

TRANSCRIPT OF THE PROCEEDINGS OF THE 4TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF JANA HOLDINGS LIMITED (THE COMPANY) HELD ON TUESDAY, 15TH DAY OF DECEMBER 2020 FROM 3.30 PM TO 4.00 PM IST THROUGH VIDEO CONFERENCING (VC)

Welcome address by Mrs. Vidya Sridharan, Company Secretary

Good evening one and all. I, Vidya Sridharan, Company Secretary of the Company, welcome you all to the 4th Annual General Meeting of the Company on behalf of the Board of Directors of Jana Holdings Limited. I wish to mention that in view of on-going Covid-19 pandemic, this AGM is held through Video Conferencing (VC) in accordance with the Circulars issued by the MCA. All the participants of this meeting have joined through VC and the same is counted for the purpose of quorum.

Request all the participants to be on video on throughout the meeting and on audio mute and unmute the audio while speaking.

It is my privilege to introduce the participants of this meeting.

- Mr. Ramesh Ramanathan, Chairman of the Board has joined the meeting from Bangalore.
- Mr. Rajamani Muthuchamy, MD and CEO and representing Jana Capital Limited, has joined the meeting from Chennai.
- Mr. R. Srinivasan, shareholder has joined from Bangalore
- Mr. C.P Rangarajan, shareholder has joined from Bangalore
- Mr. Abraham Chacko, Independent Director and Chairman of Audit committee has joined the meeting from Cochin.
- Mr. Avinash, representing MSKC and Associates, statutory Auditors has joined the meeting from Bangalore.
- Mr. Nagendra Rao, Secretarial Auditors has joined the meeting from Bangalore.
- Mr. Gopalakrishnan, CFO has joined the meeting from Bangalore

I thank all the participants for joining this meeting for making this a successful one. The Company has received the resolution required under Section 113 from Jana Capital Limited, Corporate shareholder.

Requisite registers required to be kept under the Companies Act, 2013 the shareholders have been given online access to inspect the same.

I further inform that all efforts feasible under the circumstances have been made by the Company to enable members to participate and vote on the items being considered in the meeting.

Since the meeting is held through VC, facility of appointment of proxies is not available and hence proxy form has not been provided and the proxy register is not kept for inspection. Voting will be done through **show of hands** and you are requested raise your hand and mention your name and the number of shares held and state whether you are voting for or against the resolution when the same is called for by the Chairman.

The notice of the meeting and the explanatory statement was circulated to all the Members, Statutory Auditors, Secretarial Auditors, Directors and the Debenture trustees and the same is taken as read with your permission.

Mr. Ramesh Ramanathan, Chairman of the Board is authorised to act as the Chairman of this meeting as per the articles 71 of the Articles of Association and as provided under the Companies Act, 2013 and secretarial standards.

I would like to inform that the quorum required under the Companies Act, 2013 is present.

I would like to hand over to the Chairman for continuing with his speech and the Agenda items.

Over to you sir.

Chairman took up the Chair and stated as under:

Thank you Vidya. Let me warmly welcome all the Shareholder of Jana Holdings also our Independent Director, Mr. Chacko. I am very grateful to Mr. Srinivasan and Mr. Rangarajan who have been supportive to this Company from the very inception for the purpose for which it is set up as the Non-Operating Financial Holding Company under the RBI for the NBFC which has subsequently become Jana Small Finance Bank Limited and their patience and faith in the Company and myself as the Promoter. Similarly, I am also grateful to Mr. Chacko for his support and commitment to the Company for having stayed as Independent Director and involved in all the challenging times. Mrs. Saraswathy Athmanathan, Chairman of Nomination and Remuneration and CSR committee could not join this meeting due to her pre-occupation and I am grateful for her as well. Now we are at the good state as NOFHC as we have seen the performance of the operating entity, Jana Bank. Similarly, I am grateful to Mr. Rajamani for having been MD and CEO of the Company and cheered us with all the regulatory and statutory aspects to make sure that in conjunction with the team of Mr. Gopalakrishnan as CFO as well as Ms. Vidya Sridharan as our Company Secretary. I want to say that your Company has been handled well with the highest standards of Governance and Transparency and we can only be proud to be associated with this Company. With that background there are few items that we need to cover as terms of business for the AGM. Let me go through those and seek your approval or comments as we go through them.

