

No.: \_\_\_\_\_  
Addressed to: \_\_\_\_\_

**KEY INFORMATION DOCUMENT / PRIVATE PLACEMENT OFFER CUM APPLICATION  
LETTER**



**SPANDANA SPHOORTY FINANCIAL LIMITED (“Issuer” / “Company”)**

A public limited company incorporated under the Companies Act, 1956

**Key Information Document for issue of Debentures on a private placement basis  
Dated: September 1, 2023**

**Issue of 3,000 (three thousand) listed, rated, senior, secured, transferable, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) ("Debentures") on a private placement basis (the "Issue").**

**Background**

This Key Information Document (as defined below) is related to the Debentures to be issued by Spandana Sphoorty Financial Limited (the “Issuer” or “Company”) on a private placement basis under the purview of the General Information Document and contains relevant information and disclosures (to the extent required under the Debt Listing Regulations and not already covered under the General Information Document) required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Key Information Document has been authorised by the Issuer through the resolution of the shareholders of the Issuer dated August 1, 2023 under Section 42 of the Companies Act, 2023 and the resolutions of the shareholders of the Issuer each dated September 28, 2021 under Sections 180(1)(c) and 180(1)(a) under Section 42 of the Companies Act, 2023, and the resolution dated August 30, 2023 of the management committee of the board of directors of the Issuer read with the resolution dated May 2, 2023 of the Board of Directors of the Issuer.

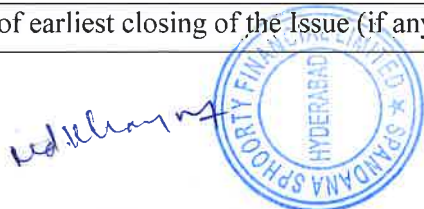
This Key Information Document is issued within the period of validity for issuance of non-convertible debentures prescribed in the General Information Document.

**This Key Information Document and the terms and conditions (including the details of the Debentures) set out herein are to be read together with the General Information Document issued by the Issuer.**

**FILING OF KEY INFORMATION DOCUMENT WITH STOCK EXCHANGE**

This Key Information Document has been/will be filed with the Stock Exchange.

<b>Issue Schedule</b>	
<b>Particulars</b>	<b>Date</b>
Issue Opening Date	September 1, 2023
Issue Closing Date	September 1, 2023
Date of earliest closing of the Issue (if any):	N.A.



Pay In Date	September 4, 2023
Deemed Date of Allotment	September 4, 2023

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SPANDANA SECURITIES FINANCIAL LIMITED  
HYDERABAD

**DISCLAIMERS**

- This Key Information Document contains no unsubstantiated forward-looking statements. To the extent there are any unsubstantiated forward-looking statements under this Key Information Document, such statements shall be considered to be null and void.
- This issue document does not include any statement purporting to be made by an expert other than if the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given their written consent to this issue of this Key Information Document and has not withdrawn such consent before the delivery of a copy of this Key Information Document to the Registrar (as applicable) for registration.

*Ms. Lehar*



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## SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Key Information Document.

Act or Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	means the allotment of the Debentures pursuant to this Issue.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes the Indian Accounting Standards (IND-AS).
Applicant	means a person who has submitted a completed Application Form to the Issuer.
Application Form	The form used by the recipient of this Key Information Document, to apply for subscription to the Debentures, which is in the form annexed to this Key Information Document and marked as <b>Annexure IV</b> .
Application Money	means the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with Applicable Accounting Standards.
Beneficial Owners	means the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners.
Board / Board of Directors	The Board of Directors of the Issuer.
BSE	means BSE Limited.
Business Day	means any day (other than a Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881) on which the commercial banks are open for business in Mumbai, India and Hyderabad, India. For the purpose of this definition, in respect of: <ul style="list-style-type: none"> <li>(a) <i>Announcement of issue period:</i> Business Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai, India and Hyderabad, India are open for business.</li> <li>(b) <i>The time period between the issue closing date and the listing of the Debentures on the BSE:</i> Business Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the SEBI.</li> </ul>
Capital Adequacy Ratio	<del>means the capital adequacy ratio determined in accordance with the</del> NBFC Directions.
CDSL	means the Central Depository Services (India) Limited.

CERSAI	means the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Client Loan	means each loan disbursed by the Issuer as a lender, and "Client Loans" shall be construed accordingly.
Company/Issuer/ Spandana Sphoorty Financial Limited	Spandana Sphoorty Financial Limited, a company incorporated under the Companies Act, 1956 and a company within the meaning of the Companies Act, 2013 having corporate identification number L65929TG2003PLC040648 and registered as a non-banking financial company - micro finance institution with the Reserve Bank of India, having its registered office at Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana, India.
Conditions Precedent	means the conditions precedent set out under the heading in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Conditions Subsequent	means the conditions subsequent set out in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Control	means, with respect to any entity: <ul style="list-style-type: none"> <li>(a) the right to appoint a majority of the directors of the board of directors of such entity;</li> <li>(b) the right to control the management or policy decisions acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements; and/or</li> <li>(c) any other construction in accordance with any act, rules, regulations, accounting standards or guidelines, as may be applicable on the Issuer, from time to time.</li> </ul>
Creore	means ten million
Debenture Holders / Investors	means each person who is: <ul style="list-style-type: none"> <li>(a) registered as a Beneficial Owner; and</li> <li>(b) registered as a debenture holder in the Register of Debenture Holders,</li> </ul> <p>and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail.</p>
Debenture Trust Deed/DTD	means the trust deed executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debenture Trustee	Catalyst Trusteeship Limited

Debenture Trustee Agreement	means the agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debentures/NCDs	means 3,000 (three thousand) listed, rated, senior, secured, transferable, redeemable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore).
Debt Disclosure Documents	means, collectively, the General Information Document and this Key Information Document, and any PPOA issued in respect of the Debentures.
Debt Listing Regulations or SEBI Debt Listing Regulations or SEBI NCS Regulations or SEBI ILNCS Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified or restated from time to time.
Deed of Hypothecation	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Deemed Date of Allotment	means September 4, 2023
Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	means the Depositories Act, 1996, as amended from time to time
Depositories	means the depositories with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL, and "Depository" means any one of them.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	means the director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
Due Dates	means, collectively, the dates on which any principal amounts, interest, any additional interest, default interest, any liquidated damages, any premature redemption amount and/or any other amounts payable, are due and payable, including but not limited to the Interest Payment Dates, each Redemption Date and the Final Redemption Date, or any other date (including because of acceleration) on which any payment is to be made by the Issuer under the Transaction Documents.
Early Redemption Event	means the occurrence of any one of more of the following events:  (a) the shareholding of Kedaara Capital Fund III LLP (directly and indirectly) falls below 26% (twenty six percent) of the total shareholding of the Issuer (on a fully diluted basis); and/or  (b) any other such event as may be agreed between the Issuer and the Debenture Holders.
Early Redemption Exercise Period	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Early Redemption Date	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this



	Key Information Document.
Early Redemption Notification	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
EBP Platform	has the meaning given to it under the EBP Requirements.
EBP Requirements or SEBI EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI ( <i>Electronic Book Provider platform</i> ) of the Listed NCDs Master Circular, and the operational guidelines issued by the relevant Electronic Book Provider, as may be restated, amended, modified or updated from time to time.
Effective Date	means the date of execution of the Debenture Trust Deed.
EFT	Electronic Fund Transfer
Electronic Book Provider / EBP	has the meaning given to it under the EBP Requirements.
Eligible Investors	has the meaning given to it in Section 8.14 ( <i>Eligible Investors</i> ) of the General Information Document.
Events of Default	means the event(s) set out in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document, and "Event of Default" shall be construed accordingly.
Final Redemption Date	means September 4, 2026
Final Settlement Date	means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
Financial Indebtedness	means any indebtedness for or in respect of: <ul style="list-style-type: none"> <li>(a) moneys borrowed;</li> <li>(b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;</li> <li>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument;</li> <li>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease;</li> <li>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);</li> <li>(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</li> <li>(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);</li> </ul>

*M. K. Khan*  


	<p>(h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee;</p> <p>(i) any obligation under any put option in respect of any securities;</p> <p>(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;</p> <p>(k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and</p> <p>(l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.</p>
Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year
General Information Document	means the general information document dated August 17, 2023 issued by the Issuer which sets out the terms and conditions for the issue and offer of non-convertible debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law.
Gross Loan Portfolio	means and includes the outstanding principal amounts of the loans originated by the Issuer on its own books, including any securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements which are on the Issuer's own book.
Gross NPA	means, the outstanding principal value of the Gross Loan Portfolio of the Company that has one or more instalments of principal overdue for 90 (ninety) days or more, including restructured loans.
Hypothecated Assets	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
ICCL	means the Indian Clearing Corporation Limited.
Interest Payment Dates	means the interest payment dates as specified in Schedule VI of this Key Information Document.
Interest Rate	means 10.75% (ten decimal seven five percent) per annum payable annually (fixed).
Issue	means the issuance of the Debentures by way of private placement.
Issue Closing Date	September 1, 2023
Issue Opening Date	September 1, 2023



Key Information Document	means this key information document which sets out the terms and conditions for the issue and offer of the Debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
Listed NCDs Master Circular	means the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on “ <i>Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i> ” (updated as on July 7, 2023) to the extent applicable in respect of the private placement of debt securities, as amended, modified, or restated from time to time.
Listing Period	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
LODR Regulations or SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, or restated from time to time.
Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures.
Majority Resolution	means a resolution approved by the Majority Debenture Holders who are present and voting or if a poll is demanded, by the Majority Debenture Holders who are present and voting in such poll.
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as on the date of determination, or could reasonably be expected to cause a material and adverse effect on: <ul style="list-style-type: none"> <li>(a) the financial condition, business or operation of the Issuer which is prejudicial to the ability of the Issuer to perform its obligations under the Transaction Documents;</li> <li>(b) the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents;</li> <li>(c) the ability of the Issuer or any guarantor(s) (if any) to perform its obligations under the Transaction Documents; or</li> <li>(d) the legality, validity or enforceability of any of the Transaction Documents.</li> </ul>
N.A.	Not Applicable
NBFC-MFI	Non-banking financial company - microfinance institution
NBFC Directions	means the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 as may be applicable, read together with the Master Circular on "Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Direction" issued by the RBI on July 1, 2015, the Master Direction no. DoR.FIN.REC.95/03.10.038/2021-22 on "Reserve Bank of India

ref 14/09/23  


	(Regulatory Framework for Microfinance Loans) Directions, 2022" issued by the RBI on March 14, 2022 and the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on "Implementation of Indian Accounting Standards", each as amended, modified, or restated from time to time.
Net NPA	means, the difference between (a) the outstanding principal value of the Gross Loan Portfolio of the Company that has one or more instalments of principal overdue for 90 (ninety) days or more, including restructured loans but excluding loans that have been written off by the Company, and (b) all provisions created by the Company against standard assets, sub-standard assets, doubtful assets and loss assets.
Net Worth	has the meaning given to it in the Companies Act.
NSDL	means the National Securities Depository Limited
Outstanding Amounts	means, on any date, the Outstanding Principal Amounts together with any interest, additional interest, default interest, costs, fees, charges, expenses and other amounts payable by the Issuer in respect of the Debentures
Outstanding Principal Amount	means, at any date, the principal amounts outstanding under the Debentures.
PAN	Permanent Account Number
Payment Default	means the occurrence of the event of default set out in paragraph (a) under the section named "Events of Default" under Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Potential Event of Default	means any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default
Private Placement Offer cum Application Letter/PPOA	The offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Purpose	has the meaning given to it in Section 3.7 ( <i>Utilization of the Issue Proceeds</i> ) of this Key Information Document.
Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
Rating	Means a credit rating for the Debentures from the Rating Agency, which has affirmed/re-affirmed a rating of "IND A/Stable" (pronounced as "IND A with a stable outlook") through its letter dated August 16, 2023
Rating Agency	means India Ratings and Research Private Limited
RBI	Reserve Bank of India.
Record Date	means the date being 15 (fifteen) calendar days prior to each Due Date.
REF / Recovery Expense Fund	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of Chapter IV ( <i>Recovery Expenses Fund</i> ) of the SEBI Debenture Trustees Master Circular.
Redemption Dates	means the redemption dates as specified in Schedule VI of this Key Information Document.

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Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depositories.
Register of Debenture Holders	means the register of debenture holders maintained by the Issuer in accordance with Section 88 of the Companies Act.
Registrar/R&T Agent	means the registrar and transfer agent appointed for the issue of Debentures, being Kfin Technologies Limited
Related Party	has the meaning given to it in the Companies Act
ROC	means the jurisdictional registrar of companies.
Rs. / INR	Indian Rupees.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Centralized Database Requirements	means the requirements prescribed in Chapter IV (Centralized Database for corporate bonds/ debentures) of the Listed NCDs Master Circular read together with Chapter XII (Centralised Database - Responsibilities of Debenture Trustee) of the SEBI Debenture Trustees Master Circular.
SEBI Debenture Trustees Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 on " <i>Master Circular for Debenture Trustees</i> " (updated as on July 6, 2023) to the extent applicable in respect of the private placement of debt securities, as amended, modified, supplemented or restated from time to time.
SEBI Listed Debentures Circulars	means, collectively, the Listed NCDs Master Circular, the SEBI Debenture Trustees Master Circular, and (to the extent applicable) the LODR Regulations.
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII ( <i>Standardization of timelines for listing of securities issued on a private placement basis</i> ) of the Listed NCDs Master Circular, read with, to the extent applicable, the SEBI EBP Requirements.
SEBI EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI ( <i>Electronic Book Provider platform</i> ) of the Listed NCDs Master Circular, and the operational guidelines issued by the relevant electronic book provider, as amended, modified, supplemented or restated from time to time.
Secured Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, the default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.
Security Cover	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.



Special Resolution	means resolution approved by the Special Majority Debenture Holders who are present and voting or if a poll is demanded, by the Special Majority Debenture Holders who are present and voting in such poll.
Step Up	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Step Up Rate	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on " <i>Prudential Framework for Resolution of Stressed Assets</i> ", as amended, modified or restated from time to time.
Tangible Net Worth	means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets.
Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Issuer under the DTD.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
TDS	Tax Deducted at Source.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Tier I Capital	has the meaning given to it in the NBFC Directions.
Tier II Capital	has the meaning given to it in the NBFC Directions.
Total Assets	means, for any date of determination, the total Assets of the Issuer on such date.
Transaction Documents	means: <ul style="list-style-type: none"> <li>(a) the DTD;</li> <li>(b) the Debenture Trustee Agreement;</li> <li>(c) the Deed of Hypothecation;</li> <li>(d) the Debt Disclosure Documents;</li> <li>(e) the letters issued by, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar;</li> <li>(f) each tripartite agreement between the Issuer, the Registrar and the relevant Depository;</li> <li>(g) <del>the resolutions and corporate authorisations provided</del> pursuant to the Conditions Precedent; and</li> </ul>



	(h) any other document that may be designated as a Transaction Document by the Debenture Trustee,  and "Transaction Document" means any of them.
Transaction Security	has the meaning given to it in Section 3.9 ( <i>Summary Terms</i> ) of this Key Information Document.

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## SECTION 2: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 are set out in Annexure IV of the General Information Document.

The Issuer confirms that the audited financial statements set out in the General Information Document is not more than 6 (six) months old from the Issue Opening Date. In view of this, there are no additional audited financial statements required to be set out under Annexure V of this Key Information Document.



### SECTION 3: REGULATORY DISCLOSURES

Please refer to Section 5 (*Regulatory Disclosures*) of the General Information Document for the disclosures required as per Regulation 44 and Schedule I of the SEBI Debt Listing Regulations. The regulatory disclosures to the extent required to be set out in this Key Information Document are as follows:

- 3.1 Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release in Annexure II of this Key Information Document.

- 3.2 Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable**

S.NO	PARTICULARS	AMOUNT (INR)	PERCENTAGE OF TOTAL EXPENSES	PERCENTAGE OF TOTAL ISSUE SIZE
1.	Lead Manager(s) fees	Not applicable as the Debentures under this Key Information Document are being issued on private placement basis under Section 42 of Companies Act, 2013, and no lead manager has been appointed for this issuance of Debentures.	N. A	N. A
2.	Underwriting commission	Not applicable as the Debentures under this	N. A	N. A
		Key Information		



S.NO	PARTICULARS	AMOUNT (INR)	PERCENTAGE OF TOTAL EXPENSES	PERCENTAGE OF TOTAL ISSUE SIZE
		Document are being issued on private placement basis under Section 42 of Companies Act, 2013, and no underwriting commission is being paid for this issuance of Debentures.		
3.	Brokerage, selling commission and upload fees	Not applicable as the Debentures under this Key Information Document are being issued on private placement basis under Section 42 of Companies Act, 2013, and no brokerage, selling commission and upload fees is being paid for this issuance of Debentures.	N. A	N. A
4.	Fees payable to the registrars to the issue	Not applicable. The Issuer is being advised by its in-house legal and	N. A	N. A



S.NO	PARTICULARS	AMOUNT (INR)	PERCENTAGE OF TOTAL EXPENSES	PERCENTAGE OF TOTAL ISSUE SIZE
		compliance team.		
5.	Fees payable to the legal Advisors	The Issuer is being advised by its in-house legal and compliance team.	N. A	N. A
6.	Advertising and marketing expenses	N. A. **	N. A. **	N. A. **
7.	Fees payable to the regulators including stock exchanges	REF 0.01% and SGF Fund	N.A.	0.012%
8.	Expenses incurred on printing and distribution of issue stationary	N. A. **	N. A. **	N. A. **
9.	Any other fees, commission and payments under whatever nomenclature	N. A. ***	N. A. ***	N. A. ***

\* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures.

\*\* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.

\*\*\* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific fees, commission and payments under whatever nomenclature are envisaged to be incurred in respect of such issue of Debentures.

**3.3 If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**

Not applicable.

**3.4 Disclosure of cash flow with date of interest/dividend/ redemption payment as per day count convention**



(a) ***The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed:***

- (i) Interest and all other charges shall accrue based on an actual/actual basis.
- (ii) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- (iii) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.
- (iv) If the Final Redemption Date or any other date on which the Debentures are redeemed in full (including on Early Redemption) falls on a day which is not a Business Day, the payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the preceding Business Day.

(b) ***Procedure and time schedule for allotment and issue of securities should be disclosed:***

Please refer to the column on “*Issue Timing*” under Section 3.9 (*Summary Terms*) of this Key Information Document; and

(c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the issue document, by way of an illustration:***

The cashflows emanating from the Debentures, by way of an illustration, are set out under **Annexure VI** (*Illustration of Bond Cashflows*) of this Key Information Document.

**3.5 Other details:**

(a) **Default in payment:**

On the occurrence of a Payment Default, the Issuer agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Amounts, commencing from the date of occurrence of the Payment Default until such Payment Default is cured or the relevant Secured Obligations are repaid.

(b) **Disclosure required under Form PAS-4 under Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in **Section 6**.

**3.6 Details of Debt Securities Sought to be Issued**

Under the purview of this Key Information Document, the Issuer intends to raise an amount of INR 30,00,00,000 (Indian Rupees Thirty Crore) by issue of listed, rated, senior, secured, transferable, redeemable, non-convertible debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 3.9 (*Summary Terms*) of this Key Information Document.



### 3.7 Issue Size

The aggregate issue size for the Debentures is of INR 30,00,00,000 (Indian Rupees Thirty Crore).

### 3.8 Utilization of the Issue Proceeds

- (a) The funds raised by the Issue shall be utilised by the Issuer for the purposes of on-lending, repayment of existing debt, and the working capital requirements of the Company ("**Purpose**").
- (b) The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards:
- (i) any capital market instrument such as equity, and equity linked instruments or any other capital market related activities (whether directly or indirectly);
  - (ii) investment in the real estate sector/real estate business (including the acquisition/purchase of land);
  - (iii) any speculative purposes;
  - (iv) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21.04.172/2023-24 dated April 3, 2023 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*";
  - (v) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and/or SEBI applicable to non-banking financial companies).

PROVIDED THAT until the funds raised by the Issue are utilised for the Purpose, the Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid instruments such as mutual funds for treasury purposes for a period not exceeding 90 (ninety) days from the Deemed Date of Allotment.

### 3.9 Summary Terms

Security Name (Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year)	10.75%SpandanaSphoorty2026
Issuer	Spandana Sphoorty Financial Limited
Type of Instrument	Listed, rated, senior, secured, transferable, redeemable, non-convertible debentures



Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or subordinated)	Senior
Eligible Investors	Please refer Section 8.14 ( <i>Eligible Investors</i> ) of the General Information Document.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	<p>(a) The Issuer shall submit all duly completed documents to the BSE, SEBI, the jurisdictional registrar of companies or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements ("<b>Listing Period</b>").</p> <p>(b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE.</p> <p>(c) In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the date of allotment of the debentures until the listing of the Debentures is completed.</p>
Rating of Instrument	IND A/Stable
Issue Size	Up to INR 30,00,00,000 (Indian Rupees Thirty Crore).
Minimum subscription	As set out in the General Information Document.
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue / Purpose for which there is requirement of funds	<p>100% (one hundred percent) of the issue proceeds will be utilized by the Issuer for the purposes of on-lending, repayment of existing debt, and the working capital requirements of the Issuer.</p> <p>The Issuer has not, as of the date of this Key Information Document, determined the specific allocation between the objects set out above.</p>
In case the issuer is an NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable. The proceeds raised from the Issue will be used solely for the Purpose.
Details of the utilization of the Proceeds	100% (one hundred percent) of the issue proceeds will be utilized by the Issuer for the purposes of on-lending, repayment of existing debt, and the working capital requirements of the Issuer.



	The Issuer has not, as of the date of this Key Information Document, determined the specific allocation between the objects set out above.
Coupon Rate	10.75% (ten decimal seven five percent) per annum payable annually (fixed)
Step Up/ Step Down Coupon Rate	<p>(a) If at any time until the Final Redemption Date (i) the rating of the Debentures is downgraded below the Rating, (ii) there is a breach of any financial covenants set out in the Transaction Documents, and (iii) the credit rating of the Issuer is downgraded by more than 1 (one) notch from the rating prevailing as of the Effective Date ((i) to (iii) are collectively referred to as "<b>Step Up Events</b>"), the Interest Rate shall be increased by 0.25% (zero decimal two five percent) for each downgrade of 1 (one) notch from the Rating ("<b>Step Up Rate</b>"), and such increased Interest Rate shall be applicable on the Outstanding Principal Amounts with effect from the date of such downgrade. Step Up, in accordance with this sub-paragraph (i) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.</p> <p>(b) Following any Step Up, if the relevant Step Up Event is cured or rectified to the satisfaction of the Debenture Trustee, the prevailing Step Up Rate shall be decreased by 0.25% (zero decimal two five percent) for each instance of the curing of rectification of any Step Up Event, and such decreased rate of interest shall be applicable on the Outstanding Principal Amounts with effect from the date of the curing of rectification of such Step Up Event.</p> <p>PROVIDED THAT the decreased rate of interest in accordance with this sub-paragraph (ii) cannot, in any case, be lower than the Interest Rate. The decrease in the rate of interest in accordance with this sub-paragraph (ii) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.</p> <p>(c) It is clarified that, if following any Step Up, if the relevant Step Up Event is cured or rectified to the satisfaction of the Debenture Trustee, then the revised interest shall be payable from the date of the curing of rectification of such Step Up Event.</p>
Coupon Payment Frequency	Annually
Coupon Payment Dates	Payable annually on the dates set out in Annexure VI ( <i>Illustration of Bond Cash Flows</i> ) (subject to adjustments for Business Day Convention).
Coupon Type (Fixed, floating or other structure)	Fixed Coupon
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Day Count Basis (Actual / Actual)	Actual / Actual




Interest on Application Money	<p>(a) Interest at Interest Rate, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Issuer on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 5 (five) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable.</p> <p>(b) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit.</p> <p>(c) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to each successful Applicant.</p>
Default Interest Rate	On the occurrence of a Payment Default, the Issuer agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Amounts, commencing from the date of occurrence of the Payment Default until such Payment Default is cured or the relevant Secured Obligations are repaid.
Tenor	36 (thirty six) months from the Deemed Date of Allotment
Redemption Date / Maturity Date	September 4, 2026 being 36 (thirty six) months (subject to adjustments for day count convention in accordance with the SEBI Debt Listing Regulations).
Redemption Amount	INR 1,00,000 (Indian Rupees One Lakh) per Debenture in the manner set out in <b>Annexure VI</b> ( <i>Illustration of Bond Cash Flows</i> ) hereto.
Redemption Premium/ Discount	Not Applicable
Early Redemption	<p>(a) On occurrence of an Early Redemption Event, the Debenture Trustee (acting on the instructions of any of the Debenture Holder(s)) shall have the option (but not the obligation) to require the Issuer to, subject to Applicable Law (including any prescriptions of the RBI on minimum original maturity of non-convertible debentures), redeem the Debentures and repay all Outstanding Amounts within 45 (forty five) days from the date of receipt by the Issuer of the notice from the Debenture Trustee ("<b>Early Redemption Date</b>"), wherein:</p> <p>(i) the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall provide a notice to the Issuer at least 21 (twenty one) calendar days prior to the last date of the exercise period commencing on the date that is 3 (three) Business Days prior to the Early Redemption Date and expiring on the Early Redemption Date ("<b>Early Redemption Exercise Period</b>") informing the Issuer of the requirement to redeem the</p>



	<p>Debentures and all other Outstanding Amounts ("<b>Early Redemption Notification</b>"); and</p> <p>(ii) following the providing of the Early Redemption Notification, the Issuer shall redeem the Debentures on the Early Redemption Date by making payment of all Outstanding Amounts in respect of the Debentures to the Debenture Holders by no later than the Early Redemption Date.</p> <p>(b) Any notice given by Debenture Trustee under this provision is irrevocable.</p> <p>(c) No prepayment penalty or prepayment premium will be applicable to any redemption in accordance with this provision.</p>
Issue Price	INR 1,00,000 (Indian Rupees One Lakh)
Discount at which security is issued and the effective yield as a result of such discount	Not applicable.
Put Date	N.A.
Put Price	N.A.
Call Date	N.A.
Call Price	N.A.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	N.A.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	N.A.
Face Value	INR 1,00,000 (Indian Rupees One Lakh) per Debenture
Minimum Application and in multiples of thereafter	As set out in the General Information Document.
Issue Timing	<p>Issue Opening Date: September 1, 2023</p> <p>Issue Closing Date: September 1, 2023</p> <p>Date of earliest closing of the Issue, if any: N.A.</p> <p>Pay-in Date: September 4, 2023</p> <p>Deemed Date of Allotment: September 4, 2023</p>
Settlement mode	Pay-in of funds through ICCL.

