

NOTICE

Notice is hereby given that the Extra Ordinary General Meeting of the Members of Jana Small Finance Bank Limited will be held at shorter notice, on Wednesday, 26th July 2023 at 3:00 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:

SPECIAL BUSINESS:

1. INITIAL PUBLIC OFFER

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

“RESOLVED THAT pursuant to the provisions of Sections 23, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, and the rules and regulations made thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force), (the **“Companies Act”**), and in accordance with and subject to the provisions of the Securities Contracts (Regulation) Act, 1956, and the rules made thereunder, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the **“SEBI Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**), the RBI Operating Guidelines for Small Finance Banks dated October 6, 2016, the RBI Master Direction – Ownership in Private Sector Banks Directions, 2016 dated May 12, 2016, the Banking Regulation Act, 1949, as amended and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the RBI, SEBI and any other applicable laws, rules and regulations, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) (collectively, the **“Applicable Laws”**), and in accordance with the provisions of the Memorandum of Association and the Articles of Association of the Bank and the equity listing agreements to be entered into between the Bank and the respective stock exchanges where the Equity Shares are proposed to be listed on BSE Limited and the National Stock Exchange of India Limited (**“the Stock Exchanges”**), and subject to any approvals as may be required from the Government of India (**“GoI”**), the Registrar of Companies, Karnataka at Bangalore (**“RoC”**), the Securities and Exchange Board of India (**“SEBI”**), the Reserve Bank of India (**“RBI”**) and all other appropriate statutory authorities and departments (collectively the **“Regulatory Authorities”**) and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the **“Board”** which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution), the consent and approval of the shareholders be and is hereby accorded to undertake an initial public offering of its Equity Shares and to create, issue, offer and allot equity shares of face value of ₹10 each (the **“Equity Shares”**) comprising of fresh issue of Equity Shares (the **“Fresh Issue”**) and an offer for sale of Equity Shares (**“Offer for Sale”**) by certain shareholders of the Bank (the **“Selling Shareholders”**) (the **“Offer for Sale”** and together with the Fresh Issue, the **“Offer”**), for cash either at par or premium or discount for any category of investors, as permitted under applicable law, such that the amount being raised pursuant to the Fresh Issue aggregates up to ₹ 6,500 million with an option to the Bank to retain an over-subscription to the extent of 1% of the net offer, for the purpose of rounding off to the nearest integer to make allotment while finalizing the basis of allotment in consultation with the

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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.

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designated stock exchange), at a price to be determined, by the Bank in consultation with the Book Running Lead Managers (“BRLMs”), through the book building process in terms of the SEBI Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as permitted under Applicable Laws and as may be fixed and determined by the Bank in consultation with the BRLMs in accordance with the SEBI Regulations, out of the authorized share capital of the Bank to any category of person or persons as permitted under Applicable Laws, who may or may not be the shareholder(s) of the Bank as the Board may, decide, including anchor investors, if any, one or more of the members of the Bank, eligible employees (through a reservation or otherwise), hindu undivided families, registered foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, venture capital funds, registered alternative investment funds, public financial institutions as specified in Section 2(72) of the Companies Act, non-resident Indians, state industrial development corporations, insurance companies, provident funds, pension funds, National Investment Fund, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, trusts/societies registered under the Societies Registration Act, 1860, development financial institutions, systemically important non-banking financial companies, Indian mutual funds, Indian public, bodies corporate, companies (private or public) or other entities (whether incorporated or not), authorities, and to such other persons including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof and/or any other category of investors as may be permitted to invest under Applicable Laws by way of the Offer in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer and on such terms and conditions as may be finalised by the Board in consultation with the BRLMs through an offer document, prospectus and/or an offering memorandum, as required, and that the Board in consultation with the BRLMs may finalise all matters incidental thereto as it may in its absolute discretion think fit.”