Item No. 1: To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2020 together with the Board's Report and Auditors' Reports thereon.

Chairman moved the resolution as an Ordinary resolution and requested any other shareholder to second the resolution and handed over to CS.

Vidya Sridharan as a shareholder seconded the resolution.

We can take the item as read with the consent of the members since all the requisite documents were shared with the members. All the members agreed for taking the Notice of the AGM, financial statements and Auditor's report thereon and Board's report as read.

Vidya Sridharan, Company Secretary then took the members through the qualifications made by the statutory auditor and the secretarial auditor. She informed that the same has already been stated in the Board's report. However, briefing was done as required under the Companies Act.

(i) The Company is a Non-operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank'). As per the terms and conditions of the license issued to the Bank to commence small finance bank business under Section 22 of the Banking Regulation Act, 1949, the Company is required to comply with Capital Adequacy Requirements ('CAR') on a consolidated basis as per RBI guidelines.

For the year ended 31 March 2020, the Company is in breach of the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31st March 2020, is in - 4.06 %, which is below the regulatory minimum of 15%. The consequential impact of such non-compliances on the standalone financial statements is presently unascertainable. (Refer Note 33 to the audited standalone financial statements).

Our reply: The above-mentioned qualification appeared in the last year Auditors' report as well. This issue can be addressed if the Company amalgamates with Jana Capital Limited (JCL) Core Investment Company as the requirement of CAR at 15% is not a requirement for Core Investment Company and hence the Company approached the RBI to seek their consent for the amalgamation of the Company with JCL. Subsequently, the Company received the In-Principle approval from the RBI on 10th August 2020. The Company is eligible to adopt Fast track route for merger and has initiated a number of steps subsequent to the receipt of the RBI In-Principle approval. The current status is that the application for merger has been filed with Regional Director and we are awaiting approval of RD.

ii. The terms and conditions of the Certificate of registration issued to the Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires Company to comply with prescribed net owned fund requirement in accordance with Section 45-IA of the Reserve Bank of India Act, 1934 and RBI's Master Direction DNBR.PD.008/03.10.119/2016-17 dated 1 September 2016. The net owned funds of the Company as on 31 March 2020, is in a deficit of Rs. 1,24,66,741 thousand, which is below the regulatory minimum of Rs. 20,000 thousand. The consequential impact of such non-compliance on the standalone financial statements is presently unascertainable. (Refer note 34 to the audited standalone financial statements).

Our reply: JHL is an NOFHC established as per the requirement of the RBI, as an intermediate entity between the CIC and Associate Company, with the sole purpose of raising money and investing in Jana Small Finance Bank Ltd.(JSFB), Associate Company. The entire investment is in the form of equity in JSFB. Obviously, the Net owned funds calculated under section 45-1A of the Reserve Bank of India Act 1934 which negates excess of investment over 10% of Net worth will result in lower or negative Net owned funds. The proposed Amalgamation of the Company with JCL, Holding Company, will address this issue as well.

iii. The terms and conditions of the license issued to the Bank to commence small finance bank business under Section 22 of the Banking Regulation Act, 1949 requires the Company to comply with the provisions of paragraph 2(H)(i) of the Guidelines for Licensing of New Banks in the Private Sector dated 22 February 2013, which refers to compliance of regulatory threshold of leverage ratio on a standalone basis by the NOFHC as per RBI guidelines.

Our Reply: For the year ended 31st March 2020, the Company had a leverage ratio of 1.85 which is above the regulatory threshold of 1.25 on a standalone basis. This issue will also get addressed after the amalgamation of JHL with JCL.

The qualifications made by the secretarial auditor in this report are:

a) The company is required to maintain a minimum Net owned funds ('NOF') of Rs. 200 lakhs in order to continue as a NBFC. The company has not maintained the minimum NOF.

Reply: This is same as the one mentioned by the statutory auditor which has already been addressed.

b) There has been a delay in filing returns with the RBI with respect to:

(i) Quarterly Return on the details of Assets and Liabilities (NBFC – ND – SI – 500cr) for the quarters ended June 2019 and March 2020.

Our reply: For the quarter ended June 2019, the Company was required to submit the NBFC-ND-SI-500 returns within 15 days from the end of the quarter i.e by 15th July 2019. However, the said return was submitted to the RBI through email on 30th July 2019 as there was a technical glitch while validating the return. This was subsequently uploaded by the RBI in the COSMOS website on 1st October 2019.