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of the Instrument	The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Depositories	As set out in the General Information Document.
Disclosure of Interest / Dividend / Redemption Dates	On the dates set out in Annexure VI ( <i>Illustration of Bond Cash Flows</i> ) (subject to adjustments for Business Day Convention).
Record Date	15 (fifteen) calendar days prior to each Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	<p><b>Representations and Warranties</b></p> <p>Please refer Section 4.2 of this Key Information Document.</p> <p><b>Financial Covenants</b></p> <p>Please refer Section 4.3.1 of this Key Information Document.</p> <p><b>Reporting Covenants</b></p> <p>Please refer Section 4.3.2 of this Key Information Document.</p> <p><b>Affirmative Covenants</b></p> <p>Please refer Section 4.3.3 of this Key Information Document.</p> <p><b>Negative Covenants</b></p> <p>Please refer Section 4.3.4 of this Key Information Document.</p>
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and	<p><b>TRANSACTION SECURITY</b></p> <p>(a) The Debentures shall be secured on or prior to the Deemed Date of Allotment by way of (i) a first ranking exclusive and continuing charge to be created in favour of the Debenture Trustee pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("<b>Deed of Hypothecation</b>") over identified book debts/loan receivables of the Issuer as described therein (the "<b>Hypothecated Assets</b>") and (ii) such other security interest as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) are collectively referred to as the "<b>Transaction Security</b>").</p> <p>(b) The principal receivables of the Client Loans comprising the Hypothecated Assets shall, at all times until the Final Settlement Date, be at least 1.10 (one decimal one zero) times the value of the aggregate of the Outstanding Principal Amounts and the accrued but unpaid interest (including default interest and additional interest) under the Debentures (the "<b>Security Cover</b>"). Without prejudice to the foregoing, the Issuer hereby agrees and undertakes that it shall ensure and procure</p>



<p>above the coupon rate as specified in the Trust Deed and disclosed in the issue document.</p>	<p>that the value of the Hypothecated Assets, shall at all times until the Final Settlement Date be at least equivalent to amounts required to discharge the Secured Obligations.</p> <p>(c) The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer.</p> <p>(d) The Issuer shall create the charge over the Hypothecated Assets on or prior to the Deemed Date of Allotment and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof within the time period prescribed under the Deed of Hypothecation.</p> <p>The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:</p> <p>(i) the Debentures shall be secured by way of a first ranking exclusive and continuing charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders on or prior to the Deemed Date of Allotment;</p> <p>(ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;</p> <p>(iii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;</p> <p>(iv) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;</p> <p>(v) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents on or prior to the Deemed Date of Allotment by executing the duly stamped Deed of Hypothecation;</p> <p>(vi) to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Deed of Hypothecation;</p> <p>(vii) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover;</p>
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- (viii) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets, so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents;
- (ix) the Issuer shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;
- (x) furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;
- (xi) furnish and execute all necessary documents to give effect to the Hypothecated Assets; and
- (xii) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation.

**Specific Disclosures**

- (a) **Type of security:** Book debts (i.e., movable assets).
- (b) **Type of charge:** Hypothecation.
- (c) **Date of creation of security/ likely date of creation of security:** On or prior to the Deemed Date of Allotment.
- (d) **Minimum security cover:** 1.10 (one decimal one zero) times the value of the aggregate of the Outstanding Principal Amounts and the accrued but unpaid interest (including default interest and additional interest) under the Debentures.
- (e) **Revaluation:** N. A.
- (f) **Replacement of security:** As set out in paragraph (viii) above.
- (g) **Interest over and above the coupon rate:** In the event of any delay in the execution of any Transaction Document (including the Debenture Trust Deed or the Deed of Hypothecation) or the creation and perfection of security in terms thereof, the Issuer shall, at the option of the Debenture Holders, either:
  - (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or
  - (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created in terms thereof or the Secured Obligations are discharged (whichever is earlier).



Transaction Documents	Shall be as set out in Section 4 below.
Conditions Precedent to Disbursement	<p>The Issuer shall fulfil the following conditions precedent, to the satisfaction of the Debenture Trustee, prior to the Deemed Date of Allotment, and shall submit and provide to the Debenture Trustee:</p> <p><b>CONSTITUTIONAL DOCUMENTS AND AUTHORISATIONS</b></p> <p>(a) a copy of the Constitutional Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(b) a copy of resolution of the Issuer's board of directors/committee of the Issuer's board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(c) a copy of the resolution of the shareholders of the Issuer under Section 42 of the Companies Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(d) a copy of a resolution of the shareholders of the Issuer under Section 180(1)(c) of the Companies Act approving the borrowing contemplated under the Transaction Documents OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(c) of the Companies Act;</p> <p>(e) a copy of a resolution of the shareholders of the Issuer under Section 180(1)(a) of the Companies Act approving the creation of security over the Hypothecated Assets OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(a) of the Companies Act;</p> <p><b>TRANSACTION DOCUMENTS</b></p> <p>(f) execution, delivery and stamping of the Transaction Documents (including the Debt Disclosure Documents) in a form and manner satisfactory to the Debenture Trustee;</p> <p><b>INTERMEDIARY DOCUMENTS</b></p> <p>(g) a copy of the rating letter and/or the rating rationale issued in relation to the Debentures;</p> <p>(h) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue;</p> <p>(i) a copy of the consent of the Registrar to act as the registrar and transfer agent for the Issue;</p> <p>(j) a copy of the tripartite agreement(s) executed between the Issuer and the Depositories;</p> <p><b>CERTIFICATES AND OTHERS</b></p>

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	<p>(k) the audited financial statements of the Issuer for the Financial Year ended March 31, 2023;</p> <p>(l) evidence that all 'know your customer' requirements to the satisfaction of the Debenture Trustee/the Applicants has been provided;</p> <p>(m) a certificate from the authorised signatories of the Issuer addressed to the Debenture Trustee confirming as on the Deemed Date of Allotment/the date of the certificate, <i>inter alia</i>:</p> <ul style="list-style-type: none"><li>(i) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Issuer, together with the names, titles and specimen signatures of such authorised signatories;</li><li>(ii) the Issuer has the power under the Constitutional Documents to borrow amounts by way of the issuance of the Debentures and create the Transaction Security to secure such Debentures;</li><li>(iii) the issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding on the Issuer to be exceeded;</li><li>(iv) no consents and approvals are required by the Issuer from its creditors or any Governmental Authority or any other person for the issuance of the Debentures and creation of security under the Deed of Hypothecation;</li><li>(v) the representations and warranties contained in the Transaction Documents are true and correct in all respects;</li><li>(vi) no Event of Default has occurred or is subsisting;</li><li>(vii) no Material Adverse Effect has occurred; and</li><li>(viii) no investor or shareholder consent/approval, pursuant to the articles of association of the Issuer or any shareholders' agreements or other documents/instruments entered into by the Issuer and its shareholders and investors, is required for the Issuer to enter into or perform its obligations under the Transaction Documents;</li></ul> <p>(n) a copy of the in-principle approval provided by the BSE in respect of the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements;</p> <p>(o) copies of the due diligence certificates from the Debenture Trustee in accordance with Chapter II (<i>Due Diligence by Debenture Trustees</i>) of the SEBI Debenture Trustee Master Circular and the SEBI NCS Regulations;</p> <p><del>(p) procure and deliver to the Debenture Trustee 2 (two) duly filed undated cheques in favor of the Debenture Trustee for all payments of installments under the DTD in respect of the Secured Obligations</del></p>
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	<p>(including payments of interest on the Interest Payment Dates and the Outstanding Principal Amounts on the Redemption Dates); and</p> <p>(q) such other information, documents, certificates, opinions and instruments as the Debenture Holders/Debenture Trustee may reasonably request.</p>
<p>Conditions Subsequent to Disbursement</p>	<p>The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee:</p> <p>(a) the Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders within the timelines prescribed under SEBI Listing Timelines Requirements;</p> <p>(b) the Issuer shall, on or prior to the utilisation of the Application Money received by the Issuer, or within 15 (fifteen) days of the allotment of the Debentures, whichever is earlier, file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC along with a list of the Debenture Holders and with the prescribed fee;</p> <p>(c) the Issuer shall in respect of the Transaction Security, file Form CHG-9 with the relevant registrar of companies and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each within 30 (thirty) days from the date of creation of the Transaction Security;</p> <p>(d) the Issuer shall make the application for listing of the Debentures and obtain listing of the Debentures on the wholesale debt market segment of the BSE (as defined below) within the timelines prescribed under the SEBI Listing Timelines Requirements;</p> <p>(e) the Issuer shall on or prior to making the application for listing, provide copies of the due diligence certificates from the Debenture Trustee in accordance with Chapter II (<i>Due Diligence by Debenture Trustees</i>) of the SEBI Debenture Trustee Master Circular and the SEBI NCS Regulations, as may be required for obtaining the listing of the Debentures; and</p> <p>(f) comply with such other condition and provide such other information and documents as the Debenture Holders/Debenture Trustee may reasonably request, or as may be required under Applicable Law.</p>
<p>Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>Each of the events or circumstances set out below is an Event of Default.</p> <p>(a) <b>Payment Defaults</b></p> <p>The Issuer does not pay on any Due Date (including on the relevant Redemption Dates) any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless the failure to pay is caused by the non-availability of NEFT, RTGS or any other payment systems operated by the RBI and the payment is made within 2 (two) Business Days of the Due Date.</p>

*Neel. Khan*



	<p>(b) <b>Material Adverse Effect</b></p> <p>The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).</p> <p>(c) <b>Cross Default</b></p> <p>(i) The Issuer defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or</p> <p>(ii) any Financial Indebtedness of the Issuer is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.</p> <p>(d) <b>Misrepresentation</b></p> <p>Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.</p> <p>(e) <b>Unlawfulness</b></p> <p>It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligations of the Issuer under any Transaction Document are not, or cease to be valid, binding or enforceable.</p> <p>(f) <b>Repudiation</b></p> <p>The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.</p> <p>(g) <b>Transaction Documents</b></p> <p>The DTD or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.</p> <p>(h) <b>Corporate governance; Data integrity</b></p> <p>Failure by the Issuer to meet standards prescribed by the RBI with respect to management, governance, and data integrity, as may be required by the Debenture Trustee and/or the Debenture Holders and which may have a Material Adverse Effect.</p> <p>(i) <b>Legal Proceedings</b></p> <p>If one or more legal or governmental proceedings are initiated against</p>
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*red. lehar*




	<p>the Issuer or any claims are made against the Issuer, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Issuer's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect.</p> <p>(j) <b><i>Creditors' Process and Expropriation</i></b></p> <p>Any expropriation, attachment, garnishee, sequestration, distress or execution affects any assets of the Issuer and which has a Material Adverse Effect on the ability of the Issuer to comply with its payment obligations under the Transaction Documents.</p> <p>(k) <b><i>Authorisations; Licenses</i></b></p> <p>Any authorisations, licenses (including operating licenses), consents and approvals required by the Issuer under Applicable Law to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility of the Transaction Documents, and to enable it to carry on its business are revoked or suspended or cancelled in any manner.</p> <p>(l) <b><i>Insolvency/Inability to Pay Debts</i></b></p> <p>The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.</p> <p>(m) <b><i>Liquidation, Insolvency or Dissolution of the Issuer/Appointment of Receiver, Resolution Professional or Liquidator</i></b></p> <p>Any corporate action, legal proceedings or other procedure or step is taken in relation to:</p> <p>(i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;</p> <p>(ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;</p> <p>(iii) the appointment of a liquidator, receiver, resolution professional, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;</p> <p>(iv) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework);</p>
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*Mod. Khan*



	<p>(v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Issuer;</p> <p>(vi) enforcement of any security over any Assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; or</p> <p>(vii) any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in (i) to (vi) above.</p> <p>(n) <b>Judgment Defaults</b></p> <p>One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Net Worth of the Issuer provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) calendar days.</p> <p>(o) <b>Security in Jeopardy</b></p> <p>In the opinion of the Debenture Trustee any of the Hypothecated Assets are in jeopardy.</p> <p>(p) <b>Security</b></p> <p>(i) The Issuer fails to create and perfect security within the timelines prescribed in the Transaction Documents and/or in the manner prescribed in the Transaction Documents.</p> <p>(ii) The value of the Hypothecated Assets is insufficient to maintain the Security Cover or the Issuer fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the timelines prescribed in the relevant Transaction Documents.</p> <p>(iii) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable.</p> <p>(iv) The Issuer creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of <del>any person or any other agreement or arrangement having</del> similar effect, over the Hypothecated Assets, without the prior</p>
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*Red. Lakshay*



	<p>consent of the Debenture Trustee.</p> <p>(q) <b>Business</b></p> <p>The Issuer without obtaining the prior consent of the Debenture Trustee ceases to carry on its business or threatens to do so.</p> <p>(r) <b>Failure to Certify</b></p> <p>The Issuer fails to provide a certificate from an authorized officer of the Issuer certifying/confirming that no Event of Default has occurred, within the timelines and the manner prescribed under Section 4.3.2 (<i>Reporting Covenants</i>);</p> <p>(s) [INTENTIONALLY LEFT BLANK]</p> <p>(t) <b>Erosion of Net Worth</b></p> <p>The Net Worth of the Issuer erodes by 50% (fifty percent) or more, on or after March 31, 2023, and has not been remedied within 90 (ninety) Business Days from the date of such occurrence.</p> <p>(u) <b>Breach of Negative Covenants</b></p> <p>Any breach by the Issuer in compliance with any of the negative covenants set out under Section 4.3.4 (<i>Negative Covenants</i>) which breach, if capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), is not remedied or cured to the satisfaction of the Debenture Trustee within a period of 60 (sixty) calendar days from the date of occurrence.</p> <p>(v) <b>Breach of Reporting Covenants</b></p> <p>Any breach by the Issuer in compliance with any of the reporting covenants set out under Section 4.3.2 (<i>Reporting Covenants</i>) which breach, if capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), is not remedied or cured to the satisfaction of the Debenture Trustee within a period of 60 (sixty) calendar days from the date of occurrence.</p> <p>(w) <b>Breach of other Covenants</b></p> <p>Any breach of any covenant or undertaking of the Issuer in the Transaction Documents (other than (a) to (v) above) which is not cured within 60 (sixty) days of occurrence of such breach or such other time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).</p> <p><b>Consequences and Remedies of an Event of Default</b></p> <p>If one or more Events of Default occur(s), the Debenture Trustee may, on the instructions of the Majority Debenture Holders in accordance with the DTD, by a notice in writing to the Issuer initiate the following course of action:</p> <p>(a) require the Issuer to mandatorily redeem the Debentures and repay the</p>
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Red. Khan  


	<p>Outstanding Principal Amounts, along with accrued but unpaid interest and other costs, charges and expenses incurred under or in connection with the DTD and the other Transaction Documents;</p> <p>(b) accelerate the redemption of the Debentures and declare all or any of the Debentures to be due and payable immediately (or on such date(s) as may be prescribed by the Debenture Trustee), whereupon it shall become so due and payable;</p> <p>(c) enforce the security interest created under the Transaction Documents (including in respect of the Transaction Security) in accordance with the terms of the Transaction Documents;</p> <p>(d) appoint any independent agency to inspect and examine the working of the Issuer and give a report to the Debenture Holders/the Debenture Trustee. The Issuer shall provide its full co-operation and necessary assistance to such agency and bear all costs and expenses of examination, including the professional fees, travelling and other expenses;</p> <p>(e) appoint a nominee director in accordance with the DTD;</p> <p>(f) take any actions in respect of Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular in accordance with the provisions of the DTD; and</p> <p>(g) take all such other action, and exercise such other right as is permitted under the DTD, the other Transaction Documents or under Applicable Law, including any action that may be required for the purposes of protecting the interests of the Debenture Holders.</p> <p><b>Notice on the Occurrence of an Event of Default</b></p> <p>(a) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has occurred, the Issuer shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such event or Event of Default.</p> <p>(b) In addition to the foregoing, in accordance with Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular, the Debenture Trustee shall send a notice to the Debenture Holders within 3 (three) days of the occurrence of an Event of Default, in accordance with the mode of delivery of notice mentioned therein, convening a meeting within 30 (thirty) days of the occurrence of an Event of Default. PROVIDED THAT if the Event of Default is cured or rectified within the intervening period between the date of the aforementioned notice from the Debenture Trustee to the date the aforementioned meeting is convened, no such meeting of the Debenture Holders shall be required. The Debenture Trustee shall maintain the details of the providing and receipt of such notice in accordance with Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular.</p>
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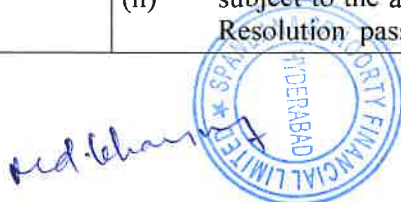


	<p><b>Additional obligations of the Debenture Trustee</b></p> <p>(a) In respect of Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular, the entering into, and the performance of any obligations under any inter-creditor agreement (pursuant to the Stressed Assets Framework) or any resolution plan shall be subject to the terms of Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular (including without limitation, the resolution plan being finalised within the time period prescribed in Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular, and exiting of the inter-creditor agreement on the occurrence of the matters prescribed under Chapter X (<i>Breach of Covenants, Default and Remedies</i>) of the SEBI Debenture Trustees Master Circular.</p> <p>(b) In the event the Recovery Expense Fund is proposed to be utilised for the purposes of enforcement of the Security, the Debenture Trustee shall follow the procedure set out in Chapter IV (<i>Recovery Expenses Fund</i>) of the SEBI Debenture Trustees Master Circular.</p> <p>(c) The Debenture Trustee shall access the centralized database of corporate bond/debentures and verify the information regarding default history and other relevant information of the Issuer. In case of any discrepancy in the information of the Issuer, the Debenture Trustee shall notify the same to the BSE and update the correct information in the centralized database, within the timelines prescribed under the SEBI Centralized Database Requirements.</p>
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV ( <i>Recovery Expenses Fund</i> ) of the SEBI Debenture Trustees Master Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV ( <i>Recovery Expenses Fund</i> ) of the SEBI Debenture Trustees Master Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer sections named "Default Interest Rate" and "Events of Default".
Provisions related to Cross Default Clause	<p>(a) The Issuer defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or</p> <p>(b) any Financial Indebtedness of the Issuer is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.</p>
Role and Responsibilities of Debenture Trustee	The Debenture Trustee shall comply with all its roles and responsibilities as prescribed under Applicable Law and the Transaction Documents, including:
	<p>(a) <del>the Debenture Trustee may, in relation to the DTD and the other</del> Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer,</p>

*Md. Ishaq*



	<p>surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise;</p> <p>(b) subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p> <p>(c) with a view to facilitating any dealing under any provisions of the DTD or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions);</p> <p>(d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;</p> <p>(e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders;</p> <p>(f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Companies Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof;</p> <p>(g) subject to the approval of the Debenture Holder(s) by way of a Special Resolution passed at a meeting of the Debenture Holder(s) held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents;</p>
	<p>(h) subject to the approval of the Debenture Holder(s) by way of Special Resolution passed at a meeting of the Debenture Holders held for</p>



	<p>determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holder(s) or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p> <p>(i) notwithstanding anything contained to the contrary in the DTD, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders;</p> <p>(j) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving such information or document from the Issuer; and</p> <p>(k) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under Chapter X (<i>Breach of Covenants, Default and Remedies</i>) and Chapter IV (<i>Recovery Expenses Fund</i>) of the SEBI Debenture Trustees Master Circular.</p> <p>Please also refer to <b>Annexure VIII</b> of this Key Information Document for the terms and conditions of the debenture trustee agreement.</p>
<p>Risk factors pertaining to the issue</p>	<p>As set out in the General Information Document.</p>
<p>Governing Law and Jurisdiction</p>	<p>The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Hyderabad, India and as more particularly provided for in the Debenture Trust Deed. Notwithstanding anything stated earlier, the Debenture Trustee has the right to commence proceedings before any other court or forum in India.</p>



<p>Additional Disclosures (Security Creation)</p>	<p>In the event of any delay in the execution of any Transaction Document (including the Debenture Trust Deed or the Deed of Hypothecation) or the creation of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either:</p> <p>(a) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or</p> <p>(b) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created in terms thereof or the Secured Obligations are discharged (whichever is earlier).</p>
<p>Additional Disclosures (Default in Payment)</p>	<p>On the occurrence of a Payment Default, the Issuer agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Amounts, commencing from the date of occurrence of the Payment Default until such Payment Default is cured or the relevant Secured Obligations are repaid.</p>
<p>Additional Disclosures (Delay in Listing)</p>	<p>In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the date of allotment of the Debentures until the listing of the Debentures is completed.</p>
<p>Multiple Issuances</p>	<p>The Issuer reserves the right to make multiple issuances under the same International Securities Identification Number ("ISIN") with reference to Chapter VIII (<i>Specifications related to ISIN for debt securities</i>) of the Listed NCDs Master Circular. Such issue can be made either by way of creation of a fresh ISIN or by way of issuance under an existing ISIN at premium/par/discount as the case may be in line with Chapter VIII (<i>Specifications related to ISIN for debt securities</i>) of the Listed NCDs Master Circular.</p>
<p>Right to repurchase</p>	<p>(a) The Issuer, subject to the Applicable Law, may, based on mutual discussions with any Debenture Holder, repurchase a part or all of the Debentures held by such Debenture Holder from the secondary market or otherwise, at any time prior to the Final Settlement Date.</p> <p>(b) In the event any or all of the Debentures are repurchased, or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, subject to Applicable Law, the power to re-issue the Debentures either by re-issuing the same Debentures or by issuing other non-convertible debentures in their place.</p> <p>(c) In respect of any repurchased/redeemed Debenture, the Issuer shall have the power to (either for a part or all of the Debenture) cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as is permitted under Applicable Law.</p>




**Note:**

1. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change should be disclosed.
2. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
3. While the debt securities are secured to the extent of hundred per cent of the amount of principal and interest amount or as per the terms of this Key Information Document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
4. The Issuer shall provide granular disclosures in this Key Information Document, with regards to the “Object of the Issue” including the percentage of the issue proceeds earmarked for each of the “object of the issue”.

**3.10 Information pursuant to Regulation 50A(6) of the Debt Listing Regulations**

Details of the offer of non-convertible securities in respect of which the key information document is being issued	Issue of 3,000 (three thousand) listed, rated, senior, secured, transferable, redeemable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) on a private placement basis.  Please also refer to the information/details set out in Section 3.9 <b>Error! Reference source not found.</b> ( <i>Summary Terms</i> ) of this Key Information Document.
Financial information, if such information provided in the general information document is more than six months old	N.A. Please refer to Section 2 ( <i>Financial Information</i> ) of this Key Information Document.
Material changes, if any, in the information provided in the general information document	NIL
Any material developments not disclosed in the general information document, since the issue of the	NIL



<p>general information document relevant to the offer of non-convertible securities in respect of which the key information document is being issued</p>		
<p>Disclosures applicable in case of private placement of non-convertible securities as specified in schedule I, in case the second or subsequent offer is made during the validity of the shelf prospectus for which no general information document has been filed</p>	<p>N.A. The issuer has filed the General Information Document pursuant to which the offer and issue of Debentures is being made under this Key Information Document.</p>	
<p>Other: Details of specific entities in relation to the Issue:</p>	<p>Transaction Legal Counsel</p>	<p>Name: Phoenix Legal</p>  <p>PHOENIX LEGAL</p> <p>Logo: Address: Vaswani Mansion, Office No. 17 &amp; 18, 3rd Floor, 120 Dinshaw Vachha Road, Churchgate, Mumbai-400020, India Website: <a href="http://www.phoenixlegal.in">www.phoenixlegal.in</a> Email address: <a href="mailto:mumbai@phoenixlegal.in">mumbai@phoenixlegal.in</a> Telephone Number: +91 22 43408500 Contact Person: N.A.</p>

## SECTION 4: TRANSACTION DOCUMENTS AND KEY TERMS

### 4.1 Transaction Documents

The following documents shall be executed in relation to the Issue (“**Transaction Documents**”):

- (a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- (c) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Hypothecated Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures (“**Deed of Hypothecation**”); and
- (d) Such other documents as agreed between the Issuer and the Debenture Trustee.

### 4.2 Representations and Warranties of the Issuer

The Issuer makes the representations and warranties set out in this Section 4.2 (*Representations and Warranties of the Issuer*) to the Debenture Trustee for the benefit of the Debenture Holders as on the Effective Date, which representations shall be deemed to be repeated on each day until the Final Settlement Date.

(a) **Status**

- (i) It is a company, duly incorporated, registered and validly existing under Applicable Law.
- (ii) It is a non-banking financial company - microfinance institution registered with the RBI.
- (iii) It has the power to own its Assets and carry on its business as it is being conducted.

(b) **Binding obligations**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

- (i) any Applicable Law;
- (ii) its Constitutional Documents; or
- (iii) any agreement or instrument binding upon it or any of its Assets, including



but not limited to any terms and conditions of the existing Financial Indebtedness of the Issuer.

(d) ***Power and authority***

It has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by such Transaction Documents.

(e) ***Validity and admissibility in evidence***

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party;
  - (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
  - (iii) for it to carry on its business, and which are material,
- have been obtained or effected and are in full force and effect.

(f) ***No default***

No Event of Default or Potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

(g) ***Ranking***

The payment obligations of the Issuer under the Transaction Documents rank at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(h) ***No proceedings pending***

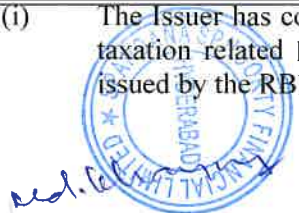
No litigation, arbitration, investigation, or administrative proceedings of or before any court, arbitral body or agency have been commenced or threatened against the Issuer, which if determined adversely, may have a Material Adverse Effect.

(i) ***No misleading information***

All information provided by the Issuer to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

(j) ***Compliance***

- (i) The Issuer has complied with Applicable Law (including but not limited to taxation related laws for the Issuer to carry on its business, all directions issued by the RBI to non-banking financial companies).



- (ii) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.
- (iii) No notice or other communication from any Governmental Authority has been issued or is outstanding or anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.

(k) ***Assets***

Except for the security interests and encumbrances created and recorded with the ROC, the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) ***Financial statements***

- (i) Its audited financial statements most recently provided to the Debenture Trustee as of March 31, 2023 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its audited financial statements as of March 31, 2023 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

(m) ***Solvency***

- (i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.
- (ii) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- (iii) The value of the Assets of the Issuer is more than its liabilities and it has sufficient capital to carry on its business.
- (iv) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
- (v) No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to



Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time).

- (vi) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

(n) ***Hypothecated Assets***

- (i) The Hypothecated Assets are the sole and absolute property of the Issuer and are free from any other mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.
- (ii) All consents and approvals required (if any) by the Issuer from its creditors or any Governmental Authority or any other person in relation to the creation of security over the Hypothecated Assets have been obtained.
- (iii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the Hypothecated Assets and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

(o) ***Material Adverse Effect***

No Material Adverse Effect has occurred or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures

(p) ***Illegality***

It is not unlawful or illegal for the Company to perform any of its obligations under the Transaction Documents.

(q) ***No filings or stamp taxes***

There are no stamp duties, registration, filings, recordings or notarizations before or with any Governmental Authority required to be carried out in India in relation to the execution and delivery of the Transaction Documents by the Issuer other than the:

- (i) stamping of the Transaction Documents (on or prior to execution in Chennai, India) in accordance with the Indian Stamp Act, 1899 (as applicable to Tamil Nadu, India);
- (ii) payment of the stamp duty in respect of the Debentures;
- (iii) filing of the return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC;

- (iv) filing of the Debt Disclosure Documents (as applicable) with the relevant stock exchanges;



- (v) filing of Form CHG 9 with the ROC within the time period set out in the Deed of Hypothecation; and
- (vi) filing of Form I with CERSAI within the time period set out in the Deed of Hypothecation.

### 4.3 COVENANTS OF THE ISSUER

#### 4.3.1 FINANCIAL COVENANTS

- (a) The Issuer shall, from the Effective Date until the Final Settlement Date:
  - (i) maintain a Capital Adequacy Ratio of more than 20% (twenty percent) or such other higher threshold as may be prescribed by the RBI from time to time.
  - (ii) maintain a ratio of A:B of not more than 8% (eight percent), where A is the aggregate of the Gross NPA, and B is the Gross Loan Portfolio, multiplied by 100, and followed by the "%" symbol;
  - (iii) maintain a ratio of A:B of not more than 5% (five percent), where A is the aggregate of the Net NPA, and B is the Gross Loan Portfolio, multiplied by 100, and followed by the "%" symbol; and
  - (iv) maintain a ratio of A:B of not more than 4 (four) times, where A is the total own book debt of the Issuer, and B is the Net Worth of the Issuer.
- (b) The financial covenants set out in this Section 4.3.1 (*Financial Covenants*) shall be tested, until the Final Settlement Date, on a quarterly basis on the Quarterly Dates, on the basis of the standalone financial statements of the Issuer. The financial covenants set out in this Section 4.3.1 (*Financial Covenants*) shall be certified within the time periods prescribed under and in accordance with Section 4.3.2(b)(ii) and Section 4.3.2(k).
- (c) The Debenture Trustee may approve any application for consent/waiver in respect of any of the financial covenants set out under this Section 4.3.1 (*Financial Covenants*), if Debenture Holders' representing more than 51% (fifty one percent) of the Outstanding Principal Amounts of the Debentures provide their consent, within a period of 7 (seven) Business Days from the date of receipt of such request/notification from the Debenture Trustee. Where the aforementioned approval or rejection has not been provided within the aforementioned time period of 7 (seven) Business Days from the date of receipt of such request/notification from the Debenture Trustee, consent for such action shall be deemed and the Issuer may proceed with the action for which the consent/waiver has been requested.

