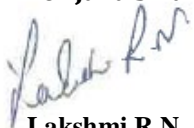


**MEMORANDUM OF ASSOCIATION OF
JANA SMALL FINANCE BANK LIMITED**

- I. The name of the company is “JANA Small Finance Bank Limited”¹.
- II. The registered office of the Company will be situated in the State of Karnataka, within the jurisdiction of Registrar of Companies, Bangalore, Karnataka.
- III. The objects for which the Company is established are²:
 - A. **THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE**
 1. To carry on the business of a small finance banking company to undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities and for this purpose, to accept, for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.
 2. In addition to the business of banking to carry on, subject to the guidelines prescribed by the Reserve Bank of India applicable to a small finance bank, the business of:
 - (a) borrowing, raising or taking up of money; lending or advancing of money either upon or without security; drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and others instruments and securities whether transferable or negotiable or not; granting and issuing of letters of credits, travelers’ cheques and circulars notes; buying, selling and dealing in bullion and specie; buying and selling of and dealing in foreign exchange including foreign bank notes; acquiring holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others; negotiating of loans and advances; receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise; providing of safe deposit vaults; collecting and transmitting of money and all kinds of securities; issuing credit cards, meal vouchers and extending any other credits;
 - (b) carrying on any other business specified in the Banking Regulation Act, 1949, and such other forms of business which the Central Government has pursuant to that Act, or Reserve Bank of India has, specified or may from time to time specify as a form of business in which it would be lawful for a small finance banking company to engage.
 3. To carry on the business of distribution of pension products, mutual fund units, insurance products, and merchant banking, investment banking, portfolio investment management and corporate consultants and advisors.

For Jana Small Finance Bank Limited


Lakshmi R N
Company Secretary



¹ The name has been amended by the members of the company at its extraordinary general meeting by passing special resolution dated January 12, 2018.

² The main objects has been amended by the members of the company at its extraordinary general meeting by passing special resolution dated January 12, 2018.

4. To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.
5. To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Company both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgage, charges, contracts, obligations and securities and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.
6. To solicit or procure insurance business as corporate agents, to promote, organise, manage or undertake the activities of insurance intermediaries including insurance or reinsurance brokers, consultants, surveyors, loss assessors, loss control engineers, risk managers, actuarial analyst and to promote, organise, manage or undertake, marketing, trading, distribution or servicing of insurance and assurance products of all kinds, whether life or general; financial, investment or other products including (without limitation) securities, stocks, shares, debentures, bonds, units, certificates or services offered by the Company and/or by any persons, firm, company, body corporate, mutual fund, Government, State, public body or authority, supreme , municipal, local or otherwise, through the Company's branches or offices.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS

1. To borrow or raise money or secure loans or credits for the purpose of the Company under contracts or under promissory notes, bills of exchange, hundies and other negotiable or transferable instruments, or issue convertible or non-convertible, secured or unsecured debentures, debenture-stock, bonds and alternatives to secured obligations and securities of all kinds and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise, and to charge or secure the same by trust deed or otherwise on the whole or any part of the undertaking of the Company or upon any specific property, movable and immovable, and rights, both present and future, of the Company including, uncalled capital as may be authorised by law or otherwise.
2. To carry on the activities of bill discounting, re-discounting, dealing in commercial paper, treasury bills, certificate of deposits and other financial instruments.
3. To promote effect, insure, guarantee, underwrite, participate in, manage and carry out any issue whether, public or private of a company, corporation, association or Central or State Government, municipality or of the other loans or of shares, stocks, debentures or debenture stock and lend monies for the purpose of any such issue and to act as an Issue House, Banker to Issue, Share Registrar, Share Transfer Agent, Investment and Share Consultant, Share Depository Agent and as Manager of any such issue.
4. To acquire by purchase, lease, exchange, hire, concession, grant or otherwise, either absolutely or conditionally and either alone or jointly with others, any movable or immovable property of any description, any patents, trademarks, concessions, privileges and any other rights for the objects and business of the Company or which the Company may think necessary or convenient to acquire or the acquisition of which in the opinion of the Company is likely to facilitate the realisation of any securities held by the Company or to prevent or diminish any apprehended loss or liability or which may come into the possession of the Company in satisfaction or part satisfaction of any of its claims and to pay for all such property and rights purchased or acquired by the Company in any manner including by shares,

debentures, debenture stock or bonds or other securities held by or of the Company or otherwise and to manage, sell, develop, improve, exchange, let on lease, or otherwise dispose of or turn to account all such property and rights or acquired by the Company and to acquire and hold and generally deal with in any manner whatsoever all or any property and right, movable and immovable and any right, title or interest therein which may form part of the security for any loans or advances made by the Company or which may be connected with any such security and all at such time or times and in such manner and for such consideration as may be deemed proper or expedient.

5. To acquire and undertake the whole or any part of the business of any person or any company with all or some of the assets and liabilities and to hold and purchase shares, debentures or other rights of any company carrying on business which the Company is authorised to carry on or which is incidental or ancillary to it or which may conveniently be carried on by the Company or to manage the same on special contract or as mortgagee or in any manner whatsoever.
6. To deposit money with other banks by way of current deposits, fixed deposits and otherwise with or without interest, to accept bills of exchange, hundies and other negotiable instruments and to endorse the same to bankers and to do all such banking business as are generally done by bankers with bankers and others.
7. To undertake the agency of other Indian banks and of foreign banks and other financial institutions and to manage the issue of a loan for a corporation or company, firm or association whether incorporated or not, or of foreign Government.
8. To acquire, receive, hold, hold in trust as trustee, agent or nominee of any person, corporation, company, any real or personal property, rights or interest acquired by or belonging to the Company or on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
9. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of acquire, turn to account, purchase or otherwise deal with all and hold, use, deal or trade in, whether with a view to profit or otherwise and by any means whatsoever property and rights of all kinds whether movable or immovable, legal or equitable and wheresoever situate, including but without prejudice to the generality of the foregoing, lands, buildings, easements, mortgages, product, plant, machinery, stock-in-trade tools, vehicles, aircraft, vessels, chattels, materials, concessions, options, contracts, book debts, business concerns and undertakings, claims, privileges and chooses in action of all kinds to carry on and promote such business or activity and either to retain the property acquired or to turn to account for the Company's business as it may seem expedient, subject to the provisions of any applicable law.
10. To act as foreign exchange dealer and to buy, sell or otherwise deal in all kinds of foreign currencies, foreign currency options, forward covers, swaps of all kinds and to transact for itself or on behalf of any persons, body corporate, company, corporation, society, firm or association of persons whether incorporated or not, all kinds of transactions in foreign currencies.
11. To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of past or present employees or Directors of the Company or the dependents of such persons and to grant pensions, gratuities and allowances and superannuation and other benefits or ensure payment of any of them by taking insurance or any other promises and assurances as the Company may undertake, and to subscribe or guarantee money for charitable or benevolent object or useful objects for general public.
12. To form, establish or promote any other company, body corporate or any other entity either as subsidiary of this Company or otherwise for the purpose of carrying on any of the business or activities of the Company or for the purpose of acquiring or taking overall or any other property, rights and liabilities of such company, body corporate, or any other entity or for any other purpose which may directly or indirectly benefit the Company.

13. To purchase or import, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privilege which the Company may think necessary or convenient for the purposes of its business and in particular any land, building, easement, machinery, plant or any other property or assets.
14. To invest and deal with money in such manner as may, from time to time, be thought fit subject to the provisions of the Companies Act, 2013.
15. To remunerate any person for services rendered, or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares, debenture or bonds in the Company's capital or any debentures or other securities issued by the Company.
16. To draw, make, accept, endorse, discount, execute and issue certificates of deposits, promissory notes, bills of exchange and other negotiable or transferable instruments.
17. To do all such things as are incidental or conducive to promotion or advancement of the business of the Company.
18. To apply for promote and obtain any order, regulation, or other authorisation or other enactment which may directly or indirectly benefit the Company.
19. To procure recognition of the Company in any country or placing outside India.
20. To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.
21. To take or hold mortgages, liens and charges to secure payment of the purchase price or any unpaid balance of the purchase price, or any part of the Company's property of any kind sold by the Company or any money due to the Company from buyer or any other person.
22. To pay out of the funds of the Company all or any expenses which the Company may lawfully pay for the services rendered for the formation and registration of this company and for the promotion of any other company by it subject to the provisions of the Companies Act, 2013 and the Banking Regulation Act, 1949.
23. To insure any of the properties, undertakings contracts, risks or obligations of the Company in any manner whatsoever.
24. To make donations either in cash or in kind for such objects for causes as may be directly or indirectly conducive to any of the Company's objects or otherwise expedient.
25. To aid and support any person, association, body or movement, whose object is solution, settlement or surmounting an industrial or labour problems or the promotion of trade or business of the Company or for the promotion of science and technology, cultural activities, sports, environment, rural development and other social and welfare activities.
26. To establish or support associations, institutions, schools, hospitals, guesthouses clubs, funds and trusts which may be considered beneficial to any employees or ex-employees and to officers and ex-officers of the Company or the dependents of any such person.
27. To refer any questions, disputes or differences arising between the Company and any other person (other than a Director of the Company) in connection with or in respect of any matter relating to the business or affairs of the Company to arbitration in such manner and upon such terms as the Company and such other person may mutually agree upon each case and to institute legal proceedings or defend any proceedings and to appoint advocates, consultants or advisors in this behalf.

28. To enter into negotiations or collaborations, technical financial or otherwise with any persons or government for obtaining any grant, license or on other terms, formulate and other rights and benefits, and to obtain technical information, know-how and expert advice for providing or rendering services which the Company is authorised to provide or render.
29. To arrange for in India and abroad for providing services of the Company and purchase or otherwise acquire services as are necessary for carrying on the business of the Company and for that purpose, either to establish its own branches, offices, agencies, or to appoint representatives or employees or both (whether individuals, firms or bodies corporate) in any place in or outside areas of operation and fix the terms and conditions of their appointment and pay fees or remuneration to such representatives and employees by way of commission or in such other manner as the Company may deem fit.
30. To create any depreciation fund, reserve fund, sinking fund, redemption fund, insurance fund or any special or other reserve or fund, whether for redemption of debentures or debentures-stock, for dividends, for equalising dividends or for repairing improving, extending and maintaining any part of the property of the Company.
31. To open and operate any type of bank accounts with any bank or financial institution in India or abroad and obtain credit facilities with or without securities for its business; to open, maintain, operate and close account or accounts with any bank or banks or other financial institutions in India or abroad and to pay or earn interest and to withdraw money from such account or accounts and to make draw, co-accept, endorse, execute, discount or negotiable and issue cheques, promissory notes, hundies, bills of exchange, bills of lading, railway receipts, warrants, debentures and other negotiable or transferable instruments.
32. To train or pay for training in India abroad of any of the Company's employees or offices or any candidate in the interest of or furtherance of the Company's objects.
33. To establish research and development centers for the business of the Company.
34. To engage in acquiring and undertaking whole or any part of the business of any person or Company carrying business which this Company is authorised to carry on.
35. To take or otherwise acquire and hold shares in any other Company as may be authorised.
36. To promote or finance or assist in promoting or financing any business, undertaking or industry either existing or new and associate with them either through the instrumentality of syndicates or otherwise in conformity with the relevant laws governing banks.
37. To undertake the administration of estates as executors, trustees or otherwise.
38. To open, establish, maintain and operate currency chests and small coin depots on such terms and conditions as may be required by the Reserve Bank of India established under the Reserve Bank of India Act, 1934 and subject to the Companies Act, 2013 to enter into all administrative or other arrangements for undertaking such functions with the Reserve Bank of India.
39. To carry on the business of giving services to industrial enterprises for transfer of shares, debentures, bonds, stocks and various financial instruments and any other kind of securities issued by such enterprises in general by acting as registrars to the Issue and Registrars for issue of shares , debentures, bonds stock and all kinds of securities and instruments and for fixed deposits and encouraging and promoting the participation of private capital, both internal and external, in such enterprise and private ownership of industrial investments and the expansion of investment markets and to render custodial and depository services in respect of any type of securities and to do all such things as may be advised, remitted and required for related activities .

40. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company, or to sell exchange, lease, under-lease, surrender, abandon, amalgamate, sub-divide, mortgage or otherwise deal with either absolutely conditionally, or for any limited interest, all or any part of the undertaking, property rights or privileges of the Company as a going concern or otherwise, with any public body, corporation, company, society or association or to any person or persons for such consideration as the Company may think fit and in particular for any stock , shares(whether wholly or partly paid) debentures, debenture stock, securities or property of any other Company .
41. To apply for provide information and guidance on governmental policies, directives, instructions, regulations, ordinances or other authorisations or enactments of the Central or any State Government or any other similar semi-Government authorities or agencies which may be required for enabling the Company to establish an undertaking or to bring into effect any modification / diversification in any of the Company's business or constitution and to challenge any of the governmental bills, statutes, rules, regulations, guidelines, proceedings or applications which are likely to prejudice the Company's business or interests; and to study such Governmental policies, regulations, ordinances and advise the governmental authorities in formulating incentives schemes to attract industries and investments;
42. To establish and maintain agencies at any place or place in India or other parts of the world for the conduct of the business of the Company or for the purpose of enabling the Company to carry on its business more efficiently; and to discontinue and reconstitute any such branches or agencies.
43. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possessions, colonies and dependencies thereby and in any or all foreign countries and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
44. To assist in undertaking activities pertaining to leasing or hire-purchase asset credit, installment sale and / or deferred sale.
45. To develop, improve, design, software and programme products of any and all descriptions in connection with or incidental or conducive to or in furtherance of the attainment of any of the objects of the Company.
46. To appoint trustees (whether individuals or corporations) to hold securities on behalf of and to protect the interests of the Company.
47. To indemnify officers, Directors, promoters and servants of the Company against proceedings, costs, damages, claims and demands in respect of anything done, or ordered to be done, for and in the interest of the Company or for any loss or damages or misfortune whatever which happens in execution of the duties of their office or in relation thereto.
48. To do all or any of the above things and such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India or any other part of the world either as principals, agents, trustees, contractors or otherwise and to do all such things as are incidental or conducive to the attainment of the above objects.
49. To acquire, build, construct, alter, maintain, enlarge, pull down, remove, or replace and to work, manage and control any buildings, offices, factories, mills, ships, machinery, engines, roadways, tramways, railways, airways, branches of siding, bridges, reservoirs, water courses, wharfs, electric works and other works and conveniences which may seem necessary to achieve the main objects of the Company and to join with any other persons or company in doing any of these things.
- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

- V. *“The Authorized Share Capital of the Bank is Rs. ₹ 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.”³*

We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

SI.No.	Names, Address, Description & Occupation of the Subscribers	Number of Equity shares taken by each Subscriber	Signature of the Subscribers	Signature of witness with Name, Address, Occupation and Description
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³ The capital clause has been amended by the members of the company at its extraordinary general meeting on January 12, 2018 by way of Special resolution; amended by the members of the company at its extraordinary general meeting on November 23, 2018 by way of Special resolution; amended by the members of the company at its extraordinary general meeting on October 16, 2019 by way of Special resolution; amended by the members of the company at its extraordinary general meeting on August 01, 2022; amended by the members of the company at its extraordinary general meeting on September 04, 2023.

