholder's and RBI approval. The said remuneration is governed by the employment agreement executed between the Bank and executive directors.

The remuneration including fixed pay and variable pay of Executive Directors i.e., Mr. Sanjay Agarwal, Managing Director & CEO and Mr. Uttam Tibrewal, Whole-Time Director of the Bank is as per the terms of approval of RBI.

Sr. No.	Particulars	₹ in crore	
		Mr. Sanjay Agarwal*	Mr. Uttam Tibrewal**
1	Fixed Pay (including perquisites)	-	2.24
2	Variable Pay (For FY 2019-20)	-	-
	Total Remuneration (1) + (2)	-	2.24

Note: * Mr. Sanjay Agarwal- MD & CEO has voluntarily relinquished his fixed pay for FY 2020-21. Proposal for Variable Pay in form of Performance Bonus for FY 2019-20 was submitted to RBI for approval and RBI vide its letter dated 3rd May 2021 did not acceded the proposal. The proposal was reconsidered by the NRC & Board and the same is pending with RBI for its approval.

** Proposal for Variable Pay for Mr. Uttam Tibrewal, Whole-time Director in form of Performance Bonus and ESOPs for FY 2019-20 was submitted to RBI for approval. RBI vide its letter dated 3rd May 2021 did not acceded the proposal and the proposal was reconsidered by the NRC & Board and the same is pending with RBI for its approval. The remuneration of Mr. Uttam Tibrewal, Whole Time Director of the Bank includes performance bonus of ₹29.91 lakh and ₹26 lakh for FY 2018-19 and FY 2017-18 respectively paid in FY 2020-21. Above remuneration is excluding the perquisite amount of ₹80.36 crore for ESOPs exercised during FY 2020-21.

Further, Mr. Uttam Tibrewal was granted 38,702 ESOPs under ESOP Scheme 2015 - Plan A & 10,18,758 ESOPs under ESOP Scheme 2015 - Plan B on 27th October 2017 at exercise price of ₹10.11 and ₹33.37 each, respectively. The RBI pursuant to its letter dated 5th February 2021 intimated to the Bank that the ESOPs granted to Mr. Uttam Tibrewal pertains to the period prior to his appointment as the Whole-Time Director of the Bank and thus, the approval of RBI was not required, and the Board of Directors of the Bank may take appropriate decision in this regard subject to adherence to statutory norms, as applicable. The Board of Directors in its meeting held on 27th March 2021 approved exercise of said ESOPs granted to Mr. Uttam Tibrewal and the grant date stands good from 27th October 2017, vesting period and exercise of the said ESOPs remains unimpacted, accordingly associated cost pertaining to these ESOPs has been charged to profit and loss account for the year ended 31st March 2021.

During the year, 8,32,500 ESOPs under ESOP Scheme 2015 – Plan A and 10,30,962 ESOPs Under ESOP Scheme 2015 – Plan B at exercise price of ₹10.11 and ₹33.37 each, respectively were exercised by Mr. Uttam Tibrewal.

A proper balance between fixed pay and variable pay has been ensured for remuneration of the executive directors, the Variable pay is a mix of cash and non-cash instrument which is paid under deferral arrangement. The executive directors are duly bound with Malus and clawback clause which activates in the event of subdued or negative financial performance of the bank.

During the Financial Year ended 31st March 2021, the Non-Executive Directors have been paid sitting fees for attending the Board & Committee meetings and profit-linked commission, the details of which are provided below:

Name of Director	(₹ in lakh)		
	Sitting Fees	Commission	Total
Mr. Raj Vikash Verma	16.65	19.81*	36.46
Mr. VG Kannan	16.65	10.00	26.65
Mr. Krishan Kant Rathi	18.45	10.00	28.45
Ms. Jyoti Narang	18.45	10.00	28.45
Mr. MS Sriram	15.45	10.00	25.45
Mr. Pushpinder Singh	10.95	10.00	20.95

- i) The payment of Compensation/ Profit related Commission/ Honorarium pertaining to FY 2020-21 is being released post finalisation of Annual Audited Accounts for FY 2020-21 of the Bank.
- ii) None of the Non-executive Directors have any pecuniary relationship or transaction with the Bank apart from receiving sitting fee and Compensation/ Profit related Commission/ Honorarium.

*Honorarium approved by RBI for Mr. Raj Vikash Verma is ₹20 lakh for FY 2020-21 w.e.f. 8th April 2020 on being designated as Part-Time Chairman of the Bank.

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

Remuneration of Non-Executive Directors

The remuneration payable to Non-Executive Directors is paid in the form of sitting fees for attending Board and Committee Meetings and compensation in form of profit related commission as per applicable RBI Circular as approved by the Board from time to time. The Part-time Chairman of the Bank apart from sitting fees is also paid honorarium basis prior approval received from RBI.