#### 4.3.2 REPORTING COVENANTS

The Issuer shall provide or cause to be provided to the Debenture Trustee, in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

- (a) as soon as available, and in any event within 180 (one hundred and eighty) calendar days after the end of each Financial Year of the Issuer:
  - (i) certified copies of its audited standalone and consolidated (if any) financial



statements for its most recently completed Financial Year, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow.

All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flow and a list comprising all material financial liabilities of the Issuer whether absolute or contingent as of the date thereof; and

- (ii) a certificate from an authorised officer of the Issuer confirming that there is no existing Potential Event of Default or Event of Default;
- (b) within 60 (sixty) calendar days after each Quarterly Date:
- (i) certified copies of its un-audited standalone and consolidated (if any) quarterly financial statements for the preceding financial quarter, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow;
  - (ii) a certificate signed by a director, the chief financial officer or an authorised signatory of the Issuer confirming that the Issuer is in compliance with all the financial covenants prescribed in Section 4.3.1 (*Financial Covenants*). PROVIDED THAT in respect of the financial quarter ending on March 31 of each Financial Year, the certificate confirming the compliance with the financial covenants prescribed in Section 4.3.1 (*Financial Covenants*) will be provided in accordance with Section 4.3.2 (j) below; and
  - (iii) such other portfolio information and operational metrics in respect of the Issuer, as may be required by the Debenture Trustee from time to time, and in such formats as may be prescribed by the Debenture Trustee;
- (c) within 60 (sixty) days from each of September 30 and March 31 of each Financial Year, the certified copies of its un-audited/limited review (as the case may be) standalone and consolidated (if any) half-yearly financial statements for the preceding half-year/6 (six) month period, prepared in accordance with the Applicable Accounting Standards, together with a certificate from an independent chartered accountant and/or an authorised signatory of the Issuer, confirming the value of receivables/book debts comprising the Hypothecated Assets, and the compliance of the Issuer with all the covenants prescribed under the Transaction Documents;
- (d) as soon as practicable and in any event within 10 (ten) Business Days of the occurrence of the following events, the details of:
- (i) any change in the composition of the board of directors;
  - (ii) any change in the Constitutional Documents of the Issuer;
  - (iii) any change in the Issuer's primary shareholding structure;
  - (iv) any change in the "CXO's" of the Issuer;
- (e) as soon as practicable, and in any event within 10 (ten) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;



- (f) as soon as practicable, and in any event within 10 (ten) Business Days after the Issuer obtains actual knowledge thereof, any notices, orders or directions any court or tribunal in relation to any dispute, litigation, investigation or other proceeding, which, if adversely determined, could result in a Material Adverse Effect;
- (g) as soon as practicable, and in any event within 10 (ten) Business Days after the Issuer obtains actual knowledge thereof, notice of the occurrence of any Event of Default or Potential Event of Default including any steps taken to cure such event;
- (h) as soon as practicable, and in any event within 10 (ten) Business Days, any prepayment, or the receipt of notice of any Financial Indebtedness of the Issuer declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;
- (i) as soon as practicable, and in any event within 10 (ten) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness by the Issuer or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity in respect of the Issuer;
- (j) as soon as practicable, and in any event within 10 (ten) Business Days of receiving any notice of any application for winding up/insolvency having been made or any notice of winding up or insolvency under the provisions of the Companies Act or the (Indian) Insolvency and Bankruptcy Code, 2016 or any other statute relating to winding up/insolvency or otherwise of any suit or other legal process intended to be filed or initiated against the Issuer;
- (k) without prejudice to Section 4.3.2 (b), within 90 (ninety) calendar days after each Financial Year, a certification from a director, the chief financial officer or an authorised signatory of the Issuer confirming the compliance of the Issuer with the financial covenants set out in Section 4.3.1 (*Financial Covenants*);
- (l) provide such documents/information and assistance to the Debenture Trustee as may be required by the Debenture Trustee to carry out the necessary due diligence and monitor the security cover on a quarterly basis in the manner as may be specified by SEBI from time to time;
- (m) submit a certificate from the statutory auditor on a quarterly basis, giving the value of receivables/book debts, and maintenance of security cover in accordance with the terms of the Debt Disclosure Documents and the other Transaction Documents including compliance with the covenants of the Debt Disclosure Documents and the other Transaction Documents in the manner as may be specified by SEBI from time to time;
- (n) without prejudice to paragraphs (p) and (q) below, within such timelines as may be prescribed by the Debenture Trustee, provide all relevant information required by the Debenture Trustee for the effective discharge of its duties and obligations under the Transaction Document, including but not limited to the copies of all reports, balance sheets and the profit and loss account of the Issuer;
- (o) without prejudice to paragraph (n) above and paragraph (p) below, as soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request,



such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time; and

- (p) as soon as practicable and in any event within the timelines prescribed by the Debenture Trustee (and Applicable Law), such other information, notifications, details, documents, reports, statements and certificates (including from chartered accountants, auditors and/or directors of the Issuer) as may be required by the Debenture Trustee from time to time, to ensure compliance with the provisions of the Applicable Law, including but not limited to the Debenture Trustees Regulations and the Companies (Share Capital and Debentures) Rules, 2014.

#### 4.3.3 AFFIRMATIVE COVENANTS

The Issuer shall:

(a) ***Use of Proceeds***

use the proceeds of the Issue only for the Purpose and in accordance with Applicable Law and the Transaction Documents;

(b) ***Costs and Expenses***

pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs;

(c) ***Payment of Rents, etc.***

pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoing, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when such amounts are payable;

(d) ***Preserve Corporate Status***

(i) diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;

(ii) comply with all acts, authorisations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and

(iii) not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed;

(e) ***Pay Stamp Duty***

pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned



amounts to the Debenture Trustee on demand;

(f) ***Furnish Information to Debenture Trustee***

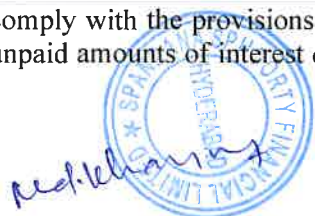
- (i) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Issuer or to investigate the affairs of the Issuer;
- (ii) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;
- (iii) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require for the purpose of filing any relevant forms with any Governmental Authority (including but not limited to the CERSAI) in relation to the Debentures and the Hypothecated Assets;
- (iv) furnish quarterly reports to the Debenture Trustee (as may be required in accordance with Applicable Law) containing the following particulars:
  - (A) updated list of the names and addresses of the Debenture Holders;
  - (B) details of the interest due, but unpaid and reasons thereof;
  - (C) the number and nature of grievances received from the Debenture Holders and resolved and unresolved by the Issuer along with the reasons for the same; and
  - (D) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due; and
- (v) inform and provide the Debenture Trustee with applicable documents in respect of the following:
  - (A) notice of any Event of Default or Potential Event of Default; and
  - (B) any and all information required to be provided to the Debenture Holders under Applicable Law and the listing agreement to be entered into between the Issuer and the BSE;

(g) ***Redressal of Grievances***

promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(h) ***Comply with Investor Education and Protection Fund Requirements***

comply with the provisions of the Companies Act relating to transfer of unclaimed/unpaid amounts of interest on Debentures and redemption of Debentures to Investor



Education and Protection Fund ("IEPF"), if applicable to it. The Issuer hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority;

(i) ***Corporate Governance; Fair Practices Code***

comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the RBI, or any other Governmental Authority) and the fair practices code prescribed by the RBI;

(j) ***Further Assurances***

(i) provide details of any litigation, arbitration or administrative proceedings exceeding an amount of INR 5,00,00,000 (Indian Rupees Five Crore);

(ii) comply with any monitoring and/or servicing requests/calls from the Debenture Trustee on a quarterly basis and at such other time periods as the Debenture Trustee may reasonably request;

(iii) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(iv) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations and licenses necessary to enable it to lawfully enter into and perform its obligations under the DTD or to ensure the legality, validity, enforceability or admissibility in evidence in India of the DTD;

(v) comply with:

(A) all Applicable Law (including but not limited to the Companies Act, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;

(B) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 of the Debenture Trustees Regulations thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

(C) the provisions of the Companies Act in relation to the Issue;

(D) procure that the Debentures are rated and continue to be rated until the Final Settlement Date;

(E) ensure that, at time of making any payment of interest or repayment



of the principal amount of the Debentures in full or in part, the Issuer shall do so in the manner that is in accordance with Applicable Law relating to Tax but without, in any way requiring the Issuer to incur any additional costs, expenses or taxes and the Issuer shall avail of all the benefits available under any treaty applicable to the Issuer and/or the Debenture Holders; and

- (F) if so required, the terms of Chapter XI (*Operational framework for transactions in defaulted debt securities post maturity date/ redemption date*) of the Listed NCDs Master Circular, and provide all details/intimations to the Debenture Trustee, the Depositories, and BSE (as the case may be) in accordance with therein;
  - (vi) to the extent applicable, it will submit to the Debenture Trustee, on a quarterly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts; and
  - (vii) it will provide all necessary assistance and cooperation to, and permit the Debenture Trustee to conduct periodical checks, verifications, due diligence and other inspections (at such frequency and within such timelines as may be determined by the Debenture Trustee) in respect of the books and accounts of the Issuer and the Hypothecated Assets;
- (k) **Security**

the Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) the Debentures shall be secured by way of a first ranking exclusive and continuing charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders on or prior to the Deemed Date of Allotment;
- (ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;
- (iii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;
- (iv) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;
- (v) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents on or prior to the Deemed Date of Allotment by executing the duly stamped Deed of Hypothecation;
- (vi) to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the



charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Deed of Hypothecation;

- (vii) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover;
  - (viii) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents;
  - (ix) the Issuer shall, on a half yearly basis, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;
  - (x) furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;
  - (xi) furnish and execute all necessary documents to give effect to the Hypothecated Assets;
  - (xii) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation;
  - (xiii) nothing contained in the DTD shall prejudice the rights or remedies of the Debenture Trustee and/or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/or the Debenture Holders;
  - (xiv) the Debenture Holders shall have a beneficial interest in the Hypothecated Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the DTD; and
  - (xv) to forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;
- (l) ***Filings; Compliance with Applicable Law***

the Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) the Issuer shall comply with the relevant provisions of the SEBI LODR Regulations applicable to listed entities which have listed their non-convertible securities, including (to the extent applicable), the provisions of Chapter II (*Principles governing disclosures and obligations of listed entity*), Chapter III (*Common obligations of listed entities*), Chapter IV (*Obligations of a listed entity which has listed its specified securities and non-convertible debt securities*), and Chapter V (*Obligations of listed entity which has listed*



*its non-convertible securities*) of the SEBI LODR Regulations;

- (ii) it will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary due diligence and monitor the security cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Debenture Trustees Master Circular, the Issuer undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to BSE in accordance with Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Debenture Trustees Master Circular:
- (A) a security cover certificate on a quarterly basis, within 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 90 (ninety) days from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law in the format prescribed in the SEBI Debenture Trustees Master Circular;
  - (B) (to the extent applicable) a statement of the value of the pledged securities on a quarterly basis, within 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 90 (ninety) days from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law;
  - (C) (to the extent applicable) a statement of the value of the debt service reserve account or any other form of security offered on a quarterly basis, within 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 90 (ninety) days from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law;
  - (D) (to the extent applicable) a net worth certificate of the guarantor who has provided a personal guarantee in respect of the Debentures on a half yearly basis, within 75 (seventy five) days from the end of each financial half-year or such other timelines as may be prescribed under Applicable Law;
  - (E) (to the extent applicable) the financials/value of guarantor prepared on the basis of audited financial statement etc. of the guarantor who has provided a corporate guarantee in respect of the Debentures on an annual basis, within 75 (seventy five) days from the end of each Financial Year or within such timelines as prescribed under Applicable Law; and
  - (F) (to the extent applicable) the valuation report and title search report for the immovable/movable assets, as applicable, once in 3 (three) years, within 75 (seventy five) days from the end of the Financial Year or such other timelines as may be prescribed under Applicable Law;
- (iii) it will submit to the BSE, on a periodical basis and/or on an 'as and when' basis (depending upon the occurrence of any event), such information as



prescribed under the SEBI Centralized Database Requirements, in such format as may be prescribed by the BSE;

- (iv) it will provide/fill all such information as prescribed under the SEBI Centralized Database Requirements at the time of allotment of the International Securities Identification Number (ISIN) in respect of the Debentures;
- (v) it will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts including compliance with the covenants set out in the Debt Disclosure Documents in such manner as may be specified by SEBI from time to time;
- (vi) (if so required) it will submit to the Debenture Trustee, on an annual basis, a certificate from the statutory auditor of the Issuer in relation to the value of the book debts/receivables comprising the Hypothecated Assets; and
- (vii) it will provide such assistance as may be required by the Debenture Trustee to, prior to the creation of charge to secure the Debentures, exercise independent due diligence to ensure that such security is free from any encumbrance or that the necessary consent(s) from other charge-holders (if applicable) have been obtained in the manner as may be specified by the SEBI from time to time;

(m) ***Execution of Transaction Documents***

in the event of any delay in the execution of any Transaction Document (including the DTD, or the Deed of Hypothecation) or the creation of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either:

- (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/dischARGE the Secured Obligations; and/or
- (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created in terms thereof or the Secured Obligations are discharged (whichever is earlier);

(n) ***Internal Control***

maintain internal control for the purpose of:

- (i) preventing fraud on amounts lent by the Issuer; and
- (ii) preventing money being used for money laundering or illegal purposes;

(o) ***Audit and Inspection***

subject to the providing of a prior notice of 15 (fifteen) days, permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and other authorised representatives of the Debenture Holders on an annual basis and at such other time periods as may be reasonably requested by them;



(p) **Rating**

maintain a minimum rating of at least "IND A/Stable" from the Rating Agency and/or "CRISIL A/Stable" from CRISIL Limited, in respect of the Debentures until the Final Settlement Date; and

(q) **Shareholding Covenant**

the Issuer shall ensure and procure that, until the Final Settlement Date, Kedaara Capital Fund III LLP (directly and indirectly) holds at least 26% (twenty six percent) of the total shareholding of the Issuer (on a fully diluted basis). It is clarified that if the above shareholding is reduced below 26% (twenty six percent) of the total shareholding of the Issuer (on a fully diluted basis), a right to recall in accordance with Clause 8.2 (Early Redemption) shall be available.

#### 4.3.4 NEGATIVE COVENANTS

The Issuer shall not take any action in relation to the items set out in this Section 4.3.4 (*Negative Covenants*) or any such other matters as are usual and customary to transactions of this nature, without the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

Any request under this Section 4.3.4 (*Negative Covenants*) must be accompanied by all relevant information substantiating the request to enable the Debenture Holders to make a reasoned decision.

PROVIDED THAT the Debenture Trustee may approve any application for consent in respect of any matter under this Section 4.3.4 (*Negative Covenants*), if Debenture Holders' representing more than 51% (fifty one percent) of the Outstanding Principal Amounts of the Debentures provide their consent, within a period of 7 (seven) Business Days from the date of receipt of such request/notification from the Debenture Trustee. Where the aforementioned approval or rejection has not been provided within the aforementioned time period of 7 (seven) Business Days from the date of receipt of such request/notification from the Debenture Trustee, consent for such action shall be deemed and the Issuer may proceed with the action for which the consent has been requested.

(a) **Change of Business; Constitutional Documents**

- (i) change the general nature and/or the scope of its business or operations from that which is permitted as a non-banking financial company - microfinance institution registered with the RBI; or
- (ii) any changes, amendments, or modifications to its Constitutional Documents other than:
  - (A) any change, amendment, or modification to effect an increase in the authorised share capital of the Issuer or any change, amendment, or modification which reflects the terms of any equity infusion or strategic sale; or
  - (B) any change, amendment, or modification (including in the object clause of the memorandum of association of the Issuer) which has a Material Adverse Effect,

(b) **Dividend**



declare or pay any dividend to its shareholders (including holders of preference shares) during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/Debenture Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof and subject to there being no Event of Default that has occurred and is continuing;

(c) ***Merger, Consolidation, etc.***

(i) in any Financial Year undertake or permit any scheme of, expansion, or enter into any, merger, acquisition, spin-off, consolidation, re-structuring or amalgamation;

PROVIDED THAT the above shall be subject to compliance with the requirements prescribed by SEBI in respect of entities which have listed their non-convertible securities;

(d) ***Change in Capital Structure***

permit or undertake any change in the capital structure of the Issuer that would lead to a reduction in the share capital of the Issuer by way of, *inter alia*, any purchase, buyback, or redemption of any of its issued shares, other than in respect of any buyback of equity shares issued and/or allotted pursuant to the Issuer's employee stock option scheme(s);

(e) ***Change of Control***

permit the occurrence of any change in Control of the Issuer from that subsisting as on the Effective Date;

(f) ***Disposal of Assets***

(ii) sell, transfer, or otherwise dispose of in any manner whatsoever any substantial part of the Assets of the Issuer (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect); and

(iii) any sale of assets or business or division of the Issuer that has the effect of exiting or re-structuring of the existing business of the Issuer;

(g) ***Related Party Transactions***

enter into any transactions with any Related Party or any transactions that are classified as "related party transactions" for the purposes of the Applicable Accounting Standards, except in accordance with Applicable Law, or enter into any transaction(s):

(i) whereby the overall outstanding amounts owed to the Issuer under all such transactions exceed 15% (fifteen percent) of the Issuer's Net Worth; or

(ii) whereby the overall expenses incurred in respect of such transactions in any Financial Year exceed 15% (fifteen percent) of the Issuer's net profit; or

(iii) enter into or establish any management, partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Issuer's income or



profits are, or might be, shared with any other person;

- (iv) enter into any management contract or similar arrangement (other than any arrangement in the nature of a business correspondent arrangement, co-lending, or corporate agent activities) whereby the Issuer's business or operations are managed by any other person other than in the ordinary course of business in compliance with Applicable Law and on an arms length basis and subject to the aforementioned arrangement not having any adverse impact on any rights of the Debenture Holders.);

PROVIDED THAT only an intimation is required to be provided by the Issuer to the Debenture Trustee/Debenture Holders in respect of transactions with a Related Party that are entered into by it in the ordinary course of business.

It is clarified that the Debenture Trustee shall be provided access to such additional information that it may deem necessary for the purposes of monitoring and evaluating the compliance of the Issuer with the provisions of this paragraph (g)(i) and (g)(ii);

(h) ***Actions with respect to Subsidiary***

form, dispose of, acquire or incorporate any subsidiary where aggregate value of such transaction exceeds 5% (five percent) of the Net Worth of the Issuer. Where the Issuer enters into any of the aforementioned transactions where the aggregate value is below 5% (five percent) of the Net Worth of the Issuer, the Issuer shall provide an intimation to the Debenture Trustee;

(i) ***Immunity***

claim for itself or any of its Assets immunity or limitation of liability against any payment obligations arising towards the Debenture Holders under the Transaction Documents (including in respect of any suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process in any jurisdiction); and

(j) ***Business***

- (i) undertake any new major new businesses except in relation to financial services or diversify its business outside the financial services sector; or
- (ii) enter into any transaction except in the ordinary course of the business and on an arms length basis.

#### 4.4 EVENTS OF DEFAULT

Please refer Section 3.9 (*Summary Terms*) of this Key Information Document.

#### 4.5 CONSEQUENCES OF EVENTS OF DEFAULT

Please refer Section 3.9 (*Summary Terms*) of this Key Information Document.

***\*Please note that any capitalised term used in this section, but not defined herein, shall have the meaning as assigned to such term in the Debenture Trust Deed.***



## SECTION 5: OTHER INFORMATION AND APPLICATION PROCESS

Please refer to Section 8 (*Other Information and Application Process*) of the General Information Document. The information to the extent required to be set out in this Key Information Document are as follows:

### 5.1 Issue Procedure

The disclosures required pursuant to the EBP Requirements are set out hereinbelow:

<b>Details of size of issue and green shoe option, if any</b>  <b>Provided that the green shoe portion shall not exceed five times the base issue size</b>	3,000 (three thousand) listed, rated, senior, secured, transferable, redeemable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) on a private placement basis.  <b>Green Shoe Option: N.A.</b>
<b>Interest Rate Parament</b>	Fixed coupon (being 10.75% (ten decimal seven five percent) per annum payable annually (fixed))
<b>Bid opening and closing date</b>	Bid opening date: September 1, 2023 Bid closing date: September 1, 2023
<b>Minimum Bid Lot</b>	100 (one hundred) Debentures (being INR 1,00,00,000 (Indian Rupees One Crore)), and in multiples of 1 (One) Debenture thereafter (being INR 1,00,000 (Indian Rupees One Lakh))
<b>Manner of bidding in the Issue</b>	Closed bidding
<b>Manner of allotment in the Issue</b>	Uniform Yield Allotment
<b>Manner of settlement in the Issue</b>	Pay-in of funds through ICCL.  The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
<b>Settlement Cycle</b>	T+1 Settlement of the Issue will be on September 4, 2023.
<b>Cut-off yield</b>	To be disclosed in accordance with paragraph 5.4 of the SEBI EBP Requirements.

### 5.2 Effect of Holidays

- (a) If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- (b) If any Due Date on which any Outstanding Principal Amounts are payable falls on a



day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.

- (c) If the Final Redemption Date or any other date on which the Debentures are redeemed in full falls on a day which is not a Business Day, the payment of any amounts in respect of the any interest and Outstanding Principal Amounts to be made shall be made on the preceding Business Day.

### 5.3 Tax Deduction at Source

- (a) All payments to be made by the Issuer to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Issuer is required to make a Tax Deduction pursuant to Applicable Law.
- (b) The Issuer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.
- (c) If the Issuer is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.
- (d) Within the earlier of (A) 60 (sixty) days (or such further time period as may be prescribed by the Debenture Trustee) of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (B) 60 (sixty) days (or such further time period as may be prescribed by the Debenture Trustee) of each Due Date, the Issuer shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

### 5.4 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 4, 2023 by which date the Investors would be intimated of allotment.

### 5.5 Record Date

The Record Date will be 15 (fifteen) calendar days prior to any Due Date.

### 5.6 Interest on Application Money

- (a) Interest at Interest Rate, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Issuer on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 5 (five) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable.
- (b) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit.



- (c) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to each successful Applicant.



**SECTION 6: FORM NO. PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

Addressed to: \_\_\_\_\_  
Serial No: \_\_\_\_\_

**FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER  
("PPOA")**

*[Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]*

*Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.*

**Issue of 3,000 (three thousand) listed, rated, senior, secured, transferable, redeemable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore) ("Debentures") on a private placement basis (the "Issue").**

**6.1 General Information:**

**(a) Name, address, website, if any, and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company: Spandana Sphoorty Financial Limited ("Company" or "Issuer" or "Spandana" or "SSFL")  
Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana  
Corporate Office: Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana  
Telephone No.: 040-45474750  
Website: <http://www.spandanasphoorty.com>  
Fax: N.A.  
Contact Person: **Mr. Ramesh Periasamy**  
Email: [ramesh.periasamy@spandanasphoorty.com](mailto:ramesh.periasamy@spandanasphoorty.com)  
[secretarial@spandanasphoorty.com](mailto:secretarial@spandanasphoorty.com)

**(b) Date of Incorporation of the Company:**

March 10<sup>th</sup> 2003

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(c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Spandana Sphoorty Financial Limited is a leading, rural focused NBFC-MFI with a geographically diversified presence in India. We offer income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas.

Through our extensive corporate history, we have developed an in-depth understanding of the borrowing requirements of the low-income client segment. Our business model involves regular client meeting processes through our employees, who maintain contact with our clients across the districts that we cover. As of December 31, 2021, we had 8,593 employees (including 6,618 credit assistants) operating out of 1,047 branches in 293 districts across 18 states and 1 union territory in India. Through our loan products and client-centric approach, we endeavour to strengthen the socio-economic well-being of low-income households by providing financing on a sustainable basis in order to improve livelihoods, establish identity and enhance self-esteem.

We were incorporated as a public company in 2003 and registered as an NBFC with the RBI in 2004. Subsequently, we registered as an NBFC-MFI in 2015. Between the years 2005 to 2010, we grew our micro-finance operations and, as of March 2010, we were the second largest MFI in terms of AUM.

As at June 30, 2023, the gross NPA was INR 117.69 Cr on a gross portfolio of INR 7,879.80 Cr (excluding managed portfolio of INR 452.86 Cr).

**Branch details:**

As of June 30, 2023, the Company has 1,221 branches across 19 states. The details of the branches of the Issuer are provided under Section 5.8 (*About the Issuer*) of the General Information Document.

**Subsidiary details:**

As of the date of the Key Information Document/PPOA, the Company has 2 (two) subsidiaries.

The list of subsidiaries with details of branches or units, if any, is as follows:

**1. Caspian Financial Services Limited (Caspian):**

Caspian Financial Services Limited, is a wholly owned subsidiary of Spandana. It was incorporated on October 13, 2017 under the Companies Act, 2013 as a public limited company. It has its registered office at Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana.

Caspian Financial is authorised to engage in the business of, inter alia, lending and advancing money, giving credits on any terms, with or without security to any person, firm, Company, body corporate, trust, individual, etc., financing development activities through long term loans and other means of financing, providing loans to persons or entities engaged in business of construction of houses (residential/non-residential), entering into guarantees, contracts of indemnity and suretyship of all kinds, carrying out

research, consultancy, technical assistance and training in the field of development finance, acting as an agent/ collaborator/ partner with Banks, Insurance Companies, Mutual Funds and other Financial Institutions, buying, selling marketing or dealing in securities and various financial products and hire purchase of movable properties of any kind.

## 2. Criss Financial Limited (Formerly known as “Criss Financial Holdings Limited”)

Criss Financial was incorporated under the Companies Act, 1956 as a public limited company, under the name of M.G. Brothers Finance Limited pursuant to certificate of incorporation issued by the RoC, dated August 20, 1992, and received its certificate for commencement of business from the RoC on September 21, 1992. The name was changed from M.G. Brothers Finance Limited to Keertana Financial Limited by way of a fresh certificate of incorporation consequent upon change of name issued by the RoC, dated December 16, 2008. Subsequently, the name was changed to Criss Financial by way of a fresh certificate of incorporation consequent upon change of name issued by the RoC, dated December 13, 2010. It received a certificate of registration from the RoC to carry on the business of an NBFC without accepting public deposits on January 12, 2011. It has its registered office at Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana.

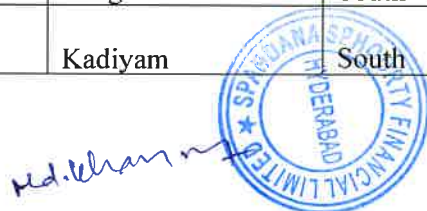
Criss Financial is authorised (i) to carry on the business of providing micro finance services (mainly non banking financial services as permitted by Reserve Bank of India) to large number of low income households directly or indirectly; (ii) to carry on the business of financing, whether by making loans or advances or by purchasing, discounting or accepting bills of exchange, promissory notes or other negotiable instruments, or by giving guarantees or otherwise, for any industrial, trade, commercial or economic activities of individuals, whether incorporated or not and deal in all kinds of properties movable or immovable, including goods, machines, stock in trade, motor vehicles, lands, buildings, bullion, stock, shares, jewels and government bonds; (iii) to carry on the business of marketing and dealing in all kinds of financial products and (iv) to carry on the business of hire purchase of movable properties of any kind including machinery, plant, motor vehicles of all kinds.