1.	Janalakshmi Social Services Represented by Ramesh Ramanathan S/o T.S.Ramanathan, 565, 3 rd Block, RMV 2 nd Stage, Bangalore-560 094 Occupation - Social Work	9,990 (Nine Thousand Nine Hundred Ninety Only)	Sd/-	
2.	Raghunath Srinivasan S/o E.K.Srinivasan Regal Manor 2/1, Bride Street, Lang Ford Town, Bangalore-560 025 Occupation - Service	10 (TEN)	Sd/-	Sd/- Cecil Lazarus S/o Cyril Lazarus #15, Campbell Road Austin Town Bangalore-560047 Occupation - Service

Dated 13th day of July 2006 at Bangalore

COMPANY LIMITED BY SHARES
(THE COMPANIES ACT, 2013)
ARTICLES OF ASSOCIATION
OF
JANA SMALL FINANCE BANK LIMITED (THE “COMPANY”)

These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other till the date of filing of the red herring prospectus pursuant to the initial public offering of the equity shares of the Company (the “Offer” of the “Equity Shares” of the Company). In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. Except for Article 15.5 of Part B of the Articles of Association, all articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders and cease to have any force as on the date of filing of the red herring prospectus pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.¹

PART A

PRELIMINARY

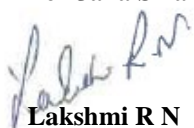
1. The regulations contained in the Table marked ‘F’ in the First Schedule to the Companies Act, 2013, as amended from time to time, shall not apply to this Company except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. The regulations for the management of the Company, and for the observance by the members of the Company and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of, or addition thereto, by Special Resolution, as prescribed by the Companies Act, 2013, as amended from time to time, be such as are contained in these Articles.

2. DEFINITIONS AND INTERPRETATION

In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

- 2.1 “**Act**” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
- 2.2 “**Applicable Law**” or “**Law**” means all statutes, laws, ordinances, guidelines, rules and regulations applicable to the Company including but limited to the provisions of the Act, the Banking Act, RBI Act and Guidelines and any license, permit or other authorisations granted from or by the RBI.
- 2.3 “**Articles**” means the Articles of Association of the Company as originally framed or as altered from time to time or applied in pursuance of the Companies Act.

For Jana Small Finance Bank Limited


Lakshmi R N

Company Secretary



¹ Amended vide Shareholder resolution dated 26th July 2023

- 2.4 **“Board of Directors”** or **“Board”**, in relation to the Company, means the collective body of the Directors of the Company.
- 2.5 **“Companies Act, 2013”** means the Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.
- 2.6 **“Debenture”** includes debenture-stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.
- 2.7 **“Depository”** means a depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992
- 2.8 **“Director”** means a director of the Company including alternate directors and Independent Directors appointed in accordance with and the provisions of these Articles.
- 2.9 **“FEMA”** means Foreign Exchange Management Act, 1999, read with the rules and regulations prescribed thereunder and amended from time to time
- 2.10 **“Guidelines”** shall mean the ‘Guidelines for Licensing of Small Finance Banks in the Private Sector’ dated November 27, 2014, read with the clarifications to the queries on the Guidelines for Licensing of Small Finance Banks in the Private Sector dated January 1, 2015, issued by the RBI, Operating Guidelines for Small Finance Banks dated October 6, 2016 and Guidelines on Financial Inclusion and Development dated July 6, 2017, and such other relevant rules and regulations issued by RBI in relation to small finance banks including any statutory modifications or re-enactment thereof for the time being in force;
- 2.11 **“Key Managerial Personnel”** or **“KMP”**, means—
- i. the Managing Director and CEO;
 - ii. the company secretary;
 - iii. the whole-time director;
 - iv. the chief financial officer; and
 - v. such other officer as may be prescribed.
- 2.12 **“Member”** in relation to the Company means—
- (a) The subscriber to the Memorandum of the Company who shall be deemed to have agreed to become Member of the Company, and on its registration, shall be entered as Member in its register of members;
 - (b) Every other person who agrees in writing to become a Member of the Company and whose name is entered in the register of Members of the Company; and
 - (c) Every person holding Shares of the Company and whose name is entered as a beneficial owner in the records of a Depository.

- 2.13 **“Memorandum”** means the memorandum of association of the Company as originally framed or as altered from time to time in pursuance of the Companies Act.
- 2.14 **“Ordinary or Special Resolution”** means an ordinary resolution, or as the case may be, special resolution referred to in section 114 of the Companies Act, 2013.
- 2.15 **“Paid-up Share Capital”** or **“Share Capital Paid-up”** means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.
- 2.16 **“RBI Act”** means Reserve Bank of India Act, 1934, including any statutory modification or re-enactment thereof.
- 2.17 **“RBI”** or **“Reserve Bank of India”** means the Reserve Bank of India established under RBI Act.
- 2.18 **“Recognised Stock Exchange”** means a recognised stock exchange as defined in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- 2.19 **“Register”** or **“Register of Members”** means the register of Members required to be maintained pursuant to the Act and shall include the register of Beneficial Owner(s) maintained by a Depository in respect of the Company’s shares being held in dematerialized form.
- 2.20 **“Share”** means a share in the share capital of the Company and includes stock.
- 2.21 **“Subscribed Capital”** means such part of the capital which is for the time being subscribed by the Members of the Company.
- 2.22 **“The Act”** means the Companies Act, 2013, and includes any statutory modification or re-enactment thereof for the time being in force.
- 2.23 **“The Banking Act”** means the Banking Regulation Act, 1949 and would include any statutory modifications or re-enactment thereof for the time being in force.
- 2.24 **“The Company”** means **“JANA SMALL FINANCE BANK LIMITED”**.
- 2.25 **“The Seal”** means the common seal of the Company.
- 2.26 **“Tribunal”** means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.
- 2.27 **“Voting Right”** means the right of a Member of the Company to vote in any Meeting of the Company or by means of Postal Ballot.

Words importing the masculine gender also include the feminine gender and words importing the singular number include where the context admits or requires the plural number and vice versa. Words importing persons shall include the Central or State Government, corporations, corporate bodies, firms, individuals, societies and other bodies whether incorporated or not. Subject as aforesaid, any words or expressions defined in the Act except where it is repugnant to the subject or context shall bear the same meaning in these Articles.

Words not defined in these Articles, but defined either in the Act, 1949 Act or RBI Act, shall have the meaning assigned to them, in such enactments, respectively, as the context may require.

Copies of the Memorandum and Articles shall be furnished by the Company to every Member at his request, within the period and on payment of such sum as may be prescribed by the Act

SHARE CAPITAL AND VARIATION OF RIGHTS

3. Capital

The Authorised Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of Association of the Company, for the time being or as may be varied, from time to time, under the provisions, if any, of the Banking Act, the Act and these Articles, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein. The Company has power, from time to time, to increase or reduce or cancel its capital and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privilege, condition or restriction, as may be determined by or in accordance with the Articles of Association of the Company or the legislative provisions, for the time being in force, in that behalf.

4. Shares in the capital of the Company shall be under the control of the Directors

Subject to the provisions of the Act, the Banking Act and these Articles, the Shares in the capital of the Company for the time being (including any shares forming a part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to compliance with the provisions of the Act at a discount and at such time as they may from time to time think fit and proper, and with full power with the sanction of the Company in General Meeting, to give to any person or persons the option or right to call for or be allotted shares of any class of the Company either at par or at premium during such time and for such consideration as the directors think fit, and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up shares, as the case may be. Provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

5. Power of General Meeting to offer shares to such persons as the Company may resolve

The Company in a General Meeting may determine, in accordance with applicable law, to issue further shares of the authorised capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportion and on such terms and conditions either at a premium or at par or, subject to compliance with the provisions of the Act, at a discount, as such General Meeting shall determine and with full power to give to any person or persons (whether a member or holder of debentures of the Company or not) the option or right to call for or be allotted any shares of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of the Companies Act, 2013 and the applicable Rules thereof), during such time and for such consideration as the directors think fit.

6. Increase of Capital

Subject to the provisions of these Articles, the Act, the Banking Act, and the Guidelines, the Company may from time to time in a General Meeting alter the conditions of its Memorandum by increase of its share capital by the creation of new shares of such amount as it thinks expedient. In particular, such shares may be issued, subject to the 1949 Act and directions/circulars that may be issued by the RBI from time to time, with a special or qualified right to dividend and in the distribution of assets of the Company. Subject to the provisions of the Act and these Articles, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as directed by the General Meeting

creating the same and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company provided always that any preference shares may be issued on the terms that they are, or at the option of the Company, liable to be redeemed.

7. Further issue of shares

- (1)
 - (a) Where at any time the Company proposes to increase its Subscribed Capital by allotment of further Shares then such further Shares shall be offered:
 - (b) To the persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Paid-up Share Capital by sending a letter of offer subject to the following conditions, namely:
 - (i) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;
 - (iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders of the Company.
 - (c) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or
 - (d) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Companies Act, 2013 and any other conditions as may be prescribed.
- (2) The notice referred to in Article 7(1)(a)(i) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders of the Company at least three days before the opening of the issue.
- (3) Nothing in Article 7 shall apply to the increase of the Subscribed Capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company; or to subscribe for Shares in the Company in accordance with the provisions of the Banking Act and the Guidelines as issued by the RBI from time to time:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

- (4) Notwithstanding anything contained in Article 7(3), where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under Article 7(4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under Article 7(4), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under Article 7(4) or where such appeal has been dismissed, the memorandum of such company shall, where such order has the effect of increasing the authorised share capital of the company, stand altered and the authorised share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into

8. Share capital may be divided into different classes of Shares

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), if any, under the Banking Act and may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate Meeting of the holders of the Shares of that class.

To every such separate Meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.

9. Creation or issue of further Shares ranking *pari passu*

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

10. Issuance of Preference Shares

Subject to the provisions of Section 55 of the Act, any Preference Shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed within a period not exceeding 20 years from the date of their issue on such other terms and in such manner as the Company before the issue of such Preference Shares may, by Special Resolution, determine.

DEMATERIALIZATION OF SECURITIES

(a) Dematerialization

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities, rematerialize its shares, offer its fresh shares, debentures and other securities, in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

(b) Re-materialization

Notwithstanding anything contained in these Articles, but subject to applicable law, the Company shall be entitled to rematerialize its shares, debentures and other securities held in dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

(c) Option for investors

Subject to the Company offering issuance of securities in dematerialized form, every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold securities with a Depository. Such person who is the Beneficial Owner of the securities may at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository for details of allotment of security and on the receipt of the information, the Depository shall enter in its record, the name of the allottee as the Beneficial Owner of the security.

(d) Securities in Depository to be in fungible form

All securities held by a Depository shall be dematerialized and be in a fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories

Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of security on behalf of the Beneficial Owner.

Save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(f) Transfer of Securities

Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Distinctive numbers of Securities held in a Depository. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the dematerialized mode.

(g) Register of members

Any application signed by the applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of the shares within the meaning of these Articles and every Person who, thus or otherwise, accepts any shares and whose name is entered in the register of members, for the purposes of the Act and these Articles, be a member of the Company.

The Company shall cause to be kept a register of members, an index of members, a register of debenture holders and an index of debenture holders in accordance with Section 88 of the Act. The Company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register of members, and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit in respect of keeping of any such register.

(h) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(i) Register and Index of Beneficial Owners of these Articles

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of members who are resident in that state or country.

(j) Shares to be numbered

Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued

in future in dematerialized form. Except in the manner hereinbefore mentioned, no shares shall be subdivided. Every forfeited or surrendered share held in material form should continue to bear the number by which the same was originally distinguished.

(k) Issue of share certificates

No share certificate(s) shall be issued for the shares held in a dematerialized form.

(l) Voting Rights of Beneficial Owner

A Depository as a registered owner shall not have any voting right in respect shares held by it in a dematerialized form. However, the Beneficial Owner as per the register of Beneficial Owners maintained by the Depository shall be entitled to such rights in respect of the shares or securities held by him in the Depository. Any reference to the Member or joint Members in the Articles includes reference to Beneficial Owner or joint Beneficial Owner in respect of the shares held in Depository.

11. Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

12. Cumulative Convertible Preference Shares

The Company subject otherwise to the provisions of the Act and the guidelines of the Government of India in that behalf, shall have the power to issue Cumulative Convertible Preference Shares or any similar kind of Preference Shares as may be permitted by law.

The resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

13. Provisions to apply on issue of Redeemable Preference Shares

On the issue of the Redeemable Preference Shares under the provisions of these Articles hereof, the following provisions shall take effect

- a. no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption
- b. no such shares shall be redeemed unless they are fully paid;
- c. the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- d. where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company

14. Directors may allot shares as fully paid-up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares, which may be so allotted, may be issued as fully paid up, otherwise than in cash, and if so issued, shall be deemed to be fully paid-up.

Provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

15. Acceptance of shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is entered in the Register shall for the purpose of these Articles be a member.

16. Deposit and calls etc., to be a debt payable

The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

17. Instalments on Shares to be duly paid

If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person, who, for the time being and from time to time, shall be the registered holder of the share or his legal heir or representative.

18. Company not bound to recognise any interest in shares other than that of the registered holders

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, (or except only as by these Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

19. Members shall be entitled to receive Share certificates

Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares or within such other period as the conditions of issue shall be provided,—

- a) One or more certificates in marketable lots for all the Shares of each class or denomination of registered in his name without payment of any charges; or

- b) several certificates if the Board so approves, each for one or more of his Shares, upon payment of such fee as the Board may prescribe for each certificate after the first and the Company shall have ready for delivery such certificates within two months from the date of allotment, unless the conditions of the issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

20. Share certificate shall be under the Seal of the Company

Every certificate shall be under the Seal, which shall be affixed in the presence of the persons required to sign the certificate and shall specify the Shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary and shall be in such form as the Board may prescribe and approve.

21. In case of joint shareholding one Share certificate shall be issued

In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

22. Issuance of duplicate Share and Debenture certificates

If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of ₹20 for each certificate.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof .

The provisions of Articles 22 to 25 shall *mutatis mutandis* apply to Debentures of the Company.

Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

23. Commission

The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Companies Act, 2013, *provided that* the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made there under.

The rate of commission paid or agreed to be paid shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act and the Banking Act.

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

LIEN

24. Fully paid Shares will be free from all liens

The fully paid Shares will be free from all liens, while in the case of partly paid Shares, the Company's lien, if any; will be restricted to moneys called or payable at a fixed time in respect of such Shares.