In the changing scenario around corporate governance, norms brought in by the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the degree and quality of engagement of Non-Executive Directors has substantially increased in deliberating strategical and critical issues providing their valuable advice, suggestion, and guidance to the management of the Bank. Bank accordingly pays sitting fees of ₹75,000 and ₹30,000 to Non-executive Directors for every Board and Committee meeting attended, respectively. The sitting fees and commission are within the limits prescribed under the provisions of Companies Act, 2013.

Investor Grievance Redressal

The securities 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.

During the year under review, the Bank had not received any complaints from the shareholders and Debenture holders and all complaints related to previous years have been resolved to the satisfaction of the stakeholders in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same has been reported to stock exchanges on a quarterly basis.

Name and Designation of Compliance Officer

Pursuant to Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Manmohan Parnami, Company Secretary is designated as Compliance Officer.

Table- 1 – Details of Number of Committee Meetings and participation of the Members at the Meetings During FY 2020-21

Name of the Committees	Audit Committee	Risk Management Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	IT Strategy and Information Systems Security Committee	Customer Service Committee	Review of Classification of Willful Defaulter Committee	Special Committee for Fraud Monitoring	Disciplinary Committee	Committee for Financial Inclusion	Management Committee	Capital Raising Committee
No. of Meetings Held	4	4	8	4	4	4	4	5	0	2	4	4	4
Name of Member	No. of Meeting Attended by Members												
Mr. Raj Vikash Verma	4/4	4/4	7/7	4/4	-	-	-	5/5	0/0	-	-	4/4	-
Mr. V G Kannan	4/4	4/4	-	4/4	-	-	4/4	5/5	0/0	-	-	3/3	4/4
Mr. Krishan Kant Rathi	4/4	-	8/8	4/4	1/1	4/4	-	5/5	0/0	-	-	4/4	4/4
Ms. Jyoti Narang	4/4	4/4	8/8	-	4/4	-	4/4	-	-	2/2	4/4	-	4/4
Mr. M S Sriram	4/4	-	1/1	-	4/4	-	4/4	5/5	0/0	2/2	4/4	-	-
Mr. Pushpinder Singh	-	-	-	-	1/1	4/4	-	-	-	-	4/4	-	-
Mr. Narendra Ostawal	-	3/3	5/5	-	-	3/3	-	-	-	2/2	-	-	-
Mr. Sanjay Agarwal	-	4/4	-	-	4/4	-	3/4	4/5	0/0	2/2	4/4	4/4	4/4
Mr. Uttam Tibrewal	-	-	-	4/4	-	4/4	-	-	0/0	-	-	-	-
The necessary Quorum was present for all the above committee meetings.													

Audit Committee

- Audit Committee was reconstituted on 12th March 2021 with the approval of the Board.
- Mr. Raj Vikash Verma was ceased to be a member of the Committee w.e.f. 12th March 2021.

Risk Management Committee

- Mr. Narendra Ostawal ceased to be Member of the Committee with effect from 28th October 2020.
- Mr. Raj Vikash Verma ceased to be Chairman and Member of the Committee with effect from 12th March 2021.
- Mr. V G Kannan was designated as a Chairman of the Committee with effect from 12th March 2021.
- Mr. Sanjay Agarwal ceased to be Member of the Committee with effect from 12th March 2021.
- Mr. M S Sriram was appointed as Member of the Committee with effect from 12th March 2021.
- Mr. Krishan Kant Rathi was appointed as Member of the Committee with effect from 12th March 2021.

Nomination & Remuneration Committee

- Mr. Narendra Ostawal ceased to be Member of the Committee with effect from 28th October 2020.
- Mr. M S Sriram was appointed as a Chairman and Member of the Committee with effect from 12th March 2021.
- Mr. Krishan Kant Rathi was Chairman of the committee till 12th March 2021 and thereafter continued as Member of this committee.
- Mr. Raj Vikash Verma ceased to be Member of the Committee with effect from 12th March 2021.

Stakeholders Relationship Committee

- i) Mr. V G Kannan ceased to be Member of the Committee with effect from 12th March 2021.

Corporate Social Responsibility Committee

- i) Mr. Krishan Kant Rathi was appointed as a Chairman and Member of the Committee with effect from 12th March 2021.
- ii) Mr. M S Sriram ceased to be Chairman of the Committee with effect from 12th March 2021 and continued as member of the Committee.
- iii) Mr. Pushpinder Singh was appointed as Member of the Committee with effect from 12th March 2021.

IT Strategy and Information Systems Security Committee

- i) Mr. Narendra Ostawal ceased to be Member of the Committee with effect from 28th October 2020.
- ii) Mr. Sanjay Agarwal was appointed as a Member of the Committee with effect from 28th January 2021.
- iii) Mr. Uttam Tibrewal ceased to be Member of the Committee with effect from 28th January 2021.
- iv) Mr. Krishan Kant Rathi ceased to be Member of the Committee with effect from 12th March 2021.
- v) Mr. Raj Vikash Verma was appointed as a Member of the Committee with effect from 12th March 2021.
- vi) Mr. V G Kannan was appointed as a Member of the Committee with effect from 12th March 2021.