The details of the branches of the Issuer are as follows:

Branch_Code	Branch Name	Zone Name	State_Name
APML0001	Vijayawada-1	South	Andhra Pradesh
APML0002	Palakollu	South	Andhra Pradesh
APML0003	Rajahmundry	South	Andhra Pradesh
APML0004	Tanuku	South	Andhra Pradesh
APML0005	Gollapudi(Vij-2)	South	Andhra Pradesh
APML0006	Ravulapalem	South	Andhra Pradesh
APML0009	Razole	South	Andhra Pradesh



APML0012	Machilipatnam	South	Andhra Pradesh
AP0032	Nuziveedu	South	Andhra Pradesh
AP0038	Kolluru	South	Andhra Pradesh
TS0042	Chandanagar	South	Telangana
AP0045	Kaikaluru	South	Andhra Pradesh
AP0053	Tiruvuru	South	Andhra Pradesh
APLAP0054	Palakollu LAP	LAP	Andhra Pradesh
APML0067	Tenali(Nandivelugu)	South	Andhra Pradesh
AP0069	Nidadavolu	South	Andhra Pradesh
APML0082	Chilakaluripet	South	Andhra Pradesh
APML0083	Unguturu(Pulla)	South	Andhra Pradesh
APML0084	Tadepallegudem	South	Andhra Pradesh
APML0085	Bhimavaram	South	Andhra Pradesh
APML0086	Vissannapet	South	Andhra Pradesh
APML0087	Pedanandipadu	South	Andhra Pradesh
APML0089	Tallada	South	Telangana
APML0090	Sathupalli	South	Telangana
APML0092	Mudinepalli	South	Andhra Pradesh
TSML0093	Kodad	South	Telangana
TSML0094	Madhira	South	Telangana
APML0095	Jaggiahpet	South	Andhra Pradesh
TSML0104	Bhuvanagiri	South	Telangana
TSML0106	Toopran	South	Telangana
TSML0107	Medak	South	Telangana
APLAP0109	Guntur LAP	LAP	Andhra Pradesh
APML0110	Kavali	South	Andhra Pradesh
TSML0111	Kamareddy	South	Telangana
TSML0112	Choutuppal	South	Telangana
APML0114	Pileru	South	Andhra Pradesh
			Andhra
APML0115	Punganur	South	Pradesh
APML0116	Kadiyam	South	Andhra Pradesh



TSML0117	Vemulavada	South	Telangana
APML0118	Kodur	South	Andhra Pradesh
APML0119	Rayachoti	South	Andhra Pradesh
APML0120	Kovur	South	Andhra Pradesh
TSML0121	Gajwel	South	Telangana
AN30	Gannavaram	South	Andhra Pradesh
AN31	Kuchipudi	South	Andhra Pradesh
TSML0123	Nakrekal	South	Telangana
APLAP0129	Rayadurgam_Lap	LAP	Andhra Pradesh
TSLAP0130	Khammam_Lap	LAP	Telangana
APLAP0131	Bapatla_Lap	LAP	Andhra Pradesh
APLAP0132	Proddutur_Lap	LAP	Andhra Pradesh
APLAP0133	Guntakal_Lap	LAP	Andhra Pradesh
APLAP0134	Amalapuram_Lap	LAP	Andhra Pradesh
TSLAP0135	Mahbubnagar_Lap	LAP	Telangana
TSLAP0136	Vikarabad_Lap	LAP	Telangana
APLAP0137	Dharmavaram_Lap	LAP	Andhra Pradesh
TSLAP0138	Kodad_Lap	LAP	Telangana
TSLAP0139	Siddipet_Lap	LAP	Telangana
APLAP0140	Kadiri_Lap	LAP	Andhra Pradesh
APLAP0141	Narasaraopet_Lap	LAP	Andhra Pradesh
APLAP0142	Hindupur_Lap	LAP	Andhra Pradesh
TSML0144	Kallur	South	Telangana
APML0164	Mylavaram	South	Andhra Pradesh
APML0169	Nandivelugu	South	Andhra Pradesh
APML0170	Puthalapattu	South	Andhra Pradesh
APML0171	Palamaner	South	Andhra Pradesh
APML0172	Gudur	South	Andhra Pradesh
APML0178	Naidupeta	South	Andhra Pradesh
TSML0181	Tukkuguda	South	Telangana
TSML0182	Kandukur	South	Telangana




TSML0183	Jadcherla	South	Telangana
APML0184	Srikalahasti	South	Andhra Pradesh
APML0185	Bonakal	South	Telangana
APML0186	Enkuru	South	Telangana
APML0187	Huzurnagar	South	Telangana
RJLAP0001	Jaipur	North	Rajasthan
RJLAP0002	Reengus	North	Rajasthan
RJLAP0003	Sawai Madhopur	North	Rajasthan
RJLAP0004	Dausa	North	Rajasthan
RJLAP0005	KothPulti	North	Rajasthan
RJLAP0006	Jhujhunu	North	Rajasthan
RJLAP0007	Laxmangarh	North	Rajasthan
RJLAP0008	Sikar	North	Rajasthan

(d) **Brief particulars of the management of the Company:**

Management Details		
Name	Designation	Description
Mr. Shalabh Saxena	Managing Director and Chief Executive Officer	Mr. Shalabh Saxena has a strong retail financial experience of more than 26 years in Consumer Banking and Life Insurance industry. Throughout his career, he has run large profit centres and SBUs across various business lines in Life Insurance and Consumer Banking. Core competence and exposure revolves around distribution and handling sales in large business environments, Marketing, Strategy, Information Technology, Planning, Alliances and Acquisitions. He holds MBA in Marketing from B K School of Management, Ahmedabad. He has previously worked with Bharat Financial Inclusion Limited as MD & CEO, HSBC Life Insurance, ING Life Insurance & Standard Chartered Bank.
Mr. Ashish Kumar Damani	President and Chief Financial Officer	Mr. Ashish Kumar Damani has over 22 years of corporate experience and his expertise lies in Business Planning, Strategy, Structured Finance & Equity, Process, Risk Management, Accounts and Audit. He also has an experience of handling IT, Risk, Finance & Accounts, Process, Cross sell and Administration functions. He was previously associated with Bharat Financial Inclusion Limited for the 19 years as ED & CFO and Fullerton India. He holds a Post Graduate Diploma in Business Administration and has done AGMP from IIMA.
Mr. Ramesh Periasamy	Company Secretary and Compliance Officer	Ramesh is Company Secretary & Compliance Officer. He is qualified Cs and graduate in law from Bangalore University. He has 15+ years of experience in corporate laws, legal, listing, M&A and regulatory compliance. Before joining Spandana, he worked with embassy office parks REIT, Manappuram Finance Ltd, Kalyan Jewellers and Nest Technologies as Cs, Legal and Compliance Officer. He also practiced law in trial courts and Madras High Court.

(e) **Names, addresses, Director Identification Number (DIN) and occupations of the directors:**

S. No.	Name of the Directors	Address	DIN	Occupation
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1.	Abanti Mitra	Flat No-2505, B Wing, Oberoi Woods,Goregaon East, Mumbai 400063 MH IN	0230589 3	Chairprson (Non- Executive Independent Director)
2.	Deepak Calian Vaidya	249 / 251, 3rd Floor, Suraj Walkeshwar Road Mumbai 400006 MH	0033727 6	Independent Director
3.	Sunish Sharma	1305 North Tower The Imperial, B. B. Nakashe Marg, Tardeo, Tulsiwadi, Mumbai 400034 MH	0027443 2	Nominee Director
4.	Ramachandra Kasargod Kamath	B-2004, Neptune Society, Sun City, Adi Shankaracharya Marg Near Powai IIT Market, Powai, Mumbai Mumbai 400076 MH IN	0171507 3	Nominee Director
5.	Kartikeya Dhruv Kaji	The Imperial, Apartment 3901 B. B. Nakashe Marg Tardeo, Tulsiwadi Mumbai 400034 MH IN	0764172 3	Nominee Director
6.	Neeraj Swaroop	1104, Signia Isles, G Block, Near Dhirubhai International, School, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, India-400051	0006117 0	Nominee Director
7.	Animesh Chauhan	Flat No.948, Block G, 6th Avenue, Gaur City-1 Sector-4, Greater Noida West, Chipyana Khurd Urf Tigri Gautam Buddha, Noida, Uttar Pradesh, 201009	0206045 7	Independent Director
8.	Shalabh Saxena	11/6,2nd Floor, Nehru Enclave east kalkaji Extn, Kalkaji, South Delhi 110019	0890823 7	Managing Director and Chief Exectuive Officer
9.	Dipali Hemant Sheth	Lodha Bellissimo, A wing Apt, 2002, N M Joshi Marg Apollo Mills Compound, Mahalaxmi Maharashtra, India- 400011	0755668 5	Additional Independent Director
10.	Vinayak Prasad	3, Tarangi IAPTS. Bombay Dyeing Compond Near SiddhiviNayak Temple Prabhadevi Maharashtra, India-4000028	0531065 8	Additional Independent Director



**6.2 MANAGEMENT'S PERCEPTION OF RISK FACTORS:**

Please refer to Section 3 of the General Information Document.

**6.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER**

Please refer to Section 3 of the General Information Document.

**6.4 Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:**

- (i) Statutory Dues: Nil
- (ii) Debentures and interest thereon: Nil
- (iii) Deposits and interest thereon: Nil
- (iv) Loan from any bank or financial institution and interest thereon: Nil

**6.5 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:**

Name: Mr. Ramesh Periasamy  
Designation: Company Secretary and Compliance Officer  
Address: Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana.  
Phone No.: 040-45474750  
Email: [ramesh.periasamy@spandanasphoorty.com](mailto:ramesh.periasamy@spandanasphoorty.com)

**6.6 Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:**

The company has not defaulted in annual filing under the Companies Act, 2013, or the rules made thereunder.

**6.7 Particulars of the Offer:**

<b>Financial position of the Company for the last 3 (three) financial years</b>	Please refer to <b>CHAPTER A</b> of this Private Placement Offer cum Application Letter.
<b>Date of passing of Board Resolution</b>	Board resolution dated May 2, 2023 read together with the resolution dated August 30, 2023 of the management committee of the board of directors.
<b>Date of passing of resolution in the general meeting, authorizing the offer of securities</b>	Shareholders resolutions under Section 42 of the Companies Act, 2013 dated August 1, 2023 and the resolutions each dated September 28, 2021 under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013.

*M. Khan*  


<p><b>Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued</b></p>	<p>3,000 (three thousand) listed, rated, senior, secured, transferable, redeemable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 30,00,00,000 (Indian Rupees Thirty Crore).</p>
<p><b>Price at which the security is being offered, including the premium if any, along with justification of the price</b></p>	<p>The Debentures are being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.  Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.</p>
<p><b>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer</b></p>	<p>Not Applicable as the Debentures are being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.</p>
<p><b>Relevant date with reference to which the price has been arrived at</b> [Relevant Date means a date at least 30 days prior to the date on which the general</p>	<p>Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.</p>
<p><b>meeting of the Company</b></p>	



<b>is scheduled to be held]</b>	
<b>The class or classes of persons to whom the allotment is proposed to be made</b>	Please refer to ' <i>Eligible Investors</i> ' under Section 8.14 of the General Information Document.
<b>Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]</b>	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
<b>The proposed time within which the allotment shall be completed</b>	The Debentures will be deemed to be allotted on September 4, 2023 (" <b>Deemed Date of Allotment</b> "), and the Issuer will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures (" <b>Debenture Holders</b> ") within the timelines prescribed under the SEBI Listing Timelines Requirements, each in accordance with the debenture trust deed (" <b>DTD</b> ") to be entered into between the Issuer and the debenture trustee (" <b>Debenture Trustee</b> ").
<b>The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]</b>	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
<b>The change in control, if any, in the company that would occur consequent to</b>	No change in control would occur consequent to this private placement as the Debentures are non-convertible debt instruments.



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<b>the private placement</b>																																											
<p><b>The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price</b></p>	<p>The details of allotment on preferential basis/private placement/rights issue already been made during the calendar year is as follows:</p> <table border="1" data-bbox="459 360 1420 1361"> <thead> <tr> <th>S. No.</th> <th>Number of securities allotted</th> <th>Type of securities allotted</th> <th>Face value of each security (in INR)</th> <th>Aggregate value of securities (in INR)</th> <th>Preferential basis/private placement/rights issue</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2500</td> <td>NCD</td> <td>1,00,000</td> <td>250000000</td> <td>Private placement</td> </tr> <tr> <td>2</td> <td>10000</td> <td>NCD</td> <td>1,00,000</td> <td>1000000000</td> <td>Private placement</td> </tr> <tr> <td>3</td> <td>500</td> <td>NCD</td> <td>1,00,000</td> <td>50000000</td> <td>Private placement</td> </tr> <tr> <td>4</td> <td>7500</td> <td>NCD</td> <td>1,00,000</td> <td>750000000</td> <td>Private placement</td> </tr> <tr> <td>5</td> <td>12500</td> <td>NCD</td> <td>1,00,000</td> <td>1250000000</td> <td>Private placement</td> </tr> <tr> <td>6</td> <td>5000</td> <td>NCD</td> <td>1,00,000</td> <td>50000000</td> <td>Private placement</td> </tr> </tbody> </table>	S. No.	Number of securities allotted	Type of securities allotted	Face value of each security (in INR)	Aggregate value of securities (in INR)	Preferential basis/private placement/rights issue	1	2500	NCD	1,00,000	250000000	Private placement	2	10000	NCD	1,00,000	1000000000	Private placement	3	500	NCD	1,00,000	50000000	Private placement	4	7500	NCD	1,00,000	750000000	Private placement	5	12500	NCD	1,00,000	1250000000	Private placement	6	5000	NCD	1,00,000	50000000	Private placement
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3	500	NCD	1,00,000	50000000	Private placement																																						
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5	12500	NCD	1,00,000	1250000000	Private placement																																						
6	5000	NCD	1,00,000	50000000	Private placement																																						
<p><b>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</b></p>	<p>Not applicable as each Debenture is a non-convertible debt instrument which is being issued at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.</p>																																										
<p><b>Amount, which the</b></p>	<p>Up to INR 30,00,00,000 (Indian Rupees Thirty Crore)</p>																																										
<p><b>Company intends to</b></p>																																											



<p><b>raise by way of proposed offer of securities</b></p>									
<p><b>Terms of raising of securities:</b></p>	<table border="1"> <tr> <td data-bbox="456 371 687 439">Duration, if applicable:</td> <td data-bbox="687 371 1166 674"> <p>36 (thirty six) months from the Deemed Date of Allotment.</p> <p>The proposed interest payment and redemption schedules are set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention) of the Key Information Document.</p> </td> </tr> <tr> <td data-bbox="456 674 687 775">Rate of Interest or Coupon:</td> <td data-bbox="687 674 1166 775">10.75% (ten decimal seven five percent) per annum payable annually (fixed)</td> </tr> <tr> <td data-bbox="456 775 687 1043">Mode of Payment</td> <td data-bbox="687 775 1166 1043">Electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the account details set out in Section 5.1 of the Key Information Document.</td> </tr> <tr> <td data-bbox="456 1043 687 1451">Mode of Repayment</td> <td data-bbox="687 1043 1166 1451">All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar. Credit for all payments will be given only on realisation.</td> </tr> </table>	Duration, if applicable:	<p>36 (thirty six) months from the Deemed Date of Allotment.</p> <p>The proposed interest payment and redemption schedules are set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention) of the Key Information Document.</p>	Rate of Interest or Coupon:	10.75% (ten decimal seven five percent) per annum payable annually (fixed)	Mode of Payment	Electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the account details set out in Section 5.1 of the Key Information Document.	Mode of Repayment	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar. Credit for all payments will be given only on realisation.
Duration, if applicable:	<p>36 (thirty six) months from the Deemed Date of Allotment.</p> <p>The proposed interest payment and redemption schedules are set out in Annexure VI (<i>Illustration of Bond Cash Flows</i>) (subject to adjustments for Business Day Convention) of the Key Information Document.</p>								
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Mode of Repayment	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar. Credit for all payments will be given only on realisation.								
<p><b>Proposed time schedule for which the Issue/Offer Letter is valid</b></p>	<p>Issue Open Date: September 1, 2023 Issue Closing Date: September 1, 2023 Pay-in Date: September 4, 2023 Deemed Date of Allotment: September 4, 2023</p>								
<p><b>Purpose and objects of the Issue/Offer</b></p>	<p>Please refer Section 3.9 of the Key Information Document.</p>								
<p><b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance</b></p>	<p>NIL.</p>								



<b>of such objects</b>	
<b>Principal terms of assets charged as security, if applicable</b>	Please refer section named " <i>Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)</i> " in Section 3.9 ( <i>Summary Terms</i> ) of the Key Information Document.
<b>The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations</b>	NIL

The pre-issue and post-issue shareholding pattern of the Company in the following format:

S. No.	Category	Pre-issue		Post-issue	
		No. of shares held	Percentage (%) of shareholding	No. of Shares held	% of share holding
<b>A.</b>	<b>Promoter's holding</b>				
<b>1</b>	<b>Indian</b>				
	Individual (Including Joint holding)	99,96,691	14.08	10406325	14.66
	Bodies Corporate	50,13,295	7.05	50,13,295	7.06
	<b>Sub Total</b>	<b>1,50,09,986</b>	<b>21.13</b>	<b>1,54,19,620</b>	<b>21.72</b>
<b>2</b>	<b>Foreign Promoter</b>	2,93,03,172	41.28	2,93,03,172	41.28
	<b>Subtotal (A)</b>	<b>4,43,13,158</b>	<b>62.41</b>	<b>4,43,13,158</b>	<b>62.41</b>
<b>B.</b>	<b>Non-Promoter's holding</b>				
<b>1</b>	<b>Institutional Investors</b>	2,10,72,893	29.68	2,10,72,893	29.68
<b>2</b>	<b>Non-Institution Investors</b>	56,13,263	7.91	56,13,263	7.91
	Private Bodies Corporate	10,54,973	1.49	10,54,973	1.49



	(Including Foreign Bodies)				
	Indian Public	40,48,397	5.70	40,48,397	5.70
	Others (Including NRIs)	5,09,893	0.72	5,09,893	0.72
	<b>Subtotal (B)</b>	<b>2,66,86,156</b>	<b>37.59</b>	<b>2,66,86,156</b>	<b>37.59</b>
	<b>Grand Total (A) + (B)</b>	<b>7,09,77,269</b>	<b>100</b>	<b>7,09,77,269</b>	<b>100</b>

**6.8 Mode of payment for subscription:**

- ( ) Cheque  
( ) Demand Draft  
(x) Other Banking Channels

**6.9 Disclosure with regard to interest of directors, litigation, etc:**

<b>Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons</b>	The directors, promoters or key managerial personnel do not have any financial or other material interest in the offer/ Issue	
<b>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed</b>	There is no such litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this private placement offer cum application letter.	
<b>Remuneration of directors (during the current year and last 3 (three) financial years)</b>	<b>Name of the Director</b>	<b>Remuneration</b>
	<b>2023-24 (Current Year)</b>	
	As on the date hereof, the remuneration of the directors for the current year has not been finalised.	
	<b>2022-23</b>	
	Mr. Shalabh Saxena	4,61,91,709
<b>2021-22</b>		
Mrs. Padmaja Gangireddy	1,83,95,836	
<b>2020-21</b>		

	Mrs. Padmaja Gangireddy	5,37,50,000				
<b>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided</b>	Please refer to <b>CHAPTER C</b> of this Private Placement Offer cum Application Letter.					
<b>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</b>	NIL					
<b>Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this private placement offer cum application letter in the case of the Company and all of its subsidiaries and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries</b>	<p>No inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter. The details of Compounding of Offences made during last three immediately preceding financial year are given herein:</p> <p><b><u>2018-19</u></b></p> <p><u>Compounding of Offences by Company:</u></p> <table border="1"> <tr> <td>Section:</td> <td>Section 203 of the Companies Act, 2013</td> </tr> <tr> <td>Brief Description:</td> <td> <p>During the financial year 2018-19, the Company and its KMPs, filed an Application before the compounding authority under Section 441 of the Companies Act, 2013 for Compounding of offence u/s 203 of the Companies Act, 2013 for non-appointment of Chief Financial Officer during the period 13.03.2016 to 30.01.2018. The said application was forwarded to Regional Director (RD), South East Region for consideration.</p> <p>Regional Director vide its order no.F.NO:9/80/TELANGANA/RD(SER)/203 OF 2013/2018, dated 27<sup>th</sup> March, 2019 has compounded the aforesaid offence, on payment of the relevant fee by the Company.</p> </td> </tr> </table>		Section:	Section 203 of the Companies Act, 2013	Brief Description:	<p>During the financial year 2018-19, the Company and its KMPs, filed an Application before the compounding authority under Section 441 of the Companies Act, 2013 for Compounding of offence u/s 203 of the Companies Act, 2013 for non-appointment of Chief Financial Officer during the period 13.03.2016 to 30.01.2018. The said application was forwarded to Regional Director (RD), South East Region for consideration.</p> <p>Regional Director vide its order no.F.NO:9/80/TELANGANA/RD(SER)/203 OF 2013/2018, dated 27<sup>th</sup> March, 2019 has compounded the aforesaid offence, on payment of the relevant fee by the Company.</p>
Section:	Section 203 of the Companies Act, 2013					
Brief Description:	<p>During the financial year 2018-19, the Company and its KMPs, filed an Application before the compounding authority under Section 441 of the Companies Act, 2013 for Compounding of offence u/s 203 of the Companies Act, 2013 for non-appointment of Chief Financial Officer during the period 13.03.2016 to 30.01.2018. The said application was forwarded to Regional Director (RD), South East Region for consideration.</p> <p>Regional Director vide its order no.F.NO:9/80/TELANGANA/RD(SER)/203 OF 2013/2018, dated 27<sup>th</sup> March, 2019 has compounded the aforesaid offence, on payment of the relevant fee by the Company.</p>					



	<u>Details of Compounding Fees:</u>	1. Company - Rs.1,00,000/-, 2. Mrs. Padmaja Gangireddy (Managing Director)-Rs.1,87,000/- 3. Mr. Santosh Kumar Jha (Past Company Secretary)-Rs. 85,600/- Mr. Rakesh Jhinharia (Past Company Secretary)-Rs.96000/-
<b>Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company</b>	NIL	

#### 6.10 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

<b>The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)</b>	<b>Share Capital</b>	<b>No. of Securities</b>	<b>Amount (in Rs.)</b>
	<b>Authorised</b>		
	Equity Share Capital	90,00,00,000	9,00,00,00,000
	Preference Share Capital	1,25,00,00,000	12,50,00,00,000
	<b>TOTAL</b>	2,15,00,00,000	21,50,00,00,000
	<b>Issued Capital</b>		
	Equity Share Capital	7,09,83,269	70,98,32,690
	Preference Share Capital	-	-
	<b>TOTAL</b>	7,09,83,269	70,98,32,690
	<b>Subscribed and Fully Paid- up</b>	7,09,83,269	70,98,32,690
	Equity Share Capital	-	-
	Preference Share Capital	-	-
	<b>TOTAL</b>	-	-
	<b>Size of the Present Offer</b>	Up to INR 30,00,00,000 (Indian Rupees Thirty Crore)	
<b>Paid-up Capital:</b>			
<b>a. After the offer:</b>	INR 70,98,32,690		
<b>b. After the conversion of convertible instruments (if applicable)</b>	INR 70,98,32,690		
	The issue of the Debentures will not result in a change of paid-up capital as each Debenture is a non-convertible debt instrument which is being issued at face value.		
<b>Share Premium Account:</b>			
<b>a. Before the offer:</b>	INR 2219.15		

*Handwritten signature: n.d.khan*

<b>b. After the offer:</b>	<p>INR 2219.15</p> <p>The issue of the Debentures will not result in a change of share premium account as each Debenture is a non-convertible debt instrument which is being issued at face value.</p>
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**Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:**

Sr. No.	Date of Allotment	No. of Shares allotted	Face value of shares (INR)	Issue Price (INR)	Form of Consideration (Cash, other than cash, etc) (Rs. In crore)
1.	16.05.2014	5,44,000	10	50	2.72 (Cash)
2.		3,30,000	10	50	1.65 (Cash)
3.		90,000	10	50	0.45 (Cash)
4.		36,000	10	50	0.18 (Cash)
5.	31.03.2017	78,96,937	10	235.48	185.96 (Cash)
6.		1,71,689	10	235.48	4.04 (Cash)
7.	08.03.2018	74,954	10	235.48	1.76 (Cash)
8.		5,41,535	10	235.48	12.75 (Cash)
9.	08.03.2018	6,50,790	10	235.48	15.32 (Cash)
10.	08.03.2018	38,512	10	235.48	0.90 (Cash)
11.	08.03.2018	1,634	10	235.48	0.03 (Cash)
12.	15.05.2018	9767263	10	235.48	229.99 (Cash)
13.	15.05.2018	212352	10	235.48	5.00 (Cash)
14.	15.05.2018	4954819	10	235.48	116.68 (Cash)
15.	15.05.2018	107723	10	235.48	2.54 (Cash)
16.	15.05.2018	8758017	10	238.67	209.03 (Cash)
17.	15.05.2018	190408	10	238.67	4.54 (Cash)
18.	20.06.2018	1,135,085	10	235.48	26.73 (Cash)
19.	20.06.2018	283,771	10	235.48	6.68 (Cash)
20.	20.06.2018	283,771	10	235.48	6.68 (Cash)
21.	20.06.2018	283,771	10	235.48	6.68 (Cash)
22.	20.06.2018	283,771	10	235.48	6.68 (Cash)
23.	20.06.2018	1488544	10	235.48	
24.	21.06.2018	2031988	10	235.48	35.05 (Cash)
25.	21.06.2018	72402	10	235.48	
26.	21.06.2018	9748	10	235.48	47.85 (Cash)
27.	21.06.2018	9185	10	235.48	1.70 (Cash)
28.	21.06.2018	4247	10	235.48	0.23 (Cash)
29.	14.08.2019	45,43,385	10	856.00	0.22 (Cash)
30.	28.01.2020	91752	10	263.35	0.10 (Cash)
31.	03.03.2020	46663	10	263.35	388.91 (Cash)
32.	14.08.2021	92705	10	263.35	2.42 (Cash)
33.	17-03-2022	46,86,342	10	458.78	1.23 (Cash)
34.	17-03-2022	18,52,739	10	458.78	2.44 (Cash)
35.	21-05-2022	18,52,739	10	458.78	214.99 (Cash)

*Red. Khan*



36.	08-09-2022	30,000	10	263.35	75.00 (Cash)
37.	19-10-2022	6,000	10	263.35	9.99 (Cash)
38.	05-04-2023	2,000	10	263.35	0.79 (Cash)
39.	11-05-2023	8,120	10	263.35	0.16
40.	05-06-2023	825	10	263.35	0.053
41.	22-06-2023	5,100	10	263.35	0.21
42.	11-07-2023	6,490	10	263.35	0.02
43.	24-07-2023	3,200	10	608.74	0.13
44.	07-08-2023	4,300	10	263.35	0.17
45.	07-08-2023	1,200	10	636.46	1.95

**The number and price at which each of allotments were made by the Company in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case**

Please refer the sections of this PPOA named "*Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration*" and "*The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price*" for details of the allotments were made in the last one year preceding the date of this private placement offer cum application letter.

**Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer cum application letter**

FY	PBT (in Rs. Cr)	PAT (in Rs. Cr)
2022-23	18.24	12.33
2021-22	64.58	46.63
2020-21	177.63	128.98

**Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)**

No dividend has been declared by the Issuer till the date of this private placement offer and application letter.

Year	2022-2023	2021 - 2022	2020 - 2021
Interest Coverage Ratio	N.A.	N.A.	N.A.

**A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter**

Please refer to **CHAPTER A** of this Private Placement Offer cum Application Letter.

**Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter**

Please refer to **CHAPTER B** of this Private Placement Offer cum Application Letter.

**Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company**

Our Company has adopted the Indian Accounting Standards ("**IndAS**") for the financial periods starting from April 1, 2018. Given that IndAS differs in many respects from Indian GAAP, there has been a change in revenue recognition and other significant accounting



	practices since April 1, 2018 as per the statutory requirement.
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*Reddham*



**6.11 PART B (To be filed by the Applicant)**

- (i) Name:
- (ii) Father's name:
- (iii) Complete Address:
- (iv) Phone number; if any:
- (v) Email ID, if any:
- (vi) PAN Number:
- (vii) Bank Account details:

Bank Name:   
IFSC Code:   
Address:   
Account in Corresponding Bank:

(viii) **Tick whichever is applicable:-**

- (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.-  ;
- (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.-  .

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**Signature**

---

**Initial of the Officer of the Company designated to keep the record**

*Adh. Khan*



## 6.12 DECLARATION (To be provided by the Directors)

- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- C. The monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter;

I am authorized by the Board of Directors of the Company dated May 2, 2023 to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer cum application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Spandana Sphoorty Financial Limited



---

Authorised Signatory  
Name: Mr. Shalabh Saxena  
Title: Managing Director  
Date: September 01, 2023.

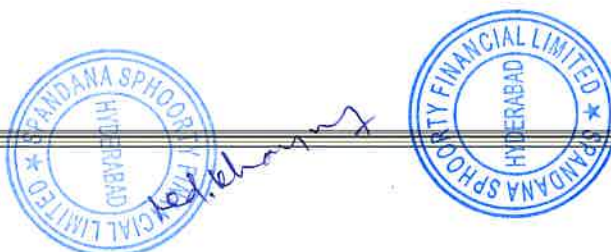
### Enclosed

*Chapter A - A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter*

*Chapter B - Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter*

*Chapter C - Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided*

Optional Attachments, if any



**CHAPTER A: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE)  
AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF  
CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**


*Attached separately.*



**CHAPTER B: AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

Spandana Sphoorty Financial Limited Cash Flow Statement for the year ended March 31, 2023		
(₹ in millions unless otherwise stated)		
Particular	For year ended March 31, 2023	For year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	162.67	645.86
Adjustments for:		
Depreciation and amortisation	126.78	83.46
Interest on income tax	0.16	89.60
Share based payment to employees	288.50	112.18
Provision for employee benefits	30.17	18.82
Finance cost on lease liability	9.80	17.83
Impairment on financial instruments and other provisions	4,997.64	4,858.31
Net gain on asset/(loss) on account of termination of leases		(52.46)
Net gain on financial assets / (liabilities) recognized at fair value through profit or loss	(318.02)	(522.07)
Other provisions and write offs	44.34	14.53
<b>Operating profit before working capital changes</b>	<b>5,333.08</b>	<b>5,098.15</b>
Movements in working capital		
Changes in other financial liabilities	106.82	(1,123.62)
Changes in other non-financial liabilities	(42.28)	84.27
Changes in bank balances other than cash and cash equivalents	2,819.16	12,257.45
Changes in provisions	(8.42)	(9.82)
Changes in loans	(17,695.02)	8,438.87
Changes in other financial assets	(733.04)	125.36
Changes in other non-financial assets	48.51	(195.52)
Cash used in operations	(20,158.87)	18,239.77
Income taxes paid	(268.82)	(2,850.78)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(20,125.17)</b>	<b>8,198.82</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(126.62)	(115.41)
Proceeds from depreciation of property, plant and equipment		4.44
Transfer of loan portfolio		80.57
Investment in subsidiary	(24.82)	
Purchase of investments	(6,900.00)	(1,08,624.01)
Sale of investments	80,779.17	1,08,308.07
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>(1,778.25)</b>	<b>488.66</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	309.47	2,934.27
Long-term borrowings availed	51,096.08	17,813.60
Long-term borrowings repaid	(28,049.37)	(2,1638.37)
Interest payment of lease liabilities	(7.64)	(17.83)
Principal payment of lease liabilities	(11.72)	(5.25)
<b>Net generated from / (used in) financing activities (C)</b>	<b>23,165.86</b>	<b>(12,773.88)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>883.89</b>	<b>(4,097.88)</b>
Cash and cash equivalents at the beginning of the year	7,329.86	11,427.83
Cash and cash equivalents at the end of the year (refer note 4)	8,213.75	7,329.95
<b>Components of cash and cash equivalents as at the end of year</b>		
Cash on hand	3.88	1.53
Balance with banks - no current account	7,893.72	7,827.89
Deposits with original maturity of less than or equal to 3 months	300.00	300.53
<b>Total cash and cash equivalents</b>	<b>8,197.60</b>	<b>7,229.95</b>
<b>Cash flow from operating activities</b>	<b>For year ended March 31, 2023</b>	<b>For year ended March 31, 2022</b>
Interest received	12,054.12	12,300.66
Interest paid	(2,884.57)	(4,223.32)

As per our report of even date  
For Walker Chandok & Co LLP  
Chartered Accountants  
ICAI Firm registration number: 001076N/NS000015

  
Manish Gujral  
Partner  
Membership No: 105117




Place: Mumbai

For and on behalf of the Board of Directors of  
Spandana Sphoorty Financial Limited

  
Shanti Mehta  
Chairperson  
DIN: 02305893

  
Shalish Sengupta  
Managing Director & CEO  
DIN: 08008177

  
Ashish Damari  
President & Chief Financial  
Officer

  
Prabhakar Periasamy  
Company Secretary & Chief  
Compliance Officer  
Membership No: A26247

Place: Mumbai





**Spandana Sparsity Financial Limited**  
**Standardized Cash Flow Statement for the year ended March 31, 2023**

(Figures in million unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	1,76.35	5,911.00
Adjustments for:		
Interest on borrowings	157.50	-
Depreciation and amortisation	74.85	87.42
Share based payments to employees	81.09	41.87
Provision for doubtful	8.56	10.33
Finance cost on lease liability	14.88	14.17
Gain or loss on transfer	(9.20)	-
Impairment on financial instruments and other provisions	5,998.75	2,726.96
Net gain or loss on changes	(83.64)	(64.76)
Net loss on financial assets and liabilities designated at fair value through profit or loss	27.44	-
Other provisions and write offs	20.19	20.11
<b>Operating profit before working capital changes</b>	<b>6,677.66</b>	<b>8,847.79</b>
Movements in working capital:		
Increase / (decrease) in other financial liabilities	264.82	1,901.13
Increase / (decrease) in provisions	-	(3,421)
Increase / (decrease) in other non financial liabilities	119.96	70.97
(Increase) / (decrease) in bank balances other than cash and cash equivalents	(482.28)	57.11
(Increase) / (decrease) in trade receivables	132.42	(185.19)
(Increase) / (decrease) in loans	(14,423.17)	(7,987.82)
(Increase) / (decrease) in other financial assets	963.35	(5,027.23)
(Increase) / (decrease) in other non financial assets	(25.09)	25.35
<b>Cash used in operations</b>	<b>(13,084.17)</b>	<b>(487.96)</b>
Income taxes paid	(777.48)	(118.77)
<b>Net cash used in operating activities (A)</b>	<b>(13,861.65)</b>	<b>(606.73)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(152.44)	(43.08)
Purchase of intangible assets	(2.11)	(2.02)
Proceeds from disposals of property, plant and equipment	38.30	-
Business transfer	823.31	-
Investment in Subsidiary	(580.00)	-
Purchase of investments	(12,841.88)	(92,180.11)
Sale of investments	(7,729.32)	(7,543.34)
<b>Net cash generated/(used) in investing activities (B)</b>	<b>(14,444.44)</b>	<b>(1,018.55)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including employee payments)	-	3,025.50
Debt receipts (net)	12,542.58	(5,943.91)
Proceeds received of lease liability	0.00	(28.88)
Interest received of lease liability	14.88	14.37
Borrowings (other than debt securities) (net)	9,341.28	6,654.22
Scheduled liabilities (net)	0.16	0.11
Share issue expenses	-	(133.66)
<b>Net generated from financing activities (C)</b>	<b>21,898.82</b>	<b>4,627.85</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(6,407.27)</b>	<b>(127.44)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>536.19</b>	<b>1,434.07</b>
<b>Cash and cash equivalents at the end of the year (under note 4)</b>	<b>(5,870.99)</b>	<b>1,306.63</b>
<b>Composition of cash and cash equivalents as at the end of year</b>		
Cash on hand	26.92	3.82
Balance with banks - an current account	8,763.92	133.37
Deposits with original maturity of less than or equal to 3 months	1,520.00	-
<b>Total cash and cash equivalents</b>	<b>(5,870.99)</b>	<b>1,306.63</b>
<b>For disclosure of meeting and financing activities that do not require the use of cash and cash equivalents, refer note 04</b>		
<b>Cash flow from operating activities</b>	<b>For year ended March 31, 2023</b>	<b>For year ended March 31, 2022</b>
Interest received	12,785.00	12,372.65
Interest paid	5,995.28	5,129.34

**Summary of significant accounting policies**

Page No. 4

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date  
For S. R. Bhatia & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 310047N-000001

*[Signature]*

per Vinod M. Mehta  
Partner  
Membership No. 048746



For and on behalf of the Board of Directors of  
Spandana Sparsity Financial Limited

*[Signature]*  
Dheepak Colakalavita  
Chairman  
DIN: 00337236

Place: Mumbai  
Date: May 22, 2023

*[Signature]*  
Suresh Kulkarni  
Chief Financial Officer

Place: Hyderabad  
Date: May 22, 2023

*[Signature]*  
Parag Gargade  
Managing Director  
DIN: 00004042

Place: Hyderabad  
Date: May 22, 2023

*[Signature]*  
Rajesh Phiroze  
Company Secretary  
Mem. No. 428247

Place: Gurgaon  
Date: May 22, 2023

Place: Mumbai  
Date: May 22, 2023



*[Handwritten signature]*

**CHAPTER C- RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

Spendana Sphoorty Financial Limited  
Notes to the Standalone Financial Statements for year ended March 31, 2023

(₹ in million, unless otherwise stated)

**32 : Related party disclosures (continued)**

**(b) Transactions with related parties**

	For the year ended	
	March 31, 2023	March 31, 2022
<b>(i) Orca Financial Limited</b>		
Interest income on inter corporate advances	262.11	126.37
Rental income	0.76	-
Rental expense	0.28	-
Inter-corporate advances granted (gross)	1,682.77	2,763.54
Expense reimbursement claimed from the Company	60.44	59.80
Expense reimbursement claimed by the Company	30.69	29.82
<b>(ii) Abhiram Marketing Services Limited</b>		
Incentive income	-	64.68
Interest income	1.91	12.94
Inter-corporate advances granted (gross)	-	126.00
Purchase of loan portfolio	105.27	-
Expense reimbursement claimed from the Company	-	0.30
Loan collections on behalf of Abhiram	-	278.08
Purchase of fixed assets & goods	-	8.74
<b>(iii) Capitan Financial Services Limited</b>		
Inter-corporate advances granted (gross)	215.00	-
Interest income on inter corporate advances	19.30	-
Expense reimbursement claimed from the Company	1.89	-
Rental income	0.08	-
Commission expense	28.51	-
CSR expense	5.76	-
Disbursement proceeds transferred	76.82	-
<b>(iv) Spendana Mutual Benefit Trust</b>		
Sale of fixed assets	-	0.20
<b>(v) Spendana Rural and Urban Development Organization</b>		
Sale of fixed assets	-	3.66
Rent expense	1.87	28.47
Expense reimbursement claimed from the Company	-	0.04
<b>(vi) Remuneration paid to KMP's</b>		
Mr. Shailesh Saxena ^	156.09	1.57
Mr. Ashish Darnani ^	95.13	1.22
Mr. Ramesh Perlasamy ^	14.52	7.85
Mr. Abdul Fawaz Khan	-	7.34
Mrs. Padmaja Gangapreddy	-	273.20
Mr. Satish Kottahota	-	4.38
<b>(vii) Mr. Ravin Saahith</b>		
Remuneration paid	-	1.92
<b>(viii) Mr. Vijaya Shivarani Reddy Vendiand</b>		
Rent expense	3.01	12.95
Sale of fixed assets	-	1.35
<b>(ix) Transactions with Non-Executive Director</b>		
Annual fees	12.67	10.00

\* KMP's are covered by the Company's leave policy and are eligible for gratuity along with other employees of the Company. The provision made towards gratuity and leave encashment pertaining to the KMP's has not been included in the aforementioned disclosures as these are not determined on an individual basis.

^ include cost towards share based payment to employees of ₹ 150.76 million (March 31, 2022: ₹ 2.48 million).



*Handwritten signature*  
SPENDANA SPHOORTY FINANCIAL LIMITED  
HYDERABAD



Spanandha Spahoorty Financial Limited  
Statement Cash Flow Statement for the year ended March 31, 2023

Particulars	Figures in rupees unless otherwise stated	
	For year ended March 31, 2021	For year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax	1,776.35	1,961.83
Adjustments for:		
Interest on secured loan	157.19	-
Depreciation and amortisation	74.85	87.42
Share based payment to employees	88.65	41.82
Provision for goods	8.56	10.23
Finance cost on lease liability	34.88	14.17
Cost on business transfer	(7.26)	-
Impairment on financial investments and other provisions	6,398.75	2,738.96
Net gain on fair value changes	(81.84)	(64.76)
Net loss on financial assets and liabilities designated at fair value through profit or loss	27.44	-
Other provisions and sets off	29.78	79.11
<b>Operating profit before working capital changes</b>	<b>8,097.06</b>	<b>8,097.79</b>
Movements in working capital:		
Increase / (decrease) in other financial liabilities	266.42	(1,197.22)
Increase / (decrease) in provisions	-	(3.42)
Increase / (decrease) in other non-financial liabilities	111.96	19.97
Increase / (decrease) in bank balances other than cash and cash equivalents	(482.28)	57.11
(Increase) / decrease in trade receivables	332.82	(189.19)
(Increase) / decrease in loans	(14,403.17)	(7,189.82)
(Increase) / decrease in other financial assets	983.33	(1,027.22)
(Increase) / decrease in other non-financial assets	(25.08)	25.55
<b>Cash used in operations</b>	<b>(13,864.17)</b>	<b>(107.38)</b>
Income taxes paid	(777.81)	(118.77)
<b>Net cash used in operating activities (A)</b>	<b>(14,641.97)</b>	<b>(226.15)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(157.44)	(65.00)
Purchase of intangible assets	(0.18)	(0.00)
Proceeds from disposals of property, plant and equipment	26.24	-
Business transfer	823.21	-
Investment in subsidiary	(980.08)	-
Purchase of investments	(2,041.88)	(7,140.11)
Sale of investments	47,728.12	57,583.24
<b>Net cash generated/(used) in investing activities (B)</b>	<b>45,347.87</b>	<b>(1,621.87)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including conversion premium)	-	1,625.80
Debt receipts (net)	12,342.58	(3,983.20)
Principal payment of lease liability	8.69	(20.81)
Interest payment of lease liability	14.86	14.37
Dividends (after tax debt conversion) (net)	9,341.88	6,654.22
Subsidiary liabilities (net)	0.25	0.11
Share issue expenses	-	(193.88)
<b>Net generated from financing activities (C)</b>	<b>21,697.27</b>	<b>4,076.61</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>10,703.07</b>	<b>(257.52)</b>
Cash and cash equivalents at the beginning of the year	136.19	1,454.87
<b>Cash and cash equivalents at the end of the year (under note 4)</b>	<b>11,341.83</b>	<b>1,197.35</b>
<b>Components of cash and cash equivalents as at the end of year</b>		
Cash on hand	26.92	3.82
Balance with banks - in current account	8,765.92	133.57
Deposits in all eligible category of term deposits (up to 1 month)	1,400.00	-
<b>Total cash and cash equivalents</b>	<b>10,492.84</b>	<b>137.39</b>
<b>For disclosures of investing and financing activities that do not require the use of cash and cash equivalents, refer note 6f</b>		
<b>Cash flow from operating activities</b>	<b>For year ended March 31, 2021</b>	<b>For year ended March 31, 2020</b>
Interest received	12,706.80	12,372.65
Interest paid	1,997.24	1,125.34

Spanandha Spahoorty Financial Limited

The accompanying notes are an integral part of the condensed financial statements.

As per the report of our firm  
For A. R. Bhatnagar & Co. LLP  
Chartered Accountants  
(CA) Firm registration number: 811027E-00001

*[Signature]*  
per Vinod H. Mahesh  
Partner  
Membership No. 048749



Place: Mumbai  
Date: May 22, 2021

For and on behalf of the Board of Directors of  
Spanandha Spahoorty Financial Limited

*[Signature]*  
Deepak Chugh/Prithvi  
Chairman  
DIN: 00357276  
Place: Mumbai  
Date: May 22, 2021  
Sarath Karkhanavala  
Chief Financial Officer



Pragna Gangaraj  
Managing Director  
DIN: 00028402  
Place: Hyderabad  
Date: May 22, 2021  
Rajesh Pothanur  
Company Secretary  
MIS: No. 625247

Place: Hyderabad  
Date: May 22, 2021  
Place: Mumbai  
Date: May 22, 2021



**ANNEXURE I: TERM SHEET**

**INDICATIVE TERM SHEET**

*The terms and conditions given below are indicative only and are not exhaustive and subject to further change(s).*

<b>PARTIES INVOLVED IN THE ISSUE</b>	
<b>Issuer/ Company</b>	Spandana Sphoorty Financial Limited
<b>Investor(s)/ Eligible Investor(s)</b>	The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures: <ul style="list-style-type: none"> <li>• Resident Individuals,</li> <li>• Hindu Undivided Family,</li> <li>• Trust,</li> <li>• Limited Liability Partnerships, Partnership Firm(s),</li> <li>• Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI,</li> <li>• Association of Persons,</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings.</li> <li>• Commercial Banks, Regional Rural Banks, Financial Institutions,</li> <li>• Insurance Companies,</li> <li>• Mutual Funds/ Alternative Investment Fund (AIF),</li> </ul> and any other investor eligible to invest in these Debentures
<b>Debenture Trustee</b>	Catalyst Trusteeship Limited
<b>Depository</b>	NSDL & CDSL
<b>Registrar and transfer agent</b>	KIn technologies
<b>Stock Exchange(s)</b>	BSE Ltd
<b>Rating Agency(s)</b>	India Rating and Research Private Limited
<b>Arranger, if any</b>	Not Applicable
<b>Promoter Group</b>	Kangchenjunga Limited (Body Corporate) Kedaara Capital Fund III LLP
<b>THIRD PARTY OBLIGORS</b>	
<b>Personal Guarantor(s), if any</b>	NA
<b>Corporate Guarantor (s), if any</b>	NA
<b>Credit Enhancer(s), if any</b>	NA
<b>Other obligator(s), if any</b>	NA
<b>DETAILS OF THE INSTRUMENT</b>	
<b>Security Name</b>	10.75% Spandana Sphoorty 2026

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have not prepared this document as a means of soliciting offers or orders to buy or sell securities or in a fiduciary capacity in respect of the securities mentioned herein. It is not intended to be used in any way that would constitute an offer or an invitation to offer or a recommendation to enter into any transaction. It is intended to be used only as a means of providing information to investors. You should consult your own advisers regarding the possible risks and benefits of investing in these securities. You should also consider seeking advice from your own advisers in making this investment.

*Not clear*



*Not clear*



Type of Instrument	Non-Convertible Debentures								
Nature of instrument	Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures ("Debentures")								
Seniority/ Ranking (Senior/ Subordinated)	Senior								
Security requirements	Debentures shall be secured by a first and exclusive charge basis on the identified receivables, by way of hypothecation in favour of the Debenture Trustee for the benefit of the Debenture Holders over the Hypothecated Assets as per the terms and conditions stipulated under the heading 'Security Creation' hereunder.								
Listing	The Debentures are proposed to be listed on the Whole Sale Debt segment of BSE								
Listing requirements	<p>■ Timing for listing The NCDs are proposed to be listed on BSE within the time period prescribed by SEBI under the SEBI Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI ILNCS Regulations") read with SEBI ILNCS Operational Circular</p> <p>■ Conditions The Issuer shall ensure that the NCDs are in compliance with the SEBI ILNCS Regulations and the SEBI ILNCS Operational Circular</p>								
Rating(s)	IND A / Stable								
<b>ISSUE DETAILS</b>									
Mode of Issue	Private Placement								
Form of issue	Debentures will be issued in dematerialised form.								
Issue size	INR 30 Crore								
Tenor	36 Months from Deemed Date of Allotment								
Face value	INR 1,00,000 /- (Indian Rupees One Lakh only)								
Issue price	Debentures will be issued at par								
Issue Schedule	<p>Tentative</p> <table border="1"> <tr> <td>Issue Opening Date</td> <td>01-Sep-2023</td> </tr> <tr> <td>Issue Closing Date</td> <td>01-Sep-2023</td> </tr> <tr> <td>Issue Payin Date</td> <td>04-Sep-2023</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>04-Sep-2023</td> </tr> </table>	Issue Opening Date	01-Sep-2023	Issue Closing Date	01-Sep-2023	Issue Payin Date	04-Sep-2023	Deemed Date of Allotment	04-Sep-2023
Issue Opening Date	01-Sep-2023								
Issue Closing Date	01-Sep-2023								
Issue Payin Date	04-Sep-2023								
Deemed Date of Allotment	04-Sep-2023								
EBP	Yes								
Objects of the Issue	<p>The proceeds of the issue will be utilized for the following purposes</p> <ul style="list-style-type: none"> <li>• On-lending purpose</li> <li>• Repayment of existing debt</li> </ul>								

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<b>Business Day</b>	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which money markets are functioning in Mumbai;
<b>Business Day Convention</b>	<ol style="list-style-type: none"> <li>i. If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</li> <li>ii. If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of installment shall be made on the immediately preceding Business Day; and</li> <li>iii. If the Final Redemption Date or any early redemption date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</li> </ol>
<b>SECURITY DETAILS</b>	
<b>Hypothecation</b>	<p>The amounts outstanding under the Debentures shall be secured on a first ranking exclusive and continuing charge basis by way of hypothecation in favour of the Debenture Trustee for the benefit of the Debenture Holders over identified loan receivables of the Issuer that fulfil the eligibility criteria set out here below under the heading 'Eligibility Criteria' ('Hypothecated Assets') with the prescribed Security Cover (as defined below) on or prior to the Deemed Date of Allotment.</p> <p><b>Eligibility Criteria</b></p> <ul style="list-style-type: none"> <li>• Each loan must be originated by the Company and must exist at the time of Hypothecation</li> <li>• Loans must be unencumbered (other than under the Transaction Documents) and not sold or assigned by the Company</li> <li>• Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI.</li> <li>• Loans are current and not in overdue at the time of hypothecation and have not been terminated or prepaid.</li> <li>• No loans must have OPD &gt; 30 (Thirty days).</li> <li>• No loans should be restructured or rescheduled except which are within the RBI directions/Guidelines.</li> <li>• Maximum ticket size of Rs 60,000 (Sixty Thousand) per loan</li> <li>• Loans constituting our portfolio should be concentrated to maximum of 5% per branch. The security cover shall be confirmed by the Issuer on a monthly basis.</li> <li>• No loans should be coming from the branches having PAR &gt; 90 of more than 5%.</li> <li>• Loan constituting our portfolio shall not include the portfolio from the state of Kerala</li> </ul>
<b>Security Cover</b>	<p>1.10 X ( One point One times )</p> <p>The outstanding principal amount, together with accrued interest, if any including for the ensuing month end, default interest, remuneration of the Trustee, charges, fees,</p>

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*Red. Khan*

	<p>expenses and all other monies due from the Company, shall be secured by (to the satisfaction of the Debenture Holders) by a first ranking and exclusive charge of 1.10x over (including but not limited to) receivables, including present and future receivables ("Company's Receivables") which are free from any encumbrances/charge/lien;</p> <p>The Issuer shall on a monthly basis hypothecate additional loans and/or replace such loans constituting the Hypothecated Assets that do not comply with the prescribed eligibility criteria, with loans that meet the eligibility criteria set out under heading "Hypothecation" to the Debenture Trustee such that the principal amounts outstanding under the loans constituting the Hypothecated Assets shall not be less than 1.10x (One decimal point one) of the aggregate amount of principal outstanding and the accrued interest amounts, if any, under the NCDs. Any additional loans added pursuant to the above to secure the Debentures shall be considered as part of the Hypothecated Assets</p> <p>The charge for the security with ROC shall be modified within 30 (Thirty) days from end of calendar every six months wherein charge over the replaced security shall be created and security which does not meet the eligibility criteria shall be removed.</p>
Pledge	NA
Mortgage	NA
<b>COVENANTS</b>	
Conditions Precedent To Disbursement	<ol style="list-style-type: none"> <li>1. Certified true copy of the constitutional documents and authorizations of the Issuer- Resolution of the shareholders of the Company under 180(1)(c) of the Act, Resolution of the shareholders of the Company under Section 42 of the Act</li> <li>2. Certified true copy Board/ Committee resolution approving the issue</li> <li>3. Execution of Term Sheet</li> <li>4. Credit Rating Letter(s) along with Rating Rationale</li> <li>5. Debenture Trustee Trustee Consent Letter</li> <li>6. RTA Consent letter</li> <li>7. Execution of PAS 4</li> <li>8. Execution of Debenture Trustee Agreement (DTA) and Debenture Trust Deed (DTD)</li> <li>9. Execution of Deed of Hypothecation</li> <li>10. Enabling clause in the AOA of the Issuer to allow appointment of a Nominee Director by the Debenture Trustee</li> <li>11. Circulation of Private Placement Offer Letter in PAS 3 and Placement Memorandum along with the necessary annexure</li> <li>12. Due Diligence Certificate in 'Annexure A' as issued by the Debenture Trustee</li> <li>13. In-principle listing approval from the exchange</li> <li>14. Security Creation in accordance with the Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT) dated March 29, 2022, and ancillary Circulars issued by SEBI thereof</li> <li>15. The Issuer shall deliver to the Debenture Trustee 2 duly filled undated cheques in favour of Debenture Trustee for the entire Issue Size.</li> </ol>
Conditions Subsequent To Disbursement	<ol style="list-style-type: none"> <li>1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the list of allottees and Form PAS 3 along with requisite fee within prescribed timelines</li> </ol>

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	<ol style="list-style-type: none"> <li>2. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within T+2 as may be the settlement mechanism.</li> <li>3. Due Diligence Certificate in 'Annexure B' as issued by the Debenture Trustee.</li> <li>4. Listing of Debentures in accordance with applicable listing timeline.</li> <li>5. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance and listing of NCDs.</li> </ol>
Related Party Transactions	<p>Without prior written intimation to the debenture trustee, the Issuer shall not enter into or perform any transaction(s) with a related party other than in the ordinary course of business.</p> <p>Without affecting the above clause, the Issuer shall not without the prior written consent of the Debenture Trustee (i) enter into any transaction(s) (other than as mentioned in above clause) whereby the overall outstanding amount owed to the Issuer under all such transactions exceeds 15% of Net worth (ii) whereby the overall expense incurred through such transactions (other than as mentioned in above clause) during any financial year exceeds 15% (Fifteen percent) of its net profit, or (iii) The Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purposes of this clause, the terms 'net worth' and 'related party' shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).</p> <p>The Debenture Trustee may approve any application for consent in respect of the above matters, if majority Debenture Holders provide their consent, within a period of 7 business days from the date of receipt of such request/notification from the Debenture Trustee. For the sake of clarity, Debenture Holders can provide the consent by way of an email or through physical letter addressed to the Debenture Trustee. In case of non-response from the Debenture Holders within 7 business days it will be considered as deemed consent</p>
Restriction on dilution of stake by Key Shareholders	<p>Until final settlement date Kadaara Capital (corporate promoter), directly or indirectly to hold minimum 26% of the shareholding of the Company on the fully diluted basis. In case holding goes below 26%, the debenture holder will have right to recall.</p>
Affirmative Covenants	<ol style="list-style-type: none"> <li>1. To comply with corporate governance, fair practices code prescribed by the RBI</li> <li>2. Notification of any potential Event of Default or Event of Default;</li> <li>3. Obtain, comply with and maintain all licenses / authorisations</li> <li>4. Provide details of any material litigation, arbitration or administrative proceedings where the amount of such litigation is exceeding Rs. 5 Crore against the issuer.</li> <li>5. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes</li> <li>6. Permit visits and inspection of books of records, documents and accounts to Debenture Trustee on an annual basis with 15 days' notice.</li> <li>7. Comply with monitoring requests/calls from Debenture Trustee on a quarterly basis.</li> </ol>