25. First and paramount lien

The Company shall have a first and paramount lien—

- (a) on every Share/Debenture (not being a fully paid-up Share/Debenture), registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share/debenture and no equitable interest in any share shall be created except on the footing that this Article shall have full effect; and
- (b) On all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

The Company's lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares.

Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures.

26. Powers of the Company to sell the Shares under lien

The Company may sell, in such manner as the Board of Directors thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board of Directors may authorise some person to transfer the Shares sold to the purchaser thereof.

- (a) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
- (b) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

The provisions contained hereinabove shall apply *mutatis mutandis* to debentures, if any, of the Company.

TERM OF ISSUE OF DEBENTURE

27. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall only be issued with the consent of the Company in the General Meeting accorded by a Special Resolution.

CALLS ON SHARES

28. The Board of Directors may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

29. **Notice for payment of calls**

Each Member shall, subject to the provisions of the receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

30. **Board of Directors may revoke or postpone a call**

A call may be revoked or postponed at the discretion of the Board of Directors.

The option or right to call of Shares shall not be given to any person except with the sanction of the shareholders in a General Meeting.

31. **Call deemed to have been made**

A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising the call was passed and may be required to be paid by instalments.

32. **Liability of joint holder to pay calls**

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

33. Interest payable on unpaid calls

If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, as the Board of Directors may determine.

The Board of Directors shall be at liberty to waive payment of any such interest wholly or in part.

Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

34. Forfeiture of Shares in case of non-payment of calls and interest

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

35. Powers of the Company to receive advance call

The Board of Directors —

- (a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and
- (b) any amount paid-up in advance of calls on any Share may carry interest but shall not entitle the holder of the Share to participate in respect thereof, in Dividend subsequently declared or to participate in profits.
- (c) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% per annum, or such rate as may be agreed upon between the Board and the Member paying the sum in advance.
- (d) The Company may accept from any Member, the whole or a part of the amount remaining unpaid on any Shares held by him, even if no part of that amount has been called up.

The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of this Article shall *mutatis mutandis* apply to the calls on debentures of the Company.

TRANSFER AND TRANSMISSION OF SECURITIES

36. TRANSFER OF SHARES

The Company shall use a common form of transfer and in writing, in all cases. The instrument of transfer of Shares of the Company shall be in such form as may be prescribed from time to time in accordance with the requirements of Section 56 of the Companies Act. The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever **Power of the Board of Directors to refuse registration of a transfer**

The Board of Directors may, subject to the right of appeal conferred under the provisions of the Act, refuse to register -

- a) the transfer of a Share or the transmission by the operation of law of the right to any shares or interest of a Member of the Company in debentures of the Company, not being a fully paid Share. The Company shall within one month from the date on which the instrument of transfer of intimation of such transmission, as the case may be was delivered to the Company, send notice of such refusal to the transferee and the transferor or to the person giving instructions of such transmission, as the case may be, giving reasons for such refusal; or
- b) any transfer of Shares over which the Company has a lien.

The Board of Directors may decline to recognise any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section(1) of Section 56 of the Companies Act, 2013;
- (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of Shares.

37. Closure of registration of transfer

On giving not less than seven days' previous notice in accordance with Section 91 of the Companies Act, 2013 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine:

Provided that such registration shall not be suspended for more than 30 days at any one time or for more than 45 days in the aggregate in any year.

38. TRANSMISSION OF SHARES

On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the Shares.

Nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board of Directors and subject as hereinafter provided, elect, either--

- a. to be registered himself as holder of the Share; or

b. to make such transfer of the Share as the deceased or insolvent Member could have made.

39. Power of the Board of Directors to suspend registration

The Board shall, in either case mentioned in Article 39, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

40. Notice for transfer

- a. If the person so becoming entitled shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
- c. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

41. Entitlement of the benefits

A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to Meetings of the Company:

Provided that the Board of Directors may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board of Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

42. No fee for transfer or transmission

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

FORFEITURE OF SHARES

43. Forfeiture of shares

If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board of Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

44. Notice for forfeiture of Shares

The notice aforesaid shall—

- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect.

A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors thinks fit.

At any time before a sale or disposal as aforesaid, the Board of Directors may cancel the forfeiture on such terms as it thinks fit.

A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

45. Declaration for forfeiture of Shares

A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

46. Consideration for re-issuance of forfeited Shares

The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.

47. Registration of transferee as the holder

The transferee shall thereupon be registered as the holder of the Share.

48. Immunity of the transferee

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

SURRENDER OF SECURITIES

49. The Directors may accept on behalf or for the benefit of the Company surrender of any Securities liable to forfeiture so far as Applicable Law permits.

ALTERATION OF CAPITAL

50. The authorized capital of the Company shall be as per Clause V of the Memorandum of the Company. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

Subject to the provisions of the Act and the Banking Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same may direct and if no direction be given then as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

51. Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 62 of the Act.

Provided that notwithstanding anything hereinabove contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the shares of the Company in any manner in accordance with the provisions of the Act.

52. **Same as original capital**

Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

Subject to the provisions of Section 66 of the Act and confirmation by the Court/ Tribunal, the Company may by Special Resolution, reduce its share capital and/ or any capital redemption reserve account and/ or the securities premium account in any manner authorized under law and with, and subject to, any incidental authorization or consent required or such other steps that needs to be undertaken in accordance with law

53. **Issue of further *pari passu* shares not to affect the right of shares already issued.**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

54. **Power to consolidate, sub-divide, cancel Shares**

Subject to the provisions of the Act and the Banking Act, the Company may, by Ordinary Resolution:

- (a) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

- (b) Convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
- (c) Sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum;
- (d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- (e) Classify the unclassified shares into equity or preference share capital, as may be decided by the Company
- (f) Reclassify the unissued equity share capital into preference share capital and viceversa

55. Where Shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board of Directors may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at Meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
- (c) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.

56. Reduction in authorized capital

The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

BUY BACK

- 57.** Notwithstanding anything contained in these Articles but subject to the provisions of the Act, Banking Act and guidelines issued by the RBI from time to time, FEMA and or any other law for the time being in force, the Company may purchase its own Shares or other specified securities in such manner as may be prescribed.

BORROWING POWER

- 58.** The Board of Directors may, from time to time, by a resolution passed at a meeting of the Board borrow money for the purpose of the Company. Provided that the Board of Directors shall not borrow money except with the approval of the Company in General Meeting by Special Resolution, where money to be borrowed together with the money already borrowed by the Company, apart from temporary loans obtained in its ordinary course of business and except as otherwise provided hereafter, shall exceed the aggregate of the paid-up capital of the Company and its free reserves or limits as set under the Act.

Provided that nothing contained herein above shall apply to:-

- (i) any sums of money borrowed by the Company from any other banking companies or from the RBI, or any other scheduled banks established by or under any law for the time being in force; and
- (ii) acceptance by the Company in the ordinary course of business of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise

The expression "temporary loans" means loans repayable on demand or within 6 months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature.

- 59.** Subject to the provisions of the Act, the Banking Act and guidelines issued by the RBI from time to time, and these Articles, the Board of Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds or redeemable debentures of debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future).
- 60.** Any bonds, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
- 61.** The Board of Directors shall cause a proper register to be kept in accordance with the provisions of Act of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with requirements of the said Act in regard to registration of mortgages and charges and of copies of instruments creating charges. Such sum as may be prescribed by the Act shall be payable by any person other than a creditor or Member of the Company for each inspection of the register of charges.

NOMINEE DIRECTORS

- 62.** Subject to provisions of the Act and the Banking Act, and notwithstanding anything to the contrary contained in these Articles, so long as any monies borrowed and remaining owing by the Company to any bank, financial institution, private equity fund, finance company, or any other body corporate or institution from whom the Company has borrowed (hereinafter referred as "**the Corporation**") or so long as the Corporation holds Securities or debentures or bonds in the Company as a result of underwriting or direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, and if the loan or other agreement with such Corporation so provides, then the Corporation may, subject to applicable law appoint, from time to time, any Person or Persons as Directors or whole time Directors (hereinafter referred to as "**Nominee Director(s)**") on the Board of the Company based on such agreement as may be entered into between such Corporation and the Company and to remove from such office any Person or Persons so appointed and to appoint any Person or Persons in his or their place.

63. The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings and of the Meetings of the Board and Committees of which the Nominee Director(s) is/are members of.
64. The Company shall pay to the Nominee Director(s) sitting fees and re-imbusement of expenses which the other Directors of the Company are entitled to. Unless the Corporation otherwise communicates, if any other fees, commission, monies or remuneration in any form is payable to the Director(s) of the Company the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation on such Nominee Director(s) in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the corporation or as the case may be to such Nominee Director(s).
- Provided that* if any such Nominee Director(s) is an officer of the Corporation, the sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation unless otherwise communicated by the Corporation.
65. The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). At the option of the Corporation such Nominee Director(s) shall not be required to hold any qualification shares in the Company. Such Nominee Director(s) shall be liable to retirement by rotation if so required by the Act or any other statutory regulation, but eligible for re-election at every General Meeting of the Company. The Nominee Director(s) so appointed in exercise of the said powers shall *ipso facto* vacate such office immediately once the Corporation ceases to meet the conditions as required to be met by such Corporation for such Corporation to appoint a Nominee Director on the Board of the Company, either as per any shareholders' agreement that is then contractually in force or effect or any loan or other borrowing agreements and documents entered into between the Company and such Corporation.
66. In the event of Nominee Director(s) being appointed as whole-time Director(s) such Nominee Director(s), shall exercise such powers as are available to a whole time Director in the management of the affairs of the Company

GENERAL MEETINGS

67. **Power of the Board of Directors to call an Extra Ordinary General Meeting**
- (a) General Meetings other than annual General Meeting shall be called extraordinary General Meeting.
 - (b) The Board of Directors may, whenever it thinks fit, call an extraordinary General Meeting.
 - (c) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a Meeting may be called by the Board of Directors.

PROCEEDINGS AT GENERAL MEETINGS

68. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the Meeting proceeds to business.

Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Companies Act, 2013.

69. The chairperson, if any, of the Board of Directors shall preside as chairperson at every General Meeting of the Company.
70. If there is no such Chairperson, or if he is not present within 15 minutes after the time appointed for holding the Meeting, or is unwilling to act as chairperson of the Meeting, the Directors present shall elect one of their Members to be Chairperson of the Meeting.
71. If at any Meeting no Director is willing to act as Chairperson or if no Director is present within 15 minutes after the time appointed for holding the Meeting, the Members present shall choose one of their Members to be Chairperson of the Meeting.
72. The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of the requisition, not less than one-tenth of such of the paid-up Capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.
73. The requisition shall set out the matters for the consideration of which the Meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

The requisition may consist of several documents in like form, each signed by one or more requisitionists.

Where two or more distinct matters are specified in the requisition, the provisions set forth above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.

74. If the Board of Directors do not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition the Meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in Article 75 above which ever is less.
75. A Meeting called under Article 77 above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which Meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.
76. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a Meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
77. **Adjournment of Meeting**

The Chairperson may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.

No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.

Save as aforesaid, and as provided in Section 103 of the Companies Act, 2013, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

78. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares,—

- (a) on a show of hands, every Member present in person shall have one vote; and
- (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

79. Voting by electronic means

A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Companies Act, 2013 and shall vote only once.

80. Voting by joint holders

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of Members.

81. Voting by a Member of unsound mind

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

82. Voting by poll

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

83. Restrictions on voting rights on unpaid Shares

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

84. Objection for qualification on votes

No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes.

Any such objection made in due time shall be referred to the Chairperson of the Meeting, whose decision shall be final and conclusive.

85. Proxy

The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which

the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

86. Proxy form

An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act, 2013.

87. Validity of proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

DIRECTORS

88. The first directors of the Company shall be the following

- i) Mr. Ramesh Ramanathan
 - ii) Mr. R Srinivasan
- a. The minimum number of Directors shall be three and the maximum number of Directors at any time shall not exceed fifteen.
 - b. The Board shall have power at any time, from time to time, to appoint any person as additional Director provided the number of Directors and additional Directors and nominated Directors together shall not at any time exceed fifteen.
 - c. It shall not be necessary for a Director to hold any Securities in the Company.
- (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called the “**Original Director**”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
 - (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
 - (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
 - (4) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.

(5) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

89. The Board shall have power at any time and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any additional Directors appointed by the Board shall be subject to reappointment in the next annual General Meeting of the Company in accordance with Applicable Law.

REMUNERATION OF DIRECTORS

90. Subject to the provisions of the Act and Applicable Law, the remuneration and travelling and other expenses payable to the Directors of the Company may be hereinafter provided :-

- (a) Each Director shall be paid out of the funds of the Company a remuneration by way of fee, of such sum for each meeting of the Board of Directors or Committee of the Board attended by him as may be determined by the Board from time to time within the limits prescribed by the Act or Central Government from time to time and subject to the provisions of the Banking Act, as amended from time to time.
- (b) In addition to the remuneration payable as above, the Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel, and other incidental expenses incurred by him in attending and returning from the meetings of the Board of Directors or any Committee thereof or General Meetings of the Company.
- (c) In addition to above, a Director including a part time Chairman who is neither in the whole time employment of the Company nor a Managing Director, may be paid remuneration, as determined by the Board, subject to the provisions of the Act and the Banking Act.
- (d) A Director including a part time Chairman who is neither in the whole time employment of the Company nor a Managing Director, if called upon and willing to render extra services whether of a professional or non-professional nature may be paid remuneration either by way of monthly, quarterly or annual payment or by way of commission, as may be determined by the Board, subject to the provisions of the Act and the Banking Act and such remuneration may be in addition to the remuneration payable under sub-clause(a) above.
- (e) In addition to the remuneration payable under sub-clause (c) above, any Director referred to therein shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses incurred by him in connection with the business of the Company.

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting of the Company, but for no other purpose.

PROCEEDINGS OF THE BOARD

91. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its Meetings, as it thinks fit.

92. Power to call Board Meetings

A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board of Directors.

93. Decision by vote of majority

Save as otherwise expressly provided in the Companies Act, questions arising at any Meeting of the Board of Directors shall be decided by a majority of votes.

In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

94. Status in case number of Directors reduced below the quorum

The continuing Directors may act notwithstanding any vacancy in the Board of Directors; but, if and so long as their number is reduced below the quorum fixed by the Act for a Meeting of the Board of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

95. Quorum for the Board Meeting

The quorum for a Board Meeting shall be as provided in Section 174 of the Companies Act. Where a Meeting of the Board of Directors could not be held for want of quorum, then the Meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

96. Delegation of powers by the Board of Directors

The Board of Directors may, subject to the provisions of the Companies Act, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit or to the Managing Director or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office.

Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board of Directors.

97. Chairman of the Board Meeting

The Board of Directors may elect a Chairperson of its Meetings and determine the period for which he is to hold office. However, the Managing Director shall not act as a Chairperson of the Board of Directors of the Company.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Directors present may choose one of their numbers to be Chairperson of the Meeting.

