

Serial No: 1
Addressed to:

IIFL INCOME OPPORTUNITIES FUND SERIES 2

(THIS DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS DISCLOSURE DOCUMENT HAS BEEN PREPARED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN 2008/13/127874 DATED JUNE 06, 2008, AS AMENDED FROM TIME TO TIME, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI LAD-NRO/GN 2015-16/013 DATED SEPTEMBER 02, 2015, AS AMENDED FROM TIME TO TIME, SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND THE CIRCULAR DATED SEPTEMBER 28, 2011 ISSUED BY SEBI ON GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS MARKET LINKED DEBENTURES)

INFORMATION MEMORANDUM



SPANDANA SPHOORTY FINANCIAL LIMITED

A public company with limited liability incorporated under the Companies Act, 1956 (registered as a non-banking financial company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.

Date of Incorporation: March 10, 2003

Registered Office: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032

Corporate Office: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Second Floor, Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032

CIN: L65929TG2003PLC040648

Telephone No.: +91 40 4812 6666, **Contact Person:** Mr. Satish Kottakota

E-mail: secretarial@spandanaindia.com; **Website:** <http://www.spandanaindia.com>

Information Memorandum for issue of Debentures on a private placement basis on

Dated: November 24, 2020

Issue of upto 10,000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Transferable, Taxable Principal Protected Market Linked (PP-MLD) Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue").

Background

This Information Memorandum is related to the Debentures to be issued by Spandana Sphoorty Financial Limited (the "Issuer" or "Company" or "SSFL") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on July 17, 2020 pursuant to Section 42 of the Act read with applicable rules of the Act, a resolution passed by the shareholders of the Issuer on June 14, 2018 pursuant to Section 180(1)(c) of the Act and the Board of Directors of the Issuer on June 02, 2020, read with the resolution passed by the Management Committee dated November 11, 2020 in accordance with the provisions of the Act and the Memorandum and Articles of Association of the Company. The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).



General Risks

As the Issue is being made on a private placement basis, this information memorandum ("**Information Memorandum**" or "**Disclosure Document**") have not been cleared by SEBI. The Issue has not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in debt instruments unless they can afford to take the risk attached to such investments. The Debentures are subject to model risk i.e. the securities created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount of the Debentures is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the funds in case of default by the Issuer. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue and this Information Memorandum including the risks involved in it. Specific attention of investors is invited to statement of Risk Factors contained under Section 3 of this Information Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures.

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited ("**Rating Agency**"). The Rating Agency has, vide its letter dated November 16, 2020 assigned a rating of "PP-MLD ICRA A-" (pronounced as "principal protected market linked debenture ICRA A minus") with "stable" outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure I** of this Information Memorandum for the letter dated November 16, 2020 from the Rating Agency assigning the credit rating above mentioned.

Issue Schedule

Issue Opens on: November 24, 2020
Issue Closing on: November 24, 2020
Deemed Date of Allotment: November 24, 2020

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

Listing

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange Limited ("NSE").



Registrar and Transfer Agent	Debenture Trustee
 KFin Technologies Private Limited Selenium Tower - B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Tel.: (040) 7961 1000 Fax: (040) 23001153 Email: einward.ris@kfinetech.com Contact Person: Mr. S P Venugopal	 Catalyst Trusteeship Limited Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098 Tel.: 022-49220555 Fax: 022-49220505 Email: umesh.salvi@ctltrustee.com Contact Person: Mr. Umesh Salvi
Valuation Agency	Rating Agency
 ICRA ANALYTICS <small>A Group ICRA Company</small> ICRA Analytics Ltd 17th Floor, Plot G-1, Infinity Benchmark, Block GP, Sector V, Salt Lake, Kolkata, West Bengal - 700091 Tel.: 91-33-40170100 Fax: 91-33-40170101 Email: ashwini.kumar@icraanalytics.com Contact Person: Mr. Ashwini Kumar	 ICRA Limited 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001 Tel: + 91 11 2335 7940-50



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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 Information Memorandum.

Accounting Standards	Accounting standards and practices required to be followed under Applicable Law.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Applicable Law	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 in India and any modifications or re-enactments thereof that are relevant to Debentures.
Applicants	The investor who applies for subscription to the Debentures by submitting a valid Application Form.
Application Form	The form used by the recipient of this Information Memorandum, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as Annexure III .
Application Money	The money credited by the Applicant to the bank account of the Issuer for the purpose of subscription of the Debentures
Asset Cover	The cover as identified in clause 5.19 of this Information Memorandum
Beneficial Owners	The Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository.
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Saturdays, Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Mumbai and " Business Days " shall be construed accordingly.
Call Option	As specified in clause 5.19 of this Information Memorandum
Call Option Notice	As specified in clause 5.19 of this Information Memorandum
Call Option Date	As identified in clause 5.19 of this Information Memorandum
CDSL	Central Depository Services (India) Limited
CFHL	Criss Financial Holdings Limited and shall include its subsidiaries and/or its step-down subsidiaries
CFSL	Caspian Financial Services Limited and shall include its subsidiaries and/or its step-down subsidiaries
Control	With respect to the Company, the ability of the Promoter to directly manage and direct the business, functions and operations of the Company.
Companies Act/ the Act	The Companies Act, 2013, and to the extent not repealed and replaced by the Companies Act, 2013, shall mean the Companies Act, 1956.
Coupon/Coupon Amount/Return on Debentures	The interest or return on the Debentures which shall be identified in clause 5.19 of this Information Memorandum
Coupon Fixing Level	Yield of Reference Index as on the relevant Determination Date ascertained on the basis of last trading price of Reference Index. In the event no yield of Reference Index is available on a given Determination Date then the yield of Reference Index (ascertained on the basis of last trading price of Reference Index) on the previous Business Day will be considered for ascertaining Coupon Fixing Level. Further, in the absence



	of yield of Reference Index on the said previous Business Day, yield of liquid securities of similar tenure and credit risk will be considered for ascertaining Coupon Fixing Level.
Coupon Payment Date	The date on which Coupon or Return on the Debentures will be payable which shall be identified in clause 5.19 of this Information Memorandum
Coupon Period	The period during which Coupon will accrue on the Debentures which shall be identified in clause 5.19 of this Information Memorandum
Debentures / NCDs	10,000 (Ten Thousand) Secured Rated Listed Redeemable Transferable Taxable Principal Protected Market Linked (PP-MLD) Non-Convertible Debentures bearing a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating to Rs. 100,00,00,000/- (Rupees One Hundred Crores only)
Debenture Holders / Investors	The persons to whom this Information Memorandum has been issued to and who have subscribed the Debentures in the primary market and thereafter shall mean and include any Person to whom the Debentures are transferred to, each who fulfils the following requirements: (a) Persons who are registered as such as the beneficial owners in terms of the Debenture Trust Deed; and (b) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s) maintained in terms of the Debenture Trust Deed. In the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail.
Deemed Date of Allotment	November 24, 2020
Debenture Trustee	Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 1956 and having its registered office at GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune, Maharashtra- 411038.
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	The debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> recording the terms and conditions for setting 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 Outstandings	On any given date, any and all amounts that are outstanding in respect of the Debentures issued on such date (whether due or not), including Principal Amount and Coupon/Return on Debentures along with the Default Interest, liquidated damages, and all fees, costs, charges, expenses and other monies, if any, payable by the Company in accordance with the terms of the Transaction Documents.
Deed of Hypothecation	The deed of hypothecation entered/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over identified assets of the Issuer shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.