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<p><b>Negative Covenants</b></p>	<p>The Company shall not without the prior written permission of the Debenture Trustee, do or undertake to do any of the actions as mentioned below.</p> <ol style="list-style-type: none"> <li>1. entering into transactions except in the ordinary course of business on arm's length basis;</li> <li>2. declaration of dividends or redemption of shares unless dividends are declared only out of the profits relating to that year and after making all due and necessary provisions and provided further that there have been no defaults in repayments under the facility. In all other cases, the Company shall seek the prior written consent of the debenture Trustee before declaring dividends;</li> <li>3. entering into or establish any management, partnership, profit-sharing, royalty agreement or other similar arrangement whereby the Company's income or profits are, or might be, shared with any other person; or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person, unless undertaken in the normal course of business on an arm's length basis and for so long as it does not have any adverse impact on anyrights of the Investor; Excluding Business Correspondent , Co- lending and Corporate Agent activities.</li> <li>4. form, dispose of, acquire or incorporate any subsidiary where aggregate value of such transaction exceed 5% of Net Worth of the Company; For any such transaction till 5% of networth, intimation should be given</li> <li>5. change in the object clause of charter documents of the Company in any manner, which would have an adverse impact on the rights of the Investor;</li> <li>6. material change in the nature or scope of the present business or operations;</li> <li>7. undertake or permit any merger, spin-off, consolidation or reorganization of the Company; or sale, transfer, lease or otherwise dispose of all or a substantial part of the Company's assets;</li> <li>8. claim any immunity or limitation of liability against any payment obligations arising towards the Investor within this Transaction Documents;</li> <li>9. voluntary winding up of Company;</li> <li>10. such other matters as are usual and customary to transactions of this nature</li> </ol> <p>The Debenture Trustee may approve any application for consent in respect of the above matters, if Debenture Holders' representing more than 51% (fifty one percent) of the outstanding principal amounts of the Debentures and provide their consent, within a period of 7 business days from the date of receipt of such request/notification from the Debenture Trustee. For the sake of clarity, Debenture Holders can provide the consent by way of an email or through physical letter addressed to the Debenture Trustee. In case of non-response from the Debenture Holders within 7 business days it will be considered as deemed consent</p>
<p><b>Control</b></p>	<p>Means, in respect of any entity:</p> <ol style="list-style-type: none"> <li>(a) the right to appoint a majority of the directors of the board of directors of such entity; and</li> <li>(b) the right to control the management or policy decisions acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements.</li> </ol> <p>Notwithstanding aforesaid, 'Control' shall be construed in accordance with the act, rules, regulations, accounting standards or guidelines, as may be applicable on the Issuer, from time to time.</p>

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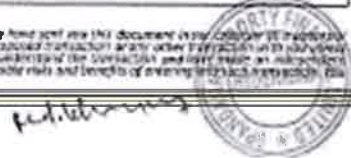


*W. Chandra*




Events of Default	Customary for financings of this nature, including but not limited to:
	<p>i) Any default on part of the Issuer to make payment of any amount that has become due and payable under the Transaction Documents subject to grace period of 2 days due to any technical or administrative issue.</p> <p>ii) Debentures are not redeemed in full, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents by the Maturity Date subject to grace period of 2 days due to any technical or administrative issue..</p> <p>iii) Failure to comply with the "Security Cover" requirement as defined in Transaction Structure</p> <p>iv) Material Adverse Effect as defined in this Term Sheet</p> <p>v) Cross default of the Issuer (where the Company has made a payment default in relation to any of its financial indebtedness).</p> <p>vi) Misrepresentation by the Issuer</p> <p>vii) Unlawfulness i.e activities prohibited by law</p> <p>viii) Repudiation of the Transaction Documentation</p> <p>ix) Any of the Transaction Documentation ceases to be in full force and effect or is terminated prior to maturity</p> <p>x) Failure by the Issuer to meet standards with respect to management, governance, and data integrity, as may be required by the Debenture Trustee as per RBI regulations which in turn results in Material Adverse Effect as defined in term sheet.</p> <p>xi) If one or more legal or governmental proceedings have been initiated and admitted by the competent court of law against the Company or any claims are made against the Company, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Company's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect</p> <p>xii) any breach of the negative covenants prescribed under section titled "Negative Covenants" subject to a cure period of 60 calendar days;</p> <p>xiii) any breach of the reporting covenants prescribed under section titled "Reporting Covenants" subject to a cure period of 60 calendar days; and/or</p> <p>xiv) Any expropriation, attachment, sequestration, distress or execution affects any assets of the Company which has a Material Adverse Effect on their ability to comply with its payment obligations under the Transaction Documents</p> <p>xv) Insolvency or any insolvency related process</p> <p>xvi) Revocation of operating licenses or other authorisations of the Company</p> <p>xvii) appointment of a receiver or a liquidator in respect of the whole or material part of the assets of the Company;</p> <p>xviii) erosion of 50% or more of the Company's net worth as compared to previous year's Audited Financials and the same has not been remedied within 90 business days</p> <p>xix) the Company ceases or threatens to cease to carry on its business or any substantial part thereof</p> <p>xx) Failure to certify/confirm the non-occurrence of any Event of Default in the manner prescribed in the Transaction Documents</p> <p>Failure to perform any obligations in relation to this transaction (other than those set out under (i) to (xx) above) subject to a cure period of 45 days.</p>

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<p><b>Consequence of Events of Default</b></p>	<p>Upon occurrence of any Event of Default, the Debenture Trustee shall, acting upon the request of the Majority Debenture Holders, be entitled to initiate one or more of the following course of actions:</p> <ol style="list-style-type: none"> <li>1. Require the Company to mandatorily redeem the Debentures and repay the outstanding principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents;</li> <li>2. Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable;</li> <li>3. Enforce the security created by the Company.</li> <li>4. The Debenture Trustee's approval shall be required for the Company to declare any dividends, or make any other distributions to the holders of common equity or other shares compulsorily convertible into equity shares.</li> <li>5. The Debenture Trustee shall be entitled to appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses;</li> </ol> <p>The Debenture Trustee may exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under applicable law;</p>
<p><b>Reporting Covenants</b></p>	<ol style="list-style-type: none"> <li>1. <b>Quarterly Reports</b> – within 60 (Sixty) calendar days from the end of each financial quarter             <ol style="list-style-type: none"> <li>a) Financials and other operational metrics as per the requirement and format agreed with the Trustee from time to time</li> <li>b) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer or authorized signatory</li> </ol> </li> <li>2. <b>Half Yearly Reports</b> –             <p>At the end of each Half Year along with the half yearly financial results, certificate from the Independent chartered accountant/authorized signatory of the Issuer giving the value of receivables/book debts including compliance with the covenants of the Disclosure Document.</p> </li> <li>3. <b>Annual Reports</b> – within 180 (One Hundred and Eighty) calendar days from the end of each financial year             <ol style="list-style-type: none"> <li>a) Audited financial statements of Issuer along with Promoter/Holding Company, if any.</li> </ol> </li> <li>4. <b>Event Based Reports</b> – within 10 (Ten) Business Days of the event occurring</li> </ol>

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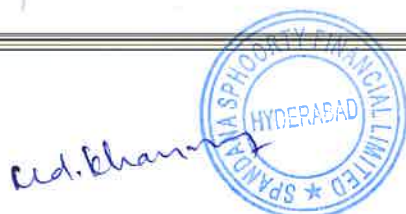
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	<ul style="list-style-type: none"> <li>a) Change in Primary Shareholding structure</li> <li>b) Change in the constitutional documents of the Company</li> <li>c) Material Adverse Effect</li> <li>d) Any dispute, litigation, investigation or other proceeding against the issuer which could result in a Material Adverse Effect</li> <li>e) Winding up proceedings</li> <li>f) Any Event of Default or Potential Default, and any steps taken/ proposed to remedy the same</li> <li>g) Any prepayment or notice of any prepayment of any indebtedness of the issuer.</li> <li>h) Any change in the CXO's</li> </ul>
<b>Material Adverse Effect</b>	<p>Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as on the date of determination, or could reasonably be expected to cause a material and adverse effect on:</p> <ul style="list-style-type: none"> <li>(a) the financial condition, business or operation of the Company which is prejudicial to the ability of the Company to perform its obligations under the Transaction Documents;</li> <li>(b) the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents;</li> <li>(c) the ability of the Company or any guarantor(s) to perform its respective obligations under the Transaction Documents; or</li> <li>(d) the legality, validity or enforceability of any of the Transaction Documents.</li> </ul>
<b>Step Up Coupon Rate</b>	<p>In the event, breach of financial covenants and/or credit rating of the Debentures is downgraded from the current rating of "India Ratings A" ("Rating") and/or the credit rating of the Company is downgraded by more than one notch at any point of time during the tenor of the Debentures, the Coupon Rate shall increase by 0.25% (zero decimal twenty five percent) for such breach of financial covenants and/or for each notch downgrade of more than 1 (one) notch from the rating of the Debentures and/or Company ("Step Up Rate"). Such increased rate of interest shall be applicable from the date of such breach till it is cured and/or from the date of downgrade until it is restored to the Rating. ("Step Up").</p> <p>Following the Step Up until the rating of the Debentures and/or Company is restored to the Rating and/or the Company Rating (as the case may be), if the rating of the Debentures and/or the Company is upgraded, the prevailing Step Up Rate shall be decreased by 0.25% (zero decimal twenty five percent) for each upgrade of 1 (one) notch from the rating of the Debentures and/or the Company (until the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be)) and such decreased rate of interest shall be applicable from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this provision cannot, in any case, be lower than the Coupon Rate.</p> <p>It is clarified that, if following the Step Up, the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be) then the interest shall be payable at the Coupon Rate, from the date that the relevant rating is restored.</p>

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*Ad. Khan*



<p><b>Financial Covenants</b></p>	<ol style="list-style-type: none"> <li>1. The capital adequacy ratio (as defined in NBFC Regulations) shall be above 20%.</li> <li>2. GNPA as reported to RBI shall not exceed 8 (Eight Percent)</li> <li>3. NNPA as reported to RBI shall not exceed 5(Five Percent).</li> <li>4. Total own book Debt to Net worth shall not exceed 4 times.</li> </ol> <p>The Debenture Trustee may approve any application for consent in respect of the above matters, if Debenture Holders' representing more than 51% (fifty one percent) of the outstanding principal amounts of the Debentures and provide their consent, within a period of 7 business days from the date of receipt of such request/notification from the Debenture Trustee. For the sake of clarity, Debenture Holders can provide the consent by way of an email or through physical letter addressed to the Debenture Trustee. In case of non-response from the Debenture Holders within 7 business days it will be considered as deemed consent</p>
<p><b>Buy Back</b></p>	<p>Issuer can buy back securities subject to Applicable Law</p>
<p><b>Multiple issuances under the same ISIN</b></p>	<p>The Issuer reserves the right to make multiple issuances under the same ISIN with reference to Chapter VIII (Specifications related to ISIN for debt securities) of the Listed NCDs Operational Circular. Any such issue can be made either by way of creation of a fresh ISIN or by way of issuance under an existing ISIN at premium/par/discount as the case may be in line with Chapter VIII (Specifications related to ISIN for debt securities) of the Listed NCDs Operational Circular.</p>
<p><b>Transaction Documents</b></p>	<ol style="list-style-type: none"> <li>1. Term Sheet</li> <li>2. Placement Memorandum</li> <li>3. Private Placement Offer Letter in form PAS 4</li> <li>4. Debenture Trustee Agreement</li> <li>5. Debenture Trust Deed</li> <li>6. Deed of Hypothecation</li> <li>7. Company Undertaking, if any</li> <li>8. Resolutions</li> </ol> <p>Resolutions means collectively,</p> <ol style="list-style-type: none"> <li>a. Special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013;</li> <li>b. Special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013;</li> <li>c. Board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;</li> <li>d. Special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014.</li> <li>e. Board/ Committee resolution approving the issuance.</li> </ol>
<p><b>Majority Debenture Holders</b></p>	<p>means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the outstanding principal amounts of the Debentures.</p>

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<p><b>Confidentiality</b></p>	<p>The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.</p>
<p><b>Indemnity</b></p>	<p>The Company shall indemnify the Debenture Holders and the Debenture Trustee from time to time, against any and all losses, liabilities, obligations, damages, judgments, costs, expenses (including, without limitation, advisors' fees), claims, fines, penalties, proceedings, actions or demands, of any kind or nature incurred by the Debenture Trustee/Debenture Holders as a result of one or more of the following:</p> <ul style="list-style-type: none"> <li>(a) occurrence of any Event of Default;</li> <li>(b) any demand for any stamp duty, registration fee or any other duty, fee, costs, or imports received from any Governmental Authority in relation to the transactions contemplated under the Transaction Documents (including without limitation, any demand from stamp duty arising because any Transaction Document has been taken or has been received (whether by way of facsimile, photocopy or electronic record) in any state other than the state in which it has been executed; and</li> <li>(c) a failure by the Company to pay any amount due under any Transaction Document on its due date.</li> </ul>
<p><b>Other Costs &amp; Conditions</b></p>	<p>The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors expenses and expenses incurred in the preparation for the Transaction Documents.</p>
<p><b>Governing Law and Jurisdiction</b></p>	<p>Indian Law with jurisdiction of the courts and tribunals of Hyderabad.</p>

This document does not constitute an offer, or an invitation to offer, or a recommendation, to enter into any transaction. We have not and will not be acting as a principal underwriter, issuer or agent, and we are not making any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein. Before entering into any transaction you should seek legal advice from your own legal advisors. You should also consider seeking advice from your own advisors as to the risks of entering into such transactions, including the possible risks and benefits of entering into such transactions. You should also consider seeking advice from your own advisors as to the risks of entering into such transactions.

*Red. Khan* 

*Red. Khan* 

Schedule 1

Company	Spandana Sphoorty Financial Limited (the "Issuer")
Tenure	36 Months from Deemed Date of Allotment i.e. 04-Sep-2026
Face Value	Rs. 1,00,000
Issue Price	Rs. 1,00,000
Date of Allotment	04-Sep-2023
Redemption Date	04-Sep-2026
Redemption Premium, if any	NA
Frequency of the interest payment with specified dates	Yearly
Day count Convention	Actual / Actual

Illustrative Cash Flows:

Instalment No	Due Date	Amount to be redeemed	Interest amount to be paid	Total Amount
1	04-09-2024	0	3,22,50,000	3,22,50,000
2	04-09-2025	0	3,22,50,000	3,22,50,000
3	04-09-2026	30,00,00,000	3,22,50,000	33,22,50,000

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## ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENCY

**India Ratings  
& Research**  
A Fitch Group Company

**FitchGroup**

Mr. Shaikh Saenz,  
Chief Executive Officer,  
Spandana Sphoorty Financial Limited  
Galaxy, Wing B, 16th Floor, Plot No. 1,  
forming part of Sy No 83/1, Hyderabad Knowledge City,  
TDRIC, Raichuram Purnanatha, Serilingampally Mandal,  
Ranga Reddy District, Hyderabad- 500081,  
Telangana.

August 16, 2023

Dear Sir/Madam,

*Re: Rating Letter for non-convertible debenture (NCD) programme of Spandana Sphoorty Financial Limited*

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of:

- INR 16.3bn Non-Convertible Debentures: **IND A/Stable**
- INR 9.2bn PPFMLD: **IND A/Stable**

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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Weatheret Tower, Level 4, West Wing, Bandra Girls Complex, Bandra E, Mumbai - 400051  
Tel: +91 22 4002 1700 | Fax: +91 22 4030 1751 | CA/IL/PN-U67100WH-199FTC1A0049 | [INDR@INDR.COM](mailto:INDR@INDR.COM)

*Pankaj*

*red.khan*





shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.


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In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [info@indiaratings.co.in](mailto:info@indiaratings.co.in)

Sincerely,

India Ratings

  
Pankaj Nalk  
Director

  
Rakesh Valecha  
Senior Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Rating	Outstanding/Total Amount (INR in Crores)
NCD	IN157207349	31/05/2021	0.125	31/12/2024	IND A/Stable	250
NCD	IN157207356	31/05/2021	0.125	15/09/2024	IND A/Stable	200
NCD	IN157207396	24/05/2022	0.1185	24/09/2028	IND A/Stable	300
NCD	IN157207406	16/06/2022	0.126	30/06/2024	IND A/Stable	400
NCD	IN157207430	30/06/2022	0.1195	30/09/2024	IND A/Stable	250
NCD	IN157207448	20/10/2022	0.12	20/10/2024	IND A/Stable	600
NCD	IN157207455	09/11/2022	0.115	09/05/2024	IND A/Stable	250
NCD	IN157207463	09/11/2022	0.115	09/09/2024	IND A/Stable	250
NCD	IN157207489	09/12/2022	0.1135	09/09/2024	IND A/Stable	1000
NCD	IN157207497	19/12/2022	0.115	19/12/2023	IND A/Stable	500
NCD	IN157208008	29/12/2022	0.115	29/12/2024	IND A/Stable	600

SpandanaSphoortyFinancialLimited

16-August-2023





NCD	INE57200513	30/12/2022	<del>0.100</del>	30/12/2025	IND A/Stable	1000
NCD	INE57200521	30/12/2022	<del>0.100</del>	01/05/2024	IND A/Stable	1000
NCD	INE57200539	30/12/2022	<del>0.100</del>	30/04/2025	IND A/Stable	10
<del>NCD</del>	INE57200547	17/05/2023	<del>0.100</del>	17/05/2025	IND A/Stable	<del>1000</del>
NCD	INE57200554	11/04/2023	0.1025	25/05/2026	IND A/Stable	250
NCD	INE57200562	24/04/2023	<del>0.111</del>	24/04/2025	IND A/Stable	1000
NCD	INE57200570	24/04/2023	<del>0.111</del>	24/04/2026	IND A/Stable	50
NCD	INE57200588	12/06/2023	<del>0.1</del>	12/06/2025	IND A/Stable	750
NCD	INE57200596	20/06/2023	0.101	20/06/2023	WD	<del>1000</del>
NCD (Unsubfunded)					IND A/Stable	5000
PPMLD	INE57200331	16/05/2021	<del>0.100</del>	16/05/2023	WD	500
PPMLD	INE57200209	20/12/2020	<del>0.119</del>	20/12/2023	IND A/Stable	<del>800.5</del>
PPMLD	INE57200354	20/04/2021	<del>0.105</del>	20/04/2023	<del>WD</del>	1100
PPMLD	INE57200372	16/06/2021	<del>0.11</del>	16/12/2023	IND A/Stable	3375
PPMLD	INE57200331	16/07/2021	0.1075	16/05/2023	WD	500
PPMLD	INE57200331	22/07/2021	0.1075	16/05/2023	<del>WD</del>	<del>1000</del>
PPMLD	INE57200742	09/09/2022	0.1075	01/04/2024	IND A/Stable	600
PPMLD	INE57200742	23/09/2022	0.1075	01/04/2024	IND A/Stable	402
PPMLD	INE572003471	22/11/2022	<del>0.110</del>	22/05/2024	IND A/Stable	2000
PPMLD	INE572003471	16/12/2022	<del>0.110</del>	22/05/2024	IND A/Stable	2000

Pankaj





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## India Ratings Assigns Spandana Sphoorty Financial's NCDs 'IND A/Stable'; Affirms Existing Ratings

May 30, 2023 | Microfinance institutions

India Ratings and Research (Ind-Ra) has taken the following rating actions on Spandana Sphoorty Financial Limited's (Spandana) debt instruments:

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Commercial papers (CPs) #	-	-	-	-	INR5.0	IND A1	Affirmed
Principal protected-market linked debentures (PP-MLDs)*\$	-	-	-	-	INR9.2 (reduced from INR 18.0)	IND PP-MLD A/Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	-	INR11.3	IND A/Stable	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	-	INR5.0	IND A/Stable	Assigned
Bank loans#	-	-	-	-	INR20.0	IND A/Stable	Affirmed

\*Details in annexure

# Utilized

\$Unutilised limit of INR5.65 billion has been withdrawn on issuer request.

The rating of the market-linked debentures is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume. This market risk stems from the fact that the coupon payment on these instruments will be based on the performance of a reference index or equity share (detailed in the information memorandum of the issue).

PP-MLD refers to full principal protection in the equity-linked notes, wherein the issuer is obligated to pay the full principal upon maturity.

### Key Rating Drivers



**Strategic Execution Underway to Regain Franchise:** After declining to INR34 billion in FY22 (FY21: INR64 billion; FY20: INR80 billion), Spandana's annual disbursements increased to INR81.2 billion in FY23 as the company emerged from the post-covid scenario. Spandana's board-room challenges came to an end in FY23 and the company was able to bring back its focus on to its business and recoveries. Ind-Ra expects the company to continue to regain its franchise over FY23-FY24, on the back of its high capital levels, improved operating efficiencies of the existing set-up, and adequate availability of fresh debt funding. Spandana aims to achieve assets under management (AUM) of INR150 billion by FY25 (FY23: INR85.1 billion, slightly above the levels of INR81.6 billion in FY21), supported by its new customer acquisition strategy, branch addition, increasing ticket sizes for its existing customers as needed, and diversification within its distribution modes, such as business correspondence, co-lending, and balance sheet funding in the near-to-medium term.

**Legacy Strees Largely Addressed:** The new management team made substantial write-offs (INR7 billion; 11% of the AUM pre-write-off) in the pre-April 2021 book during 1QFY23 and also sold non-performing assets worth INR2.5 billion in 2HFY23. This along with the revival of its disbursements led to a sharp decline in the gross non-performing asset (NPA) ratio to 2.1% in FY23 (FY22: 17.7%; FY21:6%). Furthermore, with improved provision coverage ratio (FY23: 69%; FY22: 45%), the net NPA ratio stood at 0.6% (9.7%; 3.3%). The proportion of outstanding restructured loan declined to 0.5% in FY23 (of which 83% have been recognised as NPA) from 15% in FY22. The monthly current month collection efficiency (current month collections against billing for the month) improved to 98% in March 2023 (December 2022: 93.8%; September 2022: 90.7%). With improving trends in the underlying asset quality and better coverage ratios on the existing NPAs, the incremental credit costs are likely to decline on a yoy basis in FY24, driving the profitability.

**Operational Set-up Poised to Deliver:** Spandana's business operations have completely stabilised, and the company is well positioned in terms of information technology systems to drive its AUM growth. At end-March 2023, the company had an infrastructure of 1,227 branches and 7,800 loan officers, with AUM per branch of INR69 million and AUM per loan officer of INR11 million in 4QFY23. Given that peer group companies are operating at AUM per branch of INR80 million-100 million and AUM per loan officer of INR15 million-17 million, Spandana has ample scope for growth using its existing infrastructure. The company plans to maximise the utilisation of its existing infrastructure set-up to meet the near-term growth expectations. In addition, Spandana has identified seven states wherein its AUM per branch is relatively low compared to the overall company levels, and intends to undertake measures to improve the AUM growth in these states.

**High Capital Levels Provide Long Runway for Growth:** Spandana's healthy capital buffers (FY23 capital adequacy ratio: 36.3%; FY22: 50.7%, FY21: 40%) were supported by an equity capital raise of around INR3.0 billion in March 2022. Its leverage (debt/ tangible equity) remained substantially modest at 2.1x in FY23 (FY22: 1.3x; FY21: 2.0x), providing the balance sheet strength to fund the company's growth and raise borrowings. Moreover, Spandana's net worth stood at INR 28.8 billion at end-FY23, and with Ind-Ra's base case return on equity of 15% in FY24, the company can also plough back about INR4 billion into the business for growth needs. Even in a stress scenario, the agency expects the leverage to remain well below 4.0x over the next two years.

**Liquidity Indicator - Adequate:** At end-March 2023, based on the asset-liability statement, Spandana's short-term liquidity (up-to-one year) was adequate, with a cumulative surplus ((excess of short-term assets over short-term liabilities) of 40%. Even under Ind-Ra's stress scenario, the near-term asset-liability management remains in surplus. Spandana's cash and cash equivalents totalled INR10.0 billion at end-April 2023, which would be sufficient to cover its debt repayments of INR9.9 billion over May-June 2023 without considering any inflows from collections. The company had a monthly collection run-rate of INR4.0 billion-4.5 billion.

Spandana's bank borrowings as a percentage of the total funding mix declined to 45% in FY23 (FY22: 49%; FY21: 68%); consequently, the company's reliance on the capital market borrowings remained at 33% of the funding mix (34%; 21%). The balance 22% of FY23 funding was contributed by non-banking finance companies (NBFCs: 17%) and foreign portfolio investors (5%). Although Spandana demonstrated a significant improvement in its ability to raise fresh borrowings (4QFY23: INR 24.0 billion; 3QFY23: INR 21.4 billion; 2QFY23: 10.8 billion; 1QFY23: INR 1.6 billion), the company needs to improve it further to meet its high growth plans to expand its franchise. In the prevailing interest rate scenario, the cost of funds is likely to remain elevated compared to the peer group in the near term; however, with the implementation of the



risk-based pricing starting 1 July 2022 by Spandana, Ind-Ra believes the incremental lending yields (25% from 1 October 2022) are likely to largely absorb the potential increase in the cost of funds.

**Profitability Likely to Improve with Normalisation of Credit Cost In FY24:** Given the high credit costs incurred by Spandana in FY23 and the residual non-material restructured loans coupled with improved provision coverage, the incremental credit cost are likely to decline in FY24. Spandana's return on assets was under pressure at 0.15% in FY23 (FY22: 0.6%; FY21: 1.7%; FY20: 6%), mainly on account of elevated credit cost of 8.0% (7.3%; 10.9%; 5.8%). During FY23, the company reported a marginal net profit of INR0.1 billion (profit after tax - FY22: INR0.5 billion; FY21: INR1.3 billion) post the asset quality clean-up during the year. Also, risk-based pricing of loans, which has been reflecting in yield improvement (4QFY23: 22.8%; 3QFY23: 21.2%; 2QFY23: 19.5%; 1QFY23: 16.4%), will only add to the operating buffers.

The operating cost increased 16% yoy during FY23, causing the cost-to-income ratio to rise to 45% at FYE23 (FY22: 40%; FYE21: 20%) and operating cost-to-average asset ratio to increase to 5.5% (4.3%; 3.1%). The rising trend in operating cost-to-average assets is a reflection of the investments in new information technology systems, branch additions, realignment of the staff cost in line with the industry standards and hiring of several consultants in the aftermath of the promoter-board and investor issues. Consequently, even with on-book loan growth of 32%, the pre-provision operating profit to average advances remained flat at 8.2% in FY23 (FY22: 8.2%; FY21: 13.5%). Scaling up of the company's operations, the operating leverage of the existing infrastructure and the declining trend in credit costs could help the return on assets recover to historic levels FY24 onwards.

## Rating Sensitivities

**Positive:** Future developments that could collectively lead to a positive rating action include:

- material franchisee growth while maintaining control over the asset quality
- demonstrating sustained operating buffers
- adequate seasoning of borrowers
- maintaining of adequate liquidity and capital buffers.