Customer Service Committee

- i) Mr. Uttam Tibrewal was appointed as a Member of the Committee with effect from 28th January 2021.
- ii) Mr. Sanjay Agarwal ceased to be Member of the Committee with effect from 28th January 2021.
- iii) Mr. Pushpinder Singh was appointed as a Member of the Committee with effect from 12th March 2021.

Review of Classification of Wilful Defaulter Committee

- i) Mr. M S Sriram ceased to be Member of the Committee with effect from 12th March 2021.

Special Committee for Fraud Monitoring

- i) Mr. Krishan Kant Rathi ceased to be Member of the Committee with effect from 12th March 2021.
- ii) Mr. Pushpinder Singh was appointed as a Member of the Committee with effect from 12th March 2021.

Disciplinary Committee

- i) Mr. Narendra Ostawal ceased to be Member of the Committee with effect from 28th October 2020.
- ii) Mr. Pushpinder Singh was appointed as a Member of the Committee with effect from 12th March 2021.
- iii) Mr. Uttam Tibrewal was appointed as a Member of the Committee with effect from 12th March 2021.
- iv) Mr. Sanjay Agarwal ceased to be Member of the Committee with effect from 12th March 2021.

Committee for Financial Inclusion

- i) Ms. Jyoti Narang ceased to be Member of the Committee with effect from 12th March 2021.
- ii) Mr. Sanjay Agarwal ceased to be Member of the Committee with effect from 12th March 2021.
- iii) Mr. V G Kannan was appointed as a Member of the Committee with effect from 12th March 2021.
- iv) Mr. Uttam Tibrewal was appointed as a Member of the Committee with effect from 12th March 2021.

Management Committee

- i) Mr. Krishan Kant Rathi ceased to be Member of the Committee with effect from 12th March 2021.
- ii) Mr. V G Kannan ceased to be Member of the Committee with effect from 12th March 2021.
- iii) Mr. Pushpinder Singh was appointed as Member of the Committee with effect from 12th March 2021.
- iv) Mr. Uttam Tibrewal was appointed as Member of the Committee with effect from 12th March 2021.

Capital Raising Committee

- i) Mr. V G Kannan was designated as Chairman of the Committee with effect from 12th March 2021.

General Body Meetings

A. Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Sr. No	Year	Particular of Meeting	Date & Time	Location	Special Resolution passed if any
1	2019-20	25 th AGM	21 st July 2020 at 3.30 p.m.	Through Video Conferencing ("VC") and other audiovisual means ("OAVM")	<ol style="list-style-type: none"> To issue debt securities/bonds/other permissible instruments, in one or more tranches. To approve the amendments in Employee Stock Option Scheme 2015 Plan A & B ("ESOP Scheme 2015") To approve the amendments in Employee Stock Option Scheme 2016 ("ESOP Scheme 2016") To approve the amendments in Employee Stock Option Scheme 2018 ("ESOP Scheme 2018") Raising of funds through issue of equity shares and/or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares including through Qualified Institutions Placement/preferential allotment or such other permissible mode or combinations thereof.
2	2018-19	24 th AGM	26 th July 2019 at 04:00 p.m.	Suryavanshi Mahal – Ground Floor, ITC Rajputana, Palace Road, Jaipur-302006	<ol style="list-style-type: none"> To authorise Board of Directors 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 To issue securities/bonds/other permissible instruments, in one or more tranches To alter Article of Association of the Bank To approve amendments in Employee Stock Option Scheme 2016
3	2017-18	23 rd AGM	07 th August 2018 at 03:30 p.m.	Chancellor Hall, Hotel Holiday Inn, Sardar Patel Marg, 22 Godam Circle, C– Scheme, Jaipur-302001	<ol style="list-style-type: none"> 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 To approve issue of securities/bonds/other permissible instruments, in one or more tranches To approve AU Small Finance Bank Limited Employee Stock Option Scheme 2018

B. Postal Ballot during the FY 2020-21

Pursuant to provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013, as amended from time to time, the Bank has sought shareholders' approval on 30th October 2020 and 23rd December 2020 through postal ballot by e-voting. Special Resolution on agenda was sought as below:

Sr. No.	Nature of Resolution	Agenda Heading	No. of Votes		Percentage (%) of votes	
			Favour	Against	Favour	Against
1	Special Resolution (Postal ballot dated 23 rd December 2020)	To Approve AU Small Finance Bank Limited - Employees Stock Option Plan 2020	21,44,56,104	1,18,66,858	94.757%	5.243%

CS Manoj Maheshwari, Partner of M/s V.M. & Associates, Companies Secretaries was appointed as the scrutinizer for monitoring and scrutinizing remote e-Voting and postal ballot process of the Bank.