Depository Participant / DP	A depository participant as defined under the Depositories Act
Determination Date	The date on which Coupon Fixing Level will be identified and such date shall be (i) in relation to monthly coupon payable on the Debentures, the date falling after expiry of 1 (One) month from the Deemed Date of Allotment and subsequently every 1 (One) month thereafter other than the last coupon payment date which shall be the Redemption Date/Maturity Date; (ii) in relation to Put Option, the Put Option Date; (iii) in relation to Call Option, the Call Option Date; and (iv) in relation to Mandatory Prepayment and/or Prepayment Option, the date on which Debenture Outstanding are required to be repaid to the Debenture Holders by the Issuer; and (iv) in relation to acceleration of repayment of Debenture Outstanding on account of occurrence of an Event of Default, the date on which Debenture Outstanding are required to be repaid to the Debenture Holders by the Issuer.
Director(s)	Board of Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier, prior to the scheduled Maturity Date or acceleration in terms of the Transaction Documents.
Event of Default	Occurrence of such events as identified in Clause 3 of Annexure IX of this Information Memorandum
EFT	Electronic Fund Transfer.
Financial Indebtedness	Any indebtedness in respect of the following: (a) monies borrowed; (b) any amount availed of by acceptance of any credit facility; (c) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) 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; (i) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; (j) any put option, guarantees, keep fit letter(s), letter of comfort, etc by whatever name called, which gives or may give rise to any financial obligation(s); (k) any preference shares (excluding any compulsorily convertible preference shares);



	<p>(l) (without double counting) 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> <p>(m) Notwithstanding the items in paragraphs (a) to (l) above, all obligations of any person from time to time (whether present or future, actual or contingent, as principal or surety or otherwise) for the payment or repayment of money.</p>
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Settlement Date	The date on which the payments to be made by the Company in relation to the Issue have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents.
Hypothecated Assets	The assets and the property of the Company hypothecated and charged/to be hypothecated and charged in favour of the Debenture Trustee pursuant to Deed of Hypothecation, more particularly identified in the Deed of Hypothecation.
IBC	The Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof;
Issue	Private Placement of the Debentures.
Issue Closing Date	November 24, 2020
Issue Opening Date	November 24, 2020
Issuer/ Company/ Spandana	Spandana Sphoorty Financial Limited.
Make Whole Amount	The amount payable at the time of redemption/ prepayment of the Debentures pursuant to exercise of Prepayment Option, which amount shall be the aggregate of the principal outstanding on the Debentures together with the Coupon payable to the Debenture Trustee (on behalf of the Debenture Holders) as if the Debentures are being redeemed at the expiry of 12 (Twelve) months from the Deemed Date of Allotment along with such other amounts as may be due and payable to the Debenture Holders under the Debenture Trust Deed.
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Mandatory Prepayment	As specified in clause 5.19 of this Information Memorandum
Material Adverse Effect	<p>With respect to the Company, the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could in the opinion of the Debenture Trustee cause a material and adverse effect on:</p> <p>(i) the business activities, operations, financial condition and credit standing of the Company; or</p> <p>(ii) the ability of the Company to perform its obligations under the Transaction Documents; or</p> <p>(iii) the legality, validity or enforceability of, or the effectiveness of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).</p>

Maturity Date/ Redemption Date	36 (Thirty Six) months from the Deemed Date of Allotment, or such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
N.A.	Not Applicable.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
Obligors	the Company and/or CFSL and/or CFHL
Prepayment Option	As specified in clause 5.19 of this Information Memorandum
PAN	Permanent Account Number.
Principal Amounts	The aggregate face value of the Debentures
Promoter	Mrs. Padmaja Gangireddy, an adult Indian citizen currently residing at Flat No. A-208 Jayabheri Orange County, Near ICICI Towers, Nanakramguda, Serlingampally, KV Ranga Reddy, Hyderabad-500032 and having PAN No. AEZPG1437L.
Put Option	As specified in clause 5.19 of this Information Memorandum
Put Option Notice	As specified in clause 5.19 of this Information Memorandum
Put Option Date	As identified in clause 5.19 of this Information Memorandum
RBI	Reserve Bank of India.
Rating Agency	ICRA Limited, a company existing under the Companies Act, 2013 and having its registered office at 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) Business Days prior to such Due Date.
Reference Index/ Underlying Index	10-year Government Security – 5.79% GS 2030 (ISIN: IN0020200070), Issue Date: 11-May-2020 and Maturity Date: 11-May-2030
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being KFin Technologies Private Limited
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
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 Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended from time to time and Circular dated September 28, 2011 issued by SEBI on Guidelines for Issue And Listing Of Structured Products/ Market Linked Debentures, as amended from time to time.
SEBI (LODR) Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Security	The security for the Debentures as specified in clause 5.19.
Tax or Taxes	Any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government.
TDS	Tax Deducted at Source.

The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures, in this case being, (i) this Information Memorandum (including the Form PAS-4), (ii) the Debenture Trust Agreement which confirms the appointment of Debenture Trustee, (iii) the Debenture Trust Deed, (iv) Deed of Hypothecation, (v) Power of attorney (if any); and (vi) any other documents that may be designated by the Debenture Trustee as a Transaction Document.
Valuation Agency	ICRA Analytics Limited, a company existing under the Companies Act, 2013 and having its registered office at 17th Floor, Plot G-1, Infinity Benchmark, Block GP, Sector V, Salt Lake, Kolkata, West Bengal-700091
Wilful Defaulter	An entity who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an entity whose director or promoter is categorized as such.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures is being made strictly on a private placement basis and is proposed to be listed. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

This Information Memorandum has been prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, issued vide Circular No. Lad-Nro/Gn/2008/13/127878 dated June 06, 2008, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide Circular No. Sebi/Lad-Nro/Gn/2015-16/013 dated September 02, 2015, as amended from time to time, Circular Dated September 28, 2011 issued by SEBI on Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures, Section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

This Information Memorandum has been prepared solely to provide general information about the Issuer to investors to whom it is addressed and who, being permitted pursuant to the provisions of this Information Memorandum, are willing to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any potential investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such Investor's particular circumstances. It is the responsibility of the Investors to also ensure that they will sell these Debentures in strict accordance with the terms and conditions of this Information Memorandum and Applicable Laws, so that the sale does not constitute an offer for sale to the public within the meaning of the Companies Act.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients may apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.



No invitation is being made to any persons other than those to whom the Application Forms along with this Information Memorandum being issued pursuant hereto have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to the Issuer or other parties in connection with the Issue. This Information Memorandum may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies thereof. If any recipient of this Information Memorandum decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER OF THE TRUSTEE

The Issuer confirms that all necessary disclosures have been made in the Information Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in the Debentures and the Issuer. Prospective investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments. The Trustees, *ipso facto* do not have the obligations of a borrower or a principal debtor or as to the monies paid/invested by investors for the Debentures.

2.3 FORCE MAJEURE

The Company reserves the right to withdraw the Issue of the Debentures at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the Application Money, if any, collected in respect of the Issue in accordance with the Information Memorandum without assigning any reason.

2.4 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the NSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the NSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the NSE; nor does the NSE in any manner warrant, certify or endorse the correctness




or completeness of any of the contents of this Information Memorandum, nor does the NSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the NSE; nor does the NSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.5 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

Each recipient of the Information Memorandum acknowledges that each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained therein.

The Company has prepared this Information Memorandum and the Company is solely responsible for its contents. All the information contained in this Information Memorandum has been provided by the Company or is from publicly available information.

2.6 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "**Eligible Investors**" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.7 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.8 DISCLAIMER OF VALUATION AGENT

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several

assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different.

2.9 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the allotment to Investors on the Deemed Date of Allotment after verification of the Application Form and the accompanying documents and on realisation of the application money.

2.10 DISCLAIMER OF THE RESERVE BANK OF INDIA

The Company holds a certificate of registration dated April 13, 2015 bearing registration no. N-09.00414 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934. However, the Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Disclosure Document. Potential investors may make investment decision in the securities offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.