“**RESOLVED FURTHER THAT** subject to the consent of SEBI, Government of India, RBI, RoC, Ministry of Finance, Government of India, Stock Exchanges and/or such other approvals, permissions and sanctions of all other concerned Regulatory Authorities, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions which may be agreed to by the Board under applicable provisions of the SEBI ICDR Regulations and other Applicable Laws, the shareholders take note of the Offer for Sale, in the following manner:

1. up to 40,51,516 Equity Shares by following selling shareholders

Name of the Equity Shareholder	Participation
Client Rosehill Limited (TRG)	17,57,755
CVCI GP II Employee Rosehill Limited (TRG)	9,29,656
Global Financial Inclusion Fund	1,41,285
Hero Enterprise Partner Ventures	12,20,000
Growth Partnership II Shiv Shankar Co-investment Trust	1,995
Growth Partnership II Ajay Tandon Co-investment Trust	825
Total	40,51,516

at a price to be determined by the book building process in terms of the SEBI ICDR Regulations, for cash at such premium or discount per Equity Share as allowed under Applicable Laws and as may be fixed and determined by the Bank in consultation with the BRLMs and the Selling Shareholders (to the extent applicable), to such category of persons as may be permitted or in accordance with the SEBI ICDR Regulations or other Applicable Laws, if any, as may be prevailing at that time and in such manner as may be determined by the Board in consultation with the BRLMs and the Selling Shareholders (to the extent applicable) and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Bank to make available for allocation a portion of the Offer to any category(ies) of persons permitted under Applicable Law, including without limitation, eligible employees (the “**Reservation**”) or to provide a discount to the issue price to retail individual bidders or eligible employees (the “**Discount**”), at the discretion of the Bank; and to take any and all actions in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.”

“**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 23, 62(1)(c), 42 and any other applicable provisions, if any, of the Companies Act, 2013, subject to such further corporate and other approvals as may be required, in-principle approval of the members is hereby accorded to allot up to [●] Equity Shares and/or Compulsorily Convertible Preference Shares (including employees) for an amount aggregating up to ₹1,150 million, to certain investors prior to filing of the red herring prospectus with SEBI (“**Pre-IPO Placement**”), at such price as the Board may, determine, in consultation with the BRLMs, underwriters, placement agents and/ or other advisors, in light of the then prevailing market conditions and in accordance with the Companies Act, the SEBI Regulations and other applicable laws, regulations, policies or guidelines, and do all such other acts, deeds, matters and things as the Board may from time to time, in their absolute discretion deem fit and including without limitation, negotiate, finalise and execute any document or agreement, including without limitation any private placement offer letters, placement agreement, escrow agreement, term sheet and such other documents or any amendments or supplements thereto and to open any bank account for the purpose if required, and to open any shares or securities account or escrow or custodian accounts as may be required in connection therewith and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the Pre-IPO Placement or in relation to the foregoing and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing. In the event of happening of Pre-IPO Placement, the size of the Offer would be reduced to the extent of Equity Shares issued under Pre-IPO Placement.”

“**RESOLVED FURTHER THAT**, the Board may invite the existing shareholders of the Bank to participate in the Offer by making an Offer for Sale in relation to such number of Equity Shares held by them, and which are eligible for the Offer for Sale in accordance with the SEBI ICDR Regulations, as the Board may determine in consultation with the BRLMs, subject to the receipt of consent of SEBI, GoI, RBI, the Registrar of Companies and/or such other approvals, permissions and sanctions of all other concerned statutory authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, at a price to be determined by the book building process in

terms of the SEBI ICDR Regulations, for cash at such premium per share as may be fixed and determined by the Bank in consultation with the BRLMs, to such category of persons as may be permitted or in accordance with the SEBI ICDR Regulations or other applicable law, if any, as may be prevailing at that time and in such manner as may be determined by the Board in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer.

“RESOLVED FURTHER THAT the Equity Shares issued or transferred pursuant to the Offer shall be listed on one or more recognized stock exchanges in India.”

