

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of Jana Small Finance Bank Limited will be held at shorter notice, on Friday, 23rd June 2023 at 3:30 p.m at the Registered Office of the Bank situated at The Fairway Business Park, First Floor, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071, to transact the following business:

ORDINARY BUSINESS:

1. Approval and Adoption of Audited Financial Statements of the Bank for the year ended 31st March 2023 along with Auditors' Report and Directors' Report:

To receive, consider and adopt the Audited Balance Sheet as at 31st March 2023 and Profit and Loss Account of the Bank for the year ended 31st March 2023, together with Cash Flow Statement for the year ended 31st March 2023, Notes to Financial Statements, Directors' Report and Auditors' Report thereon and if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT the Bank do hereby adopt the Audited Balance Sheet as at 31st March 2023, the Profit & Loss Account for the year ended on that date along with Cash Flow Statement, Notes to Financial Statements, Directors' Report and Auditors' Report thereon for the year ending on that date.”

2. Appointment of Mr. Rahul Khosla (DIN- 03597562) as a Director who retires by rotation:

To consider and if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of the Section 152 of the Companies Act, 2013, Mr. Rahul Khosla (DIN- 03597562), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Bank.”

SPECIAL BUSINESS:

3. To pay fees or compensation exceeding fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors, to Dr. Subhash C. Khuntia (DIN: 05344972) :

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

“RESOLVED THAT pursuant to Regulation 17 (6) (a) and (ca) and other applicable Regulation(s), if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Provisions(s), if any, of the Companies Act, 2013 and Rules made thereunder, the consent of the Members of the Bank be and is hereby accorded to pay fees or compensation, if any to Dr. Subhash C. Khuntia (DIN: 05344972), Independent and Non- Executive Director, exceeding fifty percent (50%) of the total annual remuneration / fees payable to all the Non-Executive Directors during the Financial Year 2023-24.

RESOLVED FURTHER THAT Mr. Ajay Kanwal, Managing Director & Chief Executive Officer and Mrs. Lakshmi R N, Company Secretary of the Bank be and are hereby severally authorized for and on behalf of the Bank to do or cause to do all acts, matters, deeds and things and to execute all

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Registered Office:

Jana Small Finance Bank Ltd.
The Fairway Business Park, # 10/1, 11/2 & 12/2B, Off Domlur,
Koramangala Inner Ring Road, Next to Embassy Golf Links,
Challaghatta, Bengaluru -560071.

CIN No. U65923KA2006PLC040028

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documents and to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the above resolutions and make all such filings as are required under the Companies Act, 2013.”

4. Amendment to Articles of Association

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

“RESOLVED THAT in terms of Section 14 of Companies Act, 2013 read with Rules made thereunder and Regulation 35B of Banking Regulation Act, 1949 Shareholders hereby approve to amend the Articles of Association of the Bank which shall be subject to approval of Reserve Bank of India.

RESOLVED FURTHER THAT Shareholders hereby approve the amendment as follows:

102 MANAGING DIRECTOR, WHOLE TIME DIRECTOR & OTHER KEY MANAGERIAL PERSONNEL

The Board of Directors may, in accordance with the Act and subject to the provisions of the Banking Act and such guidelines as may be issued by the Reserve Bank of India from time to time appoint a Managing Director for a term of not more than five years at a time.

In addition to Managing Director, the Board may appoint Whole Time Director/s (either named as Executive Director/s or Deputy Managing Director/s or by whatever name called) on Board who shall be in whole time employment of the Bank and shall not be subject to retirement by rotation. Further, such appointee shall may be entrusted with such powers as the Board may deem fit from time to time and who shall exercise such powers subject to superintendence, control and direction of the Board of Directors and whose terms of appointment and remuneration structure shall be as defined by the Reserve Bank of India.

- (a) The Managing Director or the Whole Time Director/s (either named as Executive Director/s or Deputy Managing Director/s or by whatever name called) as the case may be shall have the knowledge and experience as required under Section 10B (4) of the Banking Regulation Act, 1949. If a Managing Director/ a Whole Time Director ceases to hold office as Director he shall ipso facto and immediately cease to be a Managing Director/ Whole Time Director as the case may be.
- (b) In the event of any vacancy arising in the office of Managing Director/ Whole Time Director, the vacancy shall be filled by the Board of Directors and the Managing Director/ Whole Time Director so appointed shall hold the office for such period as the Board of Directors may fix.
- (c) When the Managing Director has been appointed and holding office as such, he/she shall have subject to the supervision, control and directions of the Board, the management of the whole of the business of the Company.

103 Remuneration of Managing Director and/ Whole Time Director/ s

The Managing Directors s and/ Whole Time Director/s shall, each of them, be paid for



their respective services such remuneration on such terms as the Company may, by resolution of Shareholders, from time to time determine in accordance with the Act and the Banking Act and such guidelines as may be issued by the RBI or such other authority, from time to time.