A handwritten signature in blue ink is positioned to the left of a circular blue stamp. The stamp contains the text "SANKHYA SPOORTY FINANCIAL LIMITED" around the perimeter and "HYDRAPORE" in the center.

SECTION 3: RISK FACTORS

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors in this Disclosure Document for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Disclosure Document and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable.

Please note that unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

a. Repayment of principal is subject to the credit risk of the Company.

Potential investors should be aware that receipt of the principal amount along with yield payable thereon and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company and the potential investors assume the risk that the Company may not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

b. Tax Considerations and Legal Considerations

Special tax considerations and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.

c. Company's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business or operations

The Company's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period (if any), the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company is required to inform / obtain prior approval of the lenders / debentures holders / debenture trustee for various actions. This may restrict / delay some of the actions / initiatives of the Company from time to time.

d. Accounting Considerations

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

e. Security maybe insufficient to redeem the Debentures

Debentures are proposed to be secured by the assets described in clause 5.19 below. In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. It is the duty of the Debenture Trustee to monitor that the security/ asset cover is maintained, however, the Debenture Holder(s)' recovery in relation to the Debentures will be subject to shall depend on the market scenario prevalent at the time of enforcement of the security. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

f. Material changes in regulations to which the Company are subject could impair the Company's ability to meet payments or other obligations.

The Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Company or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

g. Economic fallout from the spread of the Covid-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk

The spread of the Covid-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors. The Covid-19 virus pandemic is also adversely affecting, and is expected to continue to adversely affect, our operations, liquidity and cashflows.

While the extent of negative financial impact cannot be reasonably estimated at this time, a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the Covid-19 virus and the actions to contain the Covid-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

h. Risks Relating to the Debentures

(i) Changes in interest rates may affect the price of our Debentures.

The price of securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs. We are not foreseeing any major fluctuations in current environment.

(ii) You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets.

We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

- (iii) **Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.**

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per relevant Section of the Companies Act/ the Insolvency and Bankruptcy Code, 2016. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs. Based on our operational and financial strengths we would continue to keep the company's position on a long term basis.

- (iv) **There is no active market for the NCDs on the capital markets segment of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.**

There can be no assurance that an active secondary market for the NCDs will develop. If an active secondary market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our equity shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid. In view of the favorable changes in the markets it is expected the liquidity in the market will improve.

- (v) **There may be no active market for the non-convertible debentures on the debt segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.**

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid. In view of the favorable changes in the markets it is expected the liquidity in the market will improve.

- (vi) **Accounting Considerations**

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

- (vii) **Additional risk factors that are specific to issue of market linked debentures**

The demattons as may be provided by the Valuation Agency, on the website of the Issuer and the Valuation Agency or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agency's computation of the valuation which may in turn be based on several assumptions. A Debenture Holder



should understand and should be aware that the valuation is not in any manner reflective of the actual returns that can be obtained by such Investor on the Debentures.

The return on an investment in the Debentures (which are linked with the Reference Index) may differ from the return an investor might earn on a direct investment in the shares/underlying securities or instruments over a similar period.

The terms of the instrument specify that the payments to investors will not be fixed, and will be linked to an external variable i.e. Reference Index. This could result in variability in payments – because of adverse movement in value of the external variable. The risk of such adverse movement in price / value is not addressed by any rating.

Investors considering borrowing capital to leverage their investment in the Debentures should obtain further detailed information as to the applicable risks from their lender. Any statement on the potential risks and return on the Debentures does not take into account the effect of any leveraging.

Investors are exposed to the factors like movement of interest rate volatility, time value etc. whenever their Debentures are redeemed, tendered or sold prior to maturity.

An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable reference securities, indices, interest rates, etc.

(viii) Structure Risks

PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES.

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed, before the scheduled Redemption Date. The Debentures are a principal protected product only upon maturity/redemption by the Company.

The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till final scheduled Redemption Date. The Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures till the scheduled Redemption Date/ any early redemption. Prior to investing in the Debentures, a prospective Investor should ensure that such prospective Investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective Investor in light of such prospective Investor's experience, objectives, financial position and other relevant circumstances. Prospective Investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective Investor considers necessary in order to make their own investment decisions.

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to Reference Index i.e. one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other

underlying asset or basis of reference i.e., the Reference Index and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

(ix) Model Risk

Investment in the Debentures is subject to model risk. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

(x) Credit Risk

While the repayment of sums due at maturity/redemption date is provided by the Issuer, investors should be aware that receipt of the principal amount at maturity/redemption dates on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company will not be able to satisfy their obligations under the Debentures and investors may or may not recover all or part of the principal amount in case of default by the Issuer.

Any stated credit rating of the Company reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company. Any downgrading of the credit ratings of the Company or its parent or affiliates, by any rating agency could result in a reduction in the value of the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

(xi) No Claim against reference asset

Debenture Holders do not have any interest in or rights to the underlying assets, indices or securities to which Debentures relate.



SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the last three financial year ends are set out in **Annexure IV** hereto.



SECTION 5: REGULATORY DISCLOSURES UNDER SEBI DEBT LISTING REGULATIONS

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the NSE:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on July 17, 2020 authorizing the issue/offer of non-convertible debentures by the Company;
- E. Copy of the resolution passed by the Board of Directors/ Committee Resolution authorizing the issuance of the Debentures and the list of authorized signatories;
- F. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the NSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
- G. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- H. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3 Name and Address of Registered Office of the Issuer:

Name of the Issuer:	Spandana Sphoorty Financial Limited
Registered Office of Issuer:	Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad TG 500032 IN
Corporate Office of Issuer:	Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Second Floor, Financial Dist, Nanakramguda, Hyderabad TG 500032 IN
Compliance Officer of Issuer:	Mr. Ramesh Periasamy



Chief Financial Officer of Issuer: Mr. Satish Kottakota

Registration Number: N-09.00414

Corporate Identification Number: L65929TG2003PLC040648

Phone No.: 040 - 4812 6666

Fax No.: NA

Contact Person: Mr. Satish Kottakota

Email: ramesh.periasamy@spandanaindia.com/
Satish.kottakota@spandanaindia.com

Website of Issuer: <http://www.spandanaindia.com>

Auditors of the Issuer: S.R. Batliboi & Co. LLP
Address: 12th Floor, The Ruby, 29 Senapati Bapat Road, Dadar (West)

Trustee to the Issue: Catalyst Trusteeship Limited
Address: Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098

Registrar to the Issue: KFin Technologies Private Limited
Address: Ramky Selenium Tower - B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032

Credit Rating Agency: ICRA Limited
Address: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110 001

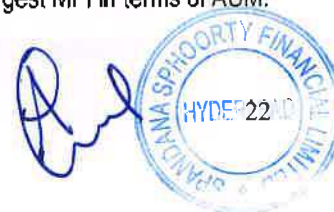
5.4 A brief summary of business / activities of the Issuer and its line of business:

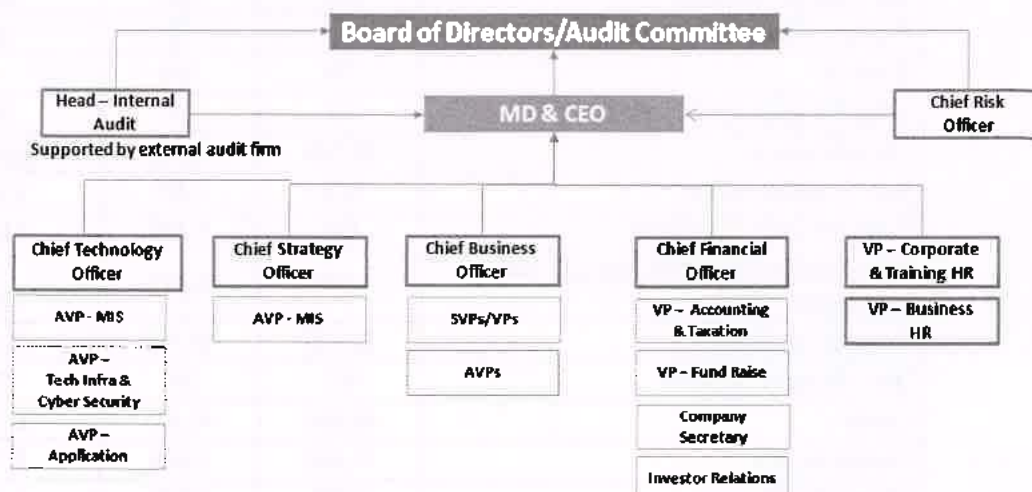
(a) Overview:

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 September 30, 2020, we had 7,614 employees (including 5,818 credit assistants) operating out of 1,027 branches in 282 districts across 17 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.





