

NOTICE

Notice is hereby given that the Extra Ordinary General Meeting of the Members of Jana Small Finance Bank Limited will be held on Monday, 04th September 2023 at 11:30 a.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. APPROVAL FOR ISSUE OF 1,21,54,044 COMPULSORY CONVERTIBLE PREFERENCE SHARES ("PREFERENCE SHARES") BY WAY OF PREFERENTIAL OFFER CUM PRIVATE PLACEMENT

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

"RESOLVED THAT pursuant to section Sections 23, 42, 55 and 62 and all other applicable provisions of the Companies Act, 2013 read with Rule 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Foreign Exchange Management Act, 1999, the relevant rules and regulations framed thereunder, and subject to such other approvals, consents, permissions, or sanctions of Government of India, Reserve Bank of India and other appropriate authorities, and shareholders of the Company, the consent of the shareholders of the Company be and is hereby accorded to issue and offer **1,21,54,044** Compulsory Convertible Preference Shares ("**Preference Shares**") having face value of INR 10 (Indian Rupees Ten only) on preferential offer cum private placement basis, to the following investor:

Sl. No.	Name of the Identified Investor	Number of Preference Shares proposed to be offered	Consideration (in INR)
1.	Ajay Kanwal	82,10,758	8,21,07,580
2.	KS Raman	6,05,960	60,59,600
3.	Sumit Aggarwal	3,02,980	30,29,800
4.	Rincoo Vachha	36,358	3,63,580
5.	Shrinivas Murty	1,99,967	19,99,670
6.	Sudhir Madhavan	2,72,682	27,26,820
7.	Pradeep Rebello	99,983	9,99,830
8.	Gopal Tripathi	8,37,740	83,77,400
9.	M Ramachandran	2,42,384	24,23,840
10.	Chitra Menon	49,992	4,99,920
11.	Ashish Saxena	4,54,470	45,44,700
12.	Rajesh Rao	2,72,682	27,26,820
13.	Satish Ramachandran	1,99,967	19,99,670
14.	Abhilash Sandur	49,992	4,99,920
15.	Amit Bakshi	90,894	9,08,940
16.	Tamal B	2,27,235	22,72,350

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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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RESOLVED FURTHER THAT Mr. Ajay Kanwal, the MD and CEO, Mr. Abhilash Sandur, Chief Financial Officer and Mrs. Lakshmi RN, Company Secretary of the Company, be and are hereby severally authorized to do all such actions, deeds, matters, writings and things as are necessary or expedient in this regard, including, but not limited to, undertaking filing of requisite forms and documents with the concerned Registrar of Companies and Reserve Bank of India.”

2. INCREASE IN AUTHORISED SHARE CAPITAL OF THE BANK AND AMENDMENT TO THE MEMORANDUM 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 Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s), thereof for the time being in force) (the “**Companies Act**”), the authorized share capital of the Bank be and is hereby revised and increased from ₹ 550,00,00,000 (Rupees Five Hundred and Fifty Crore) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10/- (Rupees Ten) each and 45,00,00,000 (Forty Five Crore) preference shares of Rs. 10/- (Rupees Ten) each to ₹ 5,85,00,00,000 divided into equity share capital of ₹ 13,50,00,000 (Thirteen Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 45,00,00,000 (Forty Five Crore) preference shares of Rs. 10/- (Rupees Ten) each

RESOLVED FURTHER THAT pursuant to Section 13 and other applicable provisions of the Companies Act, the existing clause V of the memorandum of association of the Bank be and is hereby substituted by the following:

“The Authorized Share Capital of the Bank is ₹ 5,85,00,00,000 divided into equity share capital of ₹ 13,50,00,000 (Thirteen Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 45,00,00,000 (Forty Five Crore) preference shares of Rs. 10/- (Rupees Ten) each

RESOLVED FURTHER THAT Mr. Ajay Kanwal, Managing Director & Chief Executive Officer and Mrs. Lakshmi R N, Company Secretary be and are hereby severally authorized to do all the acts, deeds and things which are necessary for the amendment of Memorandum of Association including filing of the necessary forms with the Registrar of Companies, Karnataka at Bangalore.

RESOLVED FURTHER THAT certified copies of this resolution be provided to those concerned under the hands of a Director and/or Company Secretary wherever required.”

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

Date: 11th August 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 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 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 and 2 of the accompanying notice.

ITEM NO. 1

The resolution at item no. 1 is to issue and allot compulsorily convertible preference shares of the Bank (“Shares”) to the Investor for a consideration aggregating up to Rs. 1,215 lakhs (Rupees One thousand two hundred and fifteen lakhs only).

The Board in its meeting dated 20th July 2023 approved issuance of Preference Shares of up to 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 up to 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 4,02,667. The proposed issue of aforesaid preference shares is through preferential offer cum private placement basis to persons identified in the resolution.