For the quarter ended March 2020 NBFC-ND-SI-500cr return was due to be filed on 15th May 2020. However, due to technical glitch the return could not be uploaded on the COSMOS portal on 15th May 2020 and hence the Company had sent an email on 15th May 2020 to consider the returns as submitted, which was subsequently uploaded by the RBI on 18th May 2020.

These are the qualifications and the replies and the same were approved by the Board of Directors in its meeting. None of the qualifications have any material adverse effect on the functioning of the company.

CS handed over to the Chairman.

Thank you Vidya. The qualifications that the statutory auditors have captured we are all aware of and as you know the Company is in final stages of merger with JCL, all of these qualifications will go away post merger. Chairman invited questions from the members; since there were no questions, he handed over to CS for the voting process.

Vidya took up the voting process and called the names of the shareholders one by one and asked them to raise their hand and state their name and the number of shares held and whether they are voting for or against the resolution. Shareholders voted as below:

- (a) I Rajamani Muthuchamy holding 10 shares of Jana Capital Limited as a nominee and appointed as an authorised representative of Jana Capital Limited which holds 23,80,884 equity shares in the company would like to vote for the resolution.
- (b) I Ramesh Ramanathan holding 10 shares as a nominee of Jana Capital Limited would like to vote for the resolution.
- (c) I R. Srinivasan holding 10 shares as a nominee of Jana Capital Limited would like to vote for the resolution.
- (d) I C.P Rangarajan holding 10 shares as a nominee of Jana Capital Limited would like to vote for the resolution.
- (e) I Vidya Sridharan holding 10 shares as a nominee of Jana Capital Limited would like to vote for the resolution.

CS requested Chairman to declare resolution as passed with unanimous votes.

Chairman declared the resolution as passed with unanimous votes.

Item No. 2: To appoint a director in place of Ramesh Ramanathan (DIN: 00163276), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

Mr. Rajamani Muthuchamy propose to move the resolution as Ordinary resolution and Mr. R Srinivasan another member seconded the resolution.

Mr. Ramesh Ramanathan recused himself from voting as he is interested. Mr. Rajamani Muthuchamy, Mr. CP. Rangarajan, Mrs. Vidya Sridharan and Mr. R. Srinivasan voted for the resolution.

CS requested Chairman to declare the resolution as passed with requisite votes. Chairman declared the resolution as passed with requisite votes.

Chairman read the next Agenda item.

Item No. 3. Appointment of Statutory Auditors for a term of Five years

Chairman invited Audit Committee Chairman Mr. Abraham Chacko to give his views about the said appointment. Mr. Chacko recommended MSKC and Associates as the statutory Auditors.

Chairman requested the shareholders to propose and second the resolution as Ordinary resolution.

Mr. C.P Rangarajan proposed the resolution as an Ordinary resolution. Mr. R. Srinivasan seconded the resolution.

CS carried on for ascertaining the votes.

Mr. Rajamani Muthuchamy, Mr. Ramesh Ramanathan, Mr. R. Srinivasan Mr. CP. Rangarajan and Mrs. Vidya Sridharan voted for the resolution. CS informed the Chairman that the Company received unanimous votes for item no. 3 and requested Chairman to declare the resolution as passed with requisite votes.

Chairman declared the resolution as passed with requisite votes. Chairman read the next Agenda item.

Now, moving on to the Special Business items.

Item No. 4. Alteration of Articles of Association of the Company

Chairman proposed the resolution in item no. 4 to be moved as Special Resolution and requested any other shareholder to second the resolution. Rajamani Muthuchamy seconded the resolution. Chairman handover to CS for carrying on with the voting.

CS carried on for ascertaining the votes.

Mr. Rajamani Muthuchamy, Mr. Ramesh Ramanathan, Mr. R. Srinivasan Mr. CP. Rangarajan and Mrs. Vidya Sridharan voted for the resolution. CS informed the Chairman that the Company received unanimous votes for item no. 4 and requested Chairman to declare the resolution as passed with requisite votes.

I want to thank all the Members for their support. All the items of business as mentioned in the notice of the AGM have been taken-up. I now declare the proceedings of the AGM as completed. Once again I convey our sincere thanks to all the Members for attending and participating at this meeting. Please stay healthy and stay safe.
