

## Annexure I Report on Corporate Governance

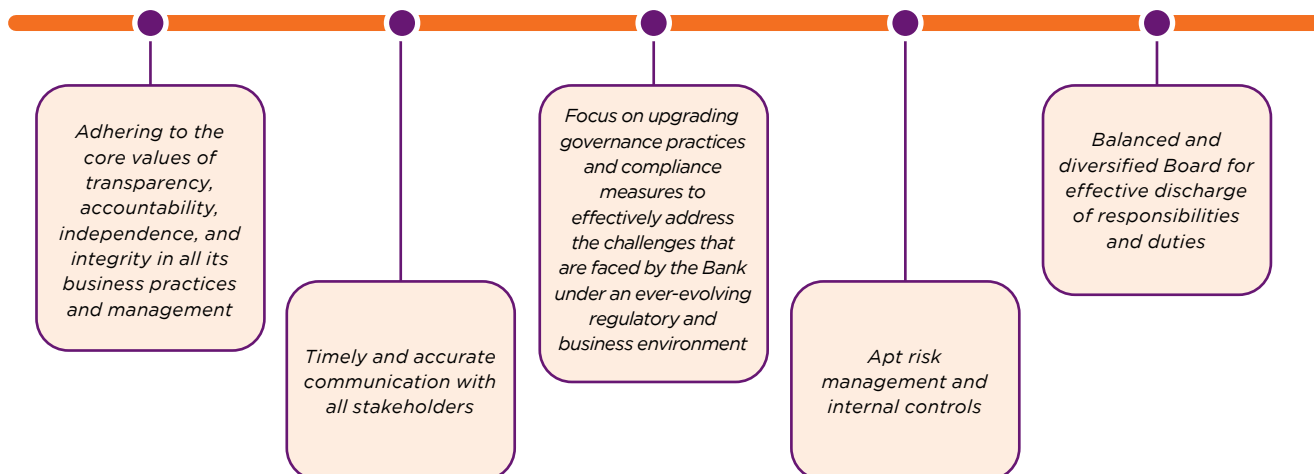
### The Bank's philosophy on Corporate Governance

At AU, our Corporate Governance philosophy revolves around our value system i.e. 'AU Dharma', viz. Customer Focus, Work Hard and Look for Details, Responsibly Entrepreneurial, Nurture Talent & Succeed Together, Bias for Action, Integrity and Communication.



The Corporate Governance philosophy at AU guides our actions and ensure that we operate with the utmost integrity and responsibility. Our commitment is to maintain trust and transparency for ensuring orderly development and growth of the Bank.

### The Bank's Corporate Governance philosophy, *inter alia*, follows below key principals:

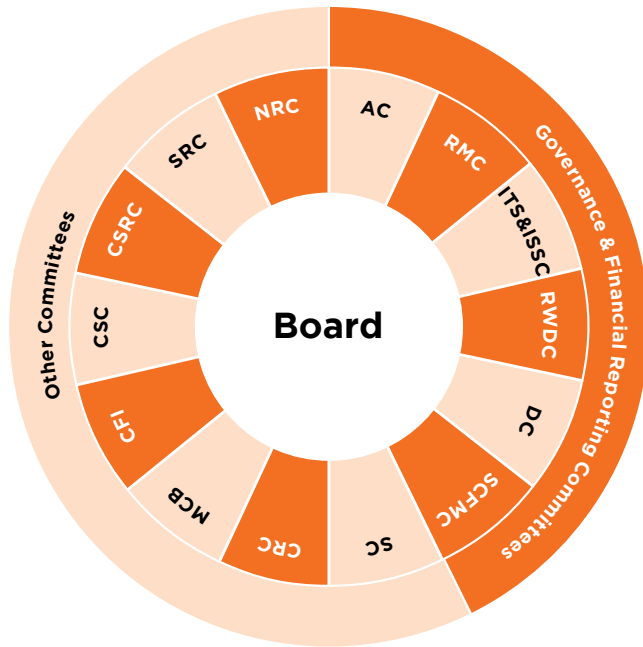


Our Corporate Governance philosophy is designed to create a robust framework that not only drives our business forward but also aligns with our core values. The Bank is committed to operating not just as a financial institution, but as a vital part of our community, contributing positively and constructively to society and the growing India story.



### Bank's Governance Structure

Diagrammatic representation of the governance structure of the Bank:



Governance Structure at the Bank is spearheaded by the Board of Directors (“the Board”) who are appointed by the shareholders of the Bank. The Board acts as trustee for the stakeholders of the Bank which includes shareholders, regulators, customers and employees etc.

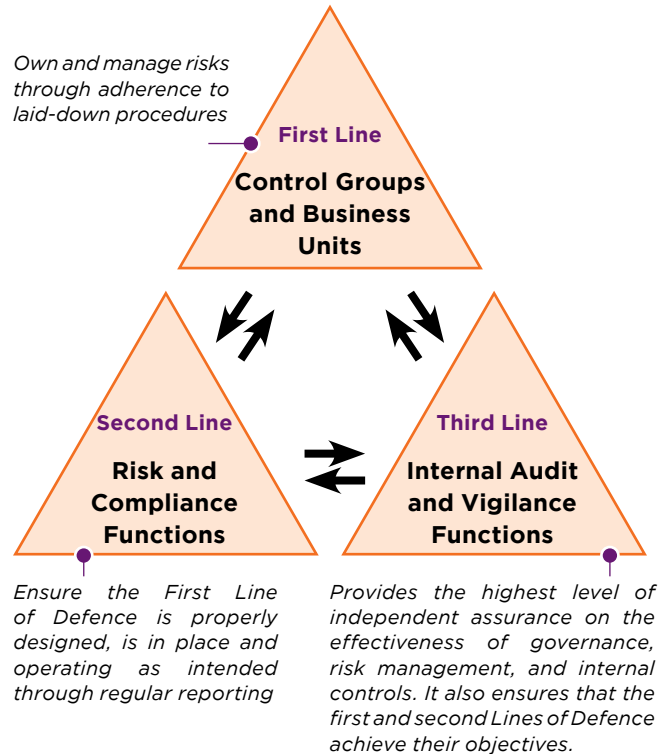
The Board is responsible for Bank’s strategic direction and is well supported by Board Committees and Board Delegated Committees. The Board Committees and Board Delegated Committees act as per their respective charter documents.

The Managing Director & Chief Executive Officer (“MD & CEO”) of the Bank under the superintendence and guidance of the Board is responsible for execution of the Bank’s strategy and overall management. The Executive Director and the Senior Management Team, under the guidance of MD & CEO, is responsible for managing day-to-day operations and oversight over business and support functions.

AC - Audit Committee, RMC - Risk Management Committee, NRC - Nomination & Remuneration Committee, SRC - Stakeholders Relationship Committee, CSRC - Corporate Social Responsibility Committee, ITS&ISSC - IT Strategy and Information Systems Security Committee, CSC - Customer Service Committee, RWDC - Review of Classification of Wilful Defaulter Committee, DC - Disciplinary Committee, CFI - Committee for Financial Inclusion, MCB - Management Committee, CRC - Capital Raising Committee, SCFMC - Special Committee for Fraud Monitoring, SC - Sustainability Committee

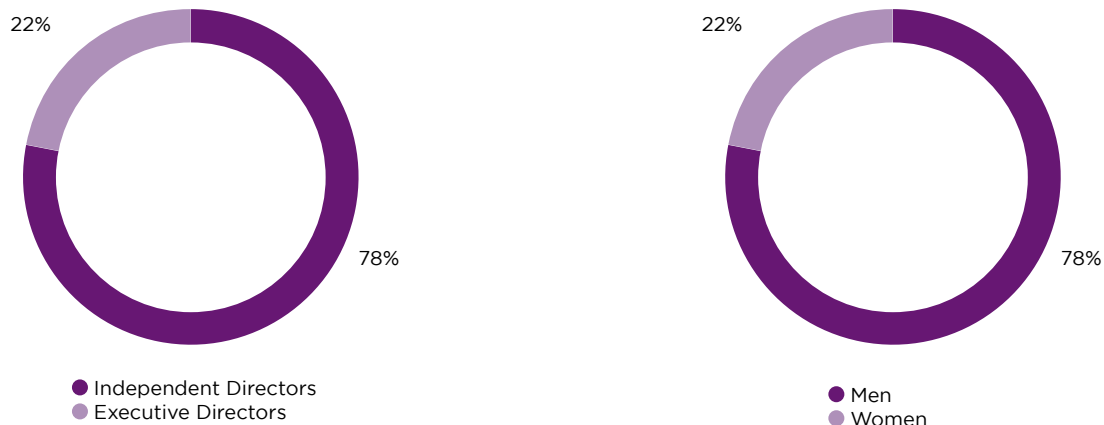
### Three layers of defence

The Bank has three layers of defence for strong internal controls, wherein control groups and business units are the first layer of defence, supplemented by the Risk and Compliance function as the second layer of defence and Internal Audit and Vigilance function acting as the third line of defence, which is independent from the first and second lines of defence, and has the primary responsibility of conducting objective reviews and providing assurance on the quality and effectiveness of the Bank’s internal control system.



## Board of Directors (“the Board”)

### A. Composition of Board



Note: Board Composition is as on March 31, 2024.

As on March 31, 2024, the Board consists of 9 Directors with 2 Executive Directors and 7 Independent Directors including 2 Woman Independent Directors. The diverse and experienced Board contributes to better decision making, strategic planning and fosters long term sustainability. The Board comprising of majority of Independent Directors provide unbiased perspectives, best governance practices, ensures accountability and mitigate conflicts of interest.

### B. Details of the Board of Directors as on March 31, 2024:



**Mr. Harun Rasid Khan**  
("Mr. H. R. Khan")  
Part-time Chairman &  
Independent Director  
DIN: 07456806

<b>Age</b> 69 Years	<b>Shareholding</b> Nil
<b>Qualification</b> MA, M. Phil, Diploma in Business Management, CAIIB	<b>Board Membership - Other Listed Entities</b> Nil
<b>Date of Appointment</b> December 28, 2021 (As Independent Director) January 30, 2024 (As Chairman)	<b>No. of Directorships other Companies</b> Nil
<b>Date of Re-appointment</b> NA	<b>Member/Chairperson in Committee(s)</b> Nil
<b>Term of Directorship</b> 3 Years	



**Mr. Kamlesh Shivji Vikamsey**  
("Mr. Kamlesh Vikamsey")  
Independent Director  
DIN: 00059620

<b>Age</b> 63 Years	<b>Shareholding</b> Nil
<b>Qualification</b> FCA, B.Com	<b>Board Membership - Other Listed Entities</b> 1. Navneet Education Limited - Non-Executive Director & Chairman 2. Nuvama Wealth Management Ltd.- Independent Director 3. Apcotex Industries Limited - Independent Director
<b>Date of Appointment</b> April 25, 2022	<b>No. of Directorships other Companies</b> 5
<b>Date of Re-Appointment</b> NA	<b>Member/Chairperson in Committee(s)</b> Member - 6 Chairperson - 5
<b>Term of Directorship</b> 3 Years	



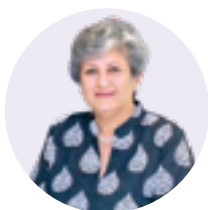
**Mr. Kannan Gopalaraghavan Vellur** (“Mr. V. G. Kannan”)  
Independent Director  
DIN: 03443982

<b>Age</b> 67 Years	<b>Shareholding</b> 740 shares
<b>Qualification</b> MBA, CAIIB, Organisational Leadership Executive Programme, Wharton Business School	<b>Board Membership – Other Listed Entities</b> Aptus Value Housing Finance India Limited - Independent Director
<b>Date of Appointment</b> January 22, 2020	<b>No. of Directorships other Companies</b> Nil
<b>Date of Re-Appointment</b> January 22, 2023	<b>Member/Chairperson in Committee(s)</b> Member - 2 Chairperson - Nil
<b>Term of Directorship</b> 3 Years	



**Ms. Kavita Venugopal**  
Independent Director  
DIN: 07551521

<b>Age</b> 67 Years	<b>Shareholding</b> Nil
<b>Qualification</b> MBA, BA and Certificate Programme on Corporates Boards Membership by FICCI Women	<b>Board Membership – Other Listed Entities</b> Munjal Showa Limited - Independent Director
<b>Date of Appointment</b> March 29, 2023	<b>No. of Directorships other Companies</b> 4
<b>Date of Re-appointment</b> NA	<b>Member/Chairperson in Committee(s)</b> Member - 2 Chairperson - 1
<b>Term of Directorship</b> 3 Years	