98. Committee Meetings

A Committee may meet and adjourn as it thinks fit.

Questions arising at any Meeting of a Committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

All acts done in any Meeting of the Board of Directors or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

Save as otherwise expressly provided in the Companies Act, a resolution in writing, signed by all the Members of the Board of Directors or of a Committee thereof, for the time being entitled to receive notice of a Meeting of the Board of Directors or Committee, shall be valid and effective as if it had been passed at a Meeting of the Board of Directors or Committee, duly convened and held.

Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose.

99. Chairman of the Committee of the Board of Directors

A Committee may elect a Chairperson of its Meetings.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Members present may choose one of their Members to be Chairperson of the Meeting.

POWERS AND DUTIES OF DIRECTORS

100. The business of the Company shall be managed by such Person or Persons appointed by the Board of Directors subject to the superintendence, control and direction of the Board. With the consent of the Board, such Person or Persons may pay all such expenses thereof and preliminary and incidental to the promotion, formation, establishment and registration of the Company and exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company as not by the statute or by these Articles required to be exercised or done by Company in General Meeting subject to nevertheless the regulations contained in these Articles, the provisions of the statute and to such regulations and provisions as may be prescribed by the Company in the General Meeting.

101. Subject to the provisions of the Act no Director shall be disqualified from his office by contracting with the Company or shall any contract entered into by or on behalf of the Company in shall any Director so contracting or being so interested be liable to account for the Company for any profit realized by any such contract or arrangement by reason only of such director holding that office, or of the fiduciary relations thereby established, but it is necessary that the nature of interest must be disclosed by him at the Meeting of the Directors at which the contract is determined of his interest then exists, or in any other case, at the first Meeting of the Directors after the acquisition of his interest.

102. ²MANAGING DIRECTOR, WHOLE TIME DIRECTOR & OTHER KEY MANAGERIAL PERSONNEL

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

² Amended vide Shareholders resolution dated 23rd June 2023

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

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

103. ³Remuneration of Managing Director and/ Whole Time Director/ s

The Managing Director and/ Whole Time Director/s shall, each of them, be paid for their respective services such remuneration on such terms as the Company may, by resolution of Shareholders, from time to time determine in accordance with the Act and the Banking Act and such guidelines as may be issued by the RBI or such other authority, from time to time.

104. Powers to be exercised severally

All powers and duties vested in the Managing Directors for the time being in accordance with the provisions of these presents or by a resolution of the Board of Directors may be exercised by any one of them.

105. ⁴Expenses to be charged to the Company

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

106. ⁵Power of Managing Director and/ Whole Time Director

The Managing Director and/ Whole Time Director, shall, subject to the supervision and control of the Directors have power to do all acts and things which the Managing Director and / Whole Time Director shall think usual necessary or desirable in the management of the affairs of the Company. Without

³ Amended vide Shareholders resolution dated 23rd June 2023

⁴ Amended vide Shareholders resolution dated 23rd June 2023

⁵ Amended vide Shareholders resolution dated 23rd June 2023

prejudice to their general powers conferred hereby, they shall have the following powers subject to the supervision and control of the Directors:

- (a) to pay the costs, charges, and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and subsequent to the registration fees and stamps paid in respect thereof and the costs of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and such other costs.
- (b) to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company, or in which the Company is interested or over which the Company may have any such powers of disposal and to exchange any such property or rights belonging to the Company for other property or rights.
- (c) to determine, from time to time who shall be entitled to sign on the Company's dividend warrants, releases, contracts, and documents and to give the necessary authority for such purposes.
- (d) to execute all deeds, agreements, contracts, receipt and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and for the claims and demands of the Company.
- (e) to institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions suits and legal proceedings.
- (f) to enter into, vary or cancel all manner of contracts on behalf of the Company.
- (g) to engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or vary description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Directors think fit.
- (h) to acquire by purchase, lease, exchange, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office showrooms, godowns and other buildings in the State of Karnataka or elsewhere Machinery, Engine, Plant, Rolling Stock, Tools, Machine Tools, Outfits, Stores, Hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
- (i) to plant, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
- (j) to erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Karnataka or in any other place.
- (k) to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as

they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

- (l) to pay all moneys due by the Company and look after the finance of the Company.
- (m) to open current and time-deposit accounts or other accounts with banker or bankers at their choice, and to operate on such accounts and also when necessary to overdraw or take loans on such account on the security of the Company or of any of its assets.
- (n) to draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, local bodies, port trusts, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
- (o) subject to Article 59 to borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.
- (p) to receive and give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods, or property lent, payable or belonging to the Company or for advances against and with or without security.
- (q) to make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing Director may deem fit.
- (r) to submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- (s) to institute, appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pledging and other documents to engage and to instruct any advocates, solicitors and lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim suit or proceedings.
- (t) to make all manner of insurances.
- (u) to delegate all or any of the powers, authorities and discretions for the time being vested in the Managing Director and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute, deliver register or causes to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company and not requiring the common seal of the Company.

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

107. Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

Subject to the provisions of the Act, a Chief Executive Officer, Manager, Company Secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, manager, Company secretary or Chief

Financial Officer so appointed may be removed by means of a resolution of the Board. A director may also be appointed as a Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

A provision of the Companies Act or these Articles requiring or authorising a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

AUDITORS

- 108.** The Company shall comply with the provisions of Banking Act and the Act, in relation to the audit of the accounts of its branches whether in India or outside India and appointment of auditors.
- 109.** At least once in every year, the accounts of the Company shall be balanced audit of the accounts and audited and the correctness of financial statements, i.e. balance sheet and profit and loss account, etc. shall be ascertained by one or more auditor or auditors to be appointed as required under the Banking Act and the Act.

ACCOUNTS AND FINANCE

- 110.** The Company shall keep true and accurate accounting records of all operations and such records shall be kept at the registered office of the Company or at such other place in India as the Board thinks fit. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board of Directors or by the Company in General Meeting.

- 111.** The Company shall comply with the provisions of the Banking Act and the Act, in regard to the inspection of the books of accounts and other books and papers of the Company, by the Registrar of Companies or by such officer of the Government as may be authorised by the Central Government in this behalf, or by the officers of the Reserve Bank of India, as the case may be.

- 112.** (a) Subject to the provisions of the Act, every balance sheet and profit and loss account of the Company, shall be in the form set out in the Third Schedule of the Banking Act, or as near thereto as circumstances admit and the requirements of the Act, relating to the financial statements i.e. balance sheet and profit and loss account, cash flow statement, statement of changes in equity (if applicable), any explanatory note annexed to, or forming part of, any document referred to earlier, of the Company, shall in so far as they are not inconsistent with the provisions of the Banking Act, apply to the financial statements, i.e. balance sheet and profit and loss account, etc. as the case may be of the Company.

In case the Central Government by notification specifies some other form or forms in which the balance sheet and the profit and loss account of the Company shall be drawn, then the Company shall adopt such form of the balance sheet and the profit and loss account.

- (b) The financial statements, i.e. balance sheet and profit and loss account, etc. shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the Banking Act and the Act and Rules thereunder and before they are submitted to the auditors for their report thereon.

Financial statements, i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, if applicable, and any explanatory note annexed to, or forming part of any document referred to hereinbefore and consolidated financial statements, if any, shall be signed in accordance with the Banking Act and the Act and Rules thereunder

113. DIVIDEND AND RESERVES

- a. The Company in General Meeting may declare dividend and no dividend shall exceed the amount recommended by the Board.
 - b. Subject to the provisions of the Act, the profits of the Company subject to any special rights relating to those to be created or authorized by these Articles and subject to the provisions herein shall be divisible among the shareholders in proportion to the amount of capital called upon the Securities held by them respectively.
 - c. Subject to the provisions of the Act, the Board may from time to time pay to the Member such interim dividend as appear to it to be justified by the profits of the Company
- 114.** The Board of Directors may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board of Directors, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for Meeting contingencies or for equalising Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board of Directors may, from time to time, think fit.
- 115.** The Board of Directors may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 116.** Subject to the rights of persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares.
- 117.** No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share.
- 118.** All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.
- 119.** The Board of Directors may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
- 120.** Any Dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

- 121.** Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share.

Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Companies Act.

- 122.** No Dividend shall bear interest against the Company.

123. Unpaid or unclaimed Dividend

There will be no forfeiture of unclaimed Dividend before the claim becomes barred by law. Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration, within seven days from the date of expiry of said period of 30 days, transfer the total amount of Dividend which remains unpaid or unclaimed to a special Account to be opened by the Company in that behalf in any scheduled bank, to be called “**Unpaid Dividend Account**”.

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the applicable provisions of the Act.

No unclaimed or unpaid Dividend shall be forfeited by the Board of Directors.

The Company may, pay Dividends in proportion to the amount paid-up on each Share.

CAPITALISATION OF PROFITS

- 124.** The Company in General Meeting may, upon the recommendation of the Board of Directors, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
- 125.** The sum aforesaid shall not be paid in cash but shall be applied, subject to the applicable provisions contained in this Article, either in or towards—
- (a) Paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
 - (c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;
 - (e) The Board of Directors shall give effect to the resolution passed by the Company in pursuance of this Article.

126. Issuance of bonus Shares

Whenever such a resolution as specified in Article 127 shall have been passed, the Board of Directors shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares if any; and
- (b) generally do all acts and things required to give effect thereto.

127. The Board of Directors shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares;
- (c) Any agreement made under such authority shall be effective and binding on such Members.

PERMITTED DONATIONS OR CONTRIBUTIONS MADE BY THE COMPANY

- 128.** Subject to the provisions of the Act, the Company may contribute up to five per cent. (5%) of their profits after tax in each Financial Year for such social/ corporate social responsibility activities as may be appropriate from time to time and which would be beneficial to these companies.

THE SEAL

- 129.** The Company shall have a Common Seal and the Board of Directors or a Committee of Directors shall provide for the safe custody thereof. The seal can be made of either metal or rubber stamp as the Directors may decide. The Seal shall not be affixed to any instrument except by the authority or resolution of the Board of Directors or of a Committee thereof and in the presence of at least two Directors and of the Company Secretary or such other Person as the Board or a Committee thereof may appoint for the purpose and such Directors and Company Secretary or other person as aforesaid shall sign every instrument to which the seal shall be affixed. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

WINDING UP

- 130.** For winding up of the Company the provisions contained in the Banking Act, shall apply and those contained in the Act, shall apply to the extent to which they are not inconsistent with the Banking Act.

- 131.** Subject to the applicable provisions of the Act, the Banking Act and the Rules made thereunder –

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

SECRECY

- 132.** No Member or person shall be entitled to visit or inspect the Company's properties without the consent of the Board or the Managing Director, or to require or discover any information respecting any details of the Company's working trading and on such other matters or in the nature of trade secrets which in the opinion of the Board may be inexpedient in the interest of the Member or of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

- 133.** Subject to the provision of the Act, the Directors, Company Secretary and other officers, for the time being of the Company and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by the reason of any act done or omitted to be done in or about the Company and affairs of the Company except such (if any) as they shall incur or sustain by or through their own wilful neglect or default and the indemnity shall extend to any neglect or default of any other Director, secretary or other officer. The Directors, Company Secretary and other officers shall not be held liable for joining in any receipts for the sake of conformity or for the solvency or honesty of any bankers or other Persons with whom any money effect, custody or for any insufficiency or deficiency of any Security upon which any monies of the Company shall be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office, unless the same shall happen through the wilful neglect or default of such officer or Director.

GENERAL POWER

- 134.** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

FCPA

- (1) The Company will (a) not knowingly act in violation of any laws and regulations as applicable to them and make improper payments to public officials in order to secure a business advance, (b) continue to have, in place anti-money laundering practices that are compliant with all applicable laws, and (c) follow, highest standards of ethical business practices.
- (2) The Company while obtaining for any governmental approvals, consents, concessions or licenses required in the operation of the Company's business, will neither itself nor through any person acting on its behalf, commit any violation of the United States Foreign Corrupt Practices Act ("FCPA").
- (3) The Company will not make any offer, payment, promise to pay or authorisation of the payment of any money, or other property, gift, promise to give, or authorisation of the giving of anything of value to any employee or official of a governmental authority (Indian or any relevant foreign equivalent), to any

statutory or regulatory authority, arbitration tribunal, or political party, domestic or foreign (or official thereof) or candidate for political office or to any other person who was or is in a position to help or hinder the Company: (a) with the intent or purpose of inducing such official, political party or candidate, or other person, to do or omit to do any act in violation of the lawful duty of such person/official; or (b) that would cause the Company to violate or be in violation of any applicable law and/or the FCPA (as if it were applicable to them) or subject itself to any damages or penalties in a civil or criminal proceeding.

- (4) The Company, in the course of its actions, will not:
- (a) violate any provision of FCPA, or any other applicable anti-bribery or anti-corruption laws; or
 - (b) offer, pay, promise to pay, or authorize the payment of any money, or offer, give, promise to give, or authorize the giving of anything of value, to any governmental authority (Indian or any relevant foreign equivalent) or to any person under circumstances where the relevant person knows that all or a portion of such money or thing of value shall be offered, given or promised to any governmental authority (Indian or any relevant foreign equivalent), for the purpose of:
 - (a) influencing any act or decision of such governmental authority (Indian or any relevant foreign equivalent) in their official capacity; or
 - (b) inducing such governmental authority (Indian or any relevant foreign equivalent) to do or omit to do any act in relation to their lawful duty; or
 - (c) securing any improper advantage; or
 - (d) inducing such governmental authority (Indian or any relevant foreign equivalent) to influence or affect any act or decision of any governmental authority (Indian or any relevant foreign equivalent); or
 - (e) assisting the Company in obtaining or retaining business for or with, or directing business to the Company.

PART B

PRELIMINARY

1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall be applicable to this Company in so far as they are not inconsistent with any of the provisions contained in these Articles.

DEFINITIONS

2. DEFINITIONS

In these Articles, including in the recitals and unless the context requires otherwise, the following words and expressions shall have the following meanings:

"**Act**" means the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

"**Affiliate**" means, in relation to any Person (the "**Subject**"), any Person controlled, directly or indirectly, by that Subject, any Person that controls, directly or indirectly, that Subject, or any Person under common control, directly or indirectly, with that Subject or, where the Subject is a natural Person, any Relative (as such term is defined in the Act) of such Subject and any Person controlled by such Person and/or his Relative. For the purpose of this definition:

- (a) "**control**" means the power to direct the management and policies of a Person, whether through the ownership of voting capital, by contract or otherwise;
- (b) a holding or subsidiary company of any Person shall be deemed to be an Affiliate of that Person; and
- (c) the Company shall be deemed not to be an Affiliate of any Stakeholder.

"**Articles**" means these articles of association of the Company.

"**BR Act**" means the Banking Regulation Act, 1949.

"**Big Four**" means one of KPMG, Deloitte, PricewaterhouseCoopers or Ernst & Young.