105 Expenses to be charged to the Company

The Managing Directors and/ Whole Time Director/s shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. Further, Managing Director shall be entitled to appoint part-time employees in connection with management of the affairs of the Company and shall be entitled to be paid by the Company for any remuneration that they may pay to such part-time employees.

106 Power of Managing Director and/ Whole Time Director

The Managing Director and/ Whole Time Director, shall, subject to the supervision and control of the Directors have power to do all acts and things which the Managing Director and / Whole Time Director shall think usual necessary or desirable in the management of the affairs of the Company. Without prejudice to their general powers conferred hereby, they shall have the following powers subject to the supervision and control of the Directors:

- (a) to pay the costs, charges, and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and subsequent to the registration fees and stamps paid in respect thereof and the costs of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and such other costs.
- (b) to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company, or in which the Company is interested or over which the Company may have any such powers of disposal and to exchange any such property or rights belonging to the Company for other property or rights.
- (c) to determine, from time to time who shall be entitled to sign on the Company's dividend warrants, releases, contracts, and documents and to give the necessary authority for such purposes.
- (d) to execute all deeds, agreements, contracts, receipt and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and for the claims and demands of the Company.
- (e) to institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers, or otherwise



concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions suits and legal proceedings.

- (f) to enter into, vary or cancel all manner of contracts on behalf of the Company.
- (g) to engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or vary description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Directors think fit.
- (h) to acquire by purchase, lease, exchange, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office showrooms, godowns and other buildings in the State of Karnataka or elsewhere Machinery, Engine, Plant, Rolling Stock, Tools, Machine Tools, Outfits, Stores, Hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
- (i) to plant, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
- (j) to erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Karnataka or in any other place.
- (k) to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (l) to pay all moneys due by the Company and look after the finance of the Company.
- (m) to open current and time-deposit accounts or other accounts with banker or bankers at their choice, and to operate on such accounts and also when necessary to overdraw or take loans on such account on the security of the Company or of any of its assets.
- (n) to draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, local bodies, port trusts, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
- (o) subject to Article 59 to borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.



- (p) to receive and give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods, or property lent, payable or belonging to the Company or for advances against and with or without security.
- (q) to make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing Director may deem fit.
- (r) to submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- (s) to institute, appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pledging and other documents to engage and to instruct any advocates, solicitors and lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim suit or proceedings.
- (t) to make all manner of insurances.
- (u) to delegate all or any of the powers, authorities and discretions for the time being vested in the Managing Director and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute, deliver register or causes to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company and not requiring the common seal of the Company.

Provided that the Board may from time to time revoke withdraw alter or vary all or any of the above powers.

Clause 2 "Key Personnel" means the Chairman, the Executive Vice-Chairman, the Chief Executive Officer, the Managing Director, Whole Time Director (designated as Executive Director/s or Deputy Managing Director/s or any other name), the Chief Financial Officer and Company Secretary in each case by whatever title or equivalent title so given from time to time or any one of them as the context requires.

RESOLVED FURTHER THAT the Managing Director & CEO and Company Secretary are severally authorized to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution".

5. Approval for reduction in Exercise Price for ESOPs granted to employees pursuant to the ESOP Plan 2017 and ESOP Plan 2018

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") including any statutory modification(s) or re-enactment of the Act, for the time being in force, the Companies (Share Capital and Debentures) Rules, 2014 ("**SCD Rules**"), the provisions of the Securities and Exchange Board of India (Share Based



Employee Benefits) Regulations, 2021, including any modifications thereof or supplements thereto (as applicable) (“**SEBI Regulations**”) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**the Board**” which term shall be deemed to include the Nomination and Remuneration Committee (NRC)), consent of the members of the Company be and is hereby accorded to the Board to revise the exercise price of employee stock options (“**ESOP(s)**”) granted by the Company to its employees/ESOP holders as of the date of this resolution, that was issued pursuant to the Employee Stock Option Plan – 2017 (“**ESOP Plan 2017**”) and the Jana -Employee Stock Option Plan – 2018 (“**ESOP Plan 2018**”), and that were adopted by the Company on June 30, 2017 and April 04, 2018 respectively.

RESOLVED FURTHER THAT the Board and/or NRC be and are hereby authorized to revise, update, amend and/or modify the original grant letters (recording the original exercise price) that were issued to the ESOP holders or issue any other form of communication as may be required (including but not limited to new grant letters) to the ESOP holders, to intimate them of the change in exercise price and to give effect to the change in exercise price in accordance with the ESOP Plan 2017, ESOP Plan 2018 and applicable laws.”