(b) **The Corporate Structure/Organization Structure:**

Note: Appointment of Chief Risk Officer is in process

(i) **Vision and Mission:**

The Issuer's mission is: "To be one of the most significant microfinance service provider by offering a range of financial and non-financial products and services to low income households and individuals to improve the quality of life".

(ii) **Current Corporate Status:**

The Issuer was incorporated as a public limited company and is currently registered as a NBFC-MFI with the RBI. The Issuer derives the following benefits of being registered as an NBFC-MFI:

- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC-MFI with transparent ownership. As an Issuer, Spandana can raise equity and offer commercial returns.
- **Diverse Funding Sources:** An NBFC-MFI can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.
- **Commercialisation:** Classifying Spandana as an NBFC - MFI increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.
- **Mainstream Resources:** As a for-profit commercial NBFC- MFI, Spandana will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Spandana grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC-MFI, Spandana can bring a variety of stakeholders to the table, including clients, management, employees and investors.

(c) **Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis^{xx}.**

(Rs. In Millions)			
Particulars/ Parameters	FY20	FY19	FY18
Equity	26,272	18,904	13,906
Total Borrowings of which-	30,253	29,677	23,314
Debt securities	7,776	13,720	10,147

[Handwritten Signature]



Borrowings (other than debt securities)	22,273	15,755	12,965
Subordinated Liabilities	203	203	202
Property, Plant and Equipment	152	72	59
Goodwill	174	174	-
Other Intangible assets	13	22	26
Financial Assets	59,099	46,837	33,660
Non- Financial Assets	675	2,481	3,983
Cash and Cash Equivalents	596	1,486	1,045
Bank Balances other than cash and cash equivalents	1,975	2,032	1,032
Financial Liabilities	32,525	30,122	23,459
Non- Financial Liabilities	977	291	277
Loans	48,524	42,678	30,896
Interest Income	11,692	9,979	5,730
Finance Costs	3,563	3,579	2,318
Impairment on Financial Instruments	2,736	453	-354
Profit for the year	3,515	3,118	1,879
Gross NPA (%)	0.36%	0.11%	1.78%
Net NPA (%)	0.07%	0.01%	0.14%
Tier I Capital Adequacy Ratio (%)	47.27%	38.57%	37.16%
Tier II Capital Adequacy Ratio (%)	0.18%	1.04%	-

**As per Indian Accounting Standards

(d) **Gross Debt: Equity Ratio of the Company:**

Before the issue of debt securities	1.23
After the issue of debt securities	1.28

(e) **Project cost and means of financing, in case of funding new projects:**

NA

5.5 **A Brief history of Issuer since its incorporation giving details of its following activities:**

A. **Details of Share Capital as on last quarter end i.e. September 30, 2020:**

Share Capital	Amounts
Authorised:	
Equity	9,000,000,000
Preference	12,500,000,000
TOTAL	21,500,000,000
Issued, Subscribed and Fully Paid- up	643,154,830
Preference Shares	Nil
TOTAL	643,154,830



B. Changes in its capital structure as on last quarter end i.e. September 30, 2020, for the last five years:

Date of Change (AGM/EGM)	Rs	Particulars
March 6, 2018 (EGM)	From Rs. 2000 crore to Rs. 2150 crore	The Authorised Capital of the Company was increased from Rs. 2000 crore to Rs. 2150 crore by passing a resolution at the EGM held on March 6, 2018 by creation of 15,00,00,000 Preference share in the Capital of the Company.

C. Equity Share Capital History of the Company as on last quarter end i.e. September 30, 2020, for the last five years:

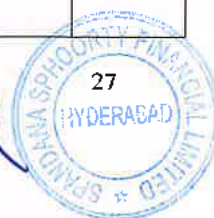
Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs)	Consideration	Nature of Allotment	Cumulative Paid Up Capital			Remark
							No of Equity Shares	Equity Share Capital (Rs in Crore)	Equity Share Premium (Rs in Crore)	
16.05.2014	JM Financial Trustee Company Pvt Ltd	5,44,000	10	50	Cash	Preferential Allotment	19,924,767	19.92	2.18	NIL
	Valiant Mauritius Partners FDI Ltd	3,30,000	10	50	Cash	Preferential Allotment	20,254,767	20.25	1.32	NIL
	Helion Venture Partners II LLC	90,000	10	50	Cash	Preferential Allotment	20,344,767	20.34	0.36	NIL
	Helion Venture Partners	36,000	10	50	Cash	Preferential Allotment	20,380,767	20.38	0.14	NIL




	LLC									
31.03.2017	Kangchenjunga Limited	78,96,937	10	235.48	Cash	Private Placement	28,277,704	28.28	178.06	NIL
	Kedara Capital Alternative Investment Fund -	1,71,689	10	235.48	Cash	Private Placement	28,449,393	28.45	3.87	NIL
08.03.2018	Mrs. Padmaja Gangireddy	74,954	10	235.48	Cash	Preferential allotment	28,524,347	28.52	1.69	NIL
	JM Financial Products Limited	5,41,535	10	235.48	Cash	Preferential allotment	29,065,882	29.07	12.21	NIL
08.03.2018	Valiant Mauritius Partners FDI Limited	6,50,790	10	235.48	Cash	Preferential allotment	29,716,672	29.72	14.67	NIL
08.03.2018	Spandana Employee Welfare Trust	38,512	10	235.48	Cash	Preferential allotment	29,755,184	29.76	0.87	NIL
08.03.2018	Bala Deepthi Gangireddy	1,634	10	235.48	Cash	Preferential allotment	29,756,818	29.76	0.04	NIL
15.05.2018	Kangchenjunga Limited	97,67,263	10	235.48	NA	Conversion of Class A CCPS	39,524,081	39.52	220.23	NIL

	d									
15.05.2018	Kedaa ra Capita l Altern ative Invest ment Fund	212352	10	235. 48	NA	Convers ion of Class A CCPS	39,736,433	39.74	4.79	NIL
15.05.2018	Kangc henju nga Limite d	495481 9	10	235. 48	NA	Convers ion of Class A1 CCPS	44,691,252	44.69	111.72	NIL
15.05.2018	Kedaa ra Capita l Altern ative Invest ment Fund	107723	10	235. 48	NA	Convers ion of Class A1 CCPS	44,798,975	44.80	2.43	NIL
15.05.2018	Kangc henju nga Limite d	875801 7	10	238. 67	NA	Convers ion of Class B CCPS	53,556,992	53.56	200.27	NIL
15.05.2018	Kedaa ra Capita l Altern ative Invest ment Fund	190408	10	238. 67	NA	Convers ion of Class B CCPS	53,747,400	53.75	4.35	NIL
20.06.2018	Padm aja Gangi reddy	1,135,0 85	10	235. 48	NA	Convers ion of Series C OCRPS	54,882,485	54.88	25.59	NIL
20.06.2018	Padm aja Gangi reddy	283,771	10	235. 48	NA	Convers ion of FY 18 Series A OCRPS	55,166,256	55.17	6.40	NIL