**Ms. Malini Thadani**  
Independent Director  
DIN: 01516555

<b>Age</b> 66 Years	<b>Shareholding</b> Nil
<b>Qualification</b> MA, Ohio University, Master's in History, Hindu College, Certificate of Public Administration, Ohio University	<b>Board Membership – Other Listed Entities</b> Nil
<b>Date of Appointment</b> November 25, 2022	<b>No. of Directorships other Companies</b> Nil
<b>Date of Re-Appointment</b> NA	<b>Member/Chairperson in Committee(s)</b> Member - 1 Chairperson - Nil
<b>Term of Directorship</b> 3 Years	



**Mr. Mankal Shankar Sriram** (“Mr. M S Sriram”)  
Independent Director  
DIN: 00588922

<b>Age</b> 61 Years	<b>Shareholding</b> Nil
<b>Qualification</b> Graduate from IRMA, Fellow - IIMB	<b>Board Membership – Other Listed Entities</b> Nil
<b>Date of Appointment</b> October 21, 2019	<b>No. of Directorships other Companies</b> 2
<b>Date of Re-Appointment</b> October 21, 2022	<b>Member/Chairperson in Committee(s)</b> Member - 2 Chairperson - 1
<b>Term of Directorship</b> 3 Years	



**Mr. Pushpinder Singh**  
Independent Director  
DIN: 08496066

<b>Age</b> 70 Years	<b>Shareholding</b> 500 shares
<b>Qualification</b> B.Sc., CAIIB	<b>Board Membership – Other Listed Entities</b> Nil
<b>Date of Appointment</b> October 21, 2019	<b>No. of Directorships other Companies</b> Nil
<b>Date of Re-Appointment</b> October 21, 2022	<b>Member/Chairperson in Committee(s)</b> Nil
<b>Term of Directorship</b> 3 Years	



**Mr. Sanjay Agarwal**  
Managing Director &  
CEO (Executive)  
DIN: 00009526

<b>Age</b> 53 Years	<b>Shareholding</b> 11,71,91,360 Shares
<b>Qualification</b> CA, B. Com	<b>Board Membership – Other Listed Entities</b> Nil
<b>Date of Appointment</b> April 19, 2017 (Commencement of Banking Operations, on Board since January 22, 2003)	<b>No. of Directorships other Companies</b> Nil
<b>Date of Re-Appointment</b> April 19, 2023	<b>Member/Chairperson in Committee(s)</b> Member – 1 Chairperson - Nil
<b>Term of Directorship</b> 3 Years	



**Mr. Uttam Tibrewal**  
Whole-time Director and  
Deputy CEO (Executive)  
DIN: 01024940

<b>Age</b> 53 Years	<b>Shareholding</b> 1,37,97,468 Shares
<b>Qualification</b> B.Com	<b>Board Membership – Other Listed Entities</b> Nil
<b>Date of Appointment</b> April 19, 2017 (Commencement of Banking Operations, on Board since January 22, 2005)	<b>No. of Directorships other Companies</b> Nil
<b>Date of Re-Appointment</b> April 19, 2023	<b>Member/Chairperson in Committee(s)</b> Nil
<b>Term of Directorship</b> 3 Years	

**Notes:**

- Committee details include details of membership(s) and chairpersonship(s) of only the Audit Committee and the Stakeholders Relationship Committee across all public companies including the Bank as per provisions of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- Mr. Raj Vikash Verma ceased as Part-Time Chairman and Independent Director from the close of business hours on January 29, 2024 on completion of his tenure on the Board of the Bank. Mr. H. R. Khan, Independent Director took charge as Part-Time Chairman w.e.f. January 30, 2024 with the approval of Board, shareholders and RBI.
- Detail profile of each director can be accessed at <https://www.aubank.in/about-us/board-of-directors>.
- Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024 have been made by the Directors.
- 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 the Companies Act, 2013.
- None of the Directors on the Board are member of more than 10 committees (ACB and SRC) or acted as a chairman of more than 5 committees (ACB and SRC) across Public Limited Companies in which they hold directorship.
- None of the Directors on the Board serves as a Director on more than Seven Listed Companies.
- None of the Directors on the Board who are Independent Directors of the Bank have resigned before the expiry of their tenure during FY 2023-24.
- None of the Director on the Board belong to promoter and promoter group except Mr. Sanjay Agarwal.
- No inter se relationship exists between the Directors of the Bank.



11. The composition of the Board conforms to the Banking Regulation Act 1949, the Listing Regulations, the Companies Act, 2013 and the relevant rules made thereunder.
12. Mr. Uttam Tibrewal has been designated as Whole Time Director and Deputy CEO of the Bank w.e.f. April 1, 2024.

The changes in the composition of the Board of Directors that took place during the FY 2023-24 were carried out in compliance of the provisions of the Companies Act, 2013 /RBI Guidelines and details of appointment/re-appointment during the FY 2023-24 are covered in the Board's Report.

As on March 31, 2024, all non-executive directors on the Board were Independent Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have 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 with an objective independent judgement and without any external influence. Independent Directors of the Bank have submitted their annual disclosures/declarations with respect to the criteria of independence as stipulated under the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949, and the guidelines issued by the RBI from time to time and in the opinion of Board, the independent directors meet the criteria of independence laid down thereunder and are independent of the management.

### C. Skill Matrix of Board

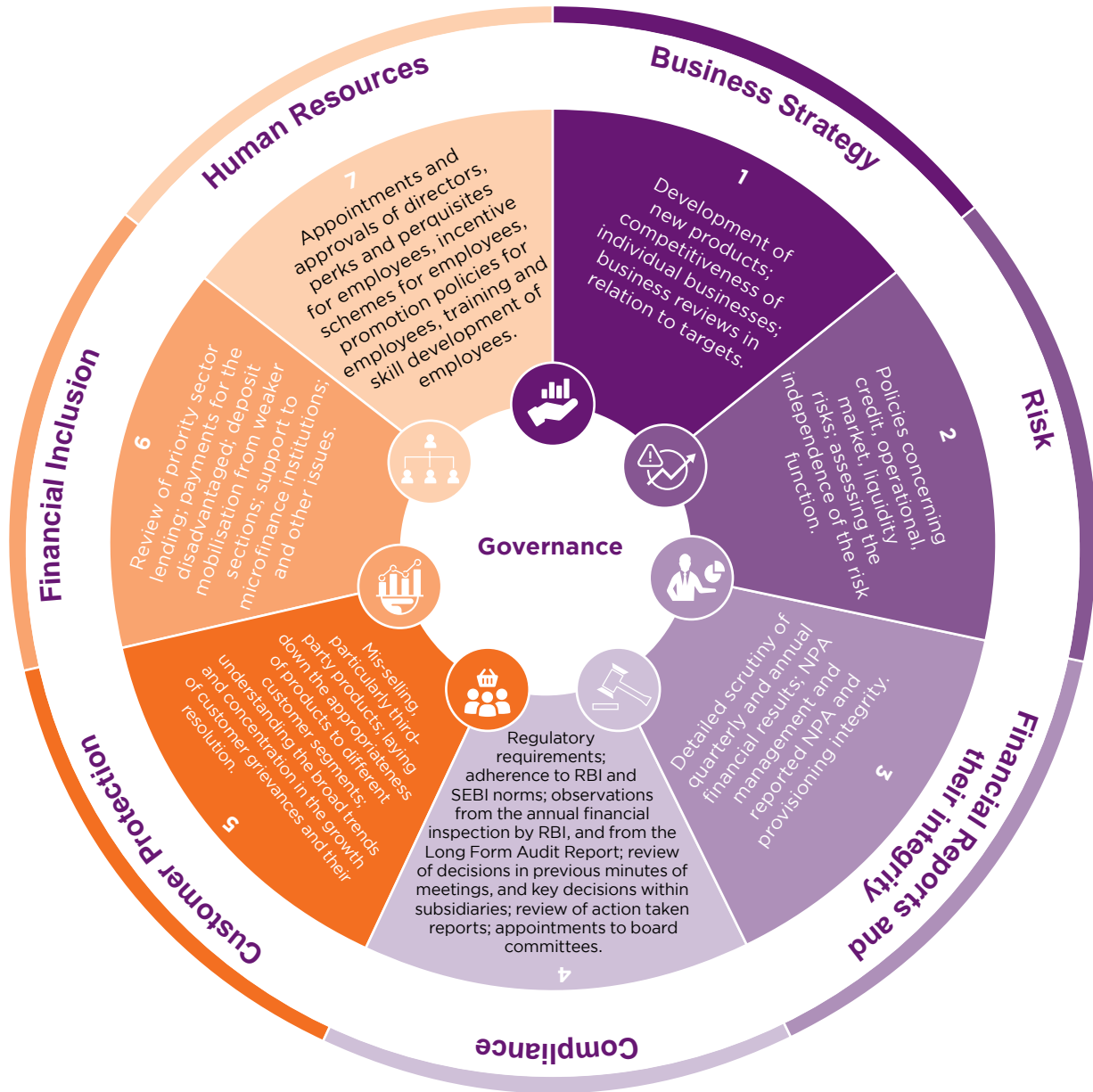
In the opinion of the Board and the Nomination and Remuneration Committee, the Directors of the Bank possess skills/expertise/competence relevant in the context of Bank's businesses and the sector in which the Bank functions, to ensure effective functioning of the Bank as per the matrix given below:

Skills/expertise/competence	Mr. H. R. Khan	Mr. V. G. Kannan	Mr. M S Sriram	Mr. Pushpinder Singh	Mr. Kamlesh Vikamsey	Ms. Malini Thadani	Ms. Kavita Venugopal	Mr. Sanjay Agarwal	Mr. Uttam Tibrewal
Accountancy									
Agriculture and Rural Economy									
Banking									
Business Management									
Co-operation									
Economics									
Finance									
Financial Inclusion									
Human Resources									
Information Technology									
Payment and Settlement									
Risk Management									
Small Scale Industry									
Sustainability and ESG									
Treasury									

**D. Board and Committee Meetings**

The Board and Committee meetings are convened at regular intervals to deliberate on matters of strategic and financial importance and regulatory agendas covered under the Reserve Bank of India’s Calendar of Reviews dated May 14, 2015 which is based on following seven critical themes:

Governance through focus on seven critical themes





## Scheduling of the meetings

The dates of Quarterly meetings of the Board and the Committees are decided in well in advance to ensure Board members availability and effective participation in the Board and Committee meetings. However, in case of a special and urgent business need, the Bank convene meetings physically or through electronic means on shorter notice or place the matter for consideration/approval through circular resolution.

Matters in the nature of unpublished price sensitive information are circulated to the Board and Committee members, at a shorter notice, as per the general consent taken from the Board/Committee, from time to time.

## Agenda of the meetings

The agendas of the Board meetings include matters prescribed by the RBI vide Calendar of Reviews dated May 14, 2015 and other matters required under the provisions of applicable laws. The agendas of Committee meetings are prepared on the basis of the calendar of reviews of respective committee which includes matters prescribed under applicable laws and as per business requirements.

The agenda notes are prepared and reviewed by concerned officials of the respective department in consultation with the Company Secretary.

In order to facilitate effective discussions at the meetings, the agendas are bifurcated into items requiring approval and noting/review to facilitate efficient time management, informed decision-making and active participation at meetings, leading to higher Board effectiveness.

## Procedure

The agendas for the Board and Committee meetings along with the presentations are circulated to the Board/Committee members in advance for well-informed decision-making. The Board members have unrestricted access to all the relevant and required information. The agenda notes and presentations are also shared through secured web-based portal for easy access of Board members.

Concerned officials are invited to Board and Committee meetings to provide insights related to the items being presented before the Board/Committee to enhance the depth of discussions and well-informed decision-making.

## Post-meeting Action Tracker

Directions given by the Board/Committee are communicated to the relevant official/department for taking necessary action at their end. The important decisions taken at the Board and Committee meetings are tracked till their closure and an 'Action Taken Report' is placed before the Board and Committee at their meeting.

## Minutes of the Meeting

Pursuant to the requirements of the Secretarial Standard on Meetings of the Board of Directors ("SS - I") issued by the Institute of Company Secretaries of India, the Bank sends draft minutes to the members of the Board/Committee within 15 days from the date of the conclusion of the meetings, for their comments. The minutes are placed at the next meeting of the Board/Committee after incorporating the comments, if any, received from the Board/Committee members for noting.