RESOLVED FURTHER THAT the Board and/or NRC be and are hereby authorised on behalf of the Company to make any / further modifications, changes, variations, alterations or revisions in the ESOP Plan 2017 and ESOP Plan 2018 from time to time as permitted under and in due compliance with provisions of the Act, SCD Rules and other applicable laws and to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for giving effect to the reduction of exercise price of the ESOPs granted and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

6. Approval of the Equity and Preference Shareholders for the Amendment to the terms of Compulsorily Convertible Preference shares issued by the Company :

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 48 and Section 55 and other applicable provisions of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time and/or other applicable provisions of laws and statutory and/or regulatory requirements), and the articles of association of the Company, the approval of the equity shareholders be and is hereby accorded to amend the terms of Compulsory Convertible Preference Shares (“**CCPS**”) issued by the Company, as detailed below:



Existing Terms	Revised Terms
<p>The Investor CCPS shall have principal loss absorption through conversion to common shares at 4 (Four) objective pre-specified trigger point(s) set out below.</p> <p><u>Terms of Conversion</u></p> <p><u>Voluntary Conversion</u></p> <p>The Investor shall have the right to require an automatic conversion of the Investor CCPS at any time at its discretion on or after April 1, 2023. In case of such conversion, the conversion price of the Investor CCPS shall be determined by a merchant banker appointed by the Investor or INR 3000 crores, whichever is lower.</p> <p><u>Mandatory Conversion</u></p> <p>The Investor CCPS shall mandatorily convert into Equity Shares of the Banking Company on the earlier of:</p> <ol style="list-style-type: none"> 1 (one) day prior to the date on which the final prospectus in relation to a potential initial public offer of the securities of the Banking Company ("IPO") is filed with the relevant Registrar of Companies ("RoC"); August 31, 2029, if the IPO is not completed by August 31, 2029; the Banking Company having Common Equity Tier 1 capital of 7% (seven percent) of the risk weighted assets of the Banking Company or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time; the date on which the RBI determines that the Banking Company has reached a point of non-viability (in terms of the Basel III Guidelines) and requires the Investor CCPS 	<p>The Investor CCPS shall have principal loss absorption through conversion to common shares at 4 (Four) objective pre-specified trigger point(s) set out below.</p> <p><u>Terms of Conversion</u></p> <p><u>Voluntary Conversion</u></p> <p>The Investor shall have the right to require an automatic conversion of the Investor CCPS at any time at its discretion on or after April 1, 2023. In case of such conversion, the conversion price of the Investor CCPS shall be INR 2045 crores (INR 389.26 per share).</p> <p><u>Mandatory Conversion</u></p> <p>The Investor CCPS shall mandatorily convert into Equity Shares of the Banking Company on the earlier of:</p> <ol style="list-style-type: none"> 1 (one) day prior to the date on which the final prospectus in relation to a potential initial public offer of the securities of the Banking Company ("IPO") is filed with the relevant Registrar of Companies ("RoC"); August 31, 2029, if the IPO is not completed by August 31, 2029; the Banking Company having Common Equity Tier 1 capital of 7% (seven percent) of the risk weighted assets of the Banking Company or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time; the date on which the RBI determines that the Banking Company has reached a point of non-viability (in terms of the Basel III Guidelines) and requires the Investor CCPS to be converted into equity shares in

<p>to be converted into equity shares in accordance with Annex 16 of the Basel III Guidelines.</p> <p>Conversion Price if IPO occurs before August 31, 2029</p> <ol style="list-style-type: none"> 1. The conversion price of the Investor CCPS shall be at the valuation of INR 3000 Crores or the IPO Price, whichever is lower. 2. The term “IPO Price” shall mean the simple average of IPO price band set out in the final prospectus filed by the Banking Company with the relevant RoC. 3. The Investor CCPS shall convert into Equity Shares of the Banking Company basis the lower of the abovementioned prices (“IPO Converted Shares”). <p>Conversion Price if IPO does not occur before August 31, 2029</p> <ol style="list-style-type: none"> 1. If the IPO is not completed for any reason whatsoever on or prior to August 31, 2029, then the conversion price (“Valuation Price”) shall be determined by a merchant banker appointed by the Investor) or INR 3000 crores, whichever is lower. 2. The Investor CCPS shall convert into Equity Shares of the Banking Company basis the Valuation Price (“Valuation Converted Shares”). <p>Conversion Price in any other scenario of mandatory conversion</p> <ol style="list-style-type: none"> 1. The conversion price (“Other Scenario Conversion Price”) shall be determined by a merchant banker appointed by the Investor or INR 3000 crores, whichever is lower. 2. The Investor CCPS shall convert into equity shares of the Banking Company basis the Other Scenario Conversion Price (“Other Scenario Converted Shares”). 	<p>accordance with Annex 16 of the Basel III Guidelines.</p> <p>Conversion Price if IPO occurs before August 31, 2029</p> <ol style="list-style-type: none"> 1. The conversion price of the Investor CCPS shall be at the valuation of INR 2045 Crores (INR 389.26 per share). <p>Conversion Price if IPO does not occur before August 31, 2029</p> <ol style="list-style-type: none"> 1. If the IPO is not completed for any reason whatsoever on or prior to August 31, 2029, then the conversion price (“Valuation Price”) shall be INR 2045 crores (INR 389.26 per share). 2. The Investor CCPS shall convert into Equity Shares of the Banking Company basis the Valuation Price (“Valuation Converted Shares”). <p>Conversion Price in any other scenario of mandatory conversion</p> <ol style="list-style-type: none"> 1. The conversion price (“Other Scenario Conversion Price”) shall be at INR 2045 crores (INR 389.26 per share). 2. The Investor CCPS shall convert into equity shares of the Banking Company basis the Other Scenario Conversion Price (“Other Scenario Converted Shares”).
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RESOLVED FURTHER THAT the amended terms of CCPS as set forth be and are hereby approved by the equity shareholders.

