

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 Thursday, 30th March 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:

Special Business :

1. To appoint Mr. P. Vijaya Kumar as an Independent Director of the Bank:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. P. Vijaya Kumar (DIN: 07492149), who was appointed as an Additional Director (Independent) of the Bank by the Board of Directors with effect from 24th March 2023 and who holds office until the date of this General Meeting in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director (Independent) of the Bank, not liable to retire by rotation, for a period of Five (5) years up to 23rd March 2028.

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 authorised for and on behalf of the Bank to do or cause to do all acts, matters, deeds and things and to execute all 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.”

2. To approve raising funds through issue of Debt instruments:

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

“RESOLVED THAT in terms of Section 42, Section 71 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules notified there under; and in accordance with (i) the provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (ii) the Securities Contracts (Regulation) Act, 1956; (iii) the Memorandum and Articles of Association of the Bank; and (iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and subject to consent of (i) the relevant stock exchange; (ii) all other concerned statutory and regulatory authorities (if and to the extent necessary); and (iii) such other approvals, permissions and sanctions as may be necessary, approval of the members of the Bank be and is hereby accorded for borrowing/raising funds in INR / foreign currency by issue of debt instruments in domestic and/or overseas market, by issue of debt instruments (including bonds, non-convertible debentures, notes etc.), secured or unsecured, in one or more tranches (the **“Debentures”**) by way of private placement or public issue or otherwise and as per the structure and within the limits permitted by RBI, MCA and other regulatory authorities from eligible investors of an amount not exceeding Rs. 500 Crore in FY 2023-24. The yield for all Debentures (which includes coupon and redemption premium, but excludes processing fees which is payable additionally) issued during FY 2023-24 will be decided by board of directors of the Bank (**“Board of Directors”**) for each tranche

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Registered Office:

Jana Small Finance Bank Limited
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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CIN No. U65923KA2006PLC040028

depending on financial market conditions. h

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 authorised for and on behalf of the Bank to do or cause to do all acts, matters, deeds and things and to execute all 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.”

3. Increase in Foreign Direct Investment Limits.

To consider and if thought it, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2017 (“Consolidated FDI Policy”), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended (“FEMA 20(R) Regulations”), Master Directions of the Reserve Bank of India on Foreign Investment in India and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Department of Financial Services, Ministry of Finance (“DFS”), Government of India, the Reserve Bank of India (“RBI”) and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Bank, consent of members of the Bank be and is hereby accorded for all eligible non-resident investors to hold up to an aggregate limit of 74% of the total paid up share capital of the Bank, as Foreign Direct Investment, in terms of the Consolidated FDI Policy and the FEMA 20(R) Regulations.”

“**RESOLVED FURTHER THAT** Mr. Ajay Kanwal, Managing Director & Chief Executive Office, Mr. Buvanesh Tarashankar, Chief Financial Officer and Mrs. Lakshmi R N, Company Secretary of the Bank be and is hereby authorized to take all steps for giving effect to the aforesaid Resolution, including to make all applications as may be necessary for the purpose of giving effect to the aforesaid resolution, including applications before the RBI the DFS and other regulatory authorities.”

4. Variation of the terms of the compulsorily convertible preference shares issued by the Company

To consider and if thought it, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 48 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the shareholders of the Company be and is hereby accorded for variation of the terms of 16% fully paid up, unsecured, non-cumulative, compulsorily convertible preference shares having face value of Rs. 10 (Rupees Ten only) each of an aggregate nominal value of Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crore) (“**CCPS**”), to the extent and in the manner set out herein below:

- A. Mandatory Conversion: The timeline for the mandatory conversion event linked to the non-completion of the potential initial public offer of the securities of the Company ("IPO") shall be modified from March 31, 2023 to March 31, 2024;
- B. Conversion Price:
- (i) Conversion Price if IPO occurs before March 31, 2024: The discounting factor for each month after the allotment of the CCPS up to March 31, 2024 shall be computed based on a range commencing from 0.77 (Zero decimal point Seven Seven) to 0.26 (Zero decimal point Two Six) with a reduction on a proportionate scale on a monthly basis ("**Discounting Factor**");
 - (ii) Conversion Price if IPO does not occur before March 31, 2024: If the IPO is not completed for any reason whatsoever on or prior to March 31, 2024, then the conversion price shall be determined as the notional price of a capital market offering of the shares of the Company (being the average of the notional prices determined by 2 (Two) merchant bankers both mutually appointed by the Company and the holder of the CCPS) multiplied by a discounting factor of 0.26 (Zero decimal point Two Six) and the CCPS shall mandatorily convert into equity shares of the Company within 5 (Five) days from March 31, 2024;
 - (iii) Conversion Price in any other scenario of mandatory conversion: The conversion price shall be determined as the notional price of a capital market offering of the shares of the Company (being the average of the notional prices determined by 2 (Two) merchant bankers both mutually appointed by the Company and the holder of the CCPS) multiplied by the Discounting Factor applicable to the month in which such conversion occurs or 0.26 (Zero decimal point Two Six) in case such conversion occurs after March 31, 2024.