"**Board**" means the board of directors of the Company and/or any duly constituted committee thereof from time to time.

"**Business**" means the business of the Company as per the objects clause set out in the memorandum of association of the Company.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in Bangalore, India.

"**Business Plan**" means the business plan in respect of the Company, which includes details of the operations, financials, capital expenditure, budget, and other relevant targets for the Company.

"**Company**" means Jana Small Finance Bank Limited (Earlier known as Janalakshmi Financial Services Limited).

¹The Articles of Association of the Company was amended by passing a special resolution by the Shareholders at the Extra Ordinary General Meeting of the Company dated January 12, 2018.

"**Confidential Information**" means information, in whatever form, relating to the business, services, affairs, operations, plans, performance, finances, clients, customers and counterparties of the Company for the time being confidential to it or treated by it as such, including marketing information, trade secrets (including, without limitation, technical data and know-how) and other intellectual property relating to the Company.

"**Connected Person/Concern**" of the Company means:

- (a) any company under the same management (as defined by Section 370 (1-B) of the erstwhile Companies Act 1956) as the Company, including without limitation JUF, Janaadhar (India) Private Limited, Crossdomain Solutions Private Limited, Jana Urban Services for Transformation Private Limited (JUST) and Jana Holdings Limited;
- (b) any member, director, officer, key management personnel of the Company or any Affiliate of any of the foregoing;
- (c) the Promoters or any Affiliates of the Promoters;
- (d) the trustees and beneficiaries of any trust in which the Company, the Promoters or any Affiliate of the Promoters is either a trustee or beneficiary;
- (e) any director of the Company or of any holding or subsidiary company of the Company or of any Affiliate of the Company;
- (f) any trust in which any Promoter or any Affiliate of a Promoter is a trustee or beneficiary;
- (g) any director of any holding or subsidiary company of any Promoter or any Affiliate of the Promoters;
- (h) any Affiliate of the Company, or of a director referred to in sub-clause (g) above (for the purposes of this definition, "**such director**");
- (i) any firm or unlisted company in which the Company, the Promoters, any such director or any Affiliate or partner of any such director, Promoter or Affiliate is a partner, shareholder or director or exercises control or holds at least 5% (five per cent) of the share capital or interest of such firm or unlisted company;
- (j) any listed company in which the Company, the Promoters, any such director or any Affiliate or partner of any such director, Promoter or Affiliate is a director or hold/s shares exceeding 5% (five per cent) of the paid-up equity share capital of such listed company; and/or
- (k) any company, the board of directors, managing director or manager whereof acts or is accustomed to act in accordance with the directions or instructions of the Board of Directors or any director of the Company, of the Promoters, or of any Affiliate.

"**Consent**" means any consent, approval, authorisation, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, permission, order, registration, declaration, filing, report or notice of, with, to, from or by any Person, including any third party consents.

“**Consummation of the IPO**” shall mean the receipt of final listing and trading approval from each of the Exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.”

"**Contract**" means any agreements, contracts, instruments, obligations, offers, legally binding commitments, arrangements and understandings (whether written or oral) including all loan agreements, indentures, all transactions for debt assignment and securitisation, letters of credit (including related letter of credit applications and reimbursement obligations), mortgages, security agreements, pledge agreements, deeds of trust, bonds, notes, guarantees, surety obligations, warranties, licenses, franchises, permits, powers of attorney, purchase orders, leases, including any amendment, variation, termination or extension under or in respect of any of the foregoing.

"**Encumbrance**" means any encumbrance including, without limitation, any claim, deed of trust, right of others, security interest, burden, title defect, title retention agreement, Lease, covenant, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, bill of sale, option interest, proxy, beneficial ownership (including usufruct and similar entitlements), encroachment, public right, easement, common right, way leave, any voting agreement, interest, option, right of first offer, first, last or other refusal right, or transfer restriction in favour of any Person, any adverse claim as to title, possession or use, any provisional or executory attachment and any other interest held by a third party or any agreement, arrangement or obligation to create any of the foregoing and "**Encumber**" shall be construed accordingly.

"**Environmental Law**" means any common or statutory law, regulation, directive or other law and all codes of practice, statutory guidance and the like applicable in India relating to the environment, pollution of the environment, human health or safety or the welfare of any other living organism which applies to the company concerned, its premises or its activities.

"**Equity Shares**" means, in relation to the Company, equity shares of the Company, any options (whether or not granted, vested or exercised), warrants, convertible debentures, convertible preference shares, equity linked instruments, loans or other securities or ownership interests that are directly or indirectly convertible into, or exercisable or exchangeable for, any such shares of equity capital or other ownership interests of the Company (whether or not such securities are then currently convertible, exercisable or exchangeable and whether with or without payment of additional consideration).

"**Exchanges**" means: (a) the BSE Limited (including any successor thereto); (b) the National Stock Exchange of India Limited (including any successor thereto); and (c) any internationally recognised stock exchange or quotation system acceptable to each of the Stakeholders.

"**Financial Investor**" means any of the following:

- 2.1.1 institutional investors and if applicable, their sub-accounts;
- 2.1.2 funds (including equity, mutual fund, venture capital, hedge funds, bond, balanced, private equity, buy-out or any other investment style);
- 2.1.3 any Person that is set up to explicitly make financial investments or whose primary activity is to invest capital without any strategic participation; and/or
- 2.1.4 investment companies Controlled by any of the foregoing entities.

"**Financial Year**" means a financial year commencing on 1st April of a calendar year and ending on 31st March in the immediately succeeding calendar year.

“**Founder**” means Ramesh Ramanathan, Jana Urban Foundation and Jana Holdings Limited.

"Fully Diluted Basis" means that the relevant calculation is to be made taking into account the total of all classes and series of shares of the Company outstanding combined with all options (including both issued and unissued) and all other Equity Shares on an "as if exercised" or "as if converted" basis.

"GAAP" means generally accepted accounting principles in India.

"Governmental Authority" means the Government of India, any state or other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality or any political subdivision thereof, any court, tribunal or arbitrator and any self-regulatory organisation, and includes the Securities and Exchange Board of India ("**SEBI**"), recognised stock exchanges or quotation systems, the RBI and the Foreign Investment Promotion Board ("**FIPB**").

"Governmental Approvals" means any Consent of, with, to, from or by any Governmental Authority.

"Guidelines" means: (a) the Guidelines on Licensing of Small Finance Banks dated November 27, 2014, read with the Clarifications to Queries on Guidelines for Licensing of Small Finance Banks dated January 1, 2015, and (b) the Guidelines for Licensing of New Banks in Private Sector dated February 22, 2013, read with the Clarifications to Queries on Guidelines for Licensing of New Banks in Private Sector; each issued by the Reserve Bank of India, and such other circulars, notifications, rules and regulations as may be issued by Reserve Bank of India or any other regulatory or statutory authority.

"ICDR Regulations" shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time."

"Investors" shall mean and include Harbourvest Partners Co-Investment Fund IV L.P., Harbourvest Partners Co-Investment IV AIF L.P., Harbourvest Skew Base AIF L.P., HIPEP VIII Partnership Fund L.P., HIPEP VIII Partnership AIF L.P., Harbourvest Asia Pacific Fund VIII L.P., Harbourvest Asia Pacific VIII AIF L.P., Harbourvest Co-Investment Opportunities Fund L.P., Harbourvest Co-Invest 2017 Private Equity Partners L.P., The Maple Fund L.P., Global Financial Inclusion Fund, Client Rosehill Limited (Formerly known as CVCIGP II Client Rosehill Limited), CVCIGP II Employee Rosehill Limited, Growth Partnership II Ajay Tandon Co-investment Trust, Growth Partnership II Siva Shankar Co-investment Trust, Enam Securities Private Limited, Tree Line Asia Master Fund (Singapore) Pte Ltd, North Haven Private Equity Asia Platinum PTE. Ltd., Alpha TC Holdings Pte Ltd., QRG Enterprises Limited, TPG Asia VI SF PTE. Ltd., Global Financial Inclusion Fund, Vallabh Bhanshali, Vallabh Bhanshali HUF, Bajaj Allianz Life Insurance Company Limited, Bajaj Allianz General Insurance Company Limited - Policyholder Fund, Bajaj Allianz General Insurance Company Limited - Shareholder Fund, ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited, Amansa Holdings PTE. Ltd, Hero Enterprise Partner Ventures, Badri Narayan Pulinja

"IPO" shall mean an initial public offering by the Company and the listing of the Equity Shares on each of the Exchanges, in accordance with applicable Law."

"In-Principle Approval" means the in-principle approval dated October 07, 2015 obtained from the RBI for conversion of the Company into a small finance bank.

"JCL" means Jana Capital Limited.

"JUF" means Jana Urban Foundation.

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

"**Law**" means and includes all treaties, statutes, enactments, acts of legislature or parliament, laws (including rules of equity), codes, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives applicable in India and all orders, decisions, decrees of any Governmental Authority, statutory authority, tribunal, board, court or recognised stock exchange and Governmental Approvals.

"**Lead Manager**" means an internationally recognised and reputable "bulge" bracket investment or merchant bank of high standing in the relevant markets where the Equity Shares are to be offered, appointed to act as lead manager of the QIPO, who is acceptable to Stakeholders representing 80% of the voting capital of the Company (calculated on a Fully Diluted Basis).

"**Litigation**" means and includes any action, cause of action, claim, demand, suit, proceeding, citation, summons, subpoena, inquiry or investigation of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending by or before any court, tribunal, arbitrator or other Governmental Authority.

"**Non-Permitted Transferee**" means any entity that is a 'small finance bank' as registered with the RBI and any of (including any Affiliates which are not Financial Investors, of) Bharat Financial Inclusion Limited, Spandana Sphoorty Financial Limited, SHARE Microfin Limited, Grama Vidiyal Micro Finance (P) Ltd., Bharatiya Samruddhi Finance Ltd., Bandhan Financial Services Pvt. Ltd., Equitas Micro Finance India Private Ltd. and Ujjivan Financial Services Pvt. Ltd.

"**Permitted Transferees**" with respect to the Stakeholders shall mean each of their respective Affiliates and such other Persons as may be specifically agreed with the Company and the Promoters.

"**Person(s)**" means any individual, sole proprietorship, unincorporated association, unincorporated organisation, firm, body corporate, corporation, company, partnership, unlimited or limited liability company, joint venture, Governmental Authority, business trust or trust or any other entity or organisation.

"**Promoter(s)**" means RR, JUF and Jana Holdings Limited..

"**QIPO**" means qualified initial public offering of the Equity Shares by the Company in accordance with Article 15 and listing of the Equity Shares on any of the Exchanges in accordance with Law.

"**RBI**" means the Reserve Bank of India.

"**RR**" means Ramesh Ramanathan.

"**Sanctions**" means economic sanctions that are subjected on countries, administered or enforced by the United States Department of Foreign Assets Control, the United Nations Security Council, the European Union or Her Majesty's Treasury.

"**Shareholder**" means the duly registered holder, from time to time of the shares of the company and includes beneficial owner(s) as defined in clause (a) of sub-section (1) of section (2) of the Depositories Act, 1996.

⁶ Amended vide Shareholders resolution dated 23rd June 2023

“Stakeholders” shall mean the shareholder(s) of the Company but shall exclude the Promoters and the persons who become Shareholders pursuant to an ESOP scheme of the Company.

"Stakeholder Group" with respect to each Stakeholder, shall mean such Stakeholder and any Permitted Transferee of such Stakeholder.

"Tax(es)" or **"Taxation"** means any central, federal, state, local or foreign income, alternative, minimum, accumulated earnings, personal holding company, franchise, share capital, profits, windfall profits, gross receipts, sales, use, value added, transfer, registration, transaction, documentary, recording, listing, stamp, premium, excise, customs, severance, environmental, real property, personal property, ad valorem, occupancy, license, occupation, wage, withholding, provident fund, insurance, gratuity, employment, payroll, social security, disability, unemployment, workers' compensation, withholding, dividend or other similar tax, duty, fee, contribution, levy, impost, assessment or other governmental charge or deficiencies thereof (including all interests, surcharges, fines and penalties thereon and additions thereto) due, payable, levied, imposed upon or claimed to be owed.

"Tax Return" means any return, report, declaration, form, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transfer" includes any transfer, assignment, sale, disposal, lease, alienation, amalgamation, merger, or creation of any Encumbrance, in each case whether voluntary or involuntary.

3. In addition to the above, the following words and expressions shall have the meanings ascribed to them under the corresponding Articles indicated below:

Term	Article
Balance Dilution Instruments	: 14.7.1
Compliance Officer	: 14.3.1(d)
Dilution Instruments	: 14.7.1
Effective Date	: 4
ESOP	: 18.1
Expenses	: 6.7
Final RBI Approval	: 4
Indemnifiable Amounts	: 6.7
Nomination and Remuneration Committee	: 6.5
Pre-Emption Right	: 14.7.1
QIPO Deadline Date	: 15
Shareholders Meeting	: 10.1

Term	Article
Stakeholders' Shares	: 11.2.1
Tax Service Provider	: 14.10
Written Consent	: 10.1

4. EFFECTIVE DATE

These Articles shall come into effect and force, and be binding on Parties on and from the date on which the Company commences operations as a small finance bank following receipt of the final banking licence from the RBI ("**Final RBI Approval**") (such date, the "**Effective Date**").

5. JOINT HOLDERS

5.1 Where two or more persons are registered as the holders of any Equity Shares they shall be deemed to hold the same as joint tenants with benefits of survivorship.

5.2 The Company shall be entitled to decline to register more than 3 persons as the joint holders of any Equity Share.

5.3 The joint holders of any Equity Share shall be liable severally as well as jointly for and in respect of all calls and other payments which is ought to be made in respect of such Equity Share.^{[L]_{SEP}}

5.4 On the death of any such joint holders the executors, administrators, survivor/s or legal heir/s shall be the only person or persons recognised by the Company as having any title to the Equity Share but the Directors may require such evidence of death as they may deem fit and nothing therein contained shall be taken to release the estate of a deceased joint holder from any liability on Equity Shares held by him jointly with any other person.

5.5 Any one of such joint holders may give effectual receipts for any dividends or other moneys payable in respect of such Equity Shares.

5.6 Only the person whose name stands first in the register of shareholders as one of the joint holders of any Equity Shares shall be entitled to delivery of the certificate relating to such Equity Share or to receive notice (which expression shall be deemed to include all documents).

6. BOARD OF DIRECTORS

6.1 Subject to requirements under the Act, BR Act and applicable guidelines issued by the RBI in respect of small finance banks, the maximum number of Directors on the Board shall be as permitted under applicable Law. The Company shall appoint such number of independent directors and ensure that the Board, at all times, comprises of such number of independent directors as required under applicable Law. Resident shareholders shall have the power to appoint majority of directors onto the Board of the Company. Any action taken, or any amendments of the Articles of the Company that would be in conflict of Article 6.1 or Article 6.2, shall stand void.⁷

6.2 On the Effective Date, the Board shall comprise of a total of up to 10³ (ten) directors who shall be appointed in accordance with the provisions of the BR Act and the applicable guidelines issued by the

⁷ Amended vide Shareholder resolution dated 26th July 2023

RBI in respect of small finance banks. Of such directors, the Board shall appoint one director as the Managing Director of the Company in accordance with Law.