RESOLVED FURTHER THAT the approval of the preference holders be and hereby accorded to amend the terms of Compulsory Convertible Preference Shares ("CCPS") issued by the Company as set forth hereinabove.

RESOLVED FURTHER THAT the Managing Director & CEO and Company Secretary are severally authorized to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution".

7. Approval of Preferential issue :

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

"RESOLVED THAT in accordance with the provisions of sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including but not limited to any statutory modifications or re-enactment thereof, for the time being in force), the Articles of Association of the company, the Securities Subscription Agreement to be entered, the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") and regulations and rules made thereunder by the Reserve Bank of India ("**RBI**"), the guidelines and clarifications issued by the RBI, and any other statutory/regulatory authorities the shareholders hereby accord their consent to issue and allot following securities to under private placement basis to Dovetail India Fund, Mr. Deepak Talwar, Volrado Venture Partners Fund and Singularity Growth opportunities fund (up to 4 tranches):

- a) Upto 8,80,00,000 (Eight Crore Eighty Lakh) fully paid up Compulsorily Convertible Preference Shares having a face value of Rs. 10 (Rupees Ten only) per share, at a subscription price of Rs. 10 (Rupees Ten Only) per Share, aggregating to the subscription amount of Rs. 88,00,00,000 (Rupees Eighty Eight Crores) only to Dovetail India Fund.
- b) Upto 10,00,000 (Ten Lakh) fully paid up Compulsorily Convertible Preference Shares having a face value of Rs. 10 (Rupees Ten only) per share, at a subscription price of Rs. 10 (Rupees Ten Only) per Share, aggregating to the subscription amount of Rs. 1,00,00,000 (Rupees One Crores) only to Mr. Deepak Talwar.
- c) Upto 5,30,00,000 (Five Crore Thirty Lakh) fully paid up Compulsorily Convertible Preference Shares having a face value of Rs. 10 (Rupees Ten only) per share, at a subscription price of Rs. 10 (Rupees Ten Only) per Share, aggregating to the subscription amount of Rs. 53,00,00,000 (Rupees Fifty Three Crores) only to Volrado Venture Partners Fund.
- d) Upto 3,80,00,000 (Three Crore Eighty Lakh) fully paid up Compulsorily Convertible Preference Shares having a face value of Rs. 10 (Rupees Ten only) per share, at a subscription price of Rs. 10 (Rupees Ten Only) per Share, aggregating to the subscription amount of Rs. 38,00,00,000 (Rupees Thirty Eight Crores) only to Singularity Growth opportunities fund.

RESOLVED FURTHER THAT:

- a) The shares issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the Securities Subscription Agreement to be entered and shall rank pari passu with the existing Compulsorily Convertible Preference Shares of the Company, wherever applicable, in respect of all matters.

- b) The offer, issue and allotment of the shares shall be subject to applicable laws, guidelines, notifications, rules and regulations.

RESOLVED FURTHER THAT the names of investor be entered in the register of members of the Company as holders of its respective shares allotted to them, and that Ms. Lakshmi R.N, Company Secretary be authorized to initial the register of members so updated and amended and provide a certified extract of the updated register of members to the Investor.

RESOLVED FURTHER THAT subject to the approval of the shareholders of the Company, the private placement offer letter in Form PAS-4 and an application form, to be issued to the proposed investors, be and is hereby approved.

RESOLVED FURTHER THAT subject to the approval of the shareholders of the Company, the names of proposed investors be recorded in PAS-5 as offerees in relation to the respective securities offered to them, as set out above.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Company to give effect to the aforesaid resolutions

RESOLVED FURTHER THAT for the purpose of giving effect to the aforementioned resolutions the Board of the Company and/or such person(s) as the Board may appoint be and is / are hereby authorised to do all acts, matters, deeds and things and to take all such steps and do all such things and give all such directions as the Board may consider necessary, expedient or desirable in order to give effect to the above resolutions and also to settle any questions or difficulties that may arise in such manner as the Board in its absolute discretion may deem fit and take all steps which are incidental and ancillary in this connection.”