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20.06.2018	Padm aja Gangi reddy	283,771	10	235. 48	NA	Convers ion of FY 18 Series B OCRPS	55,450,027	55.45	6.40	NIL
20.06.2018	Padm aja Gangi reddy	283,771	10	235. 48	NA	Convers ion of FY 19 Series A OCRPS	55,733,798	55.73	6.40	NIL
20.06.2018	Padm aja Gangi reddy	283,771	10	235. 48	NA	Convers ion of FY 19 Series B OCRPS	56,017,589	56.02	6.40	NIL
20.06.2018	Padm aja Gangi reddy	148854 4	10	235. 48	NA	Convers ion of converti ble share warrant s	57,506,113	57.51	33.56	NIL
21.06.2018	Padm aja Gangi reddy	203198 8	10	235. 48	Cash	Private placem ent	59,538,101	59.54	45.82	NIL
21.06.2018	Abdul Feroz Khan	72402	10	235. 48	Cash	Private placem ent	59,610,503	59.61	1.63	NIL
21.06.2018	Venka ta Nages warar ao	9748	10	235. 48	Cash	Private placem ent	59,620,251	59.62	0.22	NIL
21.06.2018	Raju Dantt u	9185	10	235. 48	Cash	Private placem ent	59,629,436	59.63	0.21	NIL
21.06.2018	Abanti Mitra	4247	10	235. 48	Cash	Private placem ent	59,633,683	59.63	0.10	NIL
14.08.2019	IPO	45,43,3 85	10	856. 00	Cash	Initial Public Offer	64,177,068	64.17	384.37	NIL

28.01.2020	ESOP	91752	10	263.35	Cash	ESOP	64,268,820	64.26	2.32	NIL
03.03.2020	ESOP	46663	10	263.35	Cash	ESOP	64,315,483	64.31	1.18	NIL

D. Details of any Acquisition or Amalgamation in the last 1 (one) year:

There has been no acquisition or amalgamation in the last 1 (one) year

E. Details of any Reorganization or Reconstruction in the last 1 (one) year:

There has been no reorganization or reconstruction in the last 1 (one) year

5.6 Details of the shareholding of the Company as on September 30, 2020:

A. Shareholding pattern of the Company as on September 30, 2020:

Sr. No.	Name of the Shareholders	Total no. no. of Equity Shares held	No of Shares held in Demat Form	Total Shareholding as % of total no of equity shares
A	Promoter & Promoter Group:			
	(i) Padmaja Gangireddy	1,02,85,953	1,02,85,953	15.99
	(ii) Kangchenjunga Limited	2,93,03,172	2,93,03,172	45.56
	(iii) Vijaya Sivarami Reddy Vendidandi	6,94,974	6,94,974	1.08
	Sub-Total (A=i+ii+iii)	4,02,84,099	4,02,84,099	62.64
B	Public:			
	(a) Institutions	99,45,919	99,45,919	15.46
	(b) Non-Institutions	1,40,85,465	1,40,85,465	21.90
	Sub-Total (B= a+b)	2,40,31,384	2,40,31,384	37.36
	Total(A) +(B)	6,43,15,483	6,43,15,483	100

The promoters have not pledged or encumbered any of the shares held by them in the company.

B. List of top 10 holders of equity shares of the Company as on September 30, 2020:

Sr.Nos	Name of the Shareholder	No. of shares	Percentage (%)
1.	Padmaja Gangireddy	10,285,953	15.99
2.	Kangchenjunga Limited	29,303,172	45.56
3.	Valiant Mauritius Partners FDI Limited	3,848,823	5.98
4.	ICICI Prudential Life Insurance Company Limited	3,054,560	4.75
5.	JM Financial India Trust II- JM Financial India Fund II	1,612,313	2.51
6.	Bajaj Allianz Life Insurance Company Ltd.	1,121,940	1.74
7.	Rochdale Emerging Markets (Mauritius)	799,729	1.24



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8.	Edelweiss Alternative Investment Opportunities Trust - Edelweiss Crossover Opportunities Fund	804,145	1.25
9.	Goldman Sachs India Limited	772,873	1.20
10.	Valiant Mauritius Partners Offshore Limited	785,949	1.22

5.7 Following details regarding the directors of the Company:

A. Details of current directors of the Company:

This table sets out the details regarding the Company's Board of Directors

Name	Designation	DIN	Occupation	Residential Address	Director of the Company since	Details of other directorship
Deepak Calian Vaidya	Chairman and Independent Director	00337276	Consultant	249 / 251, 3rd Floor, Suraj Walkeshwar Road Mumbai 400006 MH	06/06/2018	<ol style="list-style-type: none"> 1. Strides Pharma Science Limited; 2. Solara Active Pharma Sciences Limited; 3. Indraprastha Medical Corporation Limited; 4. Bombay Oxygen Investments Limited; 5. Apollo Gleneagles Hospital Limited; 6. Marudhar Hotels Pvt Ltd; 7. Uti Capital Private Limited; 8. Criss Financial Holdings Limited; 9. Stelis Biopharma Private Limited; 10. Suntec Business Solutions Private Limited;



						11. Suntec Business Solutions Private Limited.
Padmaja Gangireddy	Managing Director	0000484 2	Business	Flat no. A-208, Jayabheri Orange County, Near ICICI Towers, Nanakramguda, Serilingampally, K.V. Rang Areddy Hyderabad 500032 TG	19/04/2003	1.Criss Financial Holdings Limited 2.Abhiram Marketing Services Limited 3.Caspian Financial Services Limited
Sunish Sharma	Nominee Director	0027443 2	Business	1305 North Tower, The Imperial, B. B. Nakashe Marg, Tardeo, Tulsiwadi, Mumbai 400034 MH	1/03/2017	Vedant Fashions Private Limited
Ramachandra Kasargod Kamath	Nominee Director	0171507 3	Consultant	B-2004, Neptune Society, Sun City, Adi Shankaracharya Marg Near Powai IIT Market, Powai, Mumbai Mumbai 400076 MH IN	04/05/2017	1. Aavas Financiers Limited 2. Centrum Capital Limited. 3. Manipal Technologies Limited 4. Conatus Finserve Private Limited 5. Ashimara Housing Private Limited 6. New Opportunity Consultancy Privatelimited
Abanti Mitra	Independent Director	0230589 3	Business	Flat No-2505, B Wing, Oberoi Woods, Goregaon East, Mumbai 400063 MH IN	04/05/2017	1. Criss Financial Holdings Limited

						2. Positron Consulting Services Private Limited 3. Development Equities Private Limited
Kartikeya Dhruv Kaji	Nominee Director	07641723	Service	The Imperial, Apartment 3901 B. B. Nakashe Marg Tardeo, Tulsiwadi Mumbai 400034 MH IN	31/03/2017	1. Aavas Financiers Limited 2. Criss Financial Holdings Limited 3. Care Health Insurance Limited
Amit Sobti	Nominee Director	07795874	Service	101 Repulse Bay Road Flat A15, 6/F Hongkong 000000 HK	29/05/2017	Nil
Bharat Dhirajlal Shah	Independent Director	00136969	Business	21 Hill Park, Bldg No 2 A. G Bell Road, Malabar Hill, Mumbai 400006 MH IN	13/04/2018	1. Strides Pharma Science Limited 2. 3m India Limited 3. Exide Industries Limited 4. Mahindra Lifespace Developers Limited 5. Digikredit Finance Private Limited 6. HDFC Ergo Health Insurance Limited 7. Salisbury Investments Private Limited 8. HDFC Securities Limited 9. Tata Sky Limited 10. Mahindra World City

						Developers Limited
Jagdish Capoor	Independent Director	00002516	Consultant	1601, Brooke Ville, 359 Mogul Lane Near Magnet Mall, Mahim West Mumbai 400016 MH IN	06/06/2018	1. Manappuram Finance Limited 2. LIC Housing Finance Ltd 3. LIC Pension Fund Limited 4. HDFC Securities Limited 5. Lichfl Trustee Company Private Limited 6. Fintech Products And Solutions (India) Private Limited 7. Finsec AA Solutions Private Limited

None of the directors of the Company are appearing in the RBI defaulter list and/or ECGC default list.