None of the special business proposed to be transacted in the Annual General Meeting 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by Institute of Company Secretaries of India.

Members are provided with the facility to cast their votes through e-Voting or postal ballot. The Board of Directors of the Bank has appointed Scrutinizer for conducting the postal ballot voting process fairly and transparently. The Scrutinizer submits his report to the Company Secretary & Compliance Officer as authorised by the Board after the completion of the scrutiny of the postal ballots (including e-Voting).

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

The necessary intimations as required under the applicable SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 are submitted to the Stock Exchanges and post declarations of the results the same are displayed on the website of the Bank and of National Securities Depositories Limited. The results are also displayed at the Registered Office of the Bank.

General Shareholder Information

1	Date of Incorporation	10 th January 1996
2	Corporate Identification No.	L36911RJ1996PLC011381
3	Registered office Address	19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan, India
4	Address of Correspondence and Contact Detail	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
5	Name of depositories	National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL)
6	Listing on Stock Exchange	BSE Limited (BSE) P J Towers, Dalal Street, Fort, Mumbai – 400001 National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Bank has deposited the annual listing fees to the stock exchange(s) where the securities of the Bank are listed.
7	Stock Code	BSE: 540611 NSE: AUBANK
8	ISIN Code	INE949L01017
9	Dematerialisation of Shares & liquidity	All shares of the Bank are held in dematerialized form and are available for trading in the dematerialised form under both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The requisite fees were duly paid to the depositories. The Bank has also 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.
10	Share Transfer System	The Bank's shares are traded under compulsory dematerialized mode and freely tradable and the 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained from a Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.
11	Registrar and Share Transfer Agent	Link Intime India Private Limited C-101, 1 st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Tel: +91 22 4918 6200, FAX: +91 22 49186195 Website: www.linkintime.co.in Email ID: rnt.helpdesk@linkintime.co.in
12	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 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: compliancectf-mumbai@ctftrustee.com
13	26 th Annual General Meeting	<ul style="list-style-type: none"> Date & Time: 17th August, 2021 (Tuesday), 10:30 am Venue: Through Video Conferencing ("VC") and other audiovisual means ("OAVM")
14	Financial Year	The Bank follows the financial year starting from 1 st April to 31 st March, every year.

Other Disclosure

1. Code of Conduct

The Bank has laid down Code of Conduct for the Directors and Senior Management personnel (SMP). The Code is available on the website of the Bank <https://www.aubank.in/investors/secretarial-policies>.

Annual declaration confirming compliance of the code is obtained from every Director and SMP and with this effect a certificate is issued by the MD & CEO as annexed with this Annual Report stipulating that directors and SMPs are adhering this code.

2. Code of Conduct for Prohibition of Insider Trading

The board has adopted a code for the prohibition of insider trading to regulate, monitor and report trading by insiders/designated persons in securities of the Bank. The code inter alia requires pre-clearance for dealing in the securities and prohibits the purchase or sale of securities while in possession of unpublished price sensitive information and during the year when the trading window is closed.

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. The Code of Fair Disclosure and Conduct is available on the website <https://www.aubank.in/investors/secretarial-policies>.

3. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, your bank has amended Policy on Related Party Transactions & Materiality:

- a) All Related Party Transactions are placed before the Audit Committee for review and approval and annual omnibus approval is obtained for transactions which are of repetitive nature and/or entered in the Ordinary Course of Business.
- b) All the related party transactions entered into by the Bank, during the financial year, were in its ordinary course of business and on an arm's length basis.
- c) There are no materially significant related party transactions entered by the Bank with its Promoters, Key Management Personnel or other

designated persons which may have potential conflict with the interest of the Bank at large.

- d) The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Bank and Related Parties. The Policy on Related Party Transactions & Materiality is available on the website <https://www.aubank.in/investors/secretarial-policies>.

4. Whistle Blower Policy & Vigil Mechanism

The Bank promotes safe, ethical and compliant conduct of all its business activities and has put in place a mechanism for reporting illegal or unethical behavior, actual or suspected fraud or violation of the Codes of Conduct, regulatory requirements, incorrect or misrepresentation of any financial statements and such other matters. Bank is committed to adhere the highest standards of ethics, integrity, transparency and moral, and legal conduct of its business operations. To maintain these standards Bank has a Board approved Whistle Blower policy & Vigil Mechanism in compliance with the relevant provisions of Section 177(9) of the Companies Act, 2013, rules made thereunder and Regulation 4(2) (d) and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with a view to provide a mechanism to employees, customer and stakeholders of the Bank to approach the Chief Vigilance Officer and thereafter Chairman of Audit Committee of the Bank in case they observe any unethical and improper practices or any other alleged wrongful conduct in the Bank. The policy aims at establishing an efficient vigil mechanism in the Bank to quickly spot aberrations and deal with it at the earliest. The Chief Vigilance Officer of the Bank has direct access to the Audit Committee. He acts as a Special Assistant/ Advisor to the MD & CEO of the Bank in the discharge of the vigilance functions.