8. To fix remuneration of Mr. Ajay Kanwal, Managing Director and Chief Executive Officer for the financial year 2022-23:

“RESOLVED THAT subject to approval of the Reserve Bank of India, for the payment of remuneration to Mr. Ajay Kanwal, for the financial year 2022-23, on the terms and conditions approved by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT Shareholders hereby approve a consolidated remuneration of:

<u>Particulars</u>	<u>Amount in Rupees</u>
Fixed pay	- 5,47,38,833/- per annum
Variable pay (restricted to 80% of the fixed pay)	
Cash bonus	- 2,04,40,849/-
Restricted Stock Units (RSUs)	- 2,06,13,276/-
Corporate club membership	- 1,20,000/- (excluding applicable GST)

RESOLVED FURTHER THAT Mr. Ramesh Ramanathan, Director and Mrs. Lakshmi R N, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required.”

9. To fix remuneration of Mr. Ajay Kanwal, Managing Director and Chief Executive Officer for the financial year 2023-24

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

“RESOLVED THAT subject to approval of the Reserve Bank of India, for the payment of remuneration to Mr. Ajay Kanwal, for the financial year 2023-24, on the terms and conditions approved by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT Shareholders hereby approve a consolidated remuneration of:

<u>Particulars</u>	<u>Amount in Rupees</u>
Fixed pay	- 6,02,12,716/- per annum
Variable pay (restricted to 80% of the fixed pay)	
Cash bonus	- 2,25,79,769/-
Restricted Stock Units (RSUs)	- 2,25,79,769/-
Corporate club membership	- 1,20,000/- (excluding applicable GST)

RESOLVED FURTHER THAT Mr. Ramesh Ramanathan, Director and Mrs. Lakshmi R N, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required.”

**By the order of the Board
For Jana Small Finance Bank Limited**



**Lakshmi R. N.
Company Secretary
ACS -14234**

**Place: Bengaluru
Date: 20th June 2023**

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Bank.
2. The proxy in order to be valid shall be lodged at the registered office address of the Bank not less than 48 hours before the meeting.
3. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, is annexed to the Notice convening the Annual General Meeting.
4. In the case of corporate member, it is requested to send a certified copy of the Board Resolution authorising the representative to attend and vote on its behalf at the meeting.
5. The documents referred to in the Resolutions can be inspected at the Registered Office of the Bank in Bengaluru during 11 am to 5 pm on all working days of the Bank.
6. Ministry of Corporate Affairs vide General Circular No. 10/2022 dated 28th December 2022 extended the timeline for conducting Annual General Meeting (“AGM”) or Extra ordinary General Meeting (“EGM”) through video conference mode. Accordingly, the link to attend the meeting is: <https://bluejeans.com/555499750>.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES

ACT, 2013.

Item no. 3:

The Board recommends the special resolution as set out in item no. 3 for the approval of the Shareholders of the Bank.

As per the requirement of Regulation 17 (6) (a) and (ca) SEBI (LODR) Regulations, 2015, if any fees and compensation payable to a single Non-Executive Director exceeds fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors, the same shall require approval of Shareholders by way of a Special Resolution.

Pursuant to above said provision, the Bank hereby seeking the approval of the shareholders for payment remuneration / fees to Dr. Subhash C Khuntia, which is likely to exceed fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors during the financial year 2023-24.

Details of the remuneration / fees payable to Dr. Subhash C. Khuntia is given below:

S. No.	Particulars	Amount (in Rupees)
1	Part time Chairman Remuneration (Approved by the Reserve Bank of India)	15,00,000 p.a
2	Sitting fees for attending each Board meeting	50,000
3	Sitting fees for attending each Committee meeting	25,000

In view of the above, the Board recommends the special resolution as set out in item no. 3 for the approval of the Shareholders of the Bank.

Except Dr. Subhash Khuntia, no other Directors, Key Managerial Personnel or their relatives is concerned or interested financially or otherwise, in the said Resolution.

Item no. 4:

The Board recommends the special resolution as set out in item no. 4 for the approval of the Shareholders of the Bank.

With the view to create a bridge between the Board and top management of the Bank and to further strengthen the Banks Top Management team and to cater to the emerging needs of business and fast changing technology, it was thought fit to amend the Articles of Association ("AOA") of the Bank to appropriately empower and to allow for creation of the post of Whole Time Director (namely, Deputy Managing Director; Executive Director etc.) in the Bank in addition to the position of Managing Director & CEO.

Further, the existing provisions in the AOA only provides for appointment of Chairman, Managing Director and Non-Executive Directors. Therefore, with the proposed resolution, it is sought to amend the AOA of the Bank to empower the Board for such appointment which will be subject to approval of Shareholders and Reserve Bank of India ("RBI").

In compliance with Regulation 35B of Banking Regulations Act, 1949 Bank vide letter JSFB/ Compliance/ DOR/02/2023-24 dated 02nd May 2023 has submitted its request before RBI to approve the amendments in the AOA. The bank is in receipt of approval from the regulator on 13th

June 2023.

None of Directors, Key Managerial Personnel or their relatives is concerned or interested financially or otherwise, in the said Resolution.

Item No. 5

The Board recommends the special resolution as set out in item no. 5 for the approval of the Shareholders of the Bank.