RESOLVED FURTHER THAT all other terms and conditions of the CCPS shall remain the same.

RESOLVED FURTHER THAT the Board of Directors of the Company and any person(s) authorised by the Board of Directors of the Company be and is hereby authorized to do, perform, and execute all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and all matters connected therewith or incidental thereto and to settle any question, difficulties or doubts that may arise in relation to the foregoing or otherwise howsoever in relation to this Resolution."

By and Order of the Board
For Jana Small Finance Bank Limited



Lakshmi R.N.
Company Secretary
ACS - 14234

Place : Bangalore
Date : 24-Mar-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. Pursuant to General Circular No. 20/2020 dated 5th May 2020, issued by Ministry of Corporate Affairs, the meeting can be attended through video conferencing. The link is <https://bluejeans.com/555499750>

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

Item no. 1:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank have appointed Mr. P. Vijaya Kumar as an Additional Director (Independent Director) of the Bank with effect from 24th May 2023

Pursuant to the provisions of Section 161 of the Companies Act, 2013, any Additional Director appointed by the Board will hold office up to the date of the ensuing General Meeting. Hence, the approval of the Members of the Bank is required to appoint Mr. P. Vijaya Kumar as Director of the Bank. Also, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment of Independent Director require approval of the Shareholders by way of a Special Resolution within three (3) months from the date of such appointment. Accordingly, the Board recommends the special Resolution as set out in item no. 1 for the approval of the Members of the Bank.

Mr. P. Vijaya Kumar. fulfils the conditions for independence specified in the Act, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other laws / regulations for the time being in force, to the extent applicable to the Bank. Brief is provided below.

Except Mr. P. Vijaya Kumar, none of the other Directors, Key Managerial Personnel or their relatives is interested or concerned financially or otherwise in the said Resolution.

Brief profile of Mr. P. Vijaya Kumar

Mr. P Vijayakumar, Executive Director (Retired), RBI having more than 36 years of experience. Worked in various departments Viz., Supervision of commercial Banks, Non-Bank Financial companies and Urban Co-operative Banks, Currency Management, Financial Inclusion and Micro-Finance, Deposit Insurance and Bank resolution and Banking Ombudsman. He has a Master's degree in Arts. He is also has M.Phil, CAIIB and PG in Treasury and Forex Operations. He

was a Nominee Director on erstwhile State Bank of Patiala; Bhartiya Reserve Bank Note Mudran Private Ltd; Security Printing and Minting Corporation of India. He was a committee member of Review of Banking Ombudsman Schemes.

Item no. 2:

As per the provisions of Section 42 of the Companies Act, 2013 read with Rules 14 of the Chapter III of the Companies Act, 2013 the Bank is hereby seeking your approval for borrowing/raising funds in INR / foreign currency by issue of debt instruments in domestic and/or overseas market, by issue of debt instruments, including bonds, non-convertible debentures, notes etc., by way of private placement or public issue or otherwise amounting to Rs. 500 Crores for the FY – 2023-24.

The Board recommends the special resolution as set out in item no. 2 for the approval of the Shareholders of the Bank.