The Bank continuously makes its customers aware of fraudulent activities prevalent in the market through various channels including SMS, e-mails, posters at branches, scroll messages on Bank website etc. During the year, no such person was denied access to the Audit Committee or its Chairman to raise his/her concern under vigil mechanism.

The Whistle Blower Policy & Vigil Mechanism have been disclosed on the website <https://www.aubank.in/investors/secretarial-policies>.

5. Credit Rating

The Bank's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The below table covers the Credit Ratings of the Bank as on 31st March 2021:

Nature of Debt Instrument	Nature of Term	CRISIL	India Ratings	ICRA	CARE
Fixed Deposits*	Long Term	FAA+/Stable	-	-	-
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+	-	A1+

*CRISIL vide their communication dated 3rd December 2020 has assigned "FAA+/Stable" Rating for the Fixed Deposit Program of ₹40,000 crore (Rupees Forty Thousand crore).

6. 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.

7. CEO & CFO Certification

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

8. Subsidiary Company

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

9. Declaration of Independence

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which have been relied on by the Bank. In the opinion of the Board, the independent Directors fulfil the conditions specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

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

10. Accounting Treatment

The Bank has adopted accounting policies, which are in line with the Accounting Standards. The Financial Statements of the Bank have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and Banking Regulation Act, Guidelines issued by Reserve Bank of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Means of Communication

The Bank has provided adequate and timely information to its member's inter-alia through the following means:

- i) **Publication of Quarterly/Half Yearly/Annual Financial Results:** The quarterly/half yearly and annual financial results of the Bank are published in the English newspapers viz. Financial Express/Economic Times and one leading newspaper of Vernacular language viz. Punjab Kesari/Nafanuksan, the same is also reported to the stock exchanges.
- ii) **Update on Official Website:** The Bank's website www.aubank.in contains a separate 'Investor' Section wherein financial results, corporate announcement, reports and presentations, Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other disclosures are prominently available for Bank's Investors and other stakeholders. Additionally, other press release, corporate Governance coverage, corporate social responsibility, policies and procedures and other details are also displayed on Bank's official website.

- iii) **Official News, Press Release etc.:** Official press releases, performance updates, corporate presentations made to the media, analysts, institutional Investors, etc. are hosted on Bank's Website at link <https://www.aubank.in/press-release> as well as provided to all stakeholders through stock exchanges, social media coverage, newspaper publication, posters and hoardings etc.
- iv) **Presentation to Institutional Investors or Analysts:** The presentations made to the institutional investors or analysts are uploaded on the website as well as informed to the Stock Exchanges for dissemination.
- v) **Management's Discussion and Analysis Report** is annexed with this Annual Report.
- vi) **Exclusive email ID for Investors:** The Bank has designated the email id investorrelations@aubank.in exclusively for Investor servicing and to resolve their grievances, the same is displayed on the Bank's website.
- vii) **NSE Electronic Application Processing System (NEAPS):** All periodical and other event-based compliance filings of the bank are filed electronically on this web-based application.
- viii) **BSE Listing Centre (Listing Centre):** All periodical and other event-based compliance filings of the bank are filed electronically on this web-based application.
- ix) **SEBI Complaints Redress System (SCORES):** Investor complaints received by the Bank are processed at SEBI in a centralised web-based complaints redress system where investors can view online about actions taken on the complaints and their current status.

12. Utilisation of Funds

During the year under review, the fund was raised through Qualified Institutional Placement and

was utilised for supporting the long-term growth aligned to Bank's internal risk appetite along with maintaining sufficient headroom over and above the regulatory capital adequacy requirements and for general corporate requirements or any other purposes, as stated in the placement document.

13. Dividend Payment

The Board of the Bank has not proposed any dividend for the financial year ended 31st March 2021.

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

The Bank has zero tolerance towards sexual harassment at the workplace and has adopted a Prevention and Redressal of Sexual Harassment Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Bank believes that all employees, including other individuals who are dealing with the bank have the right to be treated with dignity.

The following is the summary of Sexual Harassment complaints received and disposed of by the bank during the FY 2020-21.