“RESOLVED FURTHER THAT in relation to the Offer, the Board either by itself or IPO committee constituted by the Board be and is hereby authorized to do such acts, deeds and things as the Board or such sub-committee in its absolute discretion deems necessary or desirable in connection with the Offer.”

“RESOLVED FURTHER THAT the Equity Shares so allotted under the fresh issue (including any reservation or green shoe option) shall be subject to the Memorandum of Association and the Articles of Association of the Bank and shall rank *pari passu* in all respects with the existing Equity Shares of the Bank including rights in respect of dividend.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any issue and allotment of Equity Shares pursuant to the Offer, the Board and IPO Committee thereof, in consultation with the BRLMs, be and is hereby authorized to determine the terms of the Offer including the class of investors to whom the Equity Shares are to be allotted, the number of Equity Shares to be allotted, issue price, premium amount, discount (as allowed under Applicable Laws), listing on one or more stock exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and to negotiate, finalize and execute such deeds, documents agreements and any amendment thereto, as it may, in its absolute discretion, deem necessary, proper or desirable including arrangements with BRLMs, underwriters, escrow agents, legal advisors, etc., to approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the Offer, allotment of the Equity Shares, and utilization of the Offer proceeds, if applicable and such other activities as may be necessary in relation to the Offer and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank and the Offer, without requiring any further approval of the shareholders, except as required under law, and that all or any of the powers conferred on the Bank and the Board pursuant to these resolutions may be exercised by the Board or such Committee thereof as the Board may constitute in its behalf.”

“RESOLVED FURTHER THAT subject to compliance with Applicable Laws such Equity Shares as are not subscribed may be disposed of by the Board in consultation with the BRLMs to such persons and in such manner and on such terms as the Board in its absolute discretion thinks most beneficial to the Bank including offering or placing them with banks/ financial institutions/ investment institutions/ mutual funds/ bodies corporate/ such other persons or otherwise.”

“RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Bank, be and are hereby severally authorized to execute and deliver any and all other documents, papers or instruments, issue and provide certificates and to do or cause to be done any and all acts or things

as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Offer; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Bank in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Bank, as the case may be.”

“RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

2. AMENDMENT TO ARTICLES OF ASSOCIATION

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

“RESOLVED THAT pursuant to the provisions of Sections 5 and 14 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, each as amended, and other applicable provisions, if any, and subject to approval of Reserve Bank of India, and in order to align the articles of association of the Bank (the **“Articles of Association”**) with the requirements of the stock exchanges where the Equity Shares of the Bank are proposed to be listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, subject to the necessary approvals required, of the shareholders of the Bank, of the Reserve Bank of India and that of the Registrar of Companies, Karnataka at Bengaluru (**“ROC”**), the set of existing Articles of Association of the Bank, as placed before the shareholders of the Bank be and is hereby substituted with the new set of Articles of Association placed before the shareholders of the Bank and the same be approved and be adopted as new Articles of Association of the Bank, in total exclusion and substitution of the existing articles of association of the Bank.”

“RESOLVED FURTHER THAT Mr. Ajay Kanwal, Managing Director and Chief Executive Officer and Mrs. Lakshmi R. N. Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Karnataka at Bengaluru.

“RESOLVED FURTHER THAT any of the directors, chief financial officer and company secretary of the Bank be and are hereby severally authorized by the Bank to certify a copy of this resolution and provide the same to all concerned parties and relevant statutory authorities, if any.”