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

Item no. 3 :

In terms of the Consolidated Foreign Direct Investment Policy Circular of 2017 (“Consolidated FDI Policy”) and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended (“FEMA 20(R) Regulations”), Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (as amended from time to time) (“NDI Rules”), foreign direct investment of up to 49% of the paid up equity share capital of a private sector bank may be made by eligible non-resident investors i.e. persons resident outside India, without an approval of the Government of India (Automatic Route) being required. Furthermore, foreign direct investment of 49% of the equity share capital and above and upto 74% of the paid up capital of a private sector bank may be made by eligible non-resident investors i.e. persons resident outside India, subject to receipt of an approval from the Department of Financial Services (“DFS”), Government of India (Government Route). The existing aggregate holding of non-resident investors in the Bank’s equity share capital is approximately 47.18 %. The holding of such non-resident investors is subject to compliance with conditions as stated in the RBI guidelines dated February 28, 2005 on Ownership and Governance in Private Sector Banks. In light of the proposed fund raising activity through IPO, the foreign shareholding of the Bank may increase to beyond 49% of the Bank’s equity share capital. Hence it would be necessary to increase the limits of foreign direct investment of the Bank to the regulatory cap of 74% of the paid up capital of the Bank, as permitted under applicable foreign exchange regulations including the Consolidated FDI Policy and the FEMA 20(R) Regulations. The Bank will make appropriate applications to the regulatory authorities of the Government of India, including the DFS, for increase in the foreign direct investment limits after the passing of this resolution. Hence, an ordinary resolution is proposed which is recommended for approval by the members.

None of the Directors or any of the Key Managerial Personnel of the Bank or their relatives is, directly or indirectly, concerned or interested in the Resolution set out at Item No. 3.

Item no. 4 :

As per the Terms of the Conversion of CCPS issued to Hero Enterprise Partner Ventures on 31st March 2019, there was mandatory conversion clause which stated as per below:



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

- (a) 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");
- (b) if the IPO is not completed by March 31, 2023;
- (c) 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;
- (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.

Currently, the IPO is expected to be completed in H1-FY 24 and would provide for the price discovery and the valuation. However, if the conversion is to be undertaken before the IPO at 31st March 2023, then as per the terms of the CCPS, two external valuers are to be appointed for computing the valuation and at such valuation the CCPS would be converted. Hence, the Bank is seeking approval from you to extend the Tenor of the CCPS to 31st March 2024. The investor of the CCPS have agreed for the construct. The modification of terms is subject to your approval.

None of the Directors or any of the Key Managerial Personnel of the Bank or their relatives is, directly or indirectly, concerned or interested in the Resolution set out at Item No. 4.

**By and Order of the Board
For Jana Small Finance Bank Limited**



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

**Place : Bangalore
Date : 24-Mar-2023**





JANA SMALL FINANCE BANK LIMITED
REGD OFF: THE FAIRWAY BUSINESS PARK #10/1,11/2,12/2B,OFF DOMLUR KORAMANGALA
INNER RING ROAD, NEXT TO EMBASSY GOLF LINKS, CHALLAGHATTA,
BANGALORE - 560071
CIN: U65923KA2006PLC040028

ATTENDANCE SLIP

Extra Ordinary General Meeting, Thursday, 30th March 2023 at 3:30 p.m

Name & Address of Shareholder	Registered Folio No. / DP ID & Client ID	No. of Shares held

I hereby record my presence at the Extra Ordinary General Meeting of the Bank held on Thursday, 30th March, 2023 at the registered office of the Bank situated at The Fairway Business Park #10/1,11/2,12/2b,Off Domlur Koramangala Inner Ring Road, Next To Embassy Golf Links, Challaghatta, Bangalore - 560071 at 3:30 p.m.

If shareholder, please sign here	If proxy, please sign here

Shareholders/ Proxies are requested to fill up the attendance slip and hand it over at the venue.



**Form No. MGT-11****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65923KA2006PTC040028

Name of the Company/Bank: Jana Small Finance Bank Limited

Registered office: The Fairway Business Park, #10/1,11/2 & 12/2B, Off Domlur, Koramangala Inner Ring Road, Next to EGL Business Park, Challaghatta, Bengaluru – 560 071

Name of the member (S) :

Registered Address :

Email Id :

Folio No./Client ID :

DP ID :

I/We, being the member (s) of shares of the above named Bank, hereby appoint

1. Name :

Address :

E-mail Id :

Signature :....., or failing him

2. Name :

Address :

E-mail Id :

Signature :....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Bank, to be held on the Thursday 30th March 2023 at 3:30 p.m at the registered office of the Bank and at any adjournment thereof in respect of such resolutions as are indicated in the Notice.

Signed thisday of 2023

Signature of shareholder :

Affix

Revenue

Signature of Proxy holder(s):

Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.