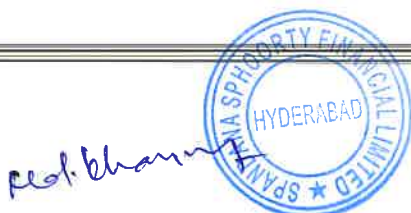
**Negative:** Future developments that could, individually or collectively, lead to a negative rating action include:

- inability to deliver on franchise growth expectations,
- funding challenges, leading to dilution in liquidity,
- a material capital erosion, leading to depletion of buffers, and
- leverage exceeding 4.0x

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on Spandana, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please [click here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please [click here](#).

## Company Profile



Spandana was incorporated in 2003 as an NBFC after it took over the microfinance operations of a non-governmental organisation started by Padmaja Reddy in 1996. The company was classified as an NBFC-microfinance institution in 2015. As on 31 March 2023, Spandana had operations in 18 states/union territories spanning across 300 districts with outstanding AUM of INR85.1 billion.

#### FINANCIAL SUMMARY

Particulars	FY23	FY22
Total assets (INR billion)	91.6	73.1
Total equity (INR billion)	28.8	28.4
Net income (INR billion)	0.12	0.46
Return on average assets (%)	0.15	0.58
Equity/assets (%)	31.4	38.9
Capital adequacy ratio (%)	36.3	50.7
Source: Spandana, Ind-Ra		

#### Non-Cooperation with previous rating agency

Not applicable

#### Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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#### Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Rating W.					
	Rating Type	Rated Limits (billion)	Rating	19 January 2023	29 December 2022	13 September 2022	25 August 2022	15 December 2021	28 2
NCDs	Long-term	INR16.3	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Rating Watch with Negative Implications	E A/S
PP-MLDs	Long-term	INR9.2	IND PP-MLD A/Stable	IND PP-MLD A/Stable	IND PP-MLD A/Stable	IND PP-MLD A/Stable	IND PP-MLD A/Stable	IND PP-MLD A/Rating Watch with Negative Implications	IND A/S
Bank loans	Long-term	INR20.0	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Rating Watch with Negative Implications	L A/S
CP	Short-term	INR5.0	IND A1	IND A1	-	-	-	-	-



## Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCD	INE572J07349	31 March 2021	12.50	31 December 2024	INR0.25	IND A/Stable
NCD	INE572J07356	31 March 2021	12.50	15 September 2024	INR0.20	IND A/Stable
NCD	INE572J07398	24 March 2022	11.85	24 March 2028	INR0.35	IND A/Stable
NCD	INE572J07406	16 June 2022	12.60	30 June 2025	INR0.40	IND A/Stable
NCD	INE572J07430	30 September 2022	11.95	30 March 2024	INR0.25	IND A/Stable
NCD	INE572J07448	20 October 2022	12.00	20 October 2024	INR0.60	IND A/Stable
NCD	INE572J07455	9 November 2022	11.5	9 May 2024	INR0.25	IND A/Stable
NCD	INE572J07463	9 November 2022	11.5	9 May 2024	INR0.25	IND A/Stable
NCD	INE572J07489	8 December 2022	11.35	8 September 2024	INR1.00	IND A/Stable
NCD	INE572J07497	15 December 2022	11.5	18 December 2023	INR0.50	IND A/Stable
NCD	INE572J07505	22 December 2022	11.5	20 December 2024	INR0.65	IND A/Stable
NCD	INE572J07513	30 December 2022	11.35	30 December 2025	INR1.00	IND A/Stable
NCD	INE572J07521	30 December 2022	11.35	1 March 2024	INR1.00	IND A/Stable
NCD	INE572J07539	30 December 2022	11.35	30 April 2025	INR0.01	IND A/Stable
NCD	INE572J07547	17 March 2023	10.50	17 March 2025	INR 1.25	IND A/Stable
NCD	INE572J07554	11 April 2023	10.25	25 May 2026	INR 0.25	IND A/Stable



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<https://www.indiaratings.co.in/pressrelease/62138>

NCD	INE572J07562	24 April 2023	11.10	24 April 2025	INR 1.00	IND A/Stable
NCD	INE572J07570	24 April 2023	11.10	24 April 2026	INR 0.05	IND A/Stable
Total Utilized Limit	-	-	-	-	INR9.26	IND A/Stable
Unutilized Limit					INR7.04	

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
PP-MLD	INE572J07299	29 December 2020	11.50	29 December 2023	INR0.83	IND PP-MLD A/Stable
PP-MLD	INE572J07331	16 March 2021	11.25	16 May 2023	INR0.50	WD (Paid in full)
PP-MLD	INE572J07364	29 April 2021	11.50	29 April 2023	INR1.10	WD (Paid in full)
PP-MLD	INE572J07372	16 June 2021	11.00	16 December 2023	INR3.38	IND PP-MLD A/Stable
PP-MLD	INE572J07331	14 July 2021	10.75	16 May 2023	INR0.30	WD (Paid in full)
PP-MLD	INE572J07331	22 July 2021	10.75	16 May 2023	INR1.25	WD (Paid in full)
PP-MLD	INE572J07422	9 September 2022	10.75	1 April 2024	INR0.60	IND PP-MLD A/Stable
PP-MLD	INE572J07422	23 September 2022	10.75	1 April 2024	INR0.40	IND PP-MLD A/Stable
PP-MLD	INE572J07471	22 November 2022	11.15	22 May 2024	INR2.00	IND PP-MLD A/Stable
PP-MLD	INE572J07471	16 December 2022	11.15	22 May 2024	INR2.00	IND PP-MLD A/Stable



*Reddy*

<b>Total Utilized limit</b>	-	-	-	-	<b>INR 20</b>	<b>END PP-MLD A/Sole</b>
<b>Unused</b>					<b>NIL</b>	

### Bank wise Facilities Details

[Click here to see the details](#)

### Complexity Level of Instruments

Instrument Type	Complexity Indicator
PP-MLDs	High
NCDs	Low
Bank loans	Low
CPs	Low

For details on the complexity level of the instruments please visit <https://www.indiaratings.co.in/complexity-indicators>.

### Contact

#### Primary Analyst

Amit Rane

#### Senior Analyst

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurta Complex, Bandra East, Mumbai - 400051

+91 22 40001700

For queries, please contact: [info@indiaratings.co.in](mailto:info@indiaratings.co.in)

#### Secondary Analyst

Jindal Harta

Director

+91 22 40001750

#### Chairperson

Pankaj Nank

Director

+91 22 40001723

#### Media Relation

Ameya Bodhe

Marketing Manager

+91 22 40356121

### APPLICABLE CRITERIA

#### Financial Institutions Rating Criteria



**Non-Bank Finance Companies Criteria**

**Evaluating Corporate Governance**

**The Rating Process**

**DISCLAIMER**

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

**CATALYST**  
Believe in yourself... Trust us!



CL/DEB/23-24/760

Date : 28-Aug-2023

To,  
KHAYYUM MOHAMMED,  
Spendana Sphoorty Financial Limited,  
Galaxy, Wing B, 16th Floor, Plot No. 1, Sy No 83/1, ,  
Hyderabad Knowledge City, TSIC, Raidurg Panmaktha, Rangareddi, ,  
Hyderabad,  
Telangana,  
India 500081.

Dear Sir/ Madam,

Re: Consent to act as a Debenture Trustee for Private Placement of Fully Paid, Rated, Listed, Redeemable, Transferable, Secured, Non-Convertible Debentures of ₹ 30.00 Crores

We refer to your letter dated 25.08.2023, requesting us to convey our consent to act as the Debenture Trustee for captioned issue of Debentures.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to execute Debenture Trust Deed and to create the security if applicable within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document / Placement Memorandum and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Fee Structure for the proposed transaction will be as per annexure A.

Assuring you of the best professional services.

Thanking you.

Yours faithfully,



Name : Nidhi Todi

Designation : Manager



*Nidhi Todi*

CATALYST TRUSTEESHIP LIMITED  
Mumbai Office Address: 17th Floor, Office No. 80A, C.E.T. Road, Kalina, Colaba (East) Mumbai 400 099. Tel: +91 22 2482 0555 Fax: +91 22 2482 4822 8098  
Bangalore Office Address: Plot No. 83, Shilpa City, Rajajinagar, 4th Cross Street, Bangalore 560 017. Tel: +91 80 2661 21000 Fax: +91 80 2661 21000  
Delhi Office: Office No. 810, 8th Floor, Rajesh Building, 22, Park Road, Connaught Place, New Delhi - 110001. Tel: +91 11 456 2812/183  
CN No. UT5809700001/2023 Email: right@trustee.com Website: www.catalysttrustee.com  
Pune | Mumbai | Bangalore | Delhi | Chennai



*Nidhi Todi*

**CATALYST**  
Believe in yourself. Trust us



Annexure A

**Fee Structure for transaction CL/DEB/23-24/760**

PARTICULARS	AMOUNT / PERCENTAGE
Acceptance fees (one-time, non-refundable, payable on our appointment)	₹ 50000.00000
Annual Trusteeship Fees(Amount/Percentage)	₹ 50000.00000

Annual Trusteeship Fees are payable in advance each year from date of execution till termination of the transaction. Pro-rata charges would apply for the first year till FY end, as applicable.

The taxes on above fee structure are payable at applicable rates from time to time.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-embursed on actual basis.

Please return the second copy this letter duly signed by Authorized Officer from your company.

Yours Faithfully,

We accept the above terms.

For Catalyst Trusteeship Limited

For Spandana Sphoorty Financial Limited

*Nidhi Todi*



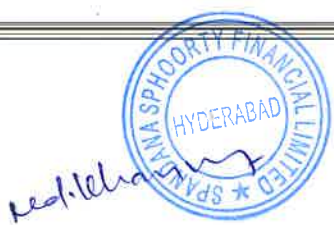
Name : Nidhi Todi

Designation : Manager

*Mohammed Khayyum*

Name: Mohammed Khayyum

Designation: Sr Manager.





We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the general information document dated August 17, 2023 read together with the key information document dated September 1, 2023 and a private placement offer cum application letter dated September 1, 2023 prepared in accordance with Section 42 of the Companies Act (as defined below) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (collectively, the "**Debt Disclosure Documents**") issued by the Issuer and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

<b>DEPOSITORY</b>	<b>NSDL/CDSL</b>
<b>DEPOSITORY PARTICIPANT NAME</b>	
<b>DP-ID</b>	
<b>BENEFICIARY ACCOUNT NUMBER</b>	
<b>NAME OF THE APPLICANT(S)</b>	

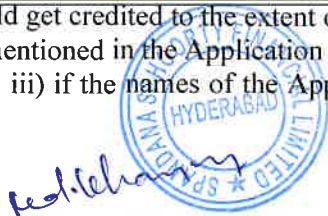
<b>Applicant Bank Account:</b>  (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

*(Note: Cheque and Drafts are subject to realisation)*

We understand and confirm that the information provided in the Debt Disclosure Documents is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the



same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's  
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

*(Note : Cheque and Drafts are subject to realisation)*

------(TEAR HERE)-----

**ACKNOWLEDGMENT SLIP**

<i>(To be filled in by Applicant)</i> SERIAL NO.																			
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Received from \_\_\_\_\_

Address _____	
Cheque/Draft/UTR # _____	Drawn on _____ for
INR _____ on account of application of _____	Debenture



### INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account:

Beneficiary A/C Name:	Spandana Sphoorty Financial Limited
Bank Account No.	8846160278
IFSC CODE:	KKBK0007494
Bank Name	Kotak Mahindra Bank
Branch Address:	Hi Tech City, Hyderabad

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

- a) for adjustment against allotment of securities; or
  - b) for the repayment of monies where the company is unable to allot securities.
4. Receipt of applicants will be acknowledged by the Company in the “Acknowledgement Slip” appearing below the application form. No separate receipt will be issued.
  5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
  6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.



**ANNEXURE V: LATEST AUDITED FINANCIAL STATEMENT**

*Attached separately.*



### ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

<b>Illustration of Bond Cash Flows</b>	
Company	Spandana Sphoorty Financial Limited
Face Value (per security)	INR 1,00,000 (Indian Rupees One Lakh)
Issue Date / Date of Allotment	September 4, 2023
Redemption Date / Maturity Date	September 4, 2026
Coupon Rate	10.75% (ten decimal seven five percent) per annum payable annually (fixed).
Frequency of the Coupon Payment with specified dates	Annually
Day Count Convention	Actual/Actual

### INTEREST PAYMENT SCHEDULE

<b>INTEREST PAYMENT DATE</b>	<b>INTEREST DUE PER DEBENTURE (in INR)</b>
04-09-2024	10,750
04-09-2025	10,750
04-09-2026	10,750

### REDEMPTION SCHEDULE

<b>REDEMPTION DATE</b>	<b>PRINCIPAL DUE PER DEBENTURE (in INR)</b>
04-09-2026	1,00,000





# CATALYST

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- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai  
Date: August 30, 2023



For Catalyst Trusteeship Limited

FOR CATALYST TRUSTEESHIP LIMITED

Proposed by  
Catalyst Trustee Limited

Ms. Kalyani Pandey  
Compliance Officer

CATALYST TRUSTEESHIP LIMITED

AJ 53 5081 Company

Mumbai Office: Winchester, 8<sup>th</sup> Floor, Office No. 804, C.B.I. Road, Kharva, Santacruz (East), Mumbai 400 088. Tel: +91 (0)22 4822 0555. Fax: +91 (0)22 4902 0605.  
Regd. Office: CDA House, Plot No. 85, Bhamburda Colony (Right), Parel Road, Pune 411 004. Tel: +91 (0)20 25280001. Fax: +91 (0)20 25280275.  
Delhi Office: Office No. 810, 8th Floor, Kalash Building, J6, Kamaloka Garden Marg, New Delhi - 110001. Tel: +91 11 430 2930/3032.  
CIN No. U74599MH2019PLC310262. Email: [info@catalysttrustee.com](mailto:info@catalysttrustee.com). Website: [www.catalysttrustee.com](http://www.catalysttrustee.com).  
Offices: Mumbai | Bangalore | Delhi | Chennai



**ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE  
AGREEMENT**

*Attached separately.*



## ANNEXURE IX: BOARD RESOLUTION AND MANAGEMENT COMMITTEE RESOLUTION



**SPANDANA**

**CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING NO. 16/2023-24 OF THE MANAGEMENT COMMITTEE OF BOARD OF DIRECTORS ("MANAGEMENT COMMITTEE") OF SPANDANA SPHOORTY FINANCIAL LIMITED ("COMPANY") HELD ON WEDNESDAY, AUGUST 30, 2023, AT GALAXY, WING B, 16TH FLOOR, PLOT NO.1, SY NO 83/1, HYDERABAD KNOWLEDGE CITY, TS&C, RAJURU PANMAKTHA, HYDERABAD KANGAREDDI TO 500081:**

**TO APPROVE THE ISSUE OF UP TO 1,000 (THREE THOUSAND ONLY) SENIOR, SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES HAVING FACE VALUE OF RS.1,00,000/- (RUPEES ONE LAKH ONLY) EACH AGGREGATING UP-TO RS.30,00,00,000/- (RUPEES THIRTY CRORES ONLY) ON PRIVATE PLACEMENT BASIS:**

**"RESOLVED THAT** pursuant to the powers delegated by the Board of Directors of the Company (the "Board") to the Management Committee in its resolution passed on July 12, 2023 and the resolution passed by the Board at its meeting held on May 02, 2023, pursuant to the approval of the shareholders of the Company obtained at the Annual General Meeting held on August 01, 2023 pursuant to Section 42 of the Companies Act, 2013, pursuant to the approval of the shareholders of the Company obtained at the Annual General Meeting held on September 28, 2021 under Section 180(1)(c) of the Companies Act, 2013; and pursuant to the approval of the shareholders of the Company obtained at the Annual General Meeting held on September 28, 2021 pursuant to Section 180(1)(a) of the Companies Act, 2013, the provisions of the Sections 42, 71, and 179 of the Companies Act, 2013, and all the applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, ("NCS Regulations"), the master circular issued by SEBI bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" (updated as on July 7, 2023) ("Listed NCDs Master Circular"), the guidelines issued by the Securities and Exchange Board of India with respect to electronic book mechanism under the terms of the Listed NCDs Master Circular and the electronic book mechanism prescribed in Chapter VI (Electronic Book Provider platform) of the Listed NCDs Master Circular, as may be amended, clarified or updated from time to time ("SEBI EBP Requirements") and any other provisions as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (the NCS Regulations, the Listed NCDs Master Circular, and the Debenture Trustees Master Circular (as defined below) shall collectively be referred to as the "SEBI Debt Listing Regulations"), the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, including applicable circulars, guidelines and notifications issued from time to time by the Securities and Exchange Board of India ("SEBI") and Reserve Bank of India ("RBI") including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the SEBI Debt Listing Regulations, as amended and also subject to approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, and in accordance with the relevant provisions of the Memorandum of Association and Articles of Association of the Company and the listing agreements entered into with the stock exchange being the Bombay Stock Exchange or National Stock Exchange of India Limited (the "Stock Exchange") where the securities of the Company may be listed, subject to such approvals, consents, sanctions, permissions as may be necessary from all other appropriate statutory and regulatory authorities, if any and subject to such conditions and modifications as may be prescribed by the respective statutory and/or regulatory authorities while granting such approvals, consents, sanctions, permissions and subject to such conditions or modifications which may be agreed to, the Management Committee of Board of Directors of the Company (the "Management Committee") hereby approves;

Spandana Sphoorty Financial Limited

CIN - I65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No B3/1, Hyderabad Knowledge City,

TS&C, Rajuru Panmaktha, Hyderabad, Rangareddi TG 500081 IN

Ph. +9140-45474750 | [contact@spandanasphoorty.com](mailto:contact@spandanasphoorty.com) | [www.spandanasphoorty.com](http://www.spandanasphoorty.com)





- the offer and issue of up to 3,000 (Three thousand only) Senior, Secured, Rated, Listed, Redeemable Non-Convertible Debentures for a face value of up to Rs. 1,00,000/- (Rupees One Lakh only) per debenture for a tenure of 36 (Thirty-Six) months or such other tenure as may be decided by the Company and investors and having a coupon payable at the rate of 10.75% (Ten decimal point Seven Five Percent) per annum payable annually or such other rate as may be decided by the Company and investors, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crore only), ("Debentures") for cash, in dematerialized form and on a private placement basis (the "Issue") on the terms and conditions to be set out in the debenture trust deed to be entered into by and between the Company and Catalyst Trusteeship Limited, as the debenture trustee ("Debenture Trustee") (collectively "Debenture Trust Deed") and the Debt Disclosure Documents (as defined below) to the successful bidders who have applied for subscription of the Debentures on the electronic book platform in accordance with the SEBI EBP Requirements (as defined below) and which shall be deemed to be the persons identified by the Company for the purposes of Section 42 of the Companies Act (being the identified person(s) for the purposes of Section 42 of the Act ("Investors"/Mutual Funds)
  - Banks and Financial Institutions;
  - Non-banking financial companies;
  - Provident Funds and Pension Funds;
  - Corporates;
  - Foreign Institutional Investors (FIIs);
  - Qualified Foreign Investors (QFIs);
  - Foreign Portfolio Investors (FPIs);
  - Alternative Investment Funds
  - Insurance Companies; and
  - All successful bidders under the electronic book platform process, who are eligible investors as set out above ("Investor/s") and
- a) securing of the amounts to be raised pursuant to the issue of Debentures together with all interests and other charges thereon are to be secured by way of, inter-alia a first ranking, exclusive and continuing charge on certain identified loan receivables up to 1.10 (One Decimal Point One Zero) times of the total amounts outstanding of the Debentures (referred to herein as the "Security") to be created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein ("Deed of Hypothecation").

**RESOLVED FURTHER THAT** pursuant to Section 42(2) of the Companies Act, 2013, the Management Committee hereby identifies all such bidders/ eligible participants to whom allocation is to be made by the Company under the electronic book mechanism upon allocation being made by the Company for issuance of securities on private placement basis in terms of the SEBI EBP Requirements, as the identified person(s) to whom the Company can make private placement of the Debentures;

Spandana Spohorty Financial Limited  
CIN - I65929TG2003P:CO40648  
Galaxy, Wing B, 16th Floor, Plot No 2, Sy No 83/1, Hyderabad Knowledge City,  
TS/IC, Raidurg Panmaktha, Hyderabad, Ranganreddi TG 500081 IN  
Ph: +9140-45474750 | [contact@spandanaspohorty.com](mailto:contact@spandanaspohorty.com) | [www.spandanaspohorty.com](http://www.spandanaspohorty.com)





**RESOLVED FURTHER THAT** the Company does hereby appoint:

- i. Catalysa Trusteeship Limited being a debenture trustee registered with SEBI, as the debenture trustee ("Debenture Trustee") in respect of the issuance, offer and allotment of the Debentures on such terms and conditions as may be agreed between the Company and the Debenture Trustee in the debenture trustee agreement to be executed by the Company in favour of the Debenture Trustee ("Debenture Trustee Agreement");
- ii. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as the depositories for the issue, offer and allotment of Debentures;
- iii. India Ratings & Research Private Limited, being a credit rating agency registered with SEBI, for obtaining the ratings in respect of the issue, offer and allotment of the Debentures ("Rating Agency");
- iv. KFEN Technologies Limited, as the registrar and transfer agent for the issue, offer and allotment of Debentures;

**RESOLVED FURTHER THAT** the Management Committee hereby approves the enrolment of the Company with any Electronic Book Provider ("EBP") for obtaining access to their "Electronic Platform" for the private placement of the Debentures as per the applicable Securities and Exchange Board of India regulations/ guidelines/ circulars read along with the operating guidelines of such EBP and in this regard including the SEBI EBP Requirements, the Company be and is hereby authorized to finalize, execute and/ or rectify (and if required, amend and rectify) the necessary or requisite agreement(s) with such EBP and to do all such acts, deeds and things and execute or rectify such other documents, papers and writings as may be necessary for the purpose and to provide all such documents and/ or provide such information or details whether in relation to the Company's KYC or otherwise as may be required by the EBP in this regard.

**RESOLVED FURTHER THAT** Mr. Ashish Kumar Damani, President and Chief Financial Officer; Mr. Ramush Periasamy, Company Secretary and Chief Compliance Officer; Mr. Sumit Jhurjhumwala, Senior Vice President-Fund Raise and Mohammed Khayyam, Senior Manager-Finance (Collectively as "Authorized Signatories") be and are hereby severally authorized to:

- a) to do all such acts, deeds and things as the Authorized Signatories may deem necessary or desirable in connection with the issue, offer and allotment of the Debentures;
- b) seek, if required, any approval, consent or waiver from any/all concerned government and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;
- c) negotiate, approve of and decide the terms and conditions of the issuance of Debentures;
- d) finalize and execute the term sheet;
- e) finalize terms and conditions of the appointment of the consultants, appointment of legal counsel, the registrar to the issue, the rating agency and other advisors as may be required and making payment of their fees;
- f) authorized to record the name of the holders of the Debentures in the register of debenture holders of the Company, to maintain the register of holders of Debentures and to undertake such other acts, deeds and acts as may be required to give effect to the issue, offer and allotment of the Debentures;
- g) to take all necessary steps relating to the creation, perfection and registration of the Security as required in accordance with the terms of the Transaction Documents (as defined below) including but not limited to sign and submit the necessary forms with the relevant registrar of companies,

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No. 1, Sy No 83/1, Hyderabad Knowledge City,

TS-9C, Rajang Permaktha, Hyderabad, Rangareddy TG 500081 IN

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Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("CERSAI"), the Ministry of Corporate Affairs, CDSL, NSDL and other relevant governmental authorities as required and as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures:

- h) finalise the date of allocation and the deemed date of allotment of the Debentures;
- i) negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and deal with regulatory authorities in connection with the issue, offer and allotment of the Debentures including but not limited to the RBI, SEBI, Stock Exchange, jurisdictional registrar of companies, the CERSAI, the Ministry of Corporate Affairs, or any depository and such other authorities as may be required;
- j) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates and to give such directions as it deems fit or as may be necessary or desirable with regard to this issue;
- k) to execute all documents, file forms with, make applications with the Registrar of Companies, or any depositories including issuing instructions to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and to execute or ratify the necessary or requisite agreement(s) with NSDL and CDSL and the registrar and transfer agent(s) and entering into any other agreements with CDSL and NSDL, undertakings or other writings required for admitting the Company and the Debentures to CDSL and NSDL and for the issue of the Debentures in the dematerialised form;
- l) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;
- m) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein;
- n) seeking the listing of the Debentures on the Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing and obtaining the in-principal approval from the stock exchange in relation to listing of Debentures;
- o) create the recovery expense fund in accordance with the requirements of Chapter IV (Recovery Expense Fund) of the SEBI master circular bearing reference number SEBI/HO/DDHS-PoDI/P/CIIR/2023/109 dated March 31, 2023 on "Master Circular for Debenture Trustee" (as amended, modified, supplemented and/or revised from time to time, "Debenture Trustee Master Circular") read with guidance note(s) issued by the Stock Exchange(s) in this regard;
- p) creating and operating the debenture redemption reserve account, if applicable;
- q) preparing and finalising the Debt Disclosure Documents (as defined below), in accordance with all applicable laws, rules, regulations and guidelines (including any amendments, variations or modifications of the Debt Disclosure Documents, as may be considered desirable or expedient), and approving the Debt Disclosure Documents (including any amendments, variations or modifications thereof);
- r) to take all such decisions and steps as they deem fit and to perform all such acts, deeds, matters and things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue any document, deed, undertakings, mandates,

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Galaxy, Wing B, 16th floor, Plot No. 1, Sy No 83/1, Hyderabad Knowledge City,

TS-9C, Raidurg Permalatha, Hyderabad, Rangareddi TG 500081 IN

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agreements, assignments, instruments and writings including the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

- i. the general information document, the key information document in respect of the issuance of Debentures, and the private placement offer cum application letter for the offer, issue and allotment of the Debentures (collectively, the "Debt Disclosure Documents");
- ii. tripartite agreements between the Company, the depositories and the registrar and transfer agent;
- iii. the memorandum of understanding between the Company and the registrar and transfer agent;
- iv. the Debt Disclosure Documents, Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation and other requisite documents for the creation of Security and to record the terms upon which the Debentures are being issued and to do all such acts, deeds and things as may be necessary or expedient to implement this resolution and to execute all such documents, writings, agreements and evidences as may be required by the Debenture Trustee in connection with the aforesaid and where required including lodging of any such documents, writings and agreements for registration under the Indian Registration Act and/or other statute(s) / Law(s) and any other document in relation thereto (collectively, the "Transaction Documents");
- v. documents for the opening of bank accounts, opening of demat accounts and issuing instructions of bank accounts related thereto in connection with the Debentures including without limitation for the purpose of recognizing the rights of the Debenture Trustee to operate such bank accounts;
- vi. any other documents required for the purposes of the issue and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports;
- vii. any other document designated as a security document by the Debenture Trustee; and
- viii. to do such necessary acts and things for the electronic bidding process with the Stock Exchange in accordance with the SEBI EBP Requirements.

(s) do all other acts, deeds and things as may be deemed necessary to give effect to the foregoing and the other terms of this resolution."

**"RESOLVED FURTHER THAT** each of the Authorized Signatories, be and are hereby severally authorized to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest of India, the Ministry of Corporate Affairs, or any depository and other relevant governmental authorities."

**"RESOLVED FURTHER THAT** the approval of the Management Committee, be and is hereby accorded to seek admission of the Debentures, in the depository system of NSDL and CDSL and that the Authorized Signatories, be and are hereby severally authorized to do all such acts and deeds as may be required and to sign all such papers and documents as may be necessary to implement the decision and execute or ratify the necessary or requisite agreement(s) with those depositories and the registrar and transfer agent and any other agreements, undertakings or other writings required for

Spandana Spahoorty Financial Limited  
CIN - I65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No 1, Sy No 83/1, Hyderabad Knowledge City,  
TS&C, Raidurg Permalatha, Hyderabad, Rangareddi TG 500081 IN





## SPANDANA

*the issue, offer and allotment of the Debentures in dematerialised form and to negotiate, finalise and execute any documents in such respect and/or to ratify the same."*

**"RESOLVED FURTHER THAT** approval of the Management Committee, be and is hereby accorded to list the Debentures on the Stock Exchange, in accordance with the provisions of the SEBI Debt Listing Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and that Authorised Signatories, be and are hereby severally authorized to do all such acts and deeds as may be required and to sign all such papers and documents as may be necessary to implement the decision."