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 Board through circular resolution dated 26th July 2023 has given its approval for the issuance. Further, the shareholders in their meeting held on 26th July 2023 have given their approval for issuance of CCPS. The Senior Management Personnel and the Sr. Advisor have given the applications to the bank indicating their participation in the said preferential offer.

The Bank, therefore proposes to issue 1,21,54,044 CCPS at a price of INR 10 each for an aggregate consideration of INR 12,15,40,440, through preferential offer cum private placement basis to persons identified in this board resolution.

Information in relation to the issuance and allotment of the Shares are set out below:

- Nature of such shares: Non – cumulative, Non – participating , compulsorily, convertible
- The objects of the issue: For Banking business purposes
- Manner of issue: Private Placement
- The total number of securities proposed to be issued by way of preferential allotment are 1,21,54,044 (One crore twenty one lakh fifty four thousand and forty four) Compulsorily Convertible Preference Shares each of a nominal value of Rs. 10 each.
- The price or price band at/ within the allotment is proposed is:

Security	Price
Preference Shares	Rs. 10 per Share

- The allotment is proposed to be made to the following class/ classes of persons: Domestic and Foreign investors.
- Expected dilution in Equity share Capital upon conversion of Preference Shares: 4,01,150 Equity shares would be issued upon conversion considering the current valuation.
- 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.	Name of the Identified Investor	Number of Preference Shares proposed to be offered	Percentage
1.	Ajay Kanwal	82,10,758	2.91%
2.	KS Raman	6,05,960	0.21%
3.	Sumit Aggarwal	3,02,980	0.11%
4.	Rincoo Vachha	36,358	0.01%
5.	Shrinivas Murty	1,99,967	0.07%
6.	Sudhir Madhavan	2,72,682	0.10%
7.	Pradeep Rebello	99,983	0.04%
8.	Gopal Tripathi	8,37,740	0.30%
9.	M Ramachandran	2,42,384	0.09%
10.	Chitra Menon	49,992	0.02%
11.	Ashish Saxena	4,54,470	0.16%
12.	Rajesh Rao	2,72,682	0.10%
13.	Satish Ramachandran	1,99,967	0.07%

14.	Abhilash Sandur	49,992	0.02%
15.	Amit Bakshi	90,894	0.03%
16.	Tamal B	2,27,235	0.08%

- i. The allotment is proposed to be completed on or before 31st March 2024.
- 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 March, 2024. 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. 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	235,75,790	32.06%	235,75,790	32.06%
	Sub Total	235,75,790	32.06%	235,75,790	32.06%
2	Foreign Promoters	-	-		
	Sub Total (A)	235,75,790	32.06%	235,75,790	32.06%
B	Non-Promoters' holding				
1	Institutional Investors	2,97,47,749	40.46%	2,97,47,749	40.46%

2	Non Institution:				
	Private Corporate Bodies	1,04,64,288	14.23%	1,04,64,288	14.23%
	Directors and Relatives	-	-	-	-
	Indian Public	25,36,631	3.45%	25,36,631	3.45%
	Others (Including NRIs)	72,01,490	9.79%	72,01,490	9.79%
	Sub Total (B)				
	GRAND TOTAL	7,35,25,948	100.00%	7,35,25,948	100.00%

Compulsory Convertible Preference shares ("CCPS")

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	27,00,00,000	100.00%	27,00,00,000	95.69%
2	Non Institution:				
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives	-	-	82,10,758	2.91%
	Indian Public	-	-	39,43,286	1.40%
	Others (Including NRIs)	-	-	-	-
	Sub Total (B)	27,00,00,000	100.00%	28,21,54,044	100.00%
	GRAND TOTAL	27,00,00,000	100.00%	28,21,54,044	100.00%

The Board recommends the Resolutions at item no. 1 of the Notice for the approval of the shareholders.

Other than Mr. Ajay Kanwal - Managing Director & CEO and Mr. Abhilash Sandur - Chief Financial Officer (to the extent of their shareholding), no other Directors, Key Managerial Personnel or their relatives is interested or concerned financially or otherwise in the Resolution.

ITEM NO. 2

The resolution at item no. 2 is to increase the authorized share capital of the Bank which is required in order to accommodate the increase in share capital of the Bank, due to conversion of CCPS; the proposed pre-IPO capital raise and IPO, it is necessary to amend clause V i.e., capital clause in the memorandum of association of the Bank.

With the proposed amendment, the Bank intends to increase the authorised share capital of the Bank from the existing ₹ 550,00,00,000 (Rupees Five Hundred and Fifty Crore) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10/- (Rupees Ten) each and 45,00,00,000 (Forty Five Crore) preference shares of Rs. 10/- (Rupees Ten) each to ₹ 5,85,00,00,000 divided into equity share capital of ₹ 13,50,00,000 (Thirteen Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 45,00,00,000 (Forty Five Crore) preference shares of Rs. 10/- (Rupees Ten) each.

The Board recommends the Resolutions at item no. 2 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.

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

Date: 11th August 2023
Place: Bangalore


Company Secretary and Compliance Officer