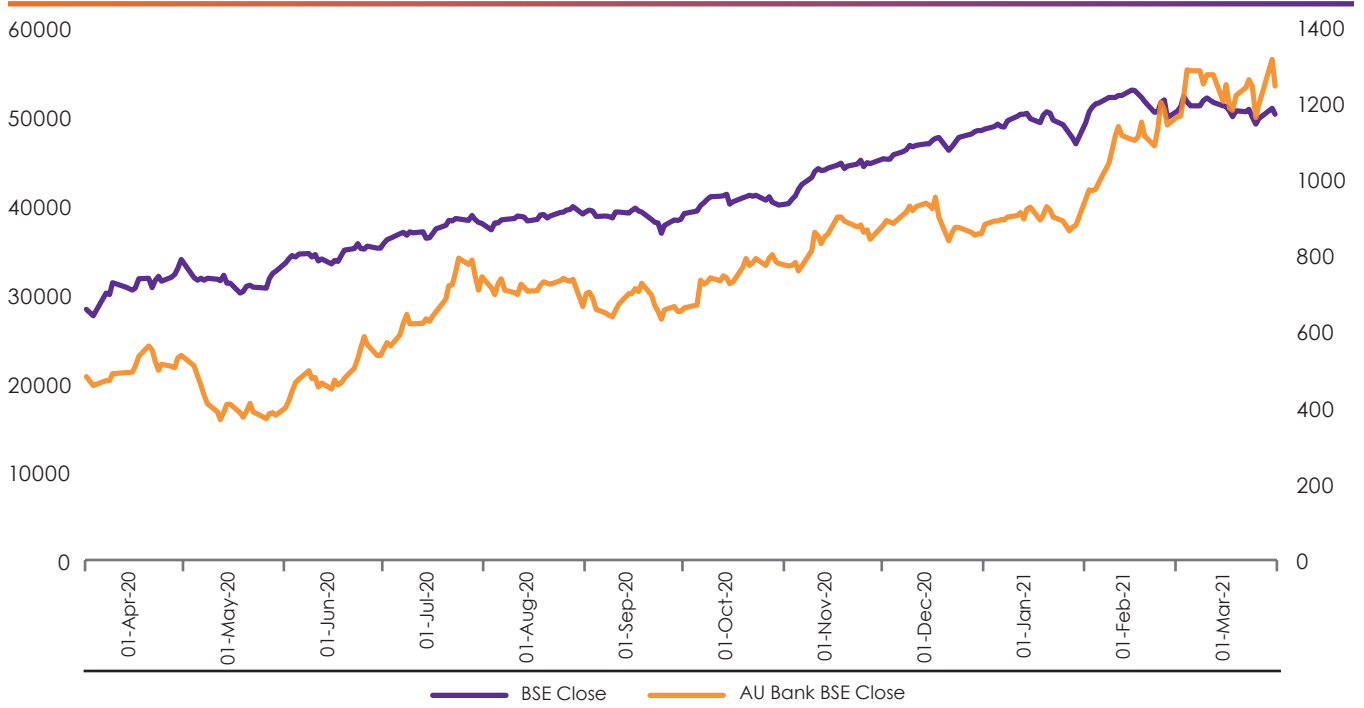
Sr. No	Description	No. of Complaint
1	Number of complaints of Sexual harassment filed during the FY 2020-21	8
2	Number of complaints disposed off during the FY 2020-21	7
3	Number of complaints pending as on the end of the FY 2020-21	1*
4	Number of complaints pending as on date of this report for FY 2020-21	0

Note: *The complaint was resolved on 08th April 2021.

15. Market Price Data

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-20	566.8	443.6	14,710,058	568.0	444.1	4,89,018
May-20	517.1	366.0	17,987,159	516.6	366.2	33,99,365
Jun-20	618.5	400.0	21,961,217	618.0	401.0	15,50,427
Jul-20	816.9	542.0	19,297,600	816.6	542.0	81,73,947
Aug-20	762.0	651.2	11,031,922	761.7	651.0	7,60,254
Sep-20	736.9	616.7	10,683,933	737.1	616.3	16,91,429
Oct-20	812.0	662.0	10,826,771	811.8	655.0	5,17,048
Nov-20	945.5	752.0	16,146,152	944.6	753.3	9,08,447
Dec-20	950.0	720.5	17,435,380	949.5	723.0	1,71,37,978
Jan-21	931.5	842.5	17,967,082	931.5	843.0	11,15,572
Feb-21	1,207.0	891.0	16,724,527	1,207.0	890.0	9,32,869
Mar-21	1,354.4	1,124.0	31,829,295	1,356.4	1,065.1	21,67,962