The resolution, if any, passed by circulation is placed at the next meeting of the Board/ Committee.

## Number of Board meetings held during FY 2023-24

During the FY 2023-24, the Board of the Directors of the Bank met Eleven (11) times on following dates:

Q1	Q2	Q3	Q4
1. April 25, 2023	4. July 22, 2023	6. October 06, 2023	10. January 25, 2024
2. May 22, 2023	5. July 28, 2023	7. October 28, 2023	11. March 26, 2024
3. June 29, 2023		8. October 29, 2023	
		9. December 27, 2023	

The requisite quorum was present for all the meetings of the Board held during FY 2023-24.

The attendance details of directors at Board Meetings and last Annual General Meeting (“AGM”) are as follows:

Name of the Director	Designation	No. of Board meetings entitled to attend	Board Meetings attended	Attendance at Twenty Eight AGM
Mr. Raj Vikash Verma*	Part-Time Chairman and Independent Director	10	10	✓
Mr. H. R. Khan*	Part-Time Chairman and Independent Director	11	10	✓
Mr. Kamlesh Vikamsey	Independent Director	11	11	✓
Mr. V. G. Kannan	Independent Director	11	11	✗
Ms. Kavita Venugopal	Independent Director	11	11	✓
Ms. Malini Thadani	Independent Director	11	11	✓
Mr. M S Sriram	Independent Director	11	11	✓
Mr. Pushpinder Singh	Independent Director	11	11	✓
Mr. Sanjay Agarwal	MD & CEO	11	11	✓
Mr. Uttam Tibrewal	Whole Time Director#	11	10	✓

\*Mr. Raj Vikash Verma ceased as Part-Time Chairman and Independent Director from the close of business hours on January 29, 2024 on completion of his tenure on the Board of the Bank. Mr. H. R. Khan, Independent Director took charge as Part-Time Chairman w.e.f. January 30, 2024 with the approval of Board, shareholders and RBI.

#Mr. Uttam Tibrewal has been designated as Whole Time Director and Deputy CEO of the Bank w.e.f. April 1, 2024.

The role and the composition of Board committees as of March 31, 2024 is as follows:

## 1. Audit Committee

### Terms of Reference

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

- Review and approve the remit, nature and scope of the internal audit function and ensure it has adequate resources, skills, qualifications, and appropriate access to information to enable it to perform its function effectively.
- Consider major findings of internal - quarterly, semi-annual, and annual audit reviews.
- Review of significant Audit Findings of the following audits along with the compliance thereof - (i) LFAR (ii) Concurrent Audit (iii) Internal Inspection (iv) I.S. Audit of Data Centre (v) Treasury and Derivatives (vi) Management Audit at Controlling Offices/Head Offices.
- Review management letter(s) and management response to the findings, recommendations of the external auditor(s).
- Oversee relationship with external auditors with respect to their remuneration for services, terms of engagement, assessment of their independence, rotation of auditors, resignation and dismissal of auditors, approval of audit plan in line with the scope of engagement.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow-up (including disciplinary action) of any instances of non-compliance, including their policies, procedures, techniques, and other regulatory requirements.
- Obtain regular updates from management and Bank’s legal counsel regarding compliance matters.
- Oversight of the Bank’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank including approval of payment to auditors for any other services rendered.
- Appointment of Chief Financial Officer, Head of Internal Audit, Chief Compliance Officer, Chief Vigilance Officer after assessing the qualifications, experience, and background, etc. of the candidate and changes in their terms, if any.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes



other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure & approvals of any related party transactions; and
  - modified opinion(s) in the draft audit report.
- Reviewing and overseeing the functioning of the whistle blower mechanism/vigil mechanism established by Bank and the Chairperson of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns.
- Approval or any subsequent modification of transactions of the Bank with related parties or grant of omnibus approval for related party transactions proposed to be entered into by the Bank subject to the conditions specified under Listing Regulations;
- Reviewing, with the management, the quarterly financial results before submission to the Board for approval.

During the year, Audit Committee met Fourteen (14) times on April 19, 2023 (adjourned to April 24, 2023), April 25, 2023, July 19, 2023, July 22, 2023, July 27, 2023, September 19, 2023, October 05, 2023, October 23, 2023, October 28, 2023, October 29, 2023, December 02, 2023, December 21, 2023, January 20, 2024 and January 25, 2024.

Details of the composition of the Audit Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. Kamlesh Vikamsey	Independent Director	Chairperson
Mr. M S Sriram	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Ms. Kavita Venugopal	Independent Director	Member

## 2. Risk Management Committee

### Terms of Reference

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

- Review Bank's risk management framework (i.e. principles, policies, strategies, process, and controls) and to ensure that the same is being communicated throughout review reports from management concerning changes in the factors relevant to the Bank's projected strategy, business performance and capital adequacy.
- To 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.
- To review report on fraudulent transactions relating to internet banking and pointing out the deficiencies in the existing system including steps taken to prevent such cases under Operational risk.
- Review reports from management concerning implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational changes and all other major initiatives in order to monitor them.

- To continuously scan the environment for new and emerging risks coming up including changes in regulations/rules which could impact the performance of the Bank.
- To review, consider and recommend to Nomination & Remuneration Committee (“NRC”) performance assessment of Chief Risk Officer (“CRO”) of the Bank and set objectives for the CRO and ensure that the CRO has unfettered access to the Risk Management Committee and Board.
- Oversee statutory/regulatory reporting requirements related to risk management
- Monitor and review capital adequacy computation with an understanding of methodology, systems, and data.
- Approve the stress testing results/analysis and monitor the action plans and corrective measures 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, Asset & Liability Management Committee, Investment Committee, Operational Risk Management Committee, Committee for Outsourcing of IT & Financial Services and IT Security Risk Management Committee.
- Review and ensure that all systems are being implemented in the Bank with adequate security controls.
- Provide appropriate and prompt reporting to the Board of Directors, in order to fulfil the oversight responsibilities of the Board of Directors.

During the year, the Risk Management Committee met Six (6) times on April 17, 2023 (adjourned to April 24, 2023), June 28, 2023, July 18, 2023, July 27, 2023, October 19, 2023 and January 19, 2024.

Details of the composition of the Risk Management Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. V. G. Kannan	Independent Director	Chairperson
Mr. Pushpinder Singh	Independent Director	Member
Ms. Kavita Venugopal	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member

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

#### Terms of Reference

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

- Develop policies and lay down criteria for appointment/removal/reappointment of the Directors of the Board capturing the statutory and regulatory requirements.
- Formulate comprehensive criteria for appointment of directors in terms of qualifications, positive attributes, independence, professional experience, track record and integrity of the person.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Devise a policy on Board diversity based on diversity of thought, experience, knowledge, perspective, and gender.
- Conduct appropriate due diligence and scrutinise the declarations made by probable candidates at the time of appointment/re-appointment of directors.
- Ensure that the Bank has a detailed succession and management continuity plan for key positions.
- Assist in defining the performance evaluation criteria for directors and other Key Management Personnel (“KMPs”), Senior Managerial Personnel (“SMPs”), Material Risk Takers (“MRTs”) and Control Function Staff and ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.



- Ensure Bank's compensation policy provides a fair and consistent basis for motivating and rewarding employees appropriately according to their performance, job profile/role size, contribution, skill, and competence and review compensation levels of the Bank's employees vis-à-vis other Banks and the Banking industry in general.
- Ensure that the compensation for Directors, KMPs, SMPs, MRTs and Control Function Staff is in accordance with the RBI guidelines and other applicable regulatory requirements.
- 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 by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:
  - Administering the Employee Stock Option Plans ("ESOP");
  - Determining the eligibility of employees to participate under the ESOP;
  - Granting options to eligible employees and determining the date of grant;
  - Determining the number of options to be granted to an employee;
  - Determining the exercise price under the ESOP; and
  - Construing and interpreting the ESOP and any agreements defining the rights and obligations of the Bank and eligible employees under the ESOP, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP.

During the year, Nomination and Remuneration Committee met Seven (7) times on April 24, 2023, June 06, 2023, June 28, 2023, July 21, 2023, July 28, 2023, December 23, 2023 and March 26, 2024.

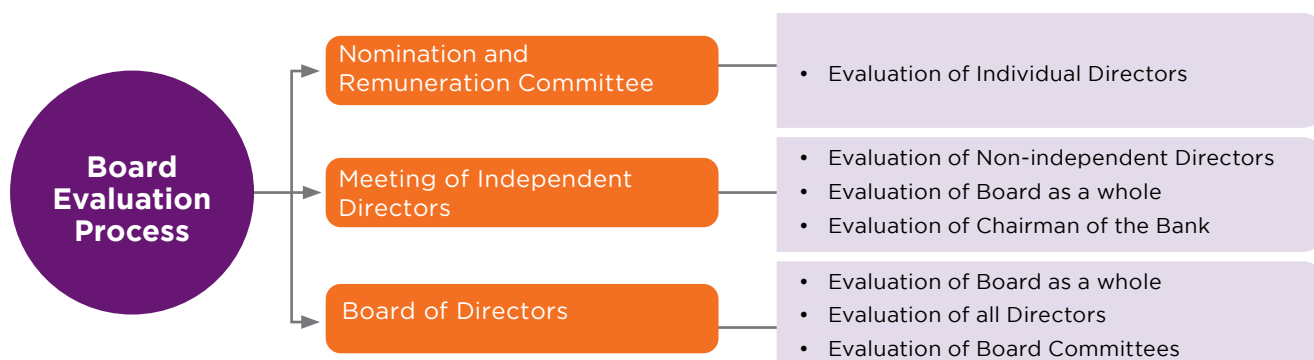
Details of the composition of the Nomination and Remuneration Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. M S Sriram	Independent Director	Chairperson
Mr. Pushpinder Singh	Independent Director	Member
Ms. Malini Thadani	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member

### Performance Evaluation

The Board evaluation framework is designed in compliance with the requirements under the Section 149(8) read with Schedule IV, Section 178(2) of the Companies Act, 2013 and Regulation 17 and Regulation 25 of Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI, the Board evaluation was conducted through online questionnaire containing Qualitative & Quantitative parameters.

The Bank has a structured assessment process for evaluation of the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. Further, the Independent Directors met separately, without the attendance of non-Independent Directors and members of the Management, and inter alia reviewed the performance of non-independent directors, and Board as a whole; and performance of the Chairman of the Bank.



Online questionnaires were circulated for performance evaluation of Board as a whole, Individual directors, Chairperson and Committees basis the below mentioned criteria and Director being evaluated did not participate in the process:

Criteria for Board	Criteria for Individual Executive Directors	Criteria for Individual Independent Directors	Criteria for Chairman	Criteria for Board Committees
<ul style="list-style-type: none"> <li>Structure of the Board</li> <li>Meetings of the Board</li> <li>Functions of the Board</li> <li>Board and Management Performance</li> </ul>	<ul style="list-style-type: none"> <li>Qualifications, Experience, Knowledge and Fulfillment of Functions</li> <li>Leadership</li> <li>Performance</li> <li>Value Creation</li> <li>Governance and Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Qualifications, Experience, Knowledge and Fulfillment of Functions</li> <li>Independence and Shareholders interest</li> <li>Knowledge and participation</li> </ul>	<ul style="list-style-type: none"> <li>Qualifications, Experience, Knowledge and Fulfillment of functions</li> <li>Independence and Shareholders interest</li> <li>Knowledge and Participation</li> </ul>	<ul style="list-style-type: none"> <li>Process</li> <li>Governance</li> </ul>

### Outcome of Performance Evaluation

The evaluation results have been positive where it was indicated that the Board is functioning well and actively engages for discussion on important strategic issues and spend considerable time on important subjects. Further, Board members possessed requisite combination of skills and demonstrated a collaborative and constructive mindset. This encouraged active participation and constructive questioning at the meetings leading to effective decision-making. The Committees have also been fulfilling their responsibilities effectively, addressing key issues and discussing matters of their designated areas of focus.

The outcome of the Board Evaluation for the FY 2023-24 was discussed at the meetings of Nomination and Remuneration Committee and Independent Directors held on June 26, 2024 and at the meeting of Board held on June 27, 2024.

Few of the focus areas which were discussed are as follows:

1. Knowledge Session for the Directors with particular focus on Cyber Security, Forex, ALM & MR, Emerging issues on Technology, and Corporate Governance may be organised.
2. Regular updates on Integration of Fincare be given for smooth transition.
3. Appointment of Directors in view of completion of Tenure of Independent Directors.