The Company had implemented equity-based compensation plans, i.e., the ESOP Plan 2017 and the ESOP Plan 2018, approved by the members of the Company by way of special resolution on June 30, 2017 and April 04, 2018. As per the ESOP Plan 2017 read with the EGM resolution passed by the shareholders of the Company to adopt the ESOP Plan 2017, the exercise price for an ESOP should be such price as determined by the NRC, which should not be less than the face value of the equity shares of the Company and not more than the fair value of the equity shares of the Company, as determined by an independent third party on the date of the grant. Similarly, as per the ESOP Plan 2018 read with the EGM resolution passed by the shareholders of the Company to adopt the ESOP Plan 2018, the exercise price for an ESOP should be such price as determined by the NRC, which should not be less than the face value of the equity shares of the Company and not more than the fair value of the equity shares of the Company, as determined by an independent third party valuer. Accordingly, the exercise price of the ESOPs was determined by the NRC and intimated to the ESOP holders under the respective grant letters issued by the Company to them.

The Company has now in the interest of incentivising their employees for their contribution to the Company and in light of impending IPO filing, has decided to reduce the exercise price of the ESOPs granted to all ESOP holders pursuant to the ESOP Plan 2017 and the ESOP Plan 2018. As per provisions of Rule 12 (5) of the SCD Rules and the SEBI Regulations, a company can vary the terms of its employee stock options provided that such variation is not prejudicial to the interests of the employees and that the proposal is approved by the members by way of a special resolution. Given that the exercise price here is being reduced and as a result the payment obligation of an employee/ESOP holder reduces to exercise his/her ESOPs, the reduction of the exercise price will not be seen as an action that is detrimental or prejudicial to the interest of the shareholders of the Company.

In light of the above, the following actions are proposed to be undertaken:

a. Exercise Price

The exercise price of the ESOPs granted under the ESOP Plan 2017 and ESOP Plan 2018, shall be reduced from the original price as recorded in the respective grant letters issued to the ESOP holders to INR 302.98/- (Indian Rupees Three Hundred and Two and Ninety Eight only). The said amount is greater than the face value of equity shares of the Company i.e. INR 10/- (Indian Rupees Ten only) per equity share and less than the fair market value of an equity share of the Company as determined by an independent valuer, on the grant date.

b. Revision and re-issuance of the grant letters

Pursuant to the reduction of the exercise price, the Board and/or the NRC is authorised to either directly or through designated representatives issue revised grant letters and/or any

other form of written communication to all ESOP holders/employees that hold ESOPs to intimate them of the change in exercise price, the rationale behind the reduction in exercise price and any other information as may be required to be intimated in connection with the ESOPs granted to them.

Item No. 6

The Board recommends the special resolution as set out in item no. 6 for the approval of the Shareholders of the Bank.

The Company has issued Compulsory Convertible Preference Shares ("CCPS") to various investors, previously. Now, it is proposed to amend the terms of such CCPS issued by the Company, as detailed below:

Existing Terms	Revised Terms
<p>The Investor CCPS shall have principal loss absorption through conversion to common shares at 4 (Four) objective pre-specified trigger point(s) set out below.</p> <p><u>Terms of Conversion</u></p> <p><u>Voluntary Conversion</u></p> <p>The Investor shall have the right to require an automatic conversion of the Investor CCPS at any time at its discretion on or after April 1, 2023. In case of such conversion, the conversion price of the Investor CCPS shall be determined by a merchant banker appointed by the Investor or INR 3000 crores, whichever is lower.</p> <p><u>Mandatory Conversion</u></p> <p>The Investor CCPS shall mandatorily convert into Equity Shares of the Banking Company on the earlier of:</p> <ol style="list-style-type: none"> 1 (one) day prior to the date on which the final prospectus in relation to a potential initial public offer of the securities of the Banking Company ("IPO") is filed with the relevant Registrar of Companies ("RoC"); August 31, 2029, if the IPO is not completed by August 31, 2029; 	<p>The Investor CCPS shall have principal loss absorption through conversion to common shares at 4 (Four) objective pre-specified trigger point(s) set out below.</p> <p><u>Terms of Conversion</u></p> <p><u>Voluntary Conversion</u></p> <p>The Investor shall have the right to require an automatic conversion of the Investor CCPS at any time at its discretion on or after April 1, 2023. In case of such conversion, the conversion price of the Investor CCPS shall be INR 2045 crores (INR 389.26 per share).</p> <p><u>Mandatory Conversion</u></p> <p>The Investor CCPS shall mandatorily convert into Equity Shares of the Banking Company on the earlier of:</p> <ol style="list-style-type: none"> 1 (one) day prior to the date on which the final prospectus in relation to a potential initial public offer of the securities of the Banking Company ("IPO") is filed with the relevant Registrar of Companies ("RoC"); August 31, 2029, if the IPO is not completed by August 31, 2029;