Comparison to Broad-Based Indices
AUBANK relative to S&P BSE SENSEX



AUBANK relative to NIFTY



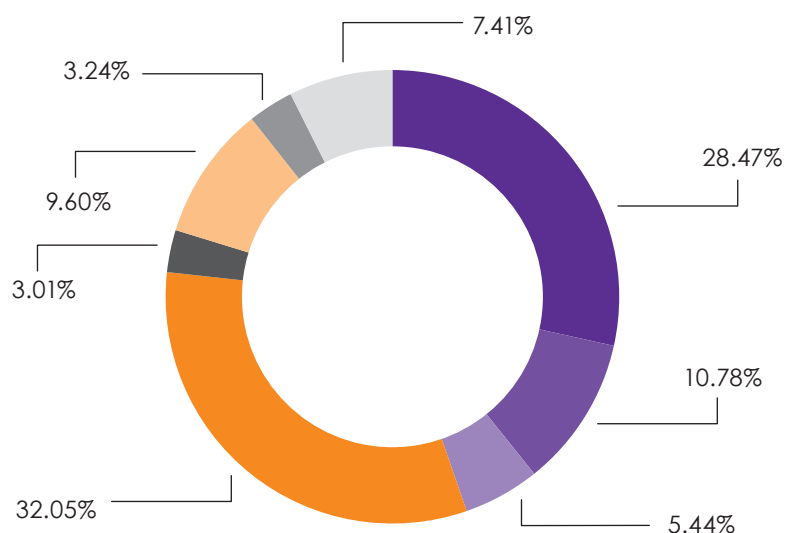
Distribution of Shareholding Based on Nominal Value (₹) as on 31st March 2021

Sr. No.	Category (No. of Shares)	Number of Shareholders	% of Total	Total Shares	Share Amount (INR)	% of Total Share Amount
1	1 to 5,000	1,17,952	99.23	1,58,97,810	15,89,78,100	5.09
2	5,001 to 10,000	285	0.24	20,23,658	2,02,36,580	0.64
3	10,001 to 20,000	190	0.15	26,76,733	2,67,67,330	0.86
4	20,001 to 30,000	84	0.07	20,62,260	2,06,22,600	0.66
5	30,001 to 40,000	33	0.03	11,49,624	1,14,96,240	0.37
6	40,001 to 50,000	29	0.03	13,49,322	1,34,93,220	0.44
7	50,001 to 1,00,000	70	0.06	49,97,337	4,99,73,370	1.60
8	1,00,001 & Above	222	0.19	28,20,56,646	282,05,66,460	90.34
Total		1,18,865	100.00	31,22,13,390	312,21,33,900	100.00

Categories of Shareholders as on 31st March 2021

Particulars	No. of Shares	%
I Promoters & Promoter Group		
Sanjay Agarwal	5,67,66,359	18.18
Shakuntala Agarwal	1,18,20,430	3.79
Jyoti Agarwal	1,18,18,560	3.79
Chiranji Lal Agarwal	18,29,321	0.59
MYS Holding Private Limited	66,64,536	2.13
II Other Institution		
Mutual Fund	3,36,45,160	10.78
Financial Institutions/Bank	254	0.00
Insurance Companies	1,69,85,371	5.44
Foreign Portfolio Investors	10,00,72,427	32.05
III Other Non-Institution		
Bodies Corporates	93,96,072	3.01
IV Individuals		
(i) Individuals holding nominal share capital upto 2 lakh	1,61,79,121	5.18
(ii) Individuals holding nominal share capital in excess of 2 lakh	1,38,04,897	4.42
V Employee Trusts	1,28,744	0.04
VI Non-Resident Indians (Non-Repatriation)	15,94,964	0.51
Non-Resident Indians (Repatriation)	8,66,160	0.28
VII Hindu Undivided Family	3,80,174	0.12
VIII Clearing Members	33,00,430	1.06
IX Foreign Company	1,01,04,364	3.24
X Alternative Investment Fund	1,34,80,981	4.32
XI Trust	31,65,404	1.01
XIII NBFCs registered with RBI	2,09,661	0.07
Total	31,22,13,390	100.00

Shareholding Pattern as on 31st March, 2021



■ Promoter & Promoter Group	■ Foreign Portfolio Investors	■ Foreign Company
■ Mutual Fund	■ Bodies Corporates	■ Others
■ Insurance Companies	■ Individuals	

List of Shareholders holding more than 1% share in the Bank as on 31st March 2021

S.No.	Name	No. of Shares	% of shares
Promoters and Promoter Group			
1	Sanjay Agarwal	5,67,66,359	18.18
2	Shakuntala Agarwal	1,18,20,430	3.79
3	Jyoti Agarwal	1,18,18,560	3.79
4	Chiranji Lal Agarwal	18,29,321	0.59
5	MYS Holding Private Limited	66,64,536	2.13
Others			
6	Kotak Flexicap Fund	1,27,18,983	4.07
7	Westbridge AIF I	1,17,47,967	3.76
8	Smallcap World Fund, Inc	1,07,69,200	3.45
9	Camas Investments Pte. Ltd.	1,01,04,364	3.24
10	Nomura India Investment Fund Mother Fund	89,71,897	2.87
11	HDFC Life Insurance Company Limited	69,43,644	2.22
12	Motilal Oswal Multicap 35 Fund	68,50,003	2.19
13	UTI Flexi Cap Fund	55,06,975	1.76
14	Uttam Tibrewal	49,08,135	1.57
15	Amansa Holdings Private Limited	48,51,557	1.55
16	St. James's Place Emerging Markets Equity Unit Trust Managed by Wasatch Advisors Inc	46,32,640	1.48
17	Camas Investments Pte. Ltd.	43,30,441	1.39
18	SBI Life Insurance Co. Ltd	37,64,900	1.21
19	Government of Singapore	37,45,721	1.20
20	Nippon Life India Trustee Ltd-A/C Nippon India Growth Fund	34,34,890	1.10
21	Motilal Oswal Financial Services Ltd	34,08,498	1.09
22	New World Fund Inc	33,18,252	1.06