The action taken and the areas of improvement identified in the Board evaluation process are then communicated in the following manner:

1. To the Individual Directors by the Chairperson of the Board.
2. To the Chairman of the Board by the Chairperson of Nomination and Remuneration Committee.
3. To the Chairperson of respective committee by the Chairperson of Independent Directors meeting.
4. To the Board by the Chairperson of Independent Directors meeting.

### Compensation Policy

The Bank has a Board approved Compensation Policy which deals with the compensation and benefits of the Executive and Non-Executive Directors, Key Managerial Personnel, Senior Management Personnel, Material Risk Takers and Control Function staff of the Bank. This Policy is in line with the Reserve Bank of India's circular/guideline dated November 4, 2019 bearing number DOR.Appt.BC.No.23/29.67.001/2019-20 on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/Other Risk Takers and Control Function Staff, etc. and guidelines issued by the Reserve Bank of India from time to time, Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, and the Listing Regulations, amended from time to time.

Compensation policy regulates the appointment and remuneration of Directors (including Independent Directors), Key Managerial Personnel, Senior Management Personnel, Material Risk Takers and Control Function staff.



The Compensation Policy is annually reviewed by the Board of Directors in addition to the other amendments that may be required during the year. 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>.

## Remuneration to Directors

### Remuneration to Non-Executive Directors

The Independent Directors are paid sitting fees for attending each meeting of the Board of Directors or any Committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, RBI Circulars no. RBI/2021-22/24DOR.GOV.REC.8/29.67.001/2021-22 on Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021 and other regulatory guidelines, as amended from time to time.

The Independent Directors are entitled to receive the sitting fees of ₹ 80,000 per meeting for attending the Board meetings and ₹ 40,000 per meeting for attending the Committee meetings. The sitting fee is paid immediately after the respective Board and Committee meeting to those directors who have attended the meetings.

Considering the valuable contribution by the independent directors, fixed remuneration of ₹ 15,00,000 per annum is payable to each Independent Director of the Bank and ₹ 24,00,000 per annum to Part Time Chairman of the Bank.

The details of sitting fees for attending the Board & Committee meetings and Compensation paid to Independent Directors for the Financial Year ended March 31, 2024 are provided below:

Name of Director	Sitting Fees	Compensation / Honorarium	(₹ in Lakh)
			Total
Mr. Raj Vikash Verma*	16.00	16.59	32.59
Mr. H. R. Khan*	19.20	16.57	35.77
Mr. Kamlesh Vikamsey	21.60	15.00	36.60
Mr. V. G. Kannan	22.40	15.00	37.40
Ms. Kavita Venugopal	20.80	15.00	35.80
Ms. Malini Thadani	18.00	15.00	33.00
Mr. M S Sriram	23.60	15.00	38.60
Mr. Pushpinder Singh	20.00	15.00	35.00

\* Mr. Raj Vikash Verma ceased as Part-Time Chairman and Independent Director from the close of business hours on January 29, 2024 on completion of his tenure on the Board of the Bank. Mr. H. R. Khan, Independent Director took charge as Part-Time Chairman w.e.f. January 30, 2024 with the approval of Board, shareholders and RBI.

Note: None of the Non-executive Directors have any pecuniary relationship or transaction with the Bank apart from receiving sitting fee and Compensation/Honorarium as applicable.

### Remuneration of Executive Directors

On recommendation of the Nomination and Remuneration Committee, the Board of the Bank approves remuneration of Executive Directors subject to shareholders' and the RBI's approvals as applicable. Terms of appointment of Executive Directors is governed by the employment agreement executed between the Bank and Executive Director.

A proper balance between fixed pay and variable pay is 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 claw back clause, which activates in the event of subdued or negative financial performance of the Bank.

The remuneration details of Executive Directors viz. Mr. Sanjay Agarwal, MD & CEO and Mr. Uttam Tibrewal, Whole-Time Director of the Bank are given below:

(₹ in Crore)		
Name	Fixed Pay for FY 2023-24 <sup>1</sup> (including perquisites)	Variable Pay of Previous Years paid during the FY 2023-24 <sup>2</sup>
Mr. Sanjay Agarwal, MD & CEO	2.56	0.91
Mr. Uttam Tibrewal <sup>4</sup> , Whole Time Director	2.22	0.33 <sup>3</sup>

<sup>1</sup> RBI vide its letter dated January 17, 2024 approved the Fixed pay for FY 2023-24 of ₹ 2.56 Crore and ₹ 2.22 Crore of Mr. Sanjay Agarwal and Mr. Uttam Tibrewal respectively.

<sup>2</sup> Variable Pay (Performance bonus) of ₹ 1.22 Crore for FY 2022-23 for Mr. Sanjay Agarwal, MD & CEO was approved by RBI on January 17, 2024 and out of which 50% i.e. ₹ 0.61 Crore was paid during the FY 2023-24 and 50% is deferred in next 3 years in equal instalments.

<sup>3</sup> Excluding perquisite amount of ₹ 24.30 Crore for ESOPs exercised during FY 2023-24 by Mr. Uttam Tibrewal. Further, during the FY 2023-24, Mr. Uttam Tibrewal exercised 9,098 options under ESOP Scheme 2020 at an exercise price of ₹ 603.50, 3,434 options Under ESOP Scheme 2020 at an exercise price of ₹ 547.50 and 6,00,000 options Under ESOP Scheme 2018 at an exercise price of ₹ 332.00 respectively.

<sup>4</sup> Variable Pay (Performance bonus) of Mr. Uttam Tibrewal, WTD in the form of ESOPs amounting to ₹ 1.21 Crore has been approved by RBI for FY 2022- 23, in respect of which 38,387 ESOPs have been granted under ESOP 2023 by the Nomination & Remuneration Committee of the Bank on June 26, 2024.

The present tenure of the office of the Managing Director & CEO and Whole Time Director is three years w.e.f. April 19, 2023 and can be terminated by either party by giving one month's notice in writing. There is no provision for payment of severance fees.

#### 4. Stakeholders Relationship Committee ("SRC")

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent ("RTA").
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank.
- Review and address all matters pertaining to Depositories for dematerialisation of shares of the Bank and other matters connected therewith.
- Review and address matters pertaining to RTA including appointment of new RTA in place of existing.
- Review status of investor complaints on a periodic basis and issue necessary instructions to expedite resolution of pending complaints.
- Oversee the performance of the RTA and to recommend measures for overall improvement in the quality of investor services.
- Carrying out any other function contained in the Listing Regulations.

During the year, the SRC met Four (4) times on April 20, 2023, July 21, 2023, October 19, 2023 and March 20, 2024.

Details of the composition of the SRC as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. Kavita Venugopal	Independent Director	Chairperson
Ms. Malini Thadani	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member



### Investor Grievance Redressal

The Bank has appointed “Link Intime India Private Limited” as the RTA of the Bank to carry out the share transfer and other work associated 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 corporate, securities and other applicable laws and within the adopted service standards. The SRC review/evaluate the performance of RTA in its quarterly meetings.

Members holding shares in physical form are requested to convert their holdings to dematerialised form to eliminate all risks associated with physical shares, to be able to transfer shares and for ease of portfolio management. Pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, Investor Service Request Form (ISR)-1 along with other forms were shared with all the physical shareholders and also made available on the website of the Bank and RTA for updating their KYC details.

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report, dividend warrant and any other query relating to the securities of the Bank, the investors may contact the RTA, Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). For any escalations, shareholders may write to the Bank at [investorrelations@aubank.in](mailto:investorrelations@aubank.in). The addresses and contact details of RTA are provided at General Shareholder Information section of Corporate Governance Report.

#### Details of Investor complaints received during the FY 2023-24:

Particulars	Shareholders	Debenture holders
No. of complaints pending as on April 1, 2023	0	0
No. of complaints received during FY 2023-24	0	0
No. of complaints resolved during FY 2023-24	0	0
No. of complaints pending as on March 31, 2024	0	0

In compliance with the Listing Regulations, the statement of investor grievances was submitted to stock exchange on a quarterly basis.

#### Name and Designation of Compliance Officer

Pursuant to Regulation 6(1) of Listing Regulations, Mr. Manmohan Parnami, Company Secretary is designated as Compliance Officer.

## 5. Corporate Social Responsibility (“CSR”) Committee

### Terms of Reference

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

- To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Bank in accordance with Schedule VII of the Companies Act.
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Bank.
- To monitor and review the CSR policy of the Bank and its effective implementation from time to time.
- To formulate and recommend to the Board, an Annual Action Plan in pursuance of CSR policy.
- Monitor the implementation of the projects in pursuance to Annual Action Plan for smooth implementation of the project within the overall permissible time period and satisfy itself regarding the utilisation of the disbursed CSR funds.
- Ensure appropriate disclosures regarding CSR activities undertaken by the Bank are appropriately disclosed in the Annual Report.
- The CSR Committee shall also report annually:
  - Significant CSR activities and achievements in the Bank’s Annual Report.
  - The impact assessment reports which shall be placed before the Board and shall be annexed to the annual report on CSR.

- Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

During the year, CSR Committee met Four (4) times on April 24, 2023, August 31, 2023, December 23, 2023 and March 26, 2024.

Details of the composition of the CSR Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Ms. Malini Thadani	Independent Director	Chairperson
Mr. M S Sriram	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member
Mr. Uttam Tibrewal	Whole Time Director	Member

## 6. IT Strategy and Information Systems Security Committee

### Terms of Reference

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

- Review the IT related strategy and policy and ensure that the same is approved by the Board.
- Oversee performance of the IT Steering Committee and IT Security Risk Management Committee and guide the management in implementing the IT strategy, maintaining a good balance between the Board and the Management across all IT related verticals.
- Implementation of an IT governance framework covering basic principles of value delivery, IT Risk Management, IT resource management, and performance management (including IT Security).
- Ensure that a governance structure is created for IT which will include technology and development, IT operations, IT assurance and supplier and resource management, each of which may be headed by suitably experienced and trained senior officials.
- Review IT performance measurement and contribution of IT to the Bank's business.
- Review the IT operational model and ensure it is effective and working as per set policies and processes.
- Review the investments made into IT infrastructure to sustain the Bank's growth and represent a balance of risks and benefits.
- Overseeing the aggregate funding of IT at Bank-level and ascertain if the management has resources to ensure the proper management of IT risks.
- Oversee and guide the process of:
  - Budgetary allocations for the IT function (including for IT security) aligned with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;
  - Maintain close oversight over the Business Continuity Planning and Disaster Recovery Management of the Bank consistent with the Regulatory and supervisory expectations on the one hand and the best industry standards and practices on the other hand, under the broad Digital Vision of the bank; and
  - Ensure the annual assessment of capacity vis-à-vis the expectations, with sufficient safety in terms of any capacity constraint based on past trend (peak usage), business activities (current as well as future plans) and address the issues effectively in order to ensure that there is always enough bandwidth available for any contingency.

During the year, the IT Strategy and Information Systems Security Committee met Four (4) times on May 30, 2023, September 18, 2023, December 19, 2023 and March 23, 2024.



Details of the composition of the IT Strategy and Information Systems Security Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. Pushpinder Singh	Independent Director	Chairperson
Mr. M S Sriram	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

## 7. Customer Service Committee (“CSC”)

### Terms of Reference

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

- To review and monitor the effective implementation of customer service-related policies, procedures, systems and processes.
- Review the statement of complaints along with an analysis of the complaints received with an objective to address the following: (i) to identify customer service areas in which the complaints are frequently received; (ii) to identify frequent sources of complaint; (iii) to identify systemic deficiencies; and (iv) for initiating appropriate action to make the grievance redressal mechanism more effective.
- Review, on a quarterly basis, the position of the complaints against the Bank with the Banking Ombudsman offices/Consumer Courts/Courts and analyse the reasons for these complaints not getting resolved by the Bank itself.
- Review the effectiveness of grievance redressal mechanism within the Bank for redressing complaints received about services rendered by Business Correspondents (BC).
- Evaluate the trend analysis of customer complaints by product categories/channels/BCs and monitor improvement plans.
- Ensure that the products and services are appropriate to the needs of the customers by analysing products and service and associated customer complaints for betterment in customer service quality and adhere to extant regulations.
- 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 3 months to the Board with reasons for delay to facilitate necessary remedial action on priority.
- Review the details of the number of claims received pertaining to deceased depositors/ locker-hirers/ depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons.
- Review the performance of ‘Standing Committee for Customer Services’ and other Sub Committees, if any.
- Benchmark review of turnaround time for key product offerings and monitoring improvement plans put in place.