- 6.3 In the event of equality of votes, the Chairman of the Board or of any shareholders' meeting shall have a casting vote.⁸
- 6.4 The Board shall maintain: (a) a nomination and remuneration committee ("Nomination and Remuneration Committee"); (b) a borrowing committee to approve all Indebtedness availed of/incurred by the Company; (c) a committee to review all Contracts (and any defaults, disputes or claims thereunder) with Connected Persons/Concerns; and (d) such other committees in accordance with the BR Act, the guidelines issued by the RBI in this regard and other applicable Law. Each committee constituted by the company shall, at all times, comprise of such number of independent directors as prescribed in the applicable guidelines issued by the Reserve Bank of India from time to time."⁹
- 6.5 Subject to the relevant provisions of the Act, the Company shall bear and pay each Director all reasonable costs and expenses (including international air fares) incurred by them in order to attend shareholder, Board, committee and other meetings of the Company, or to otherwise perform their duties and functions as a director or member of any committee of the Board, as the case may be.
- 6.6 The Company shall obtain and maintain director's and officer's liability insurance from an insurance company of repute in respect of the Directors for an amount as determined by the Board.
- 6.7 **[Omitted]**

³The Articles of Association of the Company was amended by passing a special resolution by the Shareholders at the Annual General Meeting of the Company dated June 5, 2020

7. CORPORATE GOVERNANCE

- 7.1 The Board shall meet as necessary to discharge its duties, but in any case in accordance with the Act. At least 7 (seven) Business Days' notice of each Board (or committee of the Board) meeting shall be given to each director (or member) prior to such meeting or such shorter period as a majority of the directors on the Board (or committee of the Board) may agree. The agenda for each Board (or committee of the Board) meeting and all papers connected therewith and/or proposed to be placed or tabled before the Board (or committee of the Board) shall be circulated at least 7 (seven) Business Days (or such shorter period as the directors on the Board (or committee of the Board) may agree) prior to such meeting, together with the notice, and no items save and except those specified in the agenda may be discussed at any Board (or committee of the Board) meeting, except with the prior written consent of RR and each Director present at such meeting. Meetings of the Board (or committee of the Board) may be held at any place which has been designated in the notice of the meeting or at such place as may be approved by the Board.
- 7.2 The quorum for a meeting of the Board (or committee of the Board) shall be one-third of all directors or committee members, as applicable, (any fraction contained in that one-third being rounded up to one) or two directors, whichever is higher.
- 7.3 The members of the Board or any committee thereof shall be afforded the opportunity to, and may participate in a meeting of the Board or such committee by means of telephone conference (if permitted by applicable Law), video conference or similar communications equipment by means of which all

⁸ Amended vide Shareholder resolution dated 26th July 2023

⁹ Amended vide Shareholder resolution dated 18th January 2024; Amended vide Shareholder resolution dated 26th July 2023

persons participating in the meeting can hear each other and participation in a meeting without interruption in communications pursuant to this provision shall, unless prohibited by applicable Law, constitute presence in person at such meeting. However, each director of the Company must attend at least 1 (one) meeting of the Board physically in every Financial Year.

- 7.4 No resolution shall be deemed to have been duly passed by the Board by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors of the Company and has been approved in writing by them or by a majority of such of them as are entitled to vote on the resolution.
- 7.5 Subject to Article 7.7, no meeting of the shareholders of the Company shall be held unless at least 21 (twenty one) days' prior written notice or a shorter written notice of that meeting has been given to each shareholder of the Company, as per the provisions of the Act. In the general meetings of the shareholders of the Company, only such agenda shall be placed, discussed and decided by the shareholders of the Company as is specified in the notice or shorter notice to the shareholders of the Company.
- 7.6 All matters arising at a meeting of the shareholders of the Company shall be decided through a poll. It is clarified that the shareholders of the Company shall exercise their votes at a meeting of the shareholders based on their respective equity shareholding percentage of the Company, calculated on a Fully Diluted Basis. The quorum for a meeting of the shareholders of the Company shall be as prescribed under the Act.
- 7.7 Subject to the provisions of the Act, any meeting of the shareholders of the Company may be held at shorter notice, provided the consent of the Stakeholders is obtained for the same.

8. VOTES OF SHAREHOLDERS

- 8.1 Subject to the provisions of the Act, votes may be given either personally or by an attorney or by proxy or, in the case of a body corporate, by a representative duly authorised under Section 113 of the Act.
- 8.2 Subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares:
- (a) on a show of hands, every Shareholder present in person shall have one vote; and¹¹³_{SEP}
 - (b) on a poll, the voting rights of Shareholders shall be in proportion to his share in paid-up Equity Share capital.

Provided however that the voting rights shall be subject to the restrictions imposed under Section 12 of the BR Act.

- 8.3 Shareholders not personally present shall not be entitled to vote on a show of hands unless such Shareholder is represented by an attorney or unless such Shareholder is a body corporate present by a representative duly authorised under Section 113 of the Act in which case such attorney or representative may vote on a show of hands as if he were a shareholder of the Company.
- 8.4 A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
- 8.5 A body corporate (whether a company within the meaning of the Act or not) may if it is duly authorised by a resolution of its directors or other governing body, appoint a person to act as its representative at any meeting in accordance with the provisions of Section 113 of the Act. The production at the meeting of a copy of such resolution duly signed by one director of such body corporate or by a shareholder of

its governing body and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

- 8.6 Any person entitled under the transmission clause to become the holder of any Equity Shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such Equity Shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board or any persons authorised by the Board in that behalf of his right to hold such Equity Shares, or the Directors shall have previously admitted his right to transfer such Equity Shares or his right to vote at such meeting in respect thereof.
- 8.7 Where there are any joint registered holders of any Equity Share any one of the joint holders may vote at any meeting either personally or by an attorney duly authorised under a power of attorney or by proxy in respect of such Equity Share as if he were solely entitled thereto; and if more than one of such joint holders be personally present at any meeting then one of the said persons so present whose name stands first or higher in the register in respect of such Equity Share shall be entitled to vote in respect thereof.
- 8.8 (a) Any Shareholder of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a Shareholder or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.
- (b) The instrument appointing the proxy shall be in writing under the hand of the appointees or of his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or be signed by an officer or an attorney duly authorised by it. A person may be appointed a proxy though he is not a shareholder of the Company, but such proxy shall not have any right to speak at any meeting.
- 8.9 Subject to Section 108 of the Act and the Article above, every notice convening a general meeting of the Company shall state that a Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that the proxy need not be a shareholder of the Company.
- 8.10 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a materially certified copy of that power of authority shall be deposited at the office of the Company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- 8.11 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the Equity Share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been revived at the office of the Company or by the Company or by the chairman of the meeting at which the vote is given.
- 8.12 Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances shall admit, be in accordance with Section 105 of the Act.
- 8.13 Every Shareholder entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' notice in writing of the intention so to inspect is given to the Company.
- 8.14 No Shareholder shall be entitled to vote at any general meeting either personally or by proxy or as proxy for another Shareholder or be reckoned in a quorum while any call or other sum shall be due and payable

to the Company in respect of any of the Equity Shares of such Shareholder or in respect of any Equity Shares on which the Company has or had exercised any right of lien.

9. INFORMATION RIGHTS

Subject to any restrictions under applicable Law (including if applicable under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015):

- 9.1 The Company shall maintain true books and records of accounts in which full and correct entries shall be made of all its business transactions pursuant to a system of accounting established and administered in accordance with GAAP, and shall set aside on its books all such proper accruals and reserves as shall be required under GAAP.
- 9.2 Upon the listing of the Equity Shares, the Company shall publish any unpublished price sensitive information prior to providing such information to the Shareholders.
- 9.3 The Company shall periodically report to the Board, an update on the performance of the Business of the Company by the provision of all such data and information as may be required for this purpose.
- 9.4 The Company shall make reports of condition at such times and in such form as the Shareholders may prescribe. The Shareholders may require that statements of condition or other reports be published or made available for public inspection.
- 9.5 The Company shall file such reports on its foreign operations as any Governmental Authority (Indian or any relevant foreign equivalent) or any Law (Indian or any relevant foreign equivalent) may require, including as to acquisition or disposition of shares.
- 9.6 The Company shall obtain and maintain the following insurance policies at the cost of the Company on and in relation to its Business, assets and personnel from reputable insurance companies acceptable to the Stakeholders and that maintains a minimum financial strength rating by A. M Best of "A-" or Standard & Poor's, Moody's, Insurance Regulatory & Development Authority of India (IRDA) or other similar rating agency of "A":
 - 9.6.1 a keyman insurance policy for the following personnel of the Company:
 - (i) Chairman
 - (ii) Executive Vice Chairman (subject to availability)
 - (iii) CEO & MD
 - (iv) Chief Financial Officer
 - (v) Chief Operating Officer (Business Head Retail)(subject to availability)
 - (vi) Chief Information Officer (IT Head)(subject to availability)
 - 9.6.2 a directors' and officers' liability insurance for the directors of the Company from an insurance company of repute in respect of the Directors for an amount which shall be determined by the Board;
 - 9.6.3 comprehensive crime insurance providing coverage for loss due to, but not limited to, theft, counterfeit currency, fraud, extortion or loss of cash occurring inside and outside the Company's

premises, caused by third parties. The limits of this insurance shall be in an amount sufficient to fully cover all cash maintained at each of the Company's branches and cash which is outside the Company's premises. The Company will review these insurance limits from time to time to ensure full coverage of cash is maintained;

9.6.4 commercial general liability insurance against claims for bodily injury, death and third party property damage occurring in conjunction with the Company's operations and premises and contractual liability;

9.6.5 fidelity insurance for cashiers and field executives;

9.6.6 the Company shall take adequate insurance for Company's operations (including cash) and fixed assets.

9.7 The member banks, edge and agreement corporations, and bank holding companies shall report, in a manner prescribed by the Board, any acquisition or disposition of shares of the Company.

10. EXERCISE OF RIGHTS

10.1 Each of the Promoters and the Stakeholders shall, to the extent permitted under the BR Act and applicable Law, vote or cause to be voted all Equity Shares, instruments convertible into Equity Shares or any other security bearing voting rights beneficially owned by it at any annual or extraordinary meeting of shareholders of the Company ("**Shareholders Meeting**") or in any written consent executed in lieu of such a meeting of shareholders ("**Written Consent**"), and shall take all other actions necessary to give full effect to the provisions of these Articles. In addition, each of the Promoters and Stakeholders shall vote or cause to be voted all Equity Shares, instruments convertible into Equity Shares or any other security beneficially owned by it at any Shareholders Meeting or act by Written Consent with respect to such Equity Shares, instruments convertible into Equity Shares or any other security, upon any matter submitted for action by the Company's shareholders or with respect to which such shareholder has a right to vote or act by Written Consent, in conformity with the provisions of these Articles.

10.2 Subject to the provisions of the BR Act and applicable Law, in order to effectuate the provisions of these Articles, and without limiting the generality of Article 10, the Company shall, to the extent that it is within its power to do so:

10.2.1 when any action or vote is required to be taken by such shareholder pursuant to these Articles, call, or cause the appropriate officers and directors of the Company to call, one or more Shareholders Meetings to take such action or vote, to attend such Shareholders Meetings in person or by proxy if required for purposes of obtaining a quorum, or to execute or cause to be executed a Written Consent to effectuate such shareholder action; and

10.2.2 cause the Board of the Company to adopt, either at a meeting of the Board or by unanimous written consent of the Board, all the resolutions necessary to effectuate the provisions of these Articles.

10.3 Each Party shall be entitled to voting rights to the extent permitted under the BR Act and the applicable guidelines issued by the RBI in respect of small finance banks.

11. TRANSFER OF EQUITY SHARES

11.1 The Stakeholders shall not be required to Encumber the Stakeholders' Shares in the Company, or provide any guarantee, recourse or any other support to any Person, including, to any banks or financing institutions providing credit facilities to the Company.

11.2 Stakeholders' right to sell

- 11.2.1 Each Stakeholder shall be entitled to Transfer all or any part of the shares of the Company held by the respective Stakeholder from time to time ("**Stakeholders' Shares**"), at any time and freely and without any restriction as to price or otherwise, to or for the benefit of any Person, including to any or all of its Permitted Transferees, and shall not require the consent of any other Person for such Transfer, except for the prior approval of the RBI as required; *provided that* the prior written consent of the Promoters shall be required for any proposed Transfer of Stakeholders' Shares to any Non-Permitted Transferee or to any controlling shareholder or promoter of a Non-Permitted Transferee who is not a Financial Investor. However upon the expiry of the QIPO Deadline Date, the Stakeholders shall be entitled to Transfer any or all of the Stakeholders' Shares to any Person (including Non-Permitted Transferees) free from all restrictions.
- 11.2.2 The Stakeholders shall be entitled to transfer their Stakeholders' Shares and/or any rights and obligations hereunder to any Permitted Transferee free from any restriction as to price or otherwise. A transfer of Stakeholders' Shares of any class in the Company by a Permitted Transferee to another Permitted Transferee may also be made without any restriction as to price or otherwise.
- 11.2.3 In relation to any rights available under these Articles on the basis of the number of Equity Shares or the percentage of the Company's share capital held by the Stakeholders, on a Fully Diluted Basis, the Stakeholders shall be entitled, at their sole discretion, to aggregate the Equity Shares held by any member(s) of the Stakeholder Group with those held by the Stakeholders.
- 11.2.4 The Investors' Shares shall not be subject to any lock-in at any point of time (except for any transfer restrictions imposed by the RBI) under any circumstances and will be Transferable in accordance with the provisions of these Agreement and tradable. Any Transfer or attempted Transfer of any Investors' Shares in violation of these Agreement and the Restated Articles shall be void, no such Transfer shall be recorded on the Company's register and the purported transferee of any such Transfer shall not be treated as a shareholder, provided, however, that, upon Consummation of the IPO, the entire pre-IPO share capital of the Company, including the Equity Shares held by Investors which are not offered/ sold in the offer for sale in the IPO, will be subject to lock-in, to the extent not covered under the exceptions provided under the ICDR Regulations, for a period of one year from the date of allotment in the IPO as required under, and subject to, the ICDR Regulations.
- 11.2.5 Each Stakeholder and the Permitted Transferees of such Stakeholder shall exercise their rights under these Articles collectively with each other and not independently of one another. Similarly, each Purchaser and any Person to whom the Purchaser transfers its Equity Shares shall exercise their rights under these Articles collectively with each other and not independently of one another.