**"RESOLVED THAT** the Authorised Signatories, be and are hereby severally authorized to prepare, approve and finalise, issue on behalf of the Company, the terms of the Debt Disclosure Documents to subscribe to the Debentures on a private placement basis, and to sign and execute the aforementioned documents on behalf of the Company and to file the private placement offer cum application letter with the relevant registrar of companies in accordance with the Companies Act, 2013 setting out the terms and conditions of the issuance of the Debentures (the "Offer Letter")."

**"RESOLVED FURTHER THAT** the Authorised Signatories, be and are hereby severally authorized to pay all stamp duty required to be paid for the issue in accordance with the laws of the Republic of India and procure the stamped documents from the relevant governmental authorities."

**"RESOLVED FURTHER THAT** any of the Authorised Signatories, be and are hereby severally authorized to approve and finalise, sign, execute and deliver documents in relation to the issue as set out in this resolution and such other agreements, deeds, undertakings, indemnity and documents as may be required by the Debenture Trustee, or any of them in connection with the Debentures to be issued by the Company."

**"RESOLVED FURTHER THAT** the Authorised Signatories, be and hereby severally authorized to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or governmental authority competent in that behalf."

**"RESOLVED FURTHER THAT** the Authorised Signatories, be and are hereby authorized to delegate the powers as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue, offer and allotment of the Debentures."

**"RESOLVED FURTHER THAT** the Authorised Signatories, be and are hereby authorized to undertake such other acts, deeds and acts as may be required to give effect to the issuance, offer and allotment of the Debentures."

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No B3/L, Hyderabad Knowledge City,

TS&C, Raidurg Parvathia, Hyderabad, Rangareddy TG 500081 IN

Ph: +9140-45474750 | [contact@spandanaspfoorty.com](mailto:contact@spandanaspfoorty.com) | [www.spandanaspfoorty.com](http://www.spandanaspfoorty.com)





**"RESOLVED FURTHER THAT** the Management Committee do hereby approve and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of this issue."

**"RESOLVED FURTHER THAT** any one Director or the Company Secretary be and are hereby severally authorised to furnish the certified true copy of the forgoing resolution to the Debenture Trustee and such other persons as may be deemed necessary for their information and records".

For Spandana Sphoorty Financial Limited  
Ramesh  
Periasamy  
Ramesh Periasamy  
Company Secretary and Chief Compliance Officer

Digitally signed by Ramesh Periasamy  
Date: 2023.09.01 11:46:48  
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Spandana Sphoorty Financial Limited  
CIN - 165929T02003PLC040648  
Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,  
TSEC, Raidurg Panmaktha, Hyderabad, Rangareddi TG 500081 IN  
Ph: +9140-45474750 | [contact@spandanaspahoorty.com](mailto:contact@spandanaspahoorty.com) | [www.spandanaspahoorty.com](http://www.spandanaspahoorty.com)

*Ramesh Periasamy*



**Explanatory Statement to notice of Annual General meeting**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 6:**

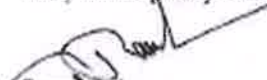
The Members at the Extra-ordinary General Meeting of the Company held on June 18, 2018, had accorded by way of Special Resolution their approval to the Board of Directors of the Company for creation of charge and mortgage on both movable and immovable properties and assets of the Company, both present and future and to secure one or more securities to be issued to the extent of ₹8,000 crore (Rupees Eight thousand crore only).

The Members are being informed that it is proposed to amend the aforesaid resolution passed by the Members of the Company by increasing the overall limit of creating charge / mortgage on the properties of the Company for securing the borrowings of ₹8,000 crore to ₹15,000 crore;

The Board recommends the resolution as set out in Item no. 6 of this Notice for approval of Members as Special Resolution

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

For Spandana Sphoorty Financial Limited

  
Ramesh Periasamy  
Company Secretary and Compliance Officer



Spandana Sphoorty Financial Limited  
CIN - L69020TG2003PLC0420548  
Plot No 31 & 32 Ramky Selenium Towers Tower A,  
Ground Floor, Financial Dist, Narayanajiada, Hyderabad - 500 032.  
Ph: +91 40 45120000, Fax: 040 44389640  
[www.spandana.com](http://www.spandana.com) [www.sphoorty.com](http://www.sphoorty.com)

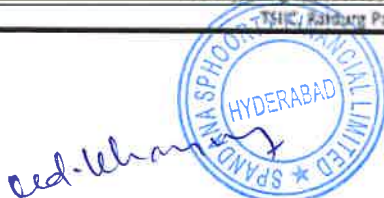
  




- iv. execute term sheet's;
- v. finalize terms and conditions of the appointment of an arranger, a debenture trustee, a registrar and transfer agent, a credit rating agency, a depository and such other intermediaries as may be required to be appointed, including their successors and their agents;
- vi. secure, if required, the amounts to be raised pursuant to the issue of the Debentures, together with all interest and other charges accrued thereon as may be required in terms of the issuance of the Debentures;
- vii. the appointment of National Securities Depository Limited ("NSDL") and/or Central Depository Services (India) Limited ("CDSL") as the depositories for the proposed issuance of the Debentures;
- viii. the appointment of Debenture Trustee(s) for the proposed issuance of the Debentures;
- ix. authorize various persons from time to time to sign and execute the transaction documents to be executed in relation to the Debentures;
- x. decide upon the date of opening and closing of the debenture issue and the period for which the aforesaid issue will remain open;
- xi. finalize the date of allocation and deemed date of allotment of the debentures;
- xii. negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the debenture issue and deal with regulatory authorities in connection with the debenture issue including but not limited to Securities and Exchange Board of India, Reserve Bank of India, Registrar of Companies, Ministry of Corporate Affairs, Company Law Board, Stock Exchanges, Depositories, and such other authorities as may be required;
- xiii. decide on the listing of debentures with National Stock Exchange of India Limited or BSE Limited;
- xiv. including without limitation, approve, negotiate, sign, execute, amend, supplement and / or issue the following:
  - a) information memorandum / private placement offer letter' shelf disclosure document / disclosure document for the Debenture Issue (the "Information Memorandum");
  - b) tripartite agreement between the Company, the depository and the registrar and transfer agent;
  - c) the memorandum of understanding between the Company and the registrar and transfer agent;
  - d) debenture certificate for the debentures;
  - e) debenture trust deed, mortgage, deed, deed of hypothecation and other requisite documents for the creation of a security over the Company's movable properties and assets, (including any powers of attorney in connection thereto);
  - f) documents for opening of bank accounts and issuing instructions of bank accounts related thereto in connection with the Debentures including without limitation for the purposes of recognizing the rights of the debenture trustee to operate such bank accounts;
  - g) any other documents required for the purposes of the debenture issue and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and
  - h) any other document designated as a security document by the debenture trustee.
- xv. approve allotment of the NCDs
- xvi. buy back / redeem / repurchase of the NCDs in case of put option and reissue of same to the new investors

Spandana Sphoorty Financial Limited  
CIN - 1659291G2003PLC040648

Galaxy, Wing B, 25th Floor, Plot No. 7, Sy. No. 83/1, Hyderabad Knowledge City,  
TSHIC, Kaldurga Panmaktha, Hyderabad - 500081, Telangana





- xvii. do all act necessary for the proposed listing of the debentures in accordance with the terms set out in the Information Memorandum, wherever applicable
- xviii. delegate any of the powers so conferred upon the Committee in respect of the issuance of NCDs on private placement to any directors or officers of the Company, including by the grant of power of attorney.
- xix. seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India and any other consents that may be required in connection with the issue and allotment of the NCDs; and
- xx. do all other acts, deeds and things as may be deemed necessary to give effect to the foregoing and the other terms of this resolution."

**"RESOLVED FURTHER THAT** Mr. Shalabh Sarana, Managing Director and Chief Executive Officer, Mr. Ashish Kumar Damani, President and Chief Financial Officer and Mr. Ramesh Periasamy, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to file necessary forms and returns as may be required/ necessary with the Registrar of Companies and that the certified to be true copies of the foregoing resolution signed by anyone of the Directors or the Company Secretary be furnished to such parties as may be deemed necessary for their information and records."

**For Spandana Sphoorty Financial Limited**

**Ramesh**

**Periasamy**

**Ramesh Periasamy**

**Company Secretary and Chief Compliance Officer**

Digitally signed by Ramesh  
Periasamy  
Date: 2023.09.01 10:12:34  
+05'30'

**Spandana Sphoorty Financial Limited**

**CIN - 165929102003PLC0940648**

**Galaxy, Wing B, 16th Floor, Plot No. 1, Sy No 83/1, Hyderabad Knowledge City,**

**TSLIC, Raidurg Panmalths, Hyderabad - 500081, Telangana**

**Ph. +9140-45474750 | contact@spandanaspheerty.com | www.spandanaspheerty.com**





**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS (BOARD) OF SPANDANA SPHOORTY FINANCIAL LIMITED THROUGH CIRCULATION ON JULY 12, 2023**

**TO CONSIDER AND APPROVE RECONSTITUTION OF MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS:**

**\*RESOLVED THAT** in supersession to all the earlier resolutions passed by the Board in this regard and pursuant to the provisions of Section 179(3) and other applicable provisions, if any, of the Companies Act, 2013, read with relevant Rules thereunder, approval of the Board be and is hereby accorded for re-constitution of Management Committee with effect from July 12, 2023 with the following directors / officials as Members of the Committee:

- i. Mr. Kartikeya Dhiraj Kap- Chairperson, Non-Executive Director
- ii. Mr. Shalabh Saxena- Member, Managing Director and Chief Executive Officer
- iii. Mr. Ashish Damani- Member, President and Chief Financial Officer

**RESOLVED FURTHER THAT** any of the Directors of the Company and Mr. Ramesh Perlasamy, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorized by the Company to do all such acts, deeds and things which may be deemed necessary for giving effect to this resolution.

**RESOLVED FURTHER THAT** a certified copy of the above resolution, issued under the signature of any one of the Directors or the Company Secretary of the Company, may be submitted to whomsoever it may concern."

For Spandana Sphoorty Financial Limited

Ramesh  
Perlasamy

Digitally signed by Ramesh Perlasamy  
DN: cn=Ramesh Perlasamy, o=Spandana Sphoorty Financial Limited

Ramesh Perlasamy

Company Secretary and Chief Compliance Officer

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No. 1, Sy No 83/1, Hyderabad Knowledge City,  
TSIK, Raidurg Panchsikha, Hyderabad - 500081, Telangana

Ph: +9140-45474750 | contact@spandanaspahoorty.com | www.spandanaspahoorty.com





**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS ("BOARD")  
OF SPANDANA SPHOORTY FINANCIAL LIMITED THROUGH CIRCULATION ON JULY 12, 2023**

**TO CONSIDER AND APPROVE CHANGE IN TERMS OF REFERENCE FOR THE MANAGEMENT  
COMMITTEE OF THE BOARD OF DIRECTORS:**

**\*RESOLVED THAT** in supersession to all the earlier resolutions passed by the Board in this regard and pursuant to the provisions of Section 179(3) and other applicable provisions, if any, of the Companies Act, 2013, read with relevant Rules thereunder, approval of the Board be and is hereby accorded for change in terms of reference of Management Committee with the following directors / officials as Members of the Committee:

- i. Mr. Kartikeya Dhiruv Kaj- Chairperson, Nominee Non-Executive Director
- ii. Mr. Shalabh Saxena- Member, Managing Director and Chief Executive Officer
- iii. Mr. Ashish Damani- Member, President and Chief Financial Officer

**RESOLVED FURTHER THAT** the quorum for the Management Committee Meeting shall be two members.

**RESOLVED FURTHER THAT** the terms of reference of the Management Committee of the Board of Directors of the Company, shall be:

- a. to apply for loans and to provide security including hypothecation of book debts of the Company at such terms and conditions as may be decided by the Committee from time to time;
- b. to borrow moneys from time to time subject to an aggregate amount as approved by the Shareholders of the Company;
- c. to determine the terms of the issue(s) of Debentures, and finalise the terms and conditions of such issue(s) including the number of Debentures to be allotted in each issue, Issue Price, Face Value, Rate of Interest, Redemption Period, the nature of security etc. for the purpose of raising funds in its absolute discretion as deemed fit and to do all such acts, deeds and things as may be required necessary in this regard;
- d. to determine the terms of the issue(s) of Commercial Papers, and finalise the terms and conditions of such issue(s) including the quantum of Commercial Papers to be allotted in each issue, Issue Price, Face Value, Rate of Interest, Redemption Period, etc. for the purpose of raising funds in its absolute discretion as deemed fit and to do all such acts, deeds and things as may be required necessary in this regard;
- e. to sell loan portfolios of the Company up to a limit of Rs. 1,500 Crore per sanction;
- f. to securitize the loan receivables arising from an identified pool of loans ("Receivables") provided to various persons from time to time standing in the books of the Company up to a limit of Rs. 1,500 Crore per sanction;
- g. to purchase book debts of other micro-finance/ NBFC Companies up to a limit of Rs. 50 Crore per sanction;
- h. to grant loans including inter corporate loans and advances on such terms and conditions as it may deem fit;
- i. to give guarantee or provide security for securing the loans or advances availed or to be availed by its subsidiaries.
- j. to authorize Company official/s for execution of any agreements, deeds and documents on behalf of the Company, including any loan documents;
- k. to change and authorize any officials of the Company to open, operate and close the Bank Accounts and

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CIN - I6S929TG2003PLC040648

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TSHC, Raidurg Panmakthe, Hyderabad - 500081, Telangana

Ph: +9140-45474750 | contact@spandanaspfoorty.com | www.spandanaspfoorty.com





**Demat Accounts of the Company.**

- i. to invest funds of the Company in Fixed Deposits to the extent necessary to avail credit facilities/ loans from the Banks/ Financial Institutions etc. and to invest surplus funds in liquid funds (i.e. mutual funds etc.) for the benefit of the Company including authorizing the officials of the Company for such investments;
- ii. to approve capital and operational expenditure including any exception thereof as per the Delegation of Authority Matrix as approved by the Board and amended from time to time.
- iii. to appoint /authorize Company official/s for execution of documents, agreement, deeds and papers as may be required from time to time in relation to day-to-day operations of the Company;
- o. to make applications for obtaining licenses, registrations, connections, clearances, services etc. and to authorize/appoint directors/employees/officers for signing applications, returns, forms, bonds, agreements, documents, papers etc. and for representing Company before the authorities under various Laws including but not limited to Corporate Laws, Industrial Laws, Tax Laws, Labour Laws and other Business Laws applicable to the Company in respect of all present and future offices of the Company, for compliance of all provisions, rules, clauses, regulations, directives and other related matters under the said Laws, which may be applicable to the Company;
- p. to review lease, assign, sell, transfer or otherwise dispose of, any fixed assets or investments, whether by one transaction or by a series of transactions (whether related or not);
- q. any proposal relating to borrowings including issue of debt securities or commercial papers to be placed before the Committee should be pre-approved by the two Directors who are Members of the Committee.

**RESOLVED FURTHER THAT** the Company Secretary of the Company will act as the Secretary of the Management Committee.

**RESOLVED FURTHER THAT** any of the Directors of the Company and Mr. Ramesh Periasamy, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorized by the Company to do all such acts, deeds and things which may be deemed necessary for giving effect to this resolution.

**RESOLVED FURTHER THAT** a certified copy of the above resolution, signed under the signature of any one of the Directors or the Company Secretary of the Company, may be submitted to whomsoever it may concern."

For Spandana Sphoorty Financial Limited  
Ramesh Periasamy  
Ramesh Periasamy  
Company Secretary and Chief Compliance Officer

Digitally signed by Ramesh Periasamy  
Date: 2023.08.17 10:07 +05'30'

Spandana Sphoorty Financial Limited  
CIN - I65929TG2003PLC040648

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TSHC, Raidurg Panmakthe, Hyderabad - 500081, Telangana



## ANNEXURE X: SHAREHOLDERS RESOLUTIONS



**Explanatory Statement to notice of Annual General meeting**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 6:**

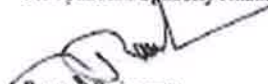
The Members at the Extra-ordinary General Meeting of the Company held on June 18, 2018, had accorded by way of Special Resolution their approval to the Board of Directors of the Company for creation of charge and mortgage on both movable and immovable properties and assets of the Company, both present and future and to secure one or more securities to be issued to the extent of 28,000 crore (Rupees Eight thousand crore only).

The Members are being informed that it is proposed to amend the aforesaid resolution passed by the Members of the Company by increasing the overall limit of creating charge / mortgage on the properties of the Company for securing the borrowings of 28,000 crore to 215,000 crore.

The Board recommends the resolution as set out in Item no. 6 of this Notice for approval of Members as Special Resolution.

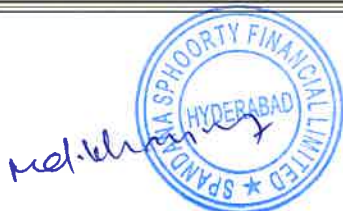
None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

For Spandana Sphoorty Financial Limited

  
Ramesh Periasamy  
Company Secretary and Compliance Officer



Spandana Sphoorty Financial Limited  
CN - 168029102001PLC040648  
Plot No 31 & 32 Ramky Selenium Towers, Tower A,  
Ground Floor, Financial Dist, Narayanaipada, Hyderabad - 500 032.  
Ph: +91 40 45126000, Fax: 240-44300640  
[www.spandana.com](http://www.spandana.com) [www.spandana.co](http://www.spandana.co)





**Explanatory Statement to Item No. 4**

Members of the Company had accorded their approval by way of Special Resolution through resolution passed at the 19th annual general meeting of the Company held on September 21, 2022 for making offer(s) or invitation(s) to subscribe to, and allot subordinated or unsubordinated, perpetual or non-perpetual, listed or unlisted, secured or unsecured, non-convertible debentures (hereinafter collectively referred as "NCDs") up to an aggregate amount of Rs 4000,00,00,000/- (Rupees Four Thousand Crore Only) under private placement basis, for the period of one year on such terms and conditions as may be determined by the Board. The said approval expires on September 20, 2023.

Members are requested to note that considering the business plan and growth of the Company and to enable the Company to raise funds by way of issuance of NCDs, the Board of Directors of the Company ("Board") at their meeting held on May 02, 2023, subject to the approval of the Members of the Company, accorded their approval to create, offer, invite, issue and allot NCDs, on a private placement basis during a period of one year from the date of passing of this resolution up to an amount not exceeding Rs.4000,00,00,000/- (Rupees Four Thousand Crore Only). Further, the Board has authorized the Management Committee ("Committee") to undertake all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, in respect of issuance of NCDs under private placement including but not limited to determine the terms and conditions of the NCDs to be issued, number of NCDs to be issued, issue price, face value, issue size, coupon, tenor, objects of the issue, etc.

Members are requested to note that in terms of Section 71 of the Companies Act, 2013 ("Act") read with Section 23 and 42 of the Companies Act, 2013 and Rule 14(1) of the Companies (Prospectus & Allotment of Securities) Rules, 2014 which inter alia states that a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a Special Resolution, for each of the offers or invitations, however in case of offer or invitation for non-convertible debentures, it shall be sufficient if the Company passes a previous special resolution only once in a year for all the offers or invitation for such debentures during the year.

Accordingly, the approval of the Members is sought by way of special resolution to create, offer(s) or invitation(s) to subscribe to, issue and allot subordinated or unsubordinated, perpetual or non-perpetual listed or unlisted, secured or unsecured, non-convertible debentures under private placement, in one or more tranches, for an amount not exceeding Rs.4000,00,00,000/- (Rupees Four Thousand Crore Only), and as per the terms to be decided by the Board and/or the Committee, during the period of one year from the date of passing of the Special Resolution set out in Item no. 4 of this Notice.

The Board recommends the resolution as set out in Item No. 4 of this Notice for Members' approval, by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution, except to the extent of the NCDs that may be subscribed by any entity in which any of the Directors or Key Managerial Personnel of the Company or their relatives may be concerned or interested in any capacity.

For Spandana Sphoorty Financial Limited

PERJASAMY

RAMESH

Digitally signed by PERJASAMY  
RAMESH  
Date: 2023.09.01 14:17:40 +05'30'

Ramesh Perjasamy

Company Secretary and Chief Compliance Officer

ACS26267

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1,

Hyderabad Knowledge City, TSIC, Raidurg Panmaktha,

Hyderabad - 500081, Telangana

Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,

TSIC, Raidurg Panmaktha, Hyderabad - 500081, Telangana

Ph: +9140-45474730 | [contact@spandanassphoorty.com](mailto:contact@spandanassphoorty.com) | [www.spandanassphoorty.com](http://www.spandanassphoorty.com)





**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF SPANDANA SPIOORTY FINANCIAL LIMITED HELD ON TUESDAY, SEPTEMBER 28, 2021 AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO: - 31 & 32, RAAJKY SELENIUM TOWERS, TOWER A, GROUND FLOOR, FINANCIAL DIST, NANAKRAMGUDA, HYDERABAD, TELANGANA-500032**

**APPROVE REVISION IN OVERALL BORROWING POWER OF THE COMPANY UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013.**

**"RESOLVED THAT** in supersession to the earlier Resolution passed by the Members at their Meeting held on June 14, 2018 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules prescribed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and **Articles of Association of the Company, content of the members of the Company be and is hereby** accorded to the Board of Directors of the Company ("the Board", which in turn shall include any committee which the Board may constitute to exercise its powers including the powers conferred under this resolution), to borrow from time to time, both in Indian currency and in foreign currencies, including External Commercial Borrowing, if any, and by issue of debentures of any kind, by issue of commercial papers, raising through Bonds in foreign currencies, American Depository Receipts, Global Depository Receipts for the purposes of Company's business, subject to obtaining necessary approvals of the Reserve Bank of India ("RBI"), if any, and other statutory authorities or other statutes, for the time being in force, as may be necessary, any sum or sums of monies as it may deem proper, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; provided that the total amount to be borrowed by the Company together with monies already borrowed shall not exceed ₹12000,00,00,000/- (Rupees Twelve Thousand Crore Only), outstanding at any time and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies borrowed / to be borrowed, from time to time, as to interest, repayment, security, or otherwise howsoever as it may deem fit, as also to execute all such deeds and documents as may be necessary, usual or expedient for this purpose.

**RESOLVED FURTHER THAT** in connection with the aforesaid, the Board of Directors (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

For Spandana Sphoorty Financial Limited

  
Ramesh Periasamy

Company Secretary and Compliance Officer



Spandana Sphoorty Financial Limited

CIN - L65929TG2003PL0040243

Plot No 31 & 32, Raaiky Selenium Towers Tower A,

Ground Floor, Financial Dist, Nanakramguda Hyderabad - 500 032.

Ph. : +91 40 48126088, Fax : 040-4838086

www.spandana.com





**Explanatory Statement to notice of Annual General meeting**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 5:**


The Members at the Extra-ordinary General Meeting held on June 18, 2018, had accorded by way of Special Resolution their approval to the Board of Directors of the Company to borrow money from time to time, not exceeding ₹8,000 Crore (Rupees Eight thousand crore Only) over and above the aggregate of the paid up share capital of the Company and its free reserves.

The Members are being informed that it is proposed to amend the aforesaid resolution passed by the Members of the Company by increasing the overall limit of borrowings of ₹8,000 crore over and above the aggregate of the paid up share capital of the Company and its free reserves to overall aggregate limit of ₹12,000 crore.

The Board recommends the resolution as set out in Item no. 5 of this Notice for approval of Members as Special Resolution.

**None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.**

**For Spandana Sphoorty Financial Limited**

  
**Ramish Periasamy**  
**Company Secretary and Compliance Officer**



**Spandana Sphoorty Financial Limited**  
CIN - LK5929TG2003PL0040648  
Plot No.31 & 32, Ranky Sankarum Towers, Tower A,  
Ground Floor, Financial Dist, Nanakramguda, Hyderabad - 500 032.  
Ph: +91 40 48126665, Fax: 040 48386643





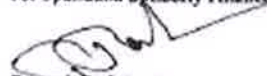
**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF SPANDANA SPOHOORTY FINANCIAL LIMITED HELD ON TUESDAY, SEPTEMBER 28, 2021 AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO: - 31 & 32, RAMKY SELENIUM TOWERS, TOWER A, GROUND FLOOR, FINANCIAL DIST, NANAKRAMGUDA, HYDERABAD, TELANGANA-500002**

**APPROVE CREATION OF CHARGE / MORTGAGE ON THE ASSET OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013**

**"RESOLVED THAT** in supersession to the earlier Resolution passed by the Members at their meeting held on June 14, 2018, and pursuant to section 180 (1)(a) and other applicable provisions if any, of the Companies Act, 2013 and the applicable rules prescribed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the Members by and is hereby accorded to the Board of Directors of the Company ("the Board"), which in turn shall include any committee which the Board may constitute to exercise its powers including the powers conferred under this resolution) for mortgaging, hypothecating, creation of charge on properties of the Company including first part passu charge, and pledging and / or creating a fixed charge or floating charge and / or subordinated charge / second charge and also to create lien, charges and all other encumbrances of whatsoever in nature on all or any part of the movable or immovable properties of the Company and the whole or substantially the whole of all or any part of the undertaking of the Company, of every nature and kind whatsoever, both present and future to or in favour of banks, financial institutions, bodies corporate, debenture trustees or any other lenders/creditors, whether in India or abroad, for securing amounts borrowed by the Company or any third party, from time to time, up to an aggregate amount not exceeding ₹15000000000/- (Rupee Fifteen Thousand Crore Only) for the due payment/ re-payment of the principal together with interest, compound interest, additional interest, liquidated damages, commission charges, premia on pre-payment or on redemption, charges, costs, expenses and all other monies payable by the Company or any third party, in respect of such borrowings under the agreements/ arrangements entered into/ to be entered into by the Company or any third party, as the case may be.

**RESOLVED FURTHER THAT** in connection with the aforesaid, the Board of Directors (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

For Spandana Sphoorty Financial Limited

  
Ramesh Periasamy  
Company Secretary and Compliance Officer



**Spandana Sphoorty Financial Limited**

DN - 1658297G3003PLC042648

Plot No 31 & 32, Ramky Selenium Towers, Tower A,

Ground Floor, Financial Dist, Nanakramguda, Hyderabad - 500 032

Ph : +91 40 42120556 Fax : 040-44386543

www.spandana.com





**Explanatory Statement to notice of Annual General meeting**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 6:**

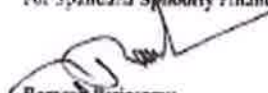
The Members at the Extra-ordinary General Meeting of the Company held on June 18, 2018, had accorded by way of Special Resolution their approval to the Board of Directors of the Company for creation of charge and mortgage on both movable and immovable properties and assets of the Company, both present and future and to secure one or more securities to be issued to the extent of ₹8,000 crore (Rupees Eight thousand crore only).

The Members are being informed that it is proposed to amend the aforesaid resolution passed by the Members of the Company by increasing the overall limit of creating charge / mortgage on the properties of the Company for securing the borrowings of ₹8,000 crore to ₹15,000 crore.

The Board recommends the resolution as set out in Item no. 6 of this Notice for approval of Members as Special Resolution.

**None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.**

**For Spandana Sphoorty Financial Limited**

  
**Ramesh Periasamy**  
Company Secretary and Compliance Officer



**Spandana Sphoorty Financial Limited**  
CN - 1658291020019PL0040048  
Plot No 31 & 32 Ramky Selenium Towers Tower A,  
Ground Floor, Financial Dist. Narayanaipada, Hyderabad - 500 032.  
Ph: +91 40 46128600, Fax: 040-44285640  
contact@spandanafinancial.com, www.spandana.co