During the year, the CSC met Four (4) times on April 19, 2023, September 11, 2023, December 20, 2023 and March 23, 2024.

Details of the composition of the CSC as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. M S Sriram	Independent Director	Chairperson
Ms. Kavita Venugopal	Independent Director	Member
Mr. Pushpinder Singh	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Mr. Uttam Tibrewal	Whole Time Director	Member

## 8. Review of Classification of Wilful Defaulters Committee

### Terms of Reference

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

- Review and examine the evidence of wilful default on the part of the borrower, and its director/whole time director.
- Ensure that the parties are given necessary opportunities to put forth their cases before classifying them as wilful defaulters.
- Review of the problematic areas leading to advancement of wilful defaulters in the Bank and develop control measures to mitigate the same.
- Cases where-in suggestions and advice of the Committee is required or cases having substantive progress requiring knowledge of Committee will be reviewed. All cases of Non-Cooperative Borrowers category will be reviewed every six months.
- Make recommendations and facilitate efficient and effective decisions on time to improve the quality of loan portfolio.
- Interface with legal department and recovery department to monitor the wilful default cases and their current position.

During the year, Review of Classification of Wilful Defaulters Committee met Four (4) times on April 17, 2023, July 21, 2023, October 19, 2023 and January 10, 2024.

Details of the composition of the Review of Classification of Wilful Defaulters Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H. R. Khan	Independent Director	Chairperson
Mr. V. G. Kannan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

## 9. Special Committee on Fraud Monitoring (“SFMC”)

### 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.

During the year, Special Committee on Fraud Monitoring met once on March 20, 2024.

Details of the composition of the Special Committee on Fraud Monitoring as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H. R. Khan	Independent Director	Chairperson
Ms. Kavita Venugopal	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Mr. Pushpinder Singh	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member



## 10. Disciplinary Committee

### Terms of Reference

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

- To review 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.

During the year, the Disciplinary Committee met two (2) times on April 24, 2023 and December 20, 2023

Details of the composition of the Disciplinary Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Ms. Kavita Venugopal	Independent Director	Chairperson
Mr. M S Sriram	Independent Director	Member
Mr. Pushpinder Singh	Independent Director	Member
Ms. Malini Thadani	Independent Director	Member
Mr. Uttam Tibrewal	Whole Time Director	Member

## 11. Committee For Financial Inclusion

### Terms of Reference

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

- To review the channelisation of deposits in unserved and underserved sections of the society & availability of credit to small business units, small & marginal farmers; micro and small industries and other unorganised sector entities through high technology & low-cost operations.
- Review of the financial inclusion initiatives covering the targets, products, customer segment etc. and review the plan in this regard.
- To 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 review and monitor the progress of enrolments under the pro-poor insurance and pension programmes and other government schemes.
- 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.
- To advise for the new initiatives for financial inclusion that can be undertaken by the Bank.
- 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.

During the year, the Committee for Financial Inclusion met Four (4) times on April 19, 2023, July 21, 2023, December 26, 2023 and January 20, 2024.

Details of the composition of the Committee for Financial Inclusion as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H. R. Khan	Independent Director	Chairperson
Mr. M S Sriram	Independent Director	Member
Ms. Malini Thadani	Independent Director	Member
Mr. Uttam Tibrewal	Whole Time Director	Member

## 12. Management Committee

### 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 no officer or any Committee comprising, inter alia, an officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to his/her relative.
- Reporting to Board about proposals for credit facilities to the relatives of senior officers of the Bank sanctioned by the appropriate authority through Management Committee.
- Reporting to Board about any company in which any of the relatives of any senior officer of the Bank holds substantial interest or is interested as a director or as a guarantor.
- To sanction proposals of loans and advances aggregating Rupees twenty-five lakhs and above to -
  - directors (including the Chairman/Managing Director) of other Banks
  - any firm in which any of the directors of other Banks is interested as a partner or guarantor; and
  - any company in which any of the directors of other Banks holds substantial interest or is interested as a director or as a guarantor.

However, for personal loans granted to any director of other Banks, the threshold of Rupees twenty-five lakh, as mentioned above shall be revised to Rupees five Crore.

- To sanction proposals of loans and advances aggregating Rupees five Crore and above to:
  - any relative other than spouse and minor/dependent children of their own Chairmen/Managing Directors or other Directors;
  - any relative other than spouse and minor/dependent children of the Chairman/Managing Director or other directors of other Banks;
  - any firm in which any of the relatives other than spouse and minor/dependent children as mentioned in (a) & (b) above is interested as a partner or guarantor; and;
  - any company in which any of the relatives other than spouse and minor/dependent children as mentioned in (a) & (b) above is interested as a major shareholder or as a director or as a guarantor or is in control;

Provided that a relative of a director shall also be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.

- Approval of Waiver in POS amount for amount above ₹ 1 Crore.

During the year, the Management Committee met Three (3) times on April 17, 2023, October 19, 2023 and January 10, 2024.



Details of the composition of the Management Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. Pushpinder Singh	Independent Director	Chairperson
Mr. M S Sriram	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member
Mr. Uttam Tibrewal	Whole Time Director	Member

### 13. Capital Raising Committee

#### Terms of Reference

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

- 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.
- To do all such acts, deeds as the Board may delegate in connection with the capital and fund-raising exercise.

During the year, no meeting of the Capital Raising Committee was held.

Details of the composition of the Capital Raising Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Mr. H. R. Khan	Independent Director	Chairperson
Ms. Malini Thadani	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

### 14. Sustainability Committee

#### Terms of Reference

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

- Monitor and assess the adequacy of the Bank's sustainable development framework.
- Stakeholder identification & meaningful engagement to identify, strategise, address & report the material issues.
- Firm up a roadmap, fix sustainability targets in alignment with business targets & monitoring of the targets.
- Explore integration of Business objectives and their alignment with the ESG goals in consultation with all business verticals.
- Support in creation & support of climate resilient business models. Work towards positive ecosystem with carbon positive, water positive & waste neutral operations.
- Support in identifying climate related physical & systemic risks. Work out ESG financing strategy & risk mitigation plan in phase-wise manner in accordance with globally accepted frameworks.

- Collaborate and partner with industry peers to strengthen sustainability initiatives. This may include international peers/stakeholders as well.
- Develop lending and investment guidelines in alignment with climate resiliency.
- Ensure accountability, transparency, efficiency, equity, including Gender equality and inclusivity in the business.
- Creation of diverse & inclusive ecosystem presenting with equal opportunities.
- Education & communication of sustainable practices to all the stakeholders.

During the year, the Sustainability Committee met Three (3) times on April 17, 2023, August 31, 2023 and March 20, 2024

Details of the composition of the Sustainability Committee as on March 31, 2024 is as follows:

Name	Category of Directorship	Chairperson/ Member
Ms. Malini Thadani	Independent Director	Chairperson
Ms. Kavita Venugopal	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director & CEO	Member

#### 15. Committee of Independent Directors

During the year under review, the Board on October 29, 2023, has constituted Committee of Independent Directors with below mentioned composition for consideration of necessary documents in relation to amalgamation of Fincare Small Finance Bank Limited into and with AU Small Finance Bank Limited through the Scheme of Amalgamation in accordance with the Section 44A of the Banking Regulation Act, 1949 and the Reserve Bank of India (Amalgamation of Private Sector Banks) Directions, 2016 and submit report of Independent Directors to the Board of Directors in this regard:

Name	Category of Directorship	Chairperson/ Member
Mr. Raj Vikash Verma	Independent Director	Chairperson
Mr. H. R. Khan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. V. G. Kannan	Independent Director	Member
Ms. Kavita Venugopal	Independent Director	Member
Ms. Malini Thadani	Independent Director	Member
Mr. M S Sriram	Independent Director	Member
Mr. Pushpinder Singh	Independent Director	Member

During the year, the Committee of Independent Directors met once on October 29, 2023.

Thereafter, the Committee was dissolved post submission of its report to the Board of Directors on October 29, 2023.



**Table- I – Details of Number of Committee Meetings and participation of the Members at the Meetings During FY 2023-24**

Name of Committee Member	No. of Meetings attended/No. of Meetings											SC	SCFMC	CRC	MCB	CFI	DC	RWDC	CSC	ITS&ISSC	CSRC	SRC	NRC	RMCB	ACB	CID
	ACB	RMCB	NRC	SRC	CSRC	ITS&ISSC	CSC	RWDC	DC	CFI	MCB															
Mr. Raj Vikash Verma <sup>1</sup>	-	-	-	3/3	-	3/3	-	4/4	-	4/4	3/3	-	-	2/2	1/1											
Mr. H. R. Khan <sup>2</sup>	-	6/6	6/7	-	4/4	3/4	-	4/4	-	4/4	-	-	1/1	3/3	1/1											
Mr. Kamlesh Vikamsey <sup>3</sup>	14/14	6/6	-	4/4	-	-	4/4	-	4/4	-	-	-	-	3/3	1/1											
Mr. V. G. Kannan	14/14	6/6	-	-	4/4	4/4	4/4	-	-	-	-	-	1/1	-	1/1											
Ms. Kavita Venugopal <sup>4</sup>	14/14	6/6	-	1/1	-	4/4	-	2/2	-	-	-	-	1/1	1/1	1/1											
Ms. Malini Thadani <sup>5</sup>	-	-	7/7	4/4	4/4	-	-	-	4/4	-	-	-	-	3/3	1/1											
Mr. M S Sriram <sup>6</sup>	14/14	-	7/7	-	4/4	1/1	4/4	-	2/2	4/4	-	-	-	-	1/1											
Mr. Pushpinder Singh <sup>7</sup>	-	6/6	7/7	-	4/4	4/4	4/4	2/2	-	-	3/3	-	1/1	-	1/1											
Mr. Sanjay Agarwal	-	-	-	3/4	4/4	3/4	-	3/4	-	-	2/3	-	1/1	3/3	-											
Mr. Uttam Tibrewal <sup>8</sup>	-	-	-	2/3	3/4	-	3/4	2/2	3/4	3/3	-	-	-	-	-											
<b>Total No. of Meeting Held</b>	<b>14</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>1</b>											

ACB - Audit Committee, RMCB - Risk Management Committee, NRC - Nomination & Remuneration Committee, SRC - Stakeholders Relationship Committee, CSRC - Corporate Social Responsibility Committee, ITS&ISSC - IT Strategy and Information Systems Security Committee, CSC - Customer Service Committee, RWDC - Review of Classification of Wilful Defaulter Committee, DC - Disciplinary Committee, CFI - Committee for Financial Inclusion, MCB - Management Committee, CRC - Capital Raising Committee, SCFMC - Special Committee for Fraud Monitoring, SC - Sustainability Committee, CID - Committee of Independent Directors

- 1 Mr. Raj Vikash Verma ceased to be Chairperson of the Stakeholders Relationship Committee, Capital Raising Committee, Review of Classification of Wilful Defaulter Committee, Management Committee, Special Committee for Fraud Monitoring, member of Committee for Financial Inclusion, Sustainability Committee and IT Strategy and Information Systems Security Committee w.e.f. January 30, 2024 on completion of his tenure on the Board.
- 2 Mr. H. R. Khan inducted as Chairperson of Review of Classification of Wilful Defaulter Committee, Capital Raising Committee and Special Committee for Fraud Monitoring w.e.f. January 30, 2024.
- 3 Mr. Kamlesh Vikamsey was inducted as member of Capital Raising Committee and ceased to be a member of Special Committee for Fraud Monitoring w.e.f. January 30, 2024.
- 4 Ms. Kavita Venugopal was inducted as Chairperson of Stakeholders Relationship Committee and member of Sustainability Committee w.e.f. January 30, 2024.
- 5 Ms. Malini Thadani was inducted as member of Disciplinary Committee w.e.f. January 30, 2024.
- 6 Mr. M S Sriram was inducted as member of IT Strategy and Information Systems Security Committee and Management Committee w.e.f. January 30, 2024.
- 7 Mr. Pushpinder Singh was inducted as a Chairperson of Management Committee and member of Special Committee for Fraud Monitoring w.e.f. January 30, 2024.
- 8 Mr. Uttam Tibrewal ceased to be a member of Stakeholders Relationship Committee w.e.f. January 30, 2024.