3. ADOPTION OF AMENDED EMPLOYEE STOCK OPTION SCHEME (EMPLOYEE STOCK OPTION PLAN, 2017) OF THE BANK

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

“RESOLVED THAT, pursuant to Section 62(1)(b) of the Companies Act, 2013 (the **“Act”**) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (the **“Rules”**) and all other applicable provisions, if any, of the Act and the Rules, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)

Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”), for the time being in force and as may be modified from time to time, and other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable, subject to such approvals, consents, permissions and approvals of any / various statutory / regulatory authority(ies) as may be required, pursuant to the recommendation of the nomination and remuneration committee and approval of the shareholders of the Bank be and is hereby accorded to the amendments to the Employee Stock Option Plan, 2017 (the “**ESOP Scheme**”) adopted by the Bank as tabled before the Board.

RESOLVED FURTHER THAT, to give effect to the above resolutions, Mr. Ajay Kanwal, Managing Director and Chief Executive Officer and Mrs. Lakshmi R. N. Company Secretary of the Bank, be and are hereby severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, Karnataka, at Bengaluru to effectively implement this resolution.

RESOLVED FURTHER THAT Mr. Ajay Kanwal, Managing Director and Chief Executive Officer and Mrs. Lakshmi R. N. Company Secretary be and is hereby severally authorized to make any modifications or revisions in the ESOP Schemes as it may deem fit, from time to time, provided that the same is in conformity with the Companies Act, the Companies (Share Capital and Debenture) Rules, 2014, as amended, the SEBI SBEB & SE Regulations, the memorandum of association and articles of association of the Bank and any other applicable laws.

RESOLVED FURTHER THAT Mr. Ajay Kanwal, Managing Director and Chief Executive Officer and Mrs. Lakshmi R. N. Company Secretary of the Bank be and are hereby severally authorized by the Bank to certify a copy of this resolution and provide the same to all concerned parties and relevant statutory authorities, if any.”

4. ADOPTION OF AMENDED EMPLOYEE STOCK OPTION SCHEME (EMPLOYEE STOCK OPTION PLAN, 2018) OF THE BANK

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

“**RESOLVED THAT**, pursuant to Section 62(1)(b) of the Companies Act, 2013 (the “**Act**”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (the “**Rules**”) and all other applicable provisions, if any, of the Act and the Rules, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”), for the time being in force and as may be modified from time to time, and other rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable, subject to such approvals, consents, permissions and approvals of any / various statutory / regulatory authority(ies) as may be required, pursuant to the recommendation of the nomination and remuneration committee and approval of the shareholders of the Bank be and is hereby accorded to the amendments to the Employee Stock Option Plan, 2018 (the “**ESOP Scheme**”) adopted by the Bank as tabled before the Board.

RESOLVED FURTHER THAT, to give effect to the above resolutions, Mr. Ajay Kanwal, Managing Director and Chief Executive Officer and Mrs. Lakshmi R. N. Company Secretary of the Bank, be and are hereby severally authorised to do all such acts, deeds, matters and things, including to

settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, Karnataka, at Bengaluru to effectively implement this resolution.

RESOLVED FURTHER THAT Mr. Ajay Kanwal, Managing Director and Chief Executive Officer and Mrs. Lakshmi R. N. Company Secretary be and is hereby severally authorized to make any modifications or revisions in the ESOP Schemes as it may deem fit, from time to time, provided that the same is in conformity with the Companies Act, the Companies (Share Capital and Debenture) Rules, 2014, as amended, the SEBI SBEB & SE Regulations, the memorandum of association and articles of association of the Bank and any other applicable laws.

RESOLVED FURTHER THAT Mr. Ajay Kanwal, Managing Director and Chief Executive Officer and Mrs. Lakshmi R. N. Company Secretary of the Bank be and are hereby severally authorized by the Bank to certify a copy of this resolution and provide the same to all concerned parties and relevant statutory authorities, if any.”