Shareholding of the Directors of the Bank

Details of Directors Shareholding as on 31st March 2021

S.No.	Name	No. of Shares	% of Shares
1	Raj Vikash Verma	Nil	Nil
2	Krishan Kant Rathi	83,289	0.03%
3	Jyoti Narang	5,237	0.00%
4	M S Sriram	Nil	Nil
5	Pushpinder Singh	100	0.00%
6	V G Kannan	100	0.00%
7	Sanjay Agarwal	5,67,66,359	18.18%
8	Uttam Tibrewal	49,08,135	1.57%

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

During the year under review, 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.

17. Commodity price risk or foreign exchange risk and hedging activities:

During the year under review, 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.

18. Plant Location

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

22. SEBI (LODR) Regulations:

During the year under review, the Bank has complied with all the mandatory requirements of Regulation 17 to 27 and 46 and has also complied with the requirement of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for Regulation 24, which is not applicable as the Bank does not have any subsidiary. Further, the Bank has also adopted certain voluntary compliance requirement as stipulated in Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other acts, rules, regulations, and guidelines as applicable on the Bank, the details of which are covered below:

Sr. no	Requirement	Detail
1.	Shareholder & Investor Right	The audited financial results, quarterly results, and other major developments are published in one English newspaper and vernacular language newspaper and are Bank's website at https://www.aubank.in/investors The investors' presentations, call transcripts and Press releases are also posted on the Bank's website. Further, information pertaining to important developments of the Bank was bought to the knowledge of the public at large and to the shareholders through communications sent to the stock exchanges where the shares of the Company are listed.
2.	Separate office of non-executive Part-Time Chairman	The Bank has a Non-executive Part-Time Chairman who has separate office space at Bank, and he is entitled to reimbursement of expenses incurred for the performance of his duties.
3.	Reporting of internal auditor	The internal auditor (Head of Internal Audit) of the Bank reports to and has direct access to the Audit Committee.

19. Recommendations of the Committees

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

20. Fees paid to Statutory Auditors:

Total fees for services provided by Statutory Auditor is ₹ 2.63 crore excluding taxes including all entities in the network firm of which the Statutory Auditor is a part.

21. Certificate from Company Secretary in Practice

The Bank has received a certificate from M/s V.M. & Associates, Company Secretaries, 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. The certificate is annexed with this Annual Report. The Secretarial Auditor has certified on compliance of conditions of corporate governance of the Bank for the period under review.

CERTIFICATE ON COMPLIANCE WITH THE CODE OF CONDUCT & ETHICS

I confirm that the Bank has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the 'Code of Conduct' for financial year 2020-21.

Place: Jaipur
Date: 29th April 2021

Sd/-
Sanjay Agarwal
Managing Director & CEO

CEO / CFO CERTIFICATION

To,
The Board of Directors
AU Small Finance Bank Limited

1. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2021 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Bank's during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated, to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Place: Jaipur
Date: 29th April 2021

Sd/-
Sanjay Agarwal
Managing Director & CEO

Sd/-
Vimal Jain
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
AU Small Finance Bank Limited
19-A, Dhuleshwar Garden
Jaipur – 302 001 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AU Small Finance Bank Limited having CIN: L36911RJ1996PLC011381** and having registered office at **19-A, Dhuleshwar garden, Jaipur – 302 001 (Rajasthan)** (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank and its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN
1.	Raj Vikash Verma	03546341
2.	Sanjay Agarwal	00009526
3.	Uttam Tibrewal	01024940
4.	Krishan Kant Rathi	00040094
5.	Jyoti Narang	00351187
6.	Mankal Shankar Sriram	00588922
7.	Kannan Gopalaraghavan Vellur	03443982
8.	Pushpinder Singh	08496066
9.	*Narendra Ostawal	06530414

* ceased from the directorship of the Bank w.e.f. October 28, 2020

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Place: Jaipur

Date: 29th April 2021
UDIN: F003355C000208661

For V. M. & Associates

Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

Sd/-

CS Manoj Maheshwari

Partner
Membership No.: FCS3355
C P No.: 1971