### **Independent Director's Meeting**

As per the requirement of the Section 149(8) read with Schedule IV of Companies Act 2013, and Regulation 25 of SEBI (LODR) Regulations, 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 FY 2023-24, the Independent Directors of the Bank met on April 24, 2023, chaired by Mr. Raj Vikash Verma and attended by all the Independent Directors of the Bank and discussed & reviewed the below matters:

- Action taken report of previous meeting of Independent Directors.
- Performance of Non-Independent Directors, the Board of Directors as a whole, Chairperson of the Bank.
- The quality, quantity, and timeliness of flow of information between the management of the Bank and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.
- Whether adequate time is spent by the Board/Committees on discussions on important issues.
- Update on existing corporate governance practices.

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

### **Familiarisation programme for Independent Directors**

The Bank's independent directors are eminent professionals with several decades of experience in Banking and financial services industry, technology, finance, governance and management areas and are fully conversant with the business of the Bank. In compliance with Regulation 25(7) of the Listing Regulations, the Board familiarisation programme covers Induction programme for new Directors, familiarisation/knowledge session on Banking Business and its functional issues, external training programmes with IDRBT, CAFRAL and other programmes relevant to banking industry, knowledge session with subject matters experts and update on recent regulatory changes at regular intervals.

During the induction programme, the Directors are apprised about their roles, rights, responsibilities covered under the Bank's codes and key policies approved by the Board including Code of Ethics & Conduct for Directors and Senior Management Personnel. An orientation kit is provided to the Directors during induction which includes annual reports of previous years, organisation chart, details of Directors, KMPs, SMPs, Board Committees, Quarterly Investor's Presentation etc. to give holistic view about the Bank. The newly inducted directors are also familiarised by the Managing Director & CEO and members of senior management team about Bank's vision & mission, business model, strategies, management structure, HR initiatives, compliance, risk management and audit framework.

Further, updates on key regulatory developments including RBI and other regulatory circulars/notifications/guidelines etc. are provided to directors on regular basis at the Board and Committee meetings to keep the Directors informed about the dynamic regulatory environment and its impact.

The details of the familiarisation programme imparted to the Independent Directors during the FY 2023-24 are available on the website of the Bank at <https://www.aubank.in/investors/secretarial-policies>.

### **Director & Officer's Liability Insurance Policy**

Pursuant to the Regulation 25(10) of Listing Regulations, the Bank had undertaken Directors and Officers insurance ('D & O insurance') for all its directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Bank from time to time.

### **Board Diversity Policy**

The Board has framed a policy for Board Diversity which lays down the criteria for appointment of Directors on the Board of Bank and guides organisation's approach to Board Diversity.

The Bank believes that the inclusion of individuals from various geographic areas, cultures, genders, industry sectors, educational backgrounds, and skill sets will provide diverse perspectives, which are essential for the organisation's growth.



The Board of Directors is responsible for review of the Board Diversity policy from time to time. Board Diversity Policy is available at Bank's website at <https://www.aubank.in/investors/secretarial-policies>.

### Succession Planning

Succession Planning is integrated into Bank's Strategic Business Units (SBUs) via a hierarchical setup and there are clear pathways for career advancement and leadership development within different divisions of the Bank. The Nomination and Remuneration Committee works under the aegis of the Board to ensure orderly succession in appointments to the Board and of Senior Management.

The Bank is working with an advisory firm under the guidance of the Nomination and Remuneration Committee to further institutionalise the process of succession planning to conduit the pipelines of leaders for making institution future ready.

The Bank has put in place the Policy for orderly succession for appointment to the Board and Senior Management and the same can be accessed through the link at <https://www.aubank.in/investors/secretarial-policies>.

### Particulars of the Senior Management

Details of Senior Management Personnel (SMP) of the Bank as on March 31, 2024:

Sr. No.	Employee Name	Designation
1.	Mr. Sanjay Agarwal	MD & CEO
2.	Mr. Uttam Tibrewal	Whole Time Director (Currently, designated as Whole Time Director & Deputy CEO)
3.	Mr. Deepak Jain	Chief Risk Officer
4.	Mr. Vimal Jain	Chief Financial Officer
5.	Mr. Manmohan Parnami	Company Secretary
6.	Mr. Yogesh Jain	Chief Operating Officer
7.	Mr. Rishi Dhariwal	Group Head Liability (Currently, designated as Business Strategy Officer - MD Office)
8.	Mr. Vivek Tripathi	Head of Commercial Banking
9.	Mr. Ashok Kumar Khandelwal	Chief Compliance Officer
10.	Mr. Vinay Vaish	Head of Internal Audit
11.	Mr. Ankur Tripathi	Chief Information Officer
12.	Mr. Amit Mathur	Head of Credit - Commercial Banking
13.	Mr. Farhan Ahmed	Chief Vigilance Officer
14.	Mr. Manoj Tibrewal	Head of Customer Experience
15.	Mr. Mayank Markanday	Head of Digital Bank AU0101
16.	Mr. Vivek Tripathi	Head of Human Resources
17.	Mr. Bhaskar Karkera	Head of Retails Assets
18.	Mr. Vaman Ramesh Kamat	Head of Credit - Retail
19.	Mr. Shoorveer Singh Shekhawat	Head of Marketing, Video Banking & TFX Initiatives (Currently, designated as Head of Urban & Swadesh Banking, Govt Business & Wholesale Deposits)

*Note: Mr. Rajeev Yadav was appointed as Deputy CEO and categorised as Senior Management Personnel w.e.f. April 1, 2024.*

Mr. Amar Bahl, Head of Micro Business Loan, Mr. Aalekh Vijayvargiya, National Credit Manager Micro Business Loan and Mr. Shantanu Prasad, Head of Treasury were re-categorised from SMP to non-SMP on December 27, 2023.

## General Body Meetings

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

Year	Particular of Meeting	Date & Time	Location	Special Resolution passed if any
2022-23	28 <sup>th</sup> AGM	August 10, 2023 at 04:00 p.m.	Through Video Conferencing (“VC”) and other audio-visual means (“OAVM”)	<ol style="list-style-type: none"> <li>To issue Non-convertible debt securities/ bonds/other permissible instruments, in one or more tranches.</li> <li>To raise 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 or such other permissible mode or combinations thereof.</li> <li>To approve the Alteration of Article of Association of the Bank.</li> </ol>
2021-22	27 <sup>th</sup> AGM	August 23, 2022 at 04:00 p.m.	Through VC and OAVM	<ol style="list-style-type: none"> <li>To re-appoint Mr. Mankal Shankar Sriram (DIN: 00588922) for second term of 3 years as an Independent Director.</li> <li>To re-appoint Mr. Pushpinder Singh (DIN: 08496066) for second term of 3 years as an Independent Director.</li> <li>To re-appoint Mr. Kannan Gopalaraghavan Vellur (DIN: 03443982) for second term of 3 years as an Independent Director.</li> <li>To issue non-convertible debt securities/ bonds/ other permissible instruments, in one or more tranches.</li> <li>To raise 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 or such other permissible mode or combinations thereof.</li> </ol>
2020-21	26 <sup>th</sup> AGM	August 17, 2021 at 10:30 a.m.	Through VC and OAVM	<ol style="list-style-type: none"> <li>To issue debt securities/bonds/other permissible instruments, in one or more tranches.</li> <li>To raise 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 or such other permissible mode or combinations thereof.</li> </ol>

### B. Postal Ballot during the FY 2023-24

Pursuant to provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India, General Circulars No.14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021 and No. 20/2021 dated December 8, 2021, No. 03/2022 dated May 5, 2022, No. 11/2022 dated December 28, 2022 and No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs and other applicable rules/regulations/guidelines/circulars/notifications, the Bank has received shareholders’ approval by passing following special resolutions on April 30, 2023 and ordinary resolution on January 26, 2024.



Date of Postal Ballot Notice	Agenda Heading	Nos. of Votes		Percentage (%) of votes	
		In Favour	Against	In Favour	Against
December 27, 2023	Appointment of Mr. Harun Rasid Khan, Independent Director (Non-executive) as part-time Chairman of the Bank	53,79,55,550	38,738	99.9928	0.0072
March 10, 2023	Approval for the Appointment of Ms. Kavita Venugopal (DIN: 07551521) as an Independent Director of the Bank	49,51,22,271	5,638	99.9989	0.0011
	Approval and adoption of 'AU Employees Stock Option Scheme 2023' ("AU ESOS 2023")	47,91,43,940	1,59,80,911	96.7723	3.2277

CS Manoj Maheshwari, Partner of M/s V. M. & Associates, Companies Secretaries was appointed as the scrutiniser for monitoring and scrutinising remote e-Voting and for conducting the Postal Ballot process in a fair and transparent manner.

None of the special business proposed to be transacted in the Annual General Meeting requires to be conducted through postal ballot.

### Procedure of the Postal Ballot

The Postal Ballot procedure followed by the Bank is as per the provisions of Section 108 and Section 110 of the Companies Act, 2013 read with applicable Rules and the Listing Regulations and the SS-2 issued by the Institute of Company Secretaries of India.

Members are provided with the facility to cast their votes through e-Voting. The Board of Directors of the Bank has appointed Scrutiniser for conducting the postal ballot voting process fairly and transparently. The Scrutiniser submits his report to the Company Secretary & Compliance Officer as authorised by the Chairman of the Board after the completion of the scrutiny of the e-Voting results. Considering the results and report of the Scrutiniser of the Postal Ballot, the resolution is considered approved or rejected.

The necessary intimations as required under the applicable provisions of Listing Regulations are submitted to the Stock Exchanges and post declarations of the results the same are displayed on the website of the Bank and e-voting service provider.

### C. Extraordinary General Meeting during the FY 2023-24

Pursuant to the provisions of Section 44A of the Banking Regulation Act, 1949 and Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks, Directions, 2016, the Bank has received shareholders' approval with the requisite majority on November 27, 2023 at Extraordinary General Meeting ("EGM") of the Shareholders:

Date & Time of EGM	Venue of EGM	Agenda Heading	Nos. of Votes		Percentage (%) of votes	
			In Favour	Against	In Favour	Against
November 27, 2023 at 3:00 P.M.	AU Small Finance Bank Limited, CP3-235, Industrial Area, Apparel Park, Mahal Road, Jagatpura, Jaipur - 302022, Rajasthan, India	To consider and approve the Scheme of Amalgamation	489,242,735	466	99.9999	0.0001

### General Shareholder Information

1	Date of Incorporation	January 10, 1996
2	Corporate Identification No.	L36911RJ1996PLC011381
3	Registered office Address	19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan, India.
4	Address for 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: +91-141-4110060/61   Fax: +91-141-4110090 Email: <a href="mailto:investorrelations@aubank.in">investorrelations@aubank.in</a>