<p>3. the Banking Company having Common Equity Tier 1 capital of 7% (seven percent) of the risk weighted assets of the Banking Company or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time;</p> <p>4. the date on which the RBI determines that the Banking Company has reached a point of non-viability (in terms of the Basel III Guidelines) and requires the Investor CCPS to be converted into equity shares in accordance with Annex 16 of the Basel III Guidelines.</p>	<p>(c) the Banking Company having Common Equity Tier 1 capital of 7% (seven percent) of the risk weighted assets of the Banking Company or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time;</p> <p>(d) the date on which the RBI determines that the Banking Company has reached a point of non-viability (in terms of the Basel III Guidelines) and requires the Investor CCPS to be converted into equity shares in accordance with Annex 16 of the Basel III Guidelines.</p>
<p>Conversion Price if IPO occurs before August 31, 2029</p> <ol style="list-style-type: none"> 1. The conversion price of the Investor CCPS shall be at the valuation of INR 3000 Crores or the IPO Price, whichever is lower. 2. The term “IPO Price” shall mean the simple average of IPO price band set out in the final prospectus filed by the Banking Company with the relevant RoC. 3. The Investor CCPS shall convert into Equity Shares of the Banking Company basis the lower of the abovementioned prices (“IPO Converted Shares”). 	<p>Conversion Price if IPO occurs before August 31, 2029</p> <ol style="list-style-type: none"> 1. The conversion price of the Investor CCPS shall be at the valuation of INR 2045 Crores (INR 389.26 per share).
<p>Conversion Price if IPO does not occur before August 31, 2029</p> <ol style="list-style-type: none"> 1. If the IPO is not completed for any reason whatsoever on or prior to August 31, 2029, then the conversion price (“Valuation Price”) shall be determined by a merchant banker appointed by the Investor) or INR 3000 crores, whichever is lower. 2. The Investor CCPS shall convert into Equity Shares of the Banking Company basis the 	<p>Conversion Price if IPO does not occur before August 31, 2029</p> <ol style="list-style-type: none"> 1. If the IPO is not completed for any reason whatsoever on or prior to August 31, 2029, then the conversion price (“Valuation Price”) shall be INR 2045 crores (INR 389.26 per share). 2. The Investor CCPS shall convert into Equity Shares of the Banking Company basis the



Valuation Price ("Valuation Converted Shares").	Valuation Price ("Valuation Converted Shares").
Conversion Price in any other scenario of mandatory conversion	Conversion Price in any other scenario of mandatory conversion
<ol style="list-style-type: none"> 1. The conversion price ("Other Scenario Conversion Price") shall be determined by a merchant banker appointed by the Investor or INR 3000 crores, whichever is lower. 2. The Investor CCPS shall convert into equity shares of the Banking Company basis the Other Scenario Conversion Price ("Other Scenario Converted Shares"). 	<ol style="list-style-type: none"> 1. The conversion price ("Other Scenario Conversion Price") shall be at INR 2045 crores (INR 389.26 per share). 2. The Investor CCPS shall convert into equity shares of the Banking Company basis the Other Scenario Conversion Price ("Other Scenario Converted Shares").

As per the provisions of section 48 of the Companies Act, 2013, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

Accordingly, the board of directors at their meeting held on 20th June 2023 have approved the modification to the terms of CCPS issued by the Company and recommended the same for approval of the equity shareholders by way of special resolution.

The special resolution for approval of the equity shareholders and preference shareholders is set forth in resolution no. 6 of this notice of the annual general meeting.

None of the directors or their relatives or key managerial persons of the Company or their relatives are concerned or interested in the passing of the resolutions in the items set out above.

Item No. 7

The resolution at item no. 7 is to issue and allot compulsorily convertible preference shares of the Bank ("Shares") to the Investor for a consideration aggregating up to Rs. 180 crores (Rupees One Hundred and eighty crores only). Information in relation to the issuance and allotment of the Shares are set out below:

- a. Nature of such shares: Non – cumulative, Non – participating, compulsorily, convertible
- b. The objects of the issue: For Banking business purposes
- c. Manner of issue: Private Placement
- d. The total number of securities proposed to be issued by way of preferential allotment are 18,00,00,000 (Eighteen Crores) Compulsorily Convertible Preference Shares each of a nominal value of Rs. 10 each.

- e. The price or price band at/ within the allotment is proposed is:

Security	Price
Preference Shares	Rs. 10 per Share

- f. The allotment is proposed to be made to the following class/ classes of persons: Domestic and Foreign investors.
- g. Expected dilution in Equity share Capital upon conversion of Preference Shares: 59,40,986 Equity shares would be issued upon conversion considering the current valuation.
- h. The names of the proposed allottees and the percentages of post preferential offer capital that may be held by them are set out below:

Sl.no	Names of the Proposed allottees	% of holding
1	Dovetail India Fund	19.6%
2	Deepak Talwar	0.2%
3	Volrado Venture Partners Fund	11.8%
4	Singularity Growth opportunities fund	8.4%