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



Date: 20-Jul-2023

Place: Bangalore

Company Secretary and Compliance Officer



NOTES

1. The Explanatory Statement under Section 102 of the Companies Act, 2013, as amended, in respect of the special business is annexed herewith and forms part of the notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK. PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE BANK NOT LESS THAN 48 HOURS BEFORE THE DATE OF THE EXTRAORDINARY GENERAL MEETING.**
3. 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.
4. 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.
5. Pursuant to Section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, companies are permitted to send official documents to their shareholders electronically.
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 Extraordinary General Meeting (“EGM”) through video conference mode. Accordingly, the link to attend the meeting is: <https://bluejeans.com/555499750>.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD-2 ISSUED BY ICSI AND SEBI LISTING REGULATIONS ANNEXURE TO AND FORMING PART OF THE NOTICE.

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 sets out all material facts relating to the special businesses mentioned under item numbers 1 to 4 of the accompanying notice.

ITEM NO. 1

In terms of the Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014, issued by the Reserve Bank of India (“RBI”) and the in-principle approval given to the Bank by the RBI pursuant to its letter RBI letter dated October 7, 2015, bearing no. DBR.PSBD.NBC (SFB-JFS) No. 4918/16.13.216/2015-16 pursuant to which our Bank, then known as Janalakshmi Financial Services Limited was granted an in-principle approval, to establish and convert into an SFB under Section 22 of the Banking Regulation Act, 1949, the Bank is required to list its equity shares on the stock exchanges within three years from the date of commencement of business i.e 28th March 2018. Further, the Department of Regulation, RBI pursuant to its letter dated June 9, 2023 bearing no. CO.DOR.HGG.No.S1362/16-02-005/2023-24 advised to list by November 30, 2023.

In light of this, the Bank proposes to undertake an initial public offer of its equity shares of face value of ₹10 each (the “**Equity Shares**”) which may include a fresh issue of Equity Shares and an offer for sale of Equity Shares (“**Offer for Sale**”) by certain shareholders of the Bank (the “**Selling Shareholders**”) (“**Offer for Sale**” and together with the Fresh Issue, the “**Offer**”) and listing of the Equity Shares on one or more of the stock exchanges.

The Bank intends to undertake the Offer and list its Equity Shares at an opportune time in consultation with the book running lead managers appointed for the Offer (the “**BRLMs**”) and other advisors to be appointed for the Offer and subject to applicable regulatory and other approvals, to the extent necessary.

In view of the above and in terms of Section 62(1)(c), and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, each as amended, the approval of the shareholders of the Bank is required through a special resolution.

The Bank proposes to create, offer, issue and allot in the Offer such number of Equity Shares, for cash either at par or premium such that the amount being raised pursuant to the Offer aggregates up to ₹ 6,500 million on such terms and at such price and at such time as may be considered appropriate by the board of directors of the Bank (the “**Board**”), or a duly authorised committee thereof, to the various categories of permitted investors, who may or may not be the shareholder(s) of the Bank, in the initial public offer by way of book building method under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. The Equity Shares, if any, allotted vide the Offer shall rank in all respects *pari passu* with the existing equity shares of the Bank.

The proceeds from the Offer will be utilised for the purpose of augmenting the Bank’s Tier – 1 capital base to meet the Bank’s future capital requirements such as organic growth and expansion and to comply with regulatory requirements for enhanced capital base, as may be prescribed in the future and for general corporate purpose.



The Equity Shares are proposed to be listed on the BSE Limited, the National Stock Exchange of India Limited and any other stock exchange as determined by the Board at its absolute discretion (together, the “**Stock Exchanges**”) and the Bank will be required to enter into listing agreements with each of the Stock Exchanges.

The Bank will not make an offer of Equity Shares to the Promoters of the Bank in the Offer. However, the key managerial personnel of the Bank may apply for the Equity Shares in the various categories under the Offer in accordance with the SEBI Regulations.

Other than through their participation in the Offer as mentioned above, none of the directors or key managerial personnel of the Bank or the relatives of the said persons are interested in the said resolution.