5	Name of depositories	<ul style="list-style-type: none"> <li>National Securities Depository Limited (“NSDL”)</li> <li>Central Depository Services (India) Limited (“CDSL”)</li> </ul>																							
6	Listing on Stock Exchange	<table border="0"> <tr> <td style="vertical-align: top;"> <p><b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India</p> </td> <td style="vertical-align: top;"> <p><b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India</p> </td> </tr> </table> <p>The Bank has deposited the annual listing fees to the stock exchange(s) where the securities of the Bank are listed.</p> <p>No securities were suspended for trading on any of the exchange viz. BSE and NSE during the financial year 2023-24.</p>	<p><b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India</p>	<p><b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India</p>																					
<p><b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India</p>	<p><b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India</p>																								
7	Stock Code	BSE: 540611 NSE: AUBANK																							
8	ISIN of Equity Shares	INE949L01017																							
9	Dematerialisation of Shares & Liquidity	<p>The Bank’s shares are traded compulsorily in electronic form.</p> <p>The Bank has established connectivity with both the depositories in India –NSDL and CDSL. The requisite fees were duly paid to the depositories.</p> <p>The Bank has also appointed Link Intime India Pvt. Ltd. as the connectivity agent to provide electronic connectivity interface with NSDL and CDSL for securities of the Bank.</p> <p>Position of Shareholding (Demat/Physical) as on March 31, 2024 was as below:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th></th> <th>No. of Shares</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Dematerialisation Form</td> <td>CDSL</td> <td>6,84,26,093</td> <td>10.2256</td> </tr> <tr> <td>NSDL</td> <td>60,07,33,570</td> <td>89.7740</td> </tr> <tr> <td colspan="2">Total Dematerialised shareholding</td> <td>66,91,59,663</td> <td>99.9996</td> </tr> <tr> <td colspan="2">Physical Form*</td> <td>2,788</td> <td>0.0004</td> </tr> <tr> <td colspan="2">Grand Total (A+B)</td> <td>66,91,62,451</td> <td>100.00</td> </tr> </tbody> </table> <p><i>*13,638 shares were issued in physical form at the time of bonus issuance of securities due to non-credit of shares to few shareholders due to technical reasons and the outstanding number of shares held in physical form as on March 31, 2024 were 2,788.</i></p> <p>Further, as mandated by the Securities and Exchange Board of India, existing members of the Bank, who hold securities in physical form and intend to transfer their securities, can do so only in dematerialised form. Hence, shareholders who hold shares in physical form are requested to dematerialise these shares to ensure such shares are freely transferable.</p> <p>No shares were held by Bank in the demat suspense account or unclaimed suspense account as on March 31, 2024.</p>	Particulars		No. of Shares	Percentage	Dematerialisation Form	CDSL	6,84,26,093	10.2256	NSDL	60,07,33,570	89.7740	Total Dematerialised shareholding		66,91,59,663	99.9996	Physical Form*		2,788	0.0004	Grand Total (A+B)		66,91,62,451	100.00
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Physical Form*		2,788	0.0004																						
Grand Total (A+B)		66,91,62,451	100.00																						
10	Share Transfer System	<p>In terms of amended Regulation 40 of Listing Regulations, transfer of securities shall not be processed unless the securities are held in the demat mode with a Depository Participant. Members holding shares in physical form are therefore requested to convert their holdings into dematerialised mode to avoid loss of shares and fraudulent transactions and avail better investor servicing.</p> <p>An annual certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from a Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.</p>																							
11	Registrar and Share Transfer Agent	<p><b>Link Intime India Private Limited</b> C-101, 1<sup>st</sup> Floor 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Tel: (0) 8108116767, FAX: +91 022- 49186060 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Email ID: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p>																							
12	Debenture Trustees	<p><b>Catalyst Trusteeship Limited</b> Regd. Office: GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Paud Road, Pune – 411038, Maharashtra, India Phone: +91 20 66807200/223/224 FAX: +91 020- 25280275 Email: <a href="mailto:dt@ctltrustee.com">dt@ctltrustee.com</a></p>																							
13	29 <sup>th</sup> Annual General Meeting	Date & Time: July 27, 2024 at 2:00 P.M. Venue: Through VC or OAVM																							
14	Financial Year	The Bank follows the financial year starting from April 1 to March 31, every year.																							



## Other Disclosures

### 1. Code of Conduct

The Bank has adopted a Code of Conduct for Directors and Senior Management Personnel. The Bank through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti-competitive practices. The Code is available on the website of the Bank <https://www.aubank.in/investors/secretarial-policies>.

All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2023-24. The declaration to this effect signed by Managing Director & CEO of the Bank is annexed to this report.

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

The Board has adopted a Code of Conduct - 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 trading in the securities and prohibits the purchase or sale of securities while in possession of unpublished price sensitive information and during the closure of trading window.

The Bank organised trainings for the Designated Persons on various occasions during the year to create & enhance awareness on various aspects of the Code of Conduct - Prohibition of Insider Trading and the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Bank periodically reviews the efficacy of its systems, controls and processes to ensure that access to unpublished price-sensitive information is on a need-to-know basis. The Code of Fair Disclosure and Conduct & Policy for determination and sharing of information for Legitimate purpose is available on the website <https://www.aubank.in/investors/secretarial-policies>.

### 3. Whistle Blower Policy & Vigil Mechanism

The Bank is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Bank has adopted a Whistle Blower policy & Vigil Mechanism in compliance with the relevant provisions of Section 177(9) of the Act, rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the Listing Regulations to provide a formal mechanism to employees, customer and stakeholders of the Bank to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organisation and also provides for adequate safeguards against the victimisation of employees who avail the mechanism. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. No personnel were denied access to the Audit Committee of the Bank with regard to above.

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

### 4. Related Party Transactions

All related party transactions are placed before the Audit Committee for review and approval and omnibus approval is obtained annually for transactions which are of repetitive nature and/or entered in the Ordinary Course of Business. During the FY 2023-24, there were no materially significant related party transactions entered by the Bank with its related parties which may have potential conflict with the interest of the Bank at large. All the transactions entered into by the Bank with related parties during the FY 2023-24 were on arm's length and in ordinary course of business.

Bank's Policy on Related Party Transactions & Materiality is available 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 following table covers the Credit Ratings of the Bank as on March 31, 2024:

Nature of Debt Instrument	Nature of Term	CRISIL	India Ratings	CARE
Fixed Deposits	Long-Term	CRISIL AA+/Stable	-	-
Long-Term/ Subordinated Debt/ Tier II Bond	Long-Term	CRISIL AA/Stable	IND AA/Stable	CARE AA/Stable
Certificate of Deposits	Short-Term	CRISIL A1+	IND A1+	CARE A1+

Note:

- The CRISIL has reaffirmed the above credit ratings of the Bank on July 21, 2023 and Nov 7, 2023
- The India Ratings has reaffirmed the above credit ratings of the Bank on July 20, 2023, Mar 05, 2024 and Mar 19, 2024
- The CARE has reaffirmed the above credit ratings of the Bank on Apr 05, 2023, Oct 3, 2023 and Mar 15, 2024.

## 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

In Compliance of Regulation 17(8) of the Listing Regulations, Managing Director & CEO and CFO of the Bank have certified 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

The Bank does not have any Subsidiary Companies.

## 9. Declaration of Independence

All Independent Directors provided an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors as per the Section 149(7) of the Companies Act, 2013 read with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(8) of Listing Regulations, the Board hereby affirm that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

The Terms & 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 Accounting Standards as per the 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 Listing Regulations.

## 11. Means of Communication

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

- Publication of Quarterly/Half Yearly/Annual Financial Results:** The quarterly/half yearly and annual financial results of the Bank are published in the English newspaper viz. Financial Express and newspaper of vernacular language viz. Nafa Nuksan and the newspaper advertisements are also submitted to the stock exchanges.
- Update on Official Website:** The Bank's website [www.aubank.in](http://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 made available. Additionally, press release, corporate Governance coverage, corporate social responsibility, policies and procedures and other details are also displayed on the Bank's website.
- Presentation to Institutional Investors or Analysts:** The Bank participates in various investor conferences and analyst meets. The presentations made to the institutional investors or analysts are uploaded on the website as well as informed to the Stock Exchanges for dissemination.



- iv) **Email Communication:** The Bank send various communication such as notice calling general meeting/ postal ballot notice, quarterly financial results, audited financial statements, tax deduction at source intimation, credit of dividend intimation through emails to the email ids of the shareholders registered with the depositories.
- v) **SMS Communication:** SMS were sent to shareholders for details relating to e-voting for General Meetings/Postal Ballot during the year.
- vi) **Management's Discussion and Analysis Report** is annexed with this Annual Report.
- vii) **Exclusive email ID for Investors:** The Bank has designated the email id [investorrelations@aubank.in](mailto:investorrelations@aubank.in) exclusively for Investor servicing and to resolve investor grievances, the same is displayed on the Bank's website.
- viii) **NSE Electronic Application Processing System (NEAPS):** All periodical and other event-based compliance filings of the Bank are filed electronically on this web-based portal of NSE.
- ix) **BSE Listing Centre (Listing Centre):** All periodical and other event-based compliance filings of the Bank are filed electronically on this web-based portal of BSE.
- x) **SEBI Complaints Redress System (SCORES):** Investor complaints received by the Bank at SEBI Complaints Redress System (SCORES) are regularly monitored and resolved by the Bank. Investors can lodge complaints on the SCORES and also can check status of their complaints.
- xi) **Online Dispute Resolution (ODR) Portal:** Investors can initiate dispute resolution through the ODR Portal after exhausting all available options for resolution of the grievance and the investor is still not satisfied with the outcome, Investor complaints received by the Bank at ODR portal are regularly monitored and resolved by the Bank.
- xii) **Swayam:** Bank's RTA viz. Link Intime India Pvt. Ltd. through its platform 'SWAYAM' facilitates investors to access information through a dashboard and avail various services in digital mode. The same can be accessed at <https://swayam.linkintime.co.in/#>.

## 12. Dividend Payment

The Board of the Bank in its meeting dated April 24, 2024 has recommended final dividend of ₹ 1/- (Rupee One) per equity share of face value of ₹ 10 each fully paid up (i.e., 10% of face value) out of net profit for the financial year ended March 31, 2024, subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Bank. The dividend on equity shares if approved by the shareholders, will be paid within 30 days from the date of AGM of the Bank.

Pursuant to provisions of Sections 124 and 125 of the Companies Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), wherein any dividend declared by the Bank, which remains unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Bank, is liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the IEPF Authority. The Bank has declared dividend in FY 2017-2018, FY 2018-2019, FY 2021-22 and FY 2022-23 respectively. Hence, the Bank is not required to transfer any unclaimed dividend amount to IEPF Authority. The details of unclaimed dividends are available on the Bank's website at <https://www.aubank.in/reports/disclosures>.

The following tables gives information relating to unclaimed dividends and the dates by which they can be claimed by the shareholders from the Bank:

Unclaimed Dividend	Amount (In ₹)	Status	Last Date for Claiming Dividend
FY 2017-18	23,970.50	Amount lying in respective Unpaid Dividend Accounts	September 11, 2025
FY 2018-19	1,17,405.75		August 28, 2026
FY 2021-22	46,848.97		September 22, 2029
FY 2022-23	76,697.26		September 15, 2030

Note: Bank has not paid dividend in 2019-20 and 2020-21.

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

The Bank has adopted the Prevention and Redressal of Sexual Harassment Policy in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. The Bank has zero tolerance towards sexual harassment at the workplace. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity. The Bank has constituted Internal Complaints Committee to review, investigate and take suitable actions on complaint and Board level Disciplinary Committee reviews the decisions taken by Internal Complaints Committee.

The following is the summary of Sexual Harassment complaints received and disposed off by the Bank during the FY 2023-24:

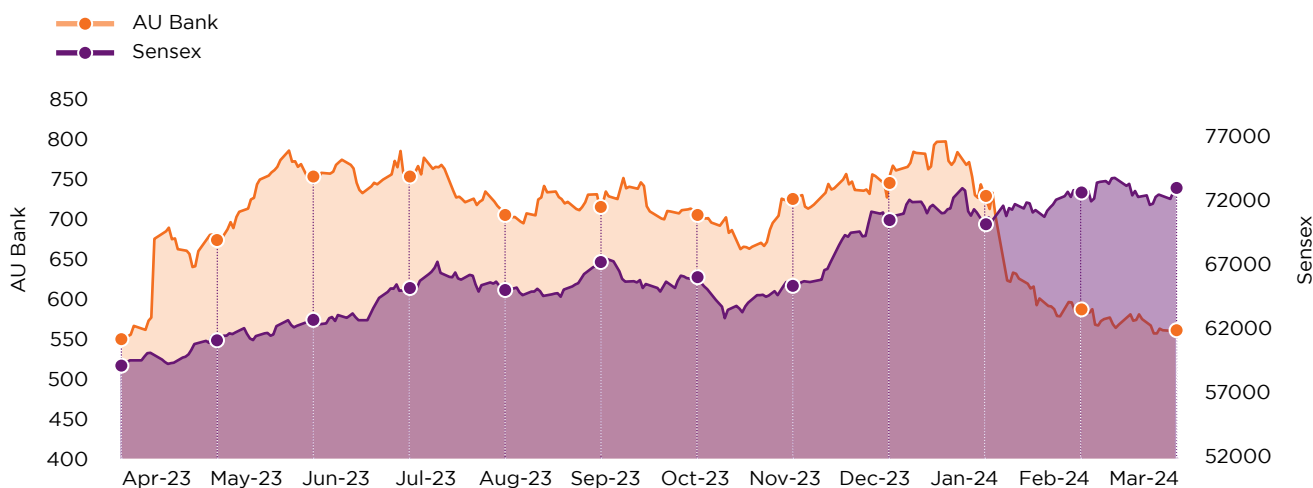
S. No	Particulars	Numbers
1.	Number of complaints filed during the financial year	5
2.	Number of complaints disposed of during the financial year	5
3.	Number of complaints pending as on the end of the financial year	0