B. Details of change in directors since last three years:

Name	Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Darius Dinshaw Pandole	Nominee Director	00727320	21.09.2020	18.07.2017	Due to other commitments

5.8 Following details regarding the auditors of the Company:

Name	Address	Auditor since	Remark
M/s S. R. Batliboi & Co. LLP	14th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West) Mumbai-400028	September 27, 2013	None

A. Details of change in auditors since last three years: NIL

5.9 Details of borrowings of the Company, as on latest quarter end i.e. September 30, 2020:

A. Details of Secured Loan Facilities as on September 30, 2020:

Lender	Type of Facility	Amt. sanctioned (Rs. Crs)	Amt. outstanding as at September 30, 2020 (Rs. rs)	Repayment Date / Terminal Date of Maturity	Security
AU Small Finance Bank Limited	Term Loan	20	5	29-Dec-20	110% of Book Debt Hypothecation
Bandhan Bank Term	Term Loan	150	107	28-Jun-21	105% of Book Debt Hypothecation & 5% of Cash Collateral
Bandhan Bank Term	Term Loan	150	150	30-Dec-21	105% of Book Debt Hypothecation & 5% of Cash Collateral
Bank of Baroda	Term Loan	300	63	27-Dec-20	110% of Book Debt Hypothecation & 5% of Cash Collateral
Bank of Baroda	Term Loan	400	364	31-Mar-22	110% of Book Debt Hypothecation & 10% of Cash Collateral
Equitas Small Finance Bank	Term Loan	50	27	18-Jul-21	105% of Book Debt Hypothecation & 5% of Cash Collateral
Equitas Small Finance Bank	Term Loan	24	23	05-Aug-22	110% of Book Debt Hypothecation
Federal Bank	Term Loan	25	25	30-Sep-22	120% of Book Debt Hypothecation
Fincare Small Finance Bank	Term Loan	15	15	16-Sep-22	110% of Book Debt Hypothecation
Hero Fincorp Limited	Term Loan	30	3	01-Aug-20	110% of Book Debt Hypothecation & 5% of Cash Collateral
Hero Fincorp Limited	Term Loan	60	60	30-Sep-22	110% of Book Debt Hypothecation & 3% of Cash Collateral
Hinduja Leyland Finance	Term Loan	30	10	16-May-21	120% of Book Debt Hypothecation
Hinduja Leyland Finance	Term Loan	25	11	25-Sep-21	120% of Book Debt Hypothecation
Hinduja Leyland Finance	Term Loan	20	20	16-Sep-23	110% of Book Debt Hypothecation
Hongkong and Shanghai Banking Corporation	Term Loan	50	50	28-Feb-22	110% of Book Debt Hypothecation
IDFC First Bank Limited	Term Loan	25	6	07-Mar-21	110% of Book Debt Hypothecation



IDFC First Bank Limited	Term Loan	100	92	22-Jan-21	110% of Book Debt Hypothecation
IDFC First Bank Limited	Term Loan	50	27	21-Nov-21	110% of Book Debt Hypothecation
IDFC First Bank Limited	Term Loan	100	57	14-May-21	110% of Book Debt Hypothecation
IDFC First Bank Limited	Term Loan	75	75	31-May-22	110% of Book Debt Hypothecation
Indian Bank	Term Loan	100	100	29-Dec-23	125% of Book Debt Hypothecation & 5% of Cash Collateral
Incred Finance	Term Loan	30	17	12-Jun-21	110% of Book Debt Hypothecation
Indusind Bank Limited	Term Loan	200	104	04-Jul-21	110% of Book Debt Hypothecation
Indusind Bank Limited	Term Loan	75	72	31-Jul-22	110% of Book Debt Hypothecation
Jana Small Finance Bank	Term Loan	25	24	04-Feb-22	110% of Book Debt Hypothecation
JM Financial	Term Loan	60	5	03-Jul-20	110% of Book Debt Hypothecation
JM Financial	Term Loan	25	25	31-Mar-21	110% of Book Debt Hypothecation
JM Financial	Term Loan	25	25	30-Jun-21	110% of Book Debt Hypothecation
Kotak Mahindra Bank Limited	Term Loan	100	6	29-Jul-20	110% of Book Debt Hypothecation
Kotak Mahindra Bank Limited	Term Loan	100	38	24-Mar-21	110% of Book Debt Hypothecation
Kotak Mahindra Bank Limited	Term Loan	50	35	28-Nov-21	110% of Book Debt Hypothecation
Maanaveeya Development and Finance Private Limited	Term Loan	24	12	24-Dec-21	105% of Book Debt Hypothecation
Maanaveeya Development and Finance Private Limited	Term Loan	25	18	16-Aug-22	105% of Book Debt Hypothecation
Mahindra & Mahindra Financial Services Limited	Term Loan	40	5	20-Sep-20	110% of Book Debt Hypothecation
Manappuram Finance limited	Term Loan	75	6	10-Sep-20	110% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	3	05-Dec-20	100% of Book Debt Hypothecation & 5% of Cash Collateral
MAS Financial Services Limited	Term Loan	8	3	05-Dec-20	100% of Book Debt Hypothecation & 5% of Cash Collateral

MAS Financial Services Limited	Term Loan	8	3	05-Dec-20	100% of Book Debt Hypothecation & 5% of Cash Collateral
MAS Financial Services Limited	Term Loan	8	3	05-Dec-20	100% of Book Debt Hypothecation & 5% of Cash Collateral
MAS Financial Services Limited	Term Loan	10	3	05-Dec-20	100% of Book Debt Hypothecation & 5% of Cash Collateral
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	8	6	09-Oct-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	7	6	20-Sep-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	7	6	20-Sep-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	7	6	20-Sep-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	7	6	20-Sep-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	7	6	20-Sep-21	100% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	6.25	5.21	25-Feb-22	110% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	6.25	5.21	25-Feb-22	110% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	6.25	5.21	25-Feb-22	110% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	6.25	5.21	25-Feb-22	110% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	6.25	5.90	23-Feb-22	110% of Book Debt Hypothecation