12. TRANSMISSION OF SHARES

- 12.1 Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the shares to be transferred and such other evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such condition and regulation as the Board shall from time to time prescribe; and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. But any instrument of transfer which the Board may decline to register shall be returned to the person lodging the same.

- 12.2 No fee shall be charged for registration of transfer or for effecting transmission or for registering any probates, letters of administration and other similar documents.
- 12.3 The Board shall have power on giving not less than 7 days' previous notice by advertisement in some newspaper circulating in the district in which the Company's Office is situated, to close the transfer books, the register of shareholders and/or the register of debenture holders at such time or times and for such period or periods, not exceeding 30 days at a time and not exceeding in the aggregate 45 days in each year, as the Board may deem expedient.
- 12.4 The legal heir, nominee, executors or administrators of a deceased Shareholder shall be the only persons recognised by the Company as having any title to his share except in cases of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be the only persons entitled to be so recognised; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Company shall not be bound to recognise such executor or administrator, unless he shall have obtained probate or letters of administration or other legal representation, as the case may be, from a competent court in India. Provided nevertheless that in case, which the Board in its discretion considers to be special cases and in such cases only, it shall be lawful for the Board to dispense with the production of probates or letters of administration or such other legal representations upon such terms as to indemnity, publication of notice or otherwise as the Board may deem fit.
- 12.5 Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any shareholder or by any lawful means other than by a transfer in accordance with these presents, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either to be registered himself as holder of the shares or to make such transfer of the shares as the deceased or insolvent shareholder could have made. In the event the successor elects to become a shareholder of the Company, he shall deliver or send a notice to the company in writing signed by him that he so elects. Such person may, with the consent of the Board (which the Board shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article, or of his title, as the Board of Directors think sufficient, be registered as a shareholder in respect of such shares, or may, subject to the regulations as to transfer hereinabove contained, transfer such shares.
- 12.6 Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation of the Company or the Directors to accept any indemnity.
- 12.7 The Company shall incur no liability or responsibility whatever in consequence of its registering or giving any effect to any transfer of shares, made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register) to the prejudice of a person having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice referred hereto in any book or record of the Company, and the Company shall not be bound or required to regard or to attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, notwithstanding that the notice may have been entered in or referred to in some book or record of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

12A. POWER TO ISSUE PREFERENCE SHARES²

- 12.7.1 Redeemable Preference Shares - Subject to the provision of Section 55 of the Companies Act, 2013 and other applicable law, the Company shall have the power to issue Preference Shares which are at the option of the Company are liable to be redeemed, and the resolution authorizing such an issue shall prescribe the manner, terms and conditions of redemption.
- 12.7.2 Convertible Preference Shares - The Company, subject to the applicable law, shall have the power to issue Convertible Preference Shares or any similar kind of Preference Shares as may be permitted under applicable law.

13. LIEN

- 13.1 The Company shall have no lien on its fully paid-up Equity Shares.
- 13.2 The Company shall have a first and paramount lien **(a)** on every Equity Share to the extent of all moneys called or payable at a fixed time in respect of such Equity Shares and **(b)** on all Equity Shares (not being fully paid-up) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company.
- 13.3 Any lien on Equity Shares shall extend to all dividends and bonuses from time to time declared in respect of such Equity Shares. Unless otherwise agreed, the registration of a transfer of Equity Shares shall not operate as a waiver of the Company's lien, if any, on such Equity Shares. The Board of Directors may at any time declare any Equity Shares to be wholly or in part exempt from the provisions of this Article.
- 13.4 For the purpose of enforcing such lien, the Board of Directors may sell the Equity Shares subject thereto in such manner as they shall think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell, shall have been served on such Shareholder, or the person (if any) entitled by transmission to the Equity Shares and default shall have been made by him in payment of the sum payable as aforesaid for 14 days after such notice.
- 13.5 The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of all moneys called and payable in respect of such Equity Shares and the residue (if any) paid to such Shareholder or the person (if any) entitled to the Equity Shares at the date of the sale.
- 13.6 Upon any sale after forfeiture or enforcing a lien in purported exercise of the powers hereinbefore given the Board of Directors may appoint some person to execute an instrument of transfer of the Equity Shares so sold and cause the purchaser's name to be entered in the register in respect of the Equity Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the register in respect of such Equity Shares, the validity of the sale shall not be impeached by any person and the remedy (if any) of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- 13.7 Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any Equity Shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder in respect of any Equity Shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such Equity Shares as herein provided.
- 13.8 A certificate in writing under the hand of any Director or the secretary or such other person as may be authorised, from time to time that the call in respect of an Equity Share was made and that the forfeiture of the Equity Share was made by a resolution of the Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such Equity Share.

²The Articles of Association of the Company was amended by passing a special resolution by the Shareholders at the Extra Ordinary General Meeting of the Company dated November 23, 2018

14. GENERAL UNDERTAKINGS

14.1 Auditor

Statutory auditors of the Company will be appointed in accordance with the instructions of the RBI.

14.2 Connected Person/Concern

14.2.1 All Contracts between the Company and any of its Affiliates or related parties or Connected Persons/Concerns shall be entered into on arms' length, commercial terms in the ordinary course of business. Any such Contract shall remain subject to the other rights of the Stakeholders hereunder.

14.2.2 The Company hereby agrees to inform the Stakeholders of any changes in the Connected Persons/Concerns of the Company as and when new entities which may be Connected Persons/Concerns are incorporated or acquired.

14.2.3 In the event of any dispute between the Company and any Connected Person/Concern, the Promoters and its nominee director(s) shall not be entitled to participate in any such dispute on behalf of the Company and the same shall be dealt with solely by the remainder of the Board.

14.3 Compliance with Law

14.3.1 The Company shall:

- (a) comply with applicable Law, including all the rules, regulations and norms prescribed by the RBI that are applicable to small finance banks;
- (b) obtain and maintain all Consents;
- (c) notify the Stakeholders immediately if the Company ceases to hold any such Consent or if any of them expire (and have not been renewed); and
- (d) ensure that at all times an appropriate, competent and experienced director or senior officer of the Company, is appointed as the person in charge of overseeing legal compliance requirements of the Company in accordance with applicable Law ("**Compliance Officer**"). The Compliance Officer shall appoint an independent auditor to prepare a compliance report on an annual basis.

14.3.2 The facilities of the Company will be built and operated and the business of the Company shall be conducted in compliance with all applicable national and local Environmental Laws, labour and/or employment Laws and worker safety and welfare regulations and with due regard for the health and safety of its workers.

14.4 Required Government Approvals

14.4.1 The Company shall promptly obtain and maintain all required Governmental Approvals and Consents and shall furnish certified true copies thereof to the Stakeholders.

- 14.4.2 The Company shall obtain and prepare all such forms, reports and documents as may be required to be filed to obtain, or comply with, any required Governmental Approval under any Law and/or pursuant to any previously obtained Governmental Approvals, including, such documents as may be required under the Foreign Exchange Management Act, 1999 (or any legislation amending, extending or replacing such Law) and/or the rules or regulations made thereunder (as then in effect). The Company shall make all such filings and reports with any Governmental Authority or other statutory or regulatory authority as may from time to time be required under any Law applicable to the Company in connection with the obtaining of all required Governmental Approvals and furnish true copies thereof to the Stakeholders.
- 14.4.3 The Company shall ensure that all forms, reports and documents to be filed and/or delivered under this Article 14.4 are in the prescribed format, are accurately completed and are accompanied by all the required documents.
- 14.4.4 The Company shall promptly co-operate with any Governmental Authority, statutory and/or regulatory authority for the purpose of obtaining and maintaining any Required Governmental Approval.

14.5 **Key Personnel**

The Company must ensure that the Company has in place at all times a professional management team, including Key Personnel, with the requisite skills, training, experience and seniority as required for the role and functions being carried on by them.

14.6 **Status of the Company**

The Company shall, for the duration of the Stakeholders' investment in the Company remain a "for profit" organisation, and the Company shall ensure that no act or omission by any Person results in the Company being classified as a "not for profit" or "charitable" organisation for any purpose whatsoever.

14.7 **Pre-emptive right**

14.7.1 In the event that, at any time the Company proposes to issue any shares, or any rights, options, warrants, appreciation rights or instruments entitling the holder to receive any Equity Shares or any options to purchase or rights to subscribe for securities by their terms convertible into or exchangeable for Equity Shares, other than Equity Shares issued or proposed to be issued pursuant to a QIPO in terms of Article 15 ("**Dilution Instruments**"), then each of the Stakeholders either directly or through its Permitted Transferee, shall be entitled to subscribe to such number of Dilution Instruments in proportion to their shareholding in the Company (on a Fully Diluted Basis) as on the date of the proposed issuance of the Dilution Instruments which will entitle them to maintain their shareholding percentage in the Company (on a Fully Diluted Basis) at the same level as on the date immediately prior to the date of the proposed issuance of the Dilution Instruments ("**Pre-Emption Right**") and shall also be entitled to subscribe to their pro rata number (calculated on the same basis after giving effect to the Stakeholders' and other existing shareholders' subscription pursuant to this Article 14.7, but not including the number of Equity Shares held by other shareholders of the Company not subscribing in such issuance) of any Dilution Instruments not subscribed to by the other shareholders of the Company who have the Pre-Emption Right ("**Balance Dilution Instruments**"). The Stakeholders either directly or through their respective Permitted Transferees shall be entitled to acquire the Dilution Instruments on the terms (including price) on which the Company proposes to issue the Dilution Instruments to any other Person. The Company agrees and undertakes that it shall not issue any Dilution Instrument in contravention of the provisions of this Article 14.7 and if purported to be issued, such issuance of Dilution Instruments shall be *ab initio* void. The issuance of Dilution Instruments shall take place in the following manner:

- (a) The Company shall issue a notice to the Stakeholders to whom the Pre-Emption Right is available of the proposed issuance of Dilution Instruments 45 (forty-five) Business Days prior to the proposed issuance. The Stakeholders to whom the Pre-Emption Right is available shall communicate their decision to subscribe to: (i) the Dilution Instruments within 15 (fifteen) Business Days of receipt of a notice from the Company of any such proposed issuance, which notice shall set out: (A) the number, type, terms and conditions (including price) of the Dilution Instruments and the identity of the proposed subscriber; and (B) the intended use of proceeds of the issuance; or (ii) to the Balance Dilution Instruments (if applicable) within 15 (fifteen) Business Days of receipt of a notice from the Company of any such proposed issuance, which notice shall set out: (A) the number of the Balance Dilution Instruments; and (B) each eligible Stakeholders' pro-rata share of such Balance Dilution Instrument.
- (b) The Company will issue the Dilution Instruments (including Balance Dilution Instruments) and each Stakeholder, to whom the Pre-Emption Right is available, and that has exercised its right to subscribe to the Dilution Instruments and, if applicable, the Balance Dilution Instruments, will subscribe to them within a period of 15 (fifteen) Business Days from expiry of the periods set out in Article 14.7.1(a)(i) or, if applicable, Article 14.7.1(a)(ii).

14.7.2 The Parties agree that if any Stakeholders requires prior legal, governmental, regulatory or shareholder consent for the subscription to any Dilution Instruments (including Balance Dilution Instruments) pursuant to Article 14.7.1(a), then notwithstanding any other provision of these Articles, such Stakeholders shall only be obliged to subscribe to such Dilution Instruments (including Balance Dilution Instruments) once such consents or approvals are obtained. The requirement of such consents or approvals shall not affect the right of such Stakeholders to subscribe to their share of the Dilution Instruments (including Balance Dilution Instruments) as per this Article 14.7.

14.7.3 Subject to the immediately foregoing paragraph, the subscription and issuance of the Dilution Instruments to the Stakeholders and any other Person to whom the Dilution Instruments are being issued shall be undertaken at the same time.

14.8 **Business of the Company**

14.8.1 The business of the Company shall be restricted to the Business.

14.8.2 The Company shall not, in the course of its actions for or on behalf of the Company: (a) be engaged, directly or indirectly, in transactions connected with any of North Korea, Cuba, Iran, Syria or Sudan, or otherwise be engaged, directly or indirectly, in transactions connected with any government, country or other Person that is the subject or target of Sanctions; nor (b) take any action (or engage in any inaction) that would cause the Company or any Stakeholders to be in violation of any Sanctions.

14.9 **Business Plan**

Not later than 45 (forty-five) Business Days prior to the end of each Financial Year, the Board shall adopt the Business Plan in respect of the forthcoming Financial Year and provide a copy of such Business Plan to the Stakeholders within 7 (seven) Business Days of its adoption. If the Business Plan is not made or adopted by the Board within 45 (forty-five) Business Days from the date of submission thereof to the Board, till such time that the Business Plan is approved, the Business Plan for the previous Financial Year shall be applied for the next Financial Year with a 10% (ten percent) mark up on all items of revenues and expenditure over the previous year's Business Plan.

14.10 **Appointment of Tax Service Provider**

The Company shall appoint and retain a Big Four accounting firm or other reputable tax service provider ("**Tax Service Provider**") to prepare or review all Tax Returns to be filed by the Company.

14.11 **Tax Returns**

The Company shall provide the Tax Service Provider with all necessary and relevant information and documentation (including in relation to any transactions, acquisitions or disposals entered into or made by the Company) to enable the Tax Service Provider to prepare or review all Tax Returns to be filed by the Company. All such information shall be, to the best of the Company's knowledge, complete, accurate and provided in a timely manner.

15. **QUALIFIED INITIAL PUBLIC OFFERING**

The Company shall consummate a QIPO no later than October 07, 2018 ("**QIPO Deadline Date**").

Each Shareholder agrees to exercise its voting rights in the Company, and in the Affiliates of the Company including JCL and also provide all other consents required under applicable Law, in favour of a QIPO.

- 15.1 The QIPO may be conducted by way of: **(a)** a fresh issue of Equity Shares of the Company; or **(b)** an offer for sale by the shareholders of the Company; or **(c)** a combination of both.
- 15.2 The Company and the Founders shall ensure that none of the Investors shall be considered to be promoters of the Company for any reason whatsoever and, for the purposes of a QIPO or IPO, to the extent permissible by applicable Law, the Equity Shares held by the Investors shall be not be subject to a lock-in or other restriction on Transfer as applicable to a promoter's contribution under the applicable regulations issued by Securities and Exchange Board of India or any other Governmental Authority or under applicable Law, as applicable from time to time. As part of the QIPO or IPO, if any Equity Shares are required to be locked-in or subject to any Encumbrance, JHL and/or JCL shall contribute, to the extent of the Equity Shares held by each of them and their Affiliates, towards meeting the minimum promoters' contribution and lock-in thereof under the ICDR Regulations. The Parties hereby agree that, upon Consummation of the IPO, the entire pre-IPO share capital of the Company, including the Equity Shares held by Investors which are not offered/ sold in the offer for sale in the IPO, will be subject to lock-in, to the extent not covered under the exceptions provided under the ICDR Regulations, for a period of one year from the date of allotment in the IPO as required under, and subject to the ICDR Regulations.
- 15.3 The Parties agree and acknowledge that if such QIPO is made in India, the Company is required to offer a minimum number of Equity Shares to the public, as required under applicable Indian Law, existing from time to time. If the Company is required to increase its share capital for the consummation of the QIPO, then the Company shall at its own cost, do so by issuing bonus shares. The Board shall have the right to direct the Company to issue bonus shares and the Company shall issue such bonus shares by capitalising free reserves any time after the Effective Date. The Company shall endeavour to ensure that such number of issued bonus shares shall not be subject to the lock-in requirements under the applicable Law and shall be issued at least 12 (twelve) months prior to the QIPO or such other period as may be prescribed by Law.
- 15.4 No Stakeholder shall be required to provide any representations, warranties, covenants or indemnities, in the underwriting or purchase agreement for the QIPO, or in connection with the QIPO, other than warranties as to title and ownership of their shares and capacity to sell for or in connection with the QIPO.