### 14. Market Price Data

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-23	699	554	7,39,51,702	699	554	37,65,842
May-23	795	664	4,29,03,129	795	665	9,32,209
Jun-23	784	732	3,20,06,495	785	733	7,52,506
Jul-23	792	716	3,54,77,247	792	716	7,48,343
Aug-23	752	696	3,94,47,454	752	696	8,90,129
Sep-23	764	708	3,40,76,902	763	707	7,60,131
Oct-23	723	630	3,39,64,066	723	631	9,62,958
Nov-23	755	657	4,03,78,886	754	657	11,93,833
Dec-23	799	729	4,09,41,155	799	729	18,67,751
Jan-24	813	614	8,37,54,172	813	614	24,93,349
Feb-24	646	564	6,96,06,131	645	565	30,89,891
Mar-24	591	554	5,59,13,373	591	554	20,65,544

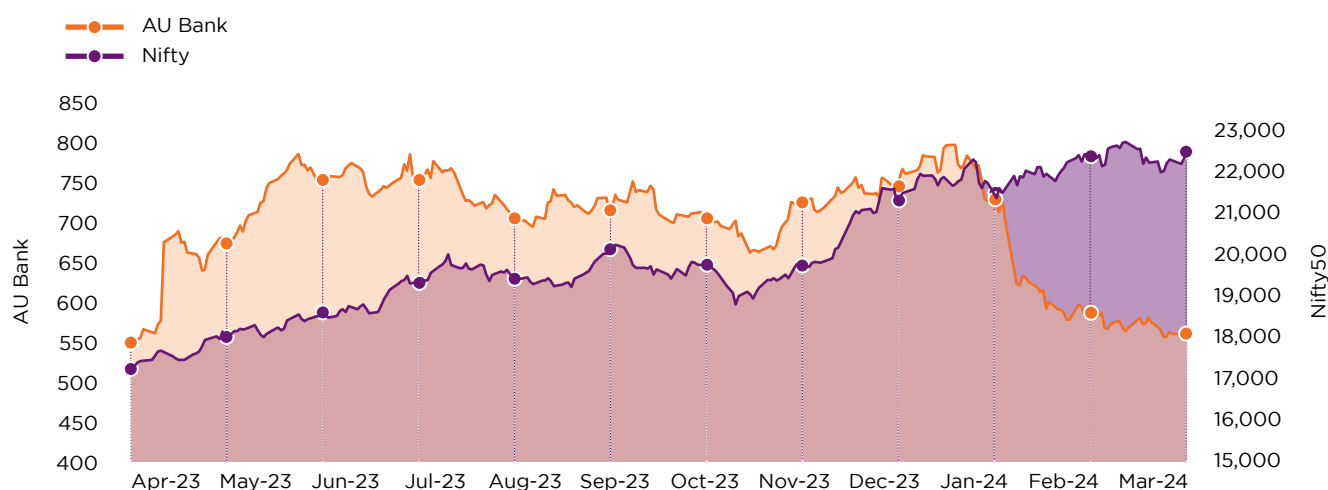
### Comparison to Broad-Based Indices

#### AUBANK relative to BSE SENSEX





## AUBANK relative to NIFTY



### Distribution of Shareholding

The distribution of shareholding of the Bank as on March 31, 2024, is detailed as under:

Sr. No.	Shareholding of Nominal Shares	Shareholder	Percentage of Total	Total Equity Shares	Percentage of Total
1	1 to 5,000	2,21,390	93.44	1,50,75,517	2.25
2	5,001 to 10,000	8,634	3.64	61,87,303	0.93
3	10,001 to 20,000	3,414	1.44	48,30,910	0.72
4	20,001 to 30,000	1,009	0.43	24,92,617	0.37
5	30,001 to 40,000	521	0.22	18,31,591	0.27
6	40,001 to 50,000	279	0.12	12,70,383	0.19
7	50,001 to 1,00,000	636	0.27	45,30,375	0.68
8	1,00,001 to Above	1,059	0.44	63,29,43,755	94.59
<b>Total</b>		<b>2,36,942</b>	<b>100.00</b>	<b>66,91,62,451</b>	<b>100.00</b>

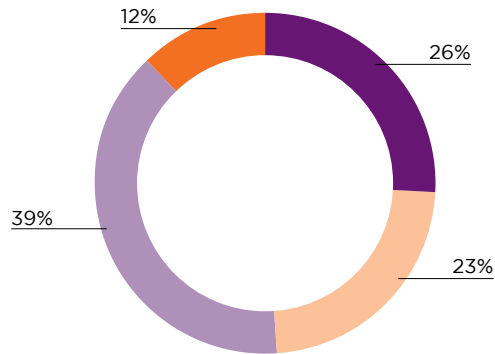
### Categories of Shareholders as on March 31, 2024:

Category	No. of Equity Shares	% of Issued Capital
Sanjay Agarwal	11,71,91,360	17.51%
Jyoti Agarwal	2,36,37,120	3.53%
Shakuntala Agarwal	1,86,40,860	2.79%
MYS Holdings Private Limited	1,08,29,072	1.62%
<b>Promoters &amp; Promoter Group (A)</b>	<b>17,02,98,412</b>	<b>25.45%</b>
Mutual Funds	9,72,28,731	14.53%
Alternate Investment Funds	3,70,70,959	5.54%
Bank	2,22,214	0.03%
Insurance Companies	1,78,85,829	2.67%
NBFCs registered with RBI	331	0.00%
<b>Total Domestic Institutions (B)</b>	<b>15,24,08,064</b>	<b>22.78%</b>
Foreign Portfolio Investors Category I	24,92,33,247	37.25%
Foreign Portfolio Investors Category II	1,41,26,883	2.11%
Foreign Inst. Investor	99,140	0.01%
<b>Total Foreign Institutions (C)</b>	<b>26,34,59,270</b>	<b>39.37%</b>

Category	No. of Equity Shares	% of Issued Capital
Central Government/President of India	2,294	0.00%
<b>Total Central Government/ State Government(s) (D)</b>	<b>2,294</b>	<b>0.00%</b>
Directors and their relatives (excluding independent directors and nominee directors)	1,39,08,742	2.08%
Key Managerial Personnel	2,49,387	0.04%
Relatives of promoters (other than "Immediate relatives" of promoters disclosed under Promoter and Promoter Group category)	48,449	0.01%
Resident Individuals holding nominal share capital up to ₹ 2 lakh	3,37,92,767	5.05%
Resident Individuals holding nominal share capital in excess of ₹ 2 lakh	1,70,22,788	2.54%
Non-Resident Indians (NRIs)	35,68,134	0.53%
Bodies Corporate	1,20,08,460	1.79%
Trusts	34,037	0.01%
Limited Liability Partnership	13,93,547	0.21%
HUF	8,01,376	0.12%
Clearing Members	1,66,724	0.02%
<b>Total Non-Institutions (E)</b>	<b>8,29,94,411</b>	<b>12.40%</b>
<b>Total (A+B+C+D+E) *</b>	<b>66,91,62,451</b>	<b>100.00%</b>

\*Above number of shareholders is based upon PAN grouping.

### Shareholding Pattern as on March 31, 2024



- Promoters & Promoter Group (A)
- Total Foreign Institutions (C)
- Total Domestic Institutions (B)
- Total Non-Institutions (E)

**List of Shareholders holding more than 1% share in the Bank as on March 31, 2024**

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	Sanjay Agarwal	11,71,91,360	17.51%
2	Wasatch Advisors, Inc. Along With PAC	3,76,53,189	5.65%
3	Kotak Flexicap Fund	2,98,58,516	4.46%
4	Smallcap World Fund, Inc	2,91,86,923	4.36%
5	New World Fund Inc	2,86,69,552	4.28%
6	Westbridge Aif I	2,83,85,485	4.24%
7	Camas Investments Pte. Ltd.	2,69,39,946	4.03%
8	Jyoti Agarwal	2,36,37,120	3.53%
9	Shakuntala Agarwal	1,86,40,860	2.79%
10	HDFC Mutual Fund - HDFC Mid-Cap Opportunities Fund	1,57,97,220	2.36%
11	Nomura India Investment Fund Mother Fund	1,46,31,618	2.19%
12	Uttam Tibrewal	1,37,97,468	2.06%
13	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Flexi Cap Fund	1,22,25,956	1.83%
14	Nippon Life India Trustee Ltd-A/C Nippon India Growth Fund	1,20,40,426	1.80%
15	DSP Midcap Fund	1,09,56,620	1.64%
16	MYS Holdings Private Limited	1,08,29,072	1.62%
17	HDFC Life Insurance Company Limited	1,05,67,169	1.58%
18	Janchor Partners Pan-Asian Master Fund	78,78,352	1.18%
19	UTI Flexi Cap Fund	73,22,187	1.09%

**Shareholding of the Directors of the Bank as on March 31, 2024**

Sr. No.	Name of Directors	No. of Equity Shares	% of Shareholding
1	Mr. H. R. Khan	-	-
2	Mr. Kamlesh Vikamsey	-	-
3	Mr. V. G. Kannan	740	0.00
4	Ms. Kavita Venugopal	-	-
5	Ms. Malini Thadani	-	-
6	Mr. M S Sriram	-	-
7	Mr. Pushpinder Singh	500	0.00
8	Mr. Sanjay Agarwal	11,71,91,360	17.51
9	Mr. Uttam Tibrewal	1,37,97,468	2.06%

Note: The Bank has not issued any convertible instruments.

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

During the FY 2023-24, the Bank does not have any outstanding GDRs/ADRs warrants that were due for conversion and does not have any other convertible instruments having an impact on the equity of the Bank.

**16. Commodity price risk or foreign exchange risk and hedging activities**

During the FY 2023-24, the Bank did not undertake trading in any commodity. However, the Bank may be exposed to commodity price risks of customers in its capacity as a lender. The Bank is operating in India and is not directly exposed to foreign exchange risk and hedging activities.

**17. Plant Location**

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

**18. Recommendations of the Committees**

No instances have been observed where the Board has not accepted recommendations of any of the Board committees.

**19. Fees paid to Statutory Auditors including all entities in the network firm of which the Statutory Auditors are a part**

Total fees for services provided by Joint Statutory Auditors were ₹ 3.07 Crore including taxes, out of pocket expenses and fees for additional reporting on merger with Fincare Small Finance Bank Limited.

**20. 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.

Further, the Secretarial Auditor has also certified on compliance of conditions of corporate governance of the Bank for the FY 2023-24. The abovesaid certificates are annexed with this Annual Report.

**21. Compliance to Corporate Governance Provisions under Listing Regulations**

During the FY 2023-24, the Bank has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and has also complied with the requirement of Schedule V of the Listing Regulations except for Regulation 24, which is not applicable as the Bank does not have any subsidiary.

Further, among discretionary requirements, as specified in Part E of Schedule II of LODR Regulations and other acts, rules, regulations, and guidelines as applicable, the Bank has adopted the following:

**a) Separate Office of Non-Executive Part Time Chairman**

The Bank has separated the role of Chairman and the Managing Director & CEO and Chairman is not related to the Managing Director and the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.

Mr. Harun Rasid Khan is the Part Time Chairman (Non-Executive), and Mr. Sanjay Agarwal is Managing Director & CEO of the Bank. The expenses pertaining to the office of the Non-Executive Chairman is maintained by the Bank along with the reimbursement of all the expenses incurred by the Chairman while performing his duties.

**b) Shareholder's Rights**

The Bank publishes its financial results every quarter on its website at [www.aubank.in](http://www.aubank.in) which is accessible to the public at large. The same is also available on the websites of the Stock Exchanges i.e. BSE and NSE

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 brought 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.

**c) Modified opinion(s) in audit report**

For the FY 2023-24, there is no audit qualification on the Bank's financial statements.

**d) Reporting of internal auditor**

The internal auditor (Head of Internal Audit) of the Bank reports to and has direct access to the Audit Committee.

**e) Utilisation of Funds**

During the FY 2023-24, the Bank has not raised funds through preferential allotment or qualified institutions placement.

**f) Disclosure of certain types of agreements binding listed entities**

The Bank has not entered into any agreement as disclosed under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.



## CERTIFICATE ON COMPLIANCE WITH THE CODE OF CONDUCT & ETHICS

I confirm that for the year under review, all Directors and Senior Management Personnel have affirmed adherence to the provisions of the Code of Conduct of Directors and Senior Management.

Place: Jaipur

Date: April 24, 2024

**Sanjay Agarwal**

Managing Director & CEO