MAS Financial Services Limited	Term Loan	6.25	5.90	23-Feb-22	110% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	6.25	5.90	23-Feb-22	110% of Book Debt Hypothecation
MAS Financial Services Limited	Term Loan	6.25	5.90	23-Feb-22	110% of Book Debt Hypothecation
NABARD	Term Loan	300	300	31-Jan-23	112% of Book Debt Hypothecation
NABARD	Term Loan	200	200	30-Apr-22	112% of Book Debt Hypothecation & 10% of Cash Collateral
Northern Arc capital Limited	Term Loan	50	50	18-Sep-22	110% of Book Debt Hypothecation
RBL Bank Limited	Term Loan	150	25	27-Aug-20	100% of Book Debt Hypothecation & 5% of Cash Collateral
RBL Bank Limited	Term Loan	155	122	12-Nov-21	100% of Book Debt Hypothecation & 5% of Cash Collateral
Shriram City Union Finance Limited	Term Loan	40	2	01-Jul-20	110% of Book Debt Hypothecation
Standard Chartered	Term Loan	50	25	09-Dec-20	125% of Book Debt Hypothecation
Standard Chartered	Term Loan	25	25	09-Dec-20	125% of Book Debt Hypothecation
Standard Chartered	Term Loan	13	13	17-Mar-21	125% of Book Debt Hypothecation
Standard Chartered	Term Loan	13	13	17-Mar-21	125% of Book Debt Hypothecation
Standard Chartered	Term Loan	25	25	27-Aug-21	125% of Book Debt Hypothecation
Sundaram Finance	Term Loan	25	10	03-Feb-21	118% of Book Debt Hypothecation
Ujjivan Small Finance Bank	Term Loan	25	17	31-Aug-21	110% of Book Debt Hypothecation & 5% of Cash Collateral
Woori Bank	Term Loan	56	26	10-May-21	105% of Book Debt Hypothecation
Woori Bank	Term Loan	54	54	23-Sep-22	110% of Book Debt Hypothecation
Yes Bank Limited	Term Loan	324	145	25-Mar-21	110% of Book Debt Hypothecation & 5% of Cash Collateral

B. Details of Unsecured Loan Facilities as on September 30, 2020:

Lender's Name	Type of Facility	Amount sanctioned (Rs. In Crs)	Principal Amount O/S as on September 30, 2020 (Rs in Crs.)	Repayment Date/ Schedule
IDFC First Bank Limited	Sub-Debt	20.00	20.00	07-Jun-24

C. Details of Non-Convertible Debentures as on September 30, 2020:

Debenture Series	Tenor/Period of Maturity (Months)	Coupon (Rate of Interest)	Amt. outstanding as at September 30, 2020 (Rs. Crs)	Date of allotment	Redemption on Date/ Schedule	Credit Rating	Secured / Unsecured	Security
NA	36	12.90%	2	28-Sep-17	27-Sep-20	ICRA A-	Secured	110% of Book Debt Hypothecation
NA	36	12.90%	2	04-Apr-18	03-Apr-21	ICRA A-	Secured	110% of Book Debt Hypothecation
NA	36	12.90%	5	01-Oct-18	30-Sep-21	ICRA A-	Secured	110% of Book Debt Hypothecation
NA	72	13.15%	33	31-Oct-17	30-Oct-23	ICRA A-	Secured	110% of Book Debt Hypothecation
NA	72	14.00%	100	19-Sep-17	18-Sep-23	ICRA A-	Secured	115% of Book Debt Hypothecation
NA	36	12.40%	62	07-Dec-18	06-Dec-21	ICRA A-	Secured	110% of Book Debt Hypothecation
NA	34	12.75%	100	19-Jun-20	21-Apr-23	ICRA A-	Secured	100% of Book Debt Hypothecation
NA	24	14.00%	25	08-Sep-20	08-Sep-22	ICRA A-	Secured	110% of Book Debt Hypothecation



NA	13	13.25%	40	24-Sep-20	24-Oct-21	ICRA A-	Secured	110% of Book Debt Hypothecation
NA	24	12.75%	25	29-Sep-20	29-Sep-22	ICRA A-	Secured	110% of Book Debt Hypothecation

D. List of Top 10 Debenture Holders (as on September 30, 2020):

DEBENTURE HOLDER – WISE	AMOUNT (RS. CRORES)
UTI International Wealth Creator 4	130.75
Microfinance Enhancement Facility SA, SICAV-SIF	63.25
Aditya Birla Sun Life Trustee Private Limited A/C	7.58
India Income Opportunities Fund	1.35
Bandhan Bank	100
Incred	65
Vivriti Capital	25
Total	392.93

E. The amount of corporate guarantee issued by the Issuer, as on the September 30, 2020, along with name of the counterparty (like name of the subsidiary, JV entity, group-company, etc) on behalf of whom it has been issued. (if any):

Issued Corporate Guarantee of Rs. 30 Crores in favour of IndusInd Bank and Rs. 15 Crores in favour of Hero Fincorp for the term loans disbursed to Criss Financial Holdings Limited (a Subsidiary Company).

F. Details of Commercial Paper:

NIL

G. Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2020:

NIL

H. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:

NIL

I. Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:

NIL



5.10 Details of Promoters of the Company:

A. Details of Promoter Holding in Company as on September 30, 2020:

Sr. No.	Name of the Shareholder	Total No. of Equity Shares held	No of Shares held in Demat Form	Total Shareholding as % of total no. of equity shares	No. of shares pledged	% of shares pledged with respect to shares owned
1.	Padmaja Gangireddy	10,285,953	10,285,953	15.99	--	-
2.	Kangchenjunga Limited	29,303,172	29,303,172	45.56	-	-
3.	Vijaya Sivarami Reddy Vendidandi	694,974	694,974	1.08	-	-
	Total	40,284,099	40,284,099	62.64	-	-

5.11 Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

The relevant information is furnished in **Annexure IV** of the Information Memorandum.

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

5.12 Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet) and auditors' qualifications, if any:

The relevant information is furnished in **Annexure IV** of the Information Memorandum.

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

5.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the issue or the Investor's decision to invest / continue to invest in the debt securities. -

NIL

5.14 Names of the Debentures Trustees and Consents thereof and copy of the consent letter shall be disclosed -

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure II** of this Information Memorandum.



5.15 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).

The Rating Agency has assigned ratings of "ICRA A -" with "stable" outlook to the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating letter and rationale is provided in Annexure I of this Information Memorandum.

5.16 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain 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 offer document.

NA

5.17 Names of all the recognized stock exchanges where the debt securities are proposed to be listed indicating the designated stock exchange:

The Debentures are proposed to be listed on the debt segment of the NSE Limited. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The in-principle approval of the NSE has been obtained in this regard.

5.18 Other details:

A. Debenture Redemption Reserve Creation:

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures.

The Company also undertakes that, if any further guidelines are formulated (or modified or revised) by the Central Government or any other authority in respect of creation of debenture redemption reserve the Company shall abide by such guidelines.

B. Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Act including the notified rules thereunder and the applicable regulatory guidelines including the SEBI Debt Listing Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Circular dated September 28, 2011 issued by SEBI on Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures and the Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 as may be updated from time to time.

C. Investor Grievance:

a. Investor Grievances and Redressal System:



The investor complaints, if any, may be written to secretarial@spandanaindia.com, for the purpose of providing prompt and efficient investor service. The Company is responsible for resolving investor grievances/ complaints on a continuous basis under the supervision of the stakeholder relationship committee as constituted by the Company, which reviews the mechanism for redressal of investor complaints.

b. Undertaking by the Company in relation to investor grievance:

- i. The complaints received in respect of the Issue shall be attended to by the Issuer expeditiously and satisfactorily;
- ii. The funds required for dispatch of refund orders/allotment letters/certificates by registered post/speed post shall be made available by the Issuer;
- iii. Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding; and
- iv. The Company shall provide a compliance certificate to the Debenture Holders (on yearly basis) in respect of compliance with the terms and conditions of issue of debentures as contained in the document, duly certified by the Debenture Trustee.

D. Application process:

The application process for the Issue is as provided in Section 9 of this Information Memorandum.

5.19 Issue Details

Security Name	SFL-MLD-231123
Issuer	Spandana Sphoorty Financial Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured Rated Listed Redeemable Transferable Taxable Principal Protected Market Linked (PP-MLD) Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible/Identified Investors	As provided in Clause 9.14 below
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>The Debentures are proposed to be listed on the debt segment of the NSE within a maximum period of 20 (Twenty) calendar days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of 1% (One Percent) per annum calculated on the face value of the Debentures over and above the Coupon Rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment till the listing of such Debentures.</p>
Rating of Instrument	"PP- MLD ICRA A -" (Stable)
Issue Size	Private Placement of the Debentures amounting up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only)
Option to retain oversubscription	NA
Objects of the Issue	To raise senior secured debt to the extent upto Rs. 100,00,00,000/- (Rupees One Hundred Crores only).