Furthermore, in the event that Equity Shares are allotted to investors pursuant to pre-IPO placement of Equity Shares prior to registering of the red herring prospectus relating to the Offer with the Registrar of Companies, Karnataka at Bengaluru, price at which such pre-IPO placement shall be made shall be subject to prevailing market conditions, and shall be decided by the Bank in consultation with the book running lead managers to the Offer.

No change in control of the Bank or its management of its business is intended or expected pursuant to the Offer.

The Board recommends the resolutions in Item No.1 of the Notice for your approval as a special resolution. Accordingly, approval of the members of the Bank is sought to issue Equity Shares under Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, each, as amended.

The Board in its meeting dated 20th July 2023 approved issuance of Preference Shares of upto Rs. 15 crores at face value as part of Pre-IPO. The Board has decided to open the Pre-IPO issuance of Compulsorily Convertible Preference Shares (CCPS) and offers upto 12,200,000 to the Senior Management team and Senior Advisors. The CCPS issuance will be at face value of Rs. 10 and will convert at Rs. 302.98 per equity shares one day prior to filing of the Updated Draft Red Herring Prospectus (UDRHP). The maximum number of equity shares these CCPS will convert is 402,667. The proposed issue of aforesaid preference shares is through preferential offer cum private placement basis to persons identified in this note.

The Bank is proposing to the issue of Compulsory Convertible Preference Shares (“CCPS”) to the Senior Management Personnel i.e. Manco of the Bank and Senior Advisors. The allocation and investment by senior management signifies their commitment and belief in the Bank as they invest their personal savings at market valuations. This would not form part of the compensation of the Senior Management. The board by providing such an opportunity to participate in the share offering helps retention, long term commitment and motivation of the senior team as the bank goes public.

The amount of CCPS to be issued will be in the range of 0.4% to 0.6% of the current/diluted equity share capital of the Bank, pre IPO. These amount of CCPS are meaningful in size. The conversion date is prior to Updated Draft Red Herring Prospectus, which is as per SEBI guidelines. The valuation of Rs. 302.98 is a latest one as subscribed by shareholder for the Rs. 560 crores of capital raised by the Bank in June 2023.

The Board will seek applications from the Identified Persons as part of this note. The Board will



have the authority to decide the number of shares that will be allocated. If the issue is over-subscribed the allocation will be on the basis of proportion as decided by the Board and in case of under-subscription the Board may have the Right to offer reduce the overall size of the issue.

At the discretion of the Board, any identified persons can be excluded from allotment if they are serving notice or tender resignation or for any other reason which Board deems fit on or before the date of allotment of the CCPS. The Board will complete its final allocation by 10th August 2023 and the long stop date till which the Identified Person can invest in the CCPS by 31st October 2023 or prior to filing the RHP whichever is later.

The necessary disclosure pursuant to SEBI Regulations will be taken care in the DRHP document as per the legal advice. A legal opinion has been obtained from Indus Law, a reputed legal counsel firm relating to confirmation of compliance of all regulatory aspects of such issuance and also states that the issuance of shares to employees at FMV is permitted without the requirement to obtain any approval from the RBI so long as holding is below 4.99%, beyond which RBI approval is required.

The Board recommends the resolutions set out at Resolution No.1 of the accompanying Notice for your approval as special resolutions.

ITEM NO. 2

In order to undertake the proposed public issue, the Bank will be required to ensure that the articles of association of the Bank (the “**Articles of Association**”) conform to the requirements prescribed by relevant stock exchanges prior to filing of the draft red herring prospectus with the Securities and Exchange Board of India and the relevant stock exchanges. The Bank therefore proposes to adopt an amended set of Articles of Association that shall conform to the requirements and directions provided by the stock exchanges and contain such other articles as required by a public limited company under applicable laws (including the Companies Act, 2013).

Copy of the existing Articles of Association and the proposed revised Articles of Association will be made available for inspection at the registered office of the Bank during the working hours of the Bank on any working day up to the date of the extra-ordinary general meeting.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, as applicable, any amendment in Article of Association requires approval of the members of the Bank by way of a special resolution.