- i. The allotment is proposed to be completed on or before 31st July 2023.
- j. There shall be no change in control of the Bank consequent to the preferential offer.
- k. The price of the Shares to be issued and allotted to the **Investors** has been arrived at by a registered valuer and the report in this regard has been provided.
- l. the terms of issue, including terms and rate of dividend on each share, etc.;
- fully paid up, 16% Non-Cumulative Compulsorily Convertible Preference Shares
 - CCPS shall not be redeemable and shall compulsorily convert to equity shares
 - CCPS shall carry a preferential dividend computed at 16% p.a
 - Dividend shall not be cumulative
- m. the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion;

The Investor CCPS shall mandatorily convert into Equity Shares of the Banking Company on the earlier of:

1. The Bank shall have the right to require an automatic conversion of the Investor CCPS at any time at its discretion on or before 31st July, 2023. In such case the conversion price of the Investor CCPS shall be at Rs. 302.98 per equity share.
 2. the Banking Company having Common Equity Tier 1 capital of 6% (Six percent) of the risk weighted assets of the Banking Company or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time;
 3. the date on which the RBI determines that the Banking Company has reached a point of non-viability (in terms of the Basel III Guidelines) and requires the Investor CCPS to be converted into equity shares in accordance with Annex 16 of the Basel III Guidelines.
- n. the manner and modes of redemption; Not applicable
- o. Current shareholding pattern of the company:

Equity Shares

Sr.	Category	Pre Issue	Post Issue
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No					
		No of shares held	% of share holding	No of shares held	% of shareholding
A	Promoters' holding:				
1	Indian:				
	Individual	-	-	-	-
	Bodied Corporate	235,75,790	42.88%	235,75,790	42.88%
	Sub Total	235,75,790	42.88%	235,75,790	42.88%
2	Foreign Promoters	-	-		
	Sub Total (A)	235,75,790	42.88%	235,75,790	42.88%
B	Non-Promoters' holding				
1	Institutional Investors	2,01,90,434	36.73%	2,01,90,434	36.73%
2	Non Institution:				
	Private Corporate Bodies	1,06,86,998	19.44%	1,06,86,998	19.44%
	Directors and Relatives	-	-	-	-
	Indian Public	5,22,661	0.95%	5,22,661	0.95%
	Others (Including NRIs)	2,820	0.00%	2,820	0.00%
	Sub Total (B)				
	GRAND TOTAL	5,49,78,703	100.00%	5,49,78,703	100.00%

Compulsorily Convertible Preference Shares

Sr. No	Category	Pre Issue		Post Issue	
		No of shares held	% of share holding	No of shares held	% of shareholding
A	Promoters' holding:				



1	Indian:				
	Individual	-	-	-	-
	Bodied Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign Promoters	-	-	-	-
	Sub Total (A)	-	-	-	-
B	Non-Promoters' holding				
1	Institutional Investors	12,00,00,000	44.44%	29,90,00,000	66.44%
2	Non Institution:				
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	15,00,00,000	55.56%	15,00,00,000	33.33%
	Others (Including NRIs)	-	-	10,00,000	0.02%
	Sub Total (B)	27,00,00,000	100.00%	45,00,00,000	100.00%
	GRAND TOTAL	27,00,00,000	100.00%	45,00,00,000	100.00%

The Board recommends the Resolutions at item no. 7 of the Notice for the approval of the shareholders.

None of the other Directors, Key Managerial Personnel or their relatives is interested or concerned financially or otherwise in the Resolution.

Item No. 8 & 9

The Board recommends the ordinary resolution as set out in item no. 8 and 9 for the approval of the Shareholders of the Bank.

The Nomination and Remuneration Committee of the Board of Directors ("Committee") of the company vide their resolution dated 06th February 2023 and 08th May 2023 respectively, had





recommended the remuneration of Mr. Ajay Kanwal for the financial year 2022-23 and 2023-24. While recommending the remuneration, the Committee reviewed the performance of Mr. Ajay and the Bank during the said financial year's.

The Board of Directors of the Company vide their resolution dated 07th February 2023 and 09th May 2023 respectively, has approved the proposal of remuneration and the same is placed before Shareholders for approval. The proposed remuneration shall be paid subject to approval of Reserve Bank of India in line with Regulation 35B of Banking Regulation Act, 1949.

The Brief Profile of Mr. Ajay Kanwal is as under:

Mr. Ajay Kanwal is a senior consumer and commercial banker with three decades of experience across Asia. He has held various leadership positions throughout his banking career and has a proven track record of planning and executing strategy to deliver P&L in a multicultural and volatile emerging market environment. Ajay has played a significant role in launching several strategic growth initiatives while building and managing diverse teams across geographies.

None of the directors or key managerial personnel of the Bank are in any way, concerned or interested, financially or otherwise, in the resolution No. 8 and 9 set out at in the notice.

**By the order of the Board
For Jana Small Finance Bank Limited**

**Place: Bengaluru
Date: 20th June 2023**


**Lakshmi R. N.
Company Secretary
ACS -14234**