- 15.5 All IPO expenses shall be paid in accordance with the terms and conditions agreed to in the offer agreement to be entered amongst the Company, the Selling Shareholders and Book Running Lead Managers in relation to the IPO, and in accordance with applicable laws.¹⁰
- 15.6 The Company will take all such steps, and extend all such co-operation to the Stakeholders, the Lead Manager, underwriters and others as may be required for the purpose of expeditiously making and completing the QIPO.
- 15.7 At the time of the QIPO, upon the Stakeholders offering their Equity Shares for sale, the Company shall complete all compliance and necessary formalities to ensure the listing of such shares.

16. CONFIDENTIALITY

- 16.1 Subject to Applicable Law, each of the Stakeholders may disclose Confidential Information (or permit the disclosure of Confidential Information) to the disclosees listed at (a) to (d) below, subject to such disclosees agreeing to maintain confidentiality of such information:
- (a) to each other;
 - (b) to the Company's lenders, bankers and auditors;
 - (c) to any other shareholders or proposed shareholders in the Company;
 - (d) to any Permitted Transferee;
 - (e) as required by law and by the Stakeholders for compliance with customary reporting obligations of their Affiliate investment funds for preparation of Tax Returns and other regulatory filings and with their obligations to inform their investors, provided that the recipients are bound by customary confidentiality obligations; and
 - (f) as required by any stock exchange or any regulatory authority to which the relevant Stakeholder is subject.
- 16.2 Each Stakeholder's Permitted Transferees may disclose and use Confidential Information for these purposes in all cases amongst Permitted Transferees only.
- 16.3 Subject to the provisions of Article 16.1 above, the Company shall maintain the confidentiality of the Confidential Information, provided that the parties receiving such Confidential Information may deliver or disclose such terms and or Confidential Information to the extent required: **(a)** by Law (Indian or any relevant foreign equivalent), regulation or legal process; or **(b)** to defend a claim brought against or by the disclosing Party; or by **(c)** any examiner or other regulatory authority, including, without limitation, the Federal Reserve Board, the Securities and Exchange Commission, the New York Stock Exchange or any other recognised self-regulatory organisation, provided that the disclosing Party (in the case of (a) and (c) above) shall provide the non-disclosing Parties with prompt written notice thereof, if it is legally permitted to do so, such that the non-disclosing Parties may seek (with the cooperation and reasonable efforts of the disclosing Party) a protective order, confidential treatment or other appropriate remedy, and in any event shall furnish only that portion of the information which is reasonably necessary for the purpose at hand and shall exercise reasonable efforts to obtain an assurance that confidential treatment will be accorded to such information to the extent reasonably requested by the non-disclosing Party. This Article shall not apply to:

¹⁰ Amended vide Shareholder resolution dated 26th July 2023

- 16.3.1 any information which is in the public domain;
- 16.3.2 any information which the recipient was aware of prior to the same being communicated/disclosed by the other Party; or
- 16.3.3 any information independently developed by the recipient or received by it from a third party who is not subject to a confidentiality obligation to the disclosing Parties, with respect to such information.

17. BONUS SHARES

- 17.1 The Company may issue fully paid-up bonus shares to its shareholders in accordance with the provisions in Section 63 of the Act, BR Act and any other law for the time being in force subject to such terms and conditions as may be prescribed from time to time.

18. SWEAT EQUITY AND ESOP

- 18.1 Subject to the provisions of the Act and the Rules made there under, the Company may issue sweat equity shares and shares to employees, under employee stock option plan or any other scheme (collectively referred to as “ESOP”), if authorised by a special resolution of the Company in general meeting subject to the provisions of the Act.

19. BUYBACK

- 19.1 Notwithstanding anything contained in these articles, but subject to the provisions of Section 68 to 70 of the Act, provisions of BR Act and guidelines issued by the RBI from time to time, FEMA and any other applicable law for the time being in force, the company may purchase its own shares or specified securities in such manner as may be prescribed.

20. BORROWING POWERS

- 20.1 The Directors shall by a resolution passed at a meeting of the Board delegate authority to borrow moneys, for the purpose of the Company, in accordance with the provisions of Section 179 of the Act. Provided that the persons to whom the authority is delegated shall not borrow moneys except with the approval of the Company in a general meeting by special resolution, where moneys to be borrowed together with the money already borrowed by the Company, apart from temporary loans obtained in its ordinary course of business and except as otherwise provided hereafter, shall exceed the aggregate of the paid-up capital of the Company and its free reserves or limits as set under the Act. Provided that nothing contained herein above shall apply to:

- (i) any sums of moneys borrowed by the Company from any other banking companies or from the Reserve Bank, State Bank of India or any other banks established by or under any law for the time being in force; and ^{L}_{SEP}
- (ii) acceptance by the Company in the ordinary course of business of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise. ^{L}_{SEP}

The expression “temporary loans” means loans repayable on demand or within 6 months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature.

- 20.2 Subject to the provisions of the Act, the BR Act and guidelines issued by the RBI from time to time, and these Articles, the Company may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds or redeemable debentures of debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future).
- 20.3 Any bonds, debenture stock or other securities issued or to be issued by the Company shall be under the control of the persons delegated by the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company. The Company shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with requirements of the said Act in regard to registration of mortgages and charges and of copies of instruments creating charges. Such sum as may be prescribed by the Act shall be payable by any person other than a creditor or Stakeholder of the Company for each inspection of the register of charges.

21. DEMATERIALIZATION OF SECURITIES

21.1 Dematerialization

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Equity Shares and offer fresh Equity Shares in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

21.2 Rematerialization

Notwithstanding anything contained in these Articles, the Company shall be entitled to rematerialize its Equity Shares held in dematerialized form pursuant to the Depositories Act, 1996 and the rules framed

21.3 Power to refuse registration of transmission

Company to have no liability or responsibility in case of claim by any apparent legal owner thereunder, if any.

21.4 Option for investors

21.4.1 Subject to the company offering issuance of Equity Shares in dematerialized form, every person subscribing to Equity Shares offered by the Company shall have the option to receive Equity Share certificates or to hold Equity Shares with a depository. Such person who is the beneficial owner of the Equity Shares may at any time opt out of a depository, if permitted by the law, in respect of any Equity Share in the manner provided by the Depositories Act, 1996, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates representing the Equity Shares.

21.4.2 If a person opts to hold his Equity Shares with a depository, the Company shall intimate such depository for details of allotment of security and on the receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Equity Shares.

21.5 Securities in Depository to be in fungible form

All Equity Shares held by a depository shall be dematerialized and be in a fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the Equity Shares held by it on behalf of the beneficial owners.

21.6 Rights of Depositories

21.6.1 Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of the Equity Shares on behalf of the beneficial owner.

21.6.2 Save as otherwise provided in above, the Depository as the registered owner of the Equity Shares shall not have any voting rights or any other rights in respect of the securities held by it.

21.6.3 Every person holding Equity Shares and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a shareholder of the Company. The beneficial owner of the Equity Shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Equity Shares, which are held by a depository.

21.7 Transfer of Securities

Nothing contained in section 56 of the Act or these Articles shall apply to a transfer of Equity Shares effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

21.8 Distinctive numbers of Securities held in a Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Equity Shares issued by the Company shall apply to Equity Shares held in the dematerialized mode.

21.9 Register and Index of beneficial owners of these Articles

The register and index of beneficial owners maintained by a depository shall be deemed to be the register and index of shareholders and security holders.

21.10 Shares to be numbered

Equity Shares shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the Equity Shares which are dematerialized or may be dematerialized in future or issued in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no Equity Shares shall be subdivided. Every forfeited or surrendered Equity Share held in material form should continue to bear the number by which the same was originally distinguished.

21.11 Issue of share certificates

No share certificate(s) shall be issued for the Equity Shares held in a dematerialized form.

21.12 Voting Rights of Beneficial Owner

A depository as a registered owner shall not have any voting right in respect of Equity Shares held by it in a dematerialized form. However, the beneficial owner as per the register of beneficial owners

maintained by the depository shall be entitled to such rights in respect of the Equity Shares held by him in the depository. Any reference to the shareholder or joint shareholders in the Articles includes reference to beneficial owner or joint beneficial owner in respect of the Equity Shares held in Depository.

22. DIVIDENDS

- 22.1 No dividend shall be declared or paid by the Company for any financial year, unless requirement of Sections 15, 17 and other applicable provisions, if any, of the BR Act are complied with.
- 22.2 Subject to the provisions of Section 123 of the Act, the Board may from time to time pay interim dividends as they deem fit and justified by the profits of the Company.
- 22.3 The Company may in a general meeting subject to Sections 123 and other applicable provisions of the Act and the BR Act, declare dividends, to be paid to Shareholders according to their respective right but no dividend shall exceed the amount recommended by the Board of Directors. The Company in general meeting may declare a smaller dividend than recommended.
- 22.4 No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Sections 123 of the Act or any other law for the time being in force and no dividend shall carry interest as against the Company unless required by law. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
- 22.5 Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.
- 22.6 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Equity Share is issued on terms providing that it shall rank for dividends as from a particular date such Equity Shares shall rank for dividend accordingly.
- 22.7 The Directors may retain the dividends payable upon Equity Shares in respect of which any person is under Article 12 entitled to become a Shareholder or which any person under that Article is entitled to transfer until such person shall become a Shareholder in respect thereof or shall duly transfer the same.
- 22.8 No Shareholder shall be entitled to receive payment of any interest or dividend in respect of his Equity Shares, whilst any money may be due or owing from him to the Company in respect of such Equity Shares or otherwise, howsoever, either alone or jointly with any other person or persons; and the Directors may without prejudice to any other right or remedy of the Company deduct from the interest or dividend payable to any Shareholder all sums or money so due from him to the Company.
- 22.9 A transfer of Equity Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- 22.10 Any one of several persons who are registered as the joint holders of any Equity Share may give effectual receipt for all dividends and payments on account of dividends in respect of such Equity Share.
- 22.11 Unless otherwise directed any dividend may be paid by cheque or warrant or ECS or RTGS or any other mode as may be permissible under the Act or sent through the post to the registered address of the Shareholder or person entitled or in the case of joint holders to the registered address of that one of the joint holders who is first named in the register. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the Shareholder or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any

executors or administrators of a deceased Shareholder in whose sole name any share stands, shall for the purposes of this clause be deemed to be joint holders thereof.

- 22.12 Unclaimed/unpaid dividend shall not be forfeited by the Board. However, if it remains unclaimed/unpaid for a period beyond the specified under the Act, the same shall be transferred to Investor Education and Protection Fund.
- 22.13 Where a dividend has been declared by the Company but has not been paid or claimed by within 30 days from the date of the declaration, the Company shall, within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid/unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Jana Small Finance Bank Ltd." and all the other provisions of Sections 123 and 124 of the Act in respect of any such unpaid dividend or any part thereof shall be applicable, observed, performed and complied with.
- 22.14 No dividend shall be payable except in cash; provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits of the Company for the purpose of issuing fully paid-up bonus Equity Shares or paying up any amount for the time being unpaid on any Equity Shares held by the Shareholder of the Company.
- 22.15 Any general meeting declaring a dividend may make a call on the Shareholder of such amount as the meeting fixes but so that the call on each Shareholder shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Shareholder be set off against the calls.

23. COMMON SEAL

- 23.1 The common seal of the Company shall not be affixed to any instrument except with the authority of resolution of the Board and in the presence of any one of the Directors of the Company or in the presence of any person authorised by the Board in this regard.
- 23.2 For the transaction of business outside India, for use in any territory, district or place not situate in India an official seal which shall be a facsimile of the common seal of the company, with the addition on its face of the name of the territory, district or place where it is to be used, may be made use of.
- 23.3 The Company, for use in any such territory, district or place may, by writing under its common seal, authorise any person appointed for the purpose in that territory, district or place to affix the official seal to any deed or other document to which the company is a party in that territory, district or place.
- 23.4 The authority of any agent authorised under sub-article (ii) shall, as between the Company and any person dealing with the agent, continue during the period, if any, mentioned in the instrument conferring the authority, or if no period is there mentioned, until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.
- 23.5 The person affixing any such official seal shall, by writing under his hand, certify on the deed or other document to which the seal is affixed, the date on which and the place at which, it is affixed.
- 23.6 A deed or other document to which an official seal is duly affixed shall bind the Company as it had been sealed with the common seal of the Company.

24. OVERRIDING EFFECT

24.1 All actions under these Articles shall be carried on in abidance with applicable laws. Further, the Company shall do all such things as are permitted by applicable laws, including but not limited to, the Guidelines, the BR Act, the Act, the Reserve Bank of India Act, 1934, and any other applicable regulation enacted or amendment made to existing laws or judicial decisions, made from time to time.

In case of any inconsistency between the provisions of these Articles and the Act, the provisions of the Act will prevail.

24.2 The provisions of the Act shall apply to the Company except in so far as the said provisions are inconsistent with the provisions of the BR Act or the Guidelines. In case of any inconsistency between the provisions of the Act and BR Act or the Guidelines, the provisions of the BR Act or the Guidelines, as the case may be, will prevail.

24.3 Company shall not be bound by the rights conferred on the members of its group companies through their respective Articles of Association.

Sl. No.	Names, Address, Description & Occupation of the Subscribers	Number of Equity shares taken by each Subscriber	Signature of the Subscribers	Signature of witness with Name, Address, Occupation and Description
1.	Janalakshmi Social Services Represented by Ramesh Ramanathan S/o T.S.Ramanathan, 565, 3 rd Block, RMV 2 nd Stage, Bangalore-560 094 Occupation - Social Work	9,990 (Nine Thousand Nine Hundred Ninety Only)	Sd/-	Sd/-
2.	Raghunath Srinivasan S/o E.K.Srinivasan Regal Manor 2/1, Bride Street, Lang Ford Town, Bangalore-560 025 Occupation – Service	10 (TEN)	Sd/-	Cecil Lazarus S/o Cyril Lazarus #15, Campbell Road Austin Town Bangalore-560047 Occupation - Service

Dated 13th day of July 2006 at Bangalore