The Board recommends the resolution for approval of the members of the Bank.

None of the directors or key managerial personnel of the Bank or the relatives of the aforementioned persons are interested in the said resolution.

The Board recommends the resolutions set out at Resolution No.2 of the accompanying Notice for your approval as special resolutions.

ITEM NO. 3: ADOPTION OF AMENDED EMPLOYEE STOCK OPTION SCHEME (EMPLOYEE STOCK OPTION PLAN, 2017) OF THE BANK

Given that the Bank is proposing to undertake an initial public offering of its equity shares (“**Equity Shares**”), on listing of such Equity Shares, the Bank will be required to ensure that the Employee

Stock Option Plan, 2017 (“**ESOP Scheme**”) are in compliance with the Companies Act, 2013, as amended along with the rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”). Accordingly, the ESOP Schemes are required to be amended to align with the SEBI SBEB & SE Regulations. Further, the Bank shall comply with the applicable accounting standards in relation to the ESOP Schemes.

A statement of disclosure as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the SEBI SBEB Regulation is not applicable since the bank is proposing to the existing policies which was approved the members.

Copy of the amended ESOP Scheme of the Bank will be open for inspection by the members at the Registered Office of the Bank at Bengaluru, India on all working days, during business hours up to the date of the Meeting and will also be made available at the meeting. None of the Directors and Key Managerial Personnel or their relatives or any other officials of the Bank except to the extent of their shareholding in the Bank is in any way, financially or otherwise, concerned or interested in the resolution.

None of the directors, key managerial personnel, of the Bank or the relatives of the aforementioned persons are in any way, financially or otherwise concerned or interested in the said resolutions, interested in the said resolution, except to the extent of their shareholding in the Bank.

The provisions of the Companies Act, 2013 and the SEBI SBEB & SE Regulations, require the Bank to seek the approval of the members by way of special resolution for implementation of the amended ESOP Schemes. Accordingly, the board of directors recommends the passing of the resolution set out at Item No. 3 by the way of special resolution.

ITEM NO. 4: ADOPTION OF AMENDED EMPLOYEE STOCK OPTION SCHEME (EMPLOYEE STOCK OPTION PLAN, 2018) OF THE BANK

Given that the Bank is proposing to undertake an initial public offering of its equity shares (“**Equity Shares**”), on listing of such Equity Shares, the Bank will be required to ensure that the Employee Stock Option Plan, 2018 (“**ESOP Scheme**”) are in compliance with the Companies Act, 2013, as amended along with the rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”). Accordingly, the ESOP Schemes are required to be amended to align with the SEBI SBEB & SE Regulations. Further, the Bank shall comply with the applicable accounting standards in relation to the ESOP Schemes.

A statement of disclosure as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the SEBI SBEB Regulation is not applicable since the bank is proposing to the existing policies which was approved the members.

Copy of the amended ESOP Scheme of the Bank will be open for inspection by the members at the Registered Office of the Bank at Bengaluru, India on all working days, during business hours up to the date of the Meeting and will also be made available at the meeting. None of the Directors and Key Managerial Personnel or their relatives or any other officials of the Bank except to the extent of their shareholding in the Bank is in any way, financially or otherwise, concerned or interested in the resolution.

None of the directors, key managerial personnel, of the Bank or the relatives of the aforementioned persons are in any way, financially or otherwise concerned or interested in the said resolutions, interested in the said resolution, except to the extent of their shareholding in the Bank.

The provisions of the Companies Act, 2013 and the SEBI SBEB & SE Regulations, require the Bank to seek the approval of the members by way of special resolution for implementation of the amended ESOP Schemes. Accordingly, the board of directors recommends the passing of the resolution set out at Item No. 4 by the way of special resolution.

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



Date: 20-Jul-2023

Place: Bangalore

Company Secretary and Compliance Officer