Details of the utilization of the Proceeds	The Issue proceeds will be utilized for onward lending to its micro finance customers, general corporate purposes, for repayment/refinancing of existing debt of the Issuer and payment of transaction related expenses including cost incurred towards obtaining the rating and documentation.
Coupon/ Coupon rate/ Return on Debentures	<p>The Coupon payable in relation to the Debentures on Coupon Payment Dates or other Due Dates shall be determined on in the following manner:</p> <p>(a) In the event the Coupon Fixing Level is greater than 12%, the Coupon shall be calculated at the rate of 12.25% (annualised);</p> <p>(b) In the event that the Coupon Fixing Level is less than or equal to 12%, the Coupon shall be calculated at the rate of 12.50% (annualised);</p>
Step Up Coupon Rate / Step Down Coupon Rate	N.A
Coupon Payment Frequency/ Coupon Period Date	Monthly, on the Coupon Payment Dates or Put Option Date (if exercised) or Call Option Date (if exercised) or the date on which the Debentures are required to be redeemed pursuant to the exercise of Mandatory Prepayment or Prepayment Option or the Redemption Date. The "Coupon Period" shall be: (i) with respect to the first Coupon Payment Date, the period between the Deemed Date of Allotment and the first Coupon Payment Date, and (ii) with respect to any other Coupon Payment Date, the period between the previous Coupon Payment Date and the current Coupon Payment Date.
Coupon Payment Dates	As set out in Annexure V (Illustration of cashflows)
Coupon Type	Coupon linked to performance of Reference Index
Coupon Reset Date	NA
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	NA
Day Count Basis	Actual/Actual
Interest on Application Money	<p>The Issuer shall be liable to pay to each Debenture Holder, interest on the application monies (subject to any tax deductible at source under Applicable Law) paid by the said Debenture Holder in the event that the Debenture Holder has remitted the application monies prior to the relevant Deemed Date of Allotment, for which interest shall be calculated at 12.50%, for the period commencing from the date on which the said Debenture Holder has made payment of the application monies in respect of the Debentures and ending on the day prior to the relevant Deemed Date of Allotment.</p> <p>Where Pay-in Date and Deemed Date of Allotment are the same, no Coupon on Application money is to be paid.</p>
Default Interest Rate/Default Interest	<p>1. Payment default in respect of any interest and principal due and payable in connection with the Debentures on the respective Due Dates or on the occurrence of any Event of Default, the Company shall pay default interest at the rate of 2% (Two Percent) per month over and above the Coupon rate, calculated on the Debenture</p>

		<p>Outstandings, from the date of the occurrence of the default until the default is cured or the Debentures are redeemed pursuant to such default, as applicable;</p> <p>2. In case of delay in listing beyond 20 (Twenty) days from Deemed Date of Allotment the Company shall pay default interest at the rate of 1% (One Percent) per annum over and above the Coupon rate, from the expiry of 30 (Thirty) days from the Deemed Date of Allotment until the listing of such Debentures.</p>
Delay in execution of the Debenture Trust Deed		In case the Issuer fails to execute the Debenture Trust Deed within the period specified in the Regulation 15(1A) of Securities and Exchange Board Of India (Issue And Listing of Debt Securities) Regulations, 2008, without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and any other SEBI regulations, the Issuer shall also pay interest of at least 2% (Two Percent) per annum to the Debenture Holders, over and above the agreed Coupon rate, till the execution of the Debenture Trust Deed.
Tenor		36 (Thirty Six) months
Redemption Date/ Maturity Date	Date/	Subject to exercise of Call Option (if exercised)/ Put Option (if exercised)/ / Mandatory Redemption/ Prepayment Option (if exercised) of Debentures/ acceleration pursuant to Event of Default, the Debentures shall be redeemed on November 24, 2023.
Principal Date(s)	Payment	The principal repayment dates shall be the dates as set out in of Annexure V (Illustration of Bond Cash Flows) hereto (subject to adjustments for Business Day Convention).
Redemption Amount		Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture along With Coupon payable on the Redemption Date or Call Option (If exercised)/ Put Option (If exercised)/ Mandatory Redemption/ Prepayment Option (if exercised) of Debentures.
Redemption Premium/ Discount		N.A.
Issue Price		Rs. 1,00,000/- (Rupees One Lakh only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount		N.A.
Put Option Date		The day falling after the expiry of 24 (Twenty Four) months from the Deemed Date of Allotment.
Put Option Price		Amount equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the Put Option Date.
Call Option Date		The day falling after the expiry of 24 (Twenty Four) months from the Deemed Date of Allotment.
Call Option Price		Amount equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the Call Option Date.
Put Option/ Notification Time	Put	The Debenture Trustee (acting on behalf of the Debenture Holder(s)) shall have the option to require the Company to redeem all the Debentures (in full) held by the Debenture Holder together, on the Put Option Date, upon providing a written notice to the Company (" Put Option Notice "), with a copy marked to the Debenture Trustee. The Put Option Notice shall be delivered to the Company, at least 45 (Forty Five) calendar days prior to the relevant

	Put Option Date. Upon receipt of the Put Option Notice, the Company shall, on the relevant Put Option Date, ensure that the entire Debenture Outstandings, on the Put Option Date, have been paid to the each such Debenture Holders in full.
Call Option/ Notification Time	Call The Company shall have the option to redeem all the Debentures (in full) held by the Debenture Holder together, on the Call Option Date. In the event, the Company intends to exercise Call Option on any Call Option Date, the Company shall provide a written notice to all the Debenture Holders with a copy marked to the Debenture Trustee at least 45 (Forty Five) calendar days prior to the relevant Call Option Date (" Call Option Notice "). Once the Company has issued the Call Option Notice, the Company shall, on the relevant Call Option Date, ensure that the entire Debenture Outstandings have been paid in full no later than the relevant Call Option Date.
Prepayment Option	In the event the Issuer in its discretion proposes to prepay/redeem the Debentures (" Prepayment Option ") any time prior to the expiry of 12 (Twelve) months from the Deemed Date of Allotment, the Issuer shall be required to make payment of Make Whole Amount to the Debenture Holders in respect of the Debenture being redeemed. The Issuer shall be required to send a notice of at least 30 (Thirty) calendar days to the Debenture Trustee (acting on behalf of the Debenture Holders) prior to the date on which the Debentures are proposed to be redeemed by the Issuer pursuant to exercise of the Prepayment Option.
Mandatory Prepayment	Subject to the Applicable Law, in the event that the Promoter ceases to exercise (directly or indirectly) Control of the Company, the Debenture Trustee (acting on behalf of the Debenture Holders) shall have the right to require the Issuer to redeem (" Mandatory Prepayment ") the outstanding Debentures in full together with the Return on Debentures, and all other amounts accrued thereto without any prepayment penalty within 15 (Fifteen) calendar days from the date of the notice issued to the Debenture Trustee (on behalf of the Debenture Holders). The Issuer shall provide said notice to the Debenture Trustee (on behalf of the Debenture Holders) within 30 (Thirty) calendar days from the date of occurrence of such change in Control.
Face Value	Rs 1,00,000/- (Rupees One Lakh only) per Debenture
Minimum Application size and in multiples of 1 thereafter	10 (Ten) Debentures
Issue Timing	Issue Opening Date: November 24, 2020 Issue Closing Date: November 24, 2020 Pay-in Dates: November 24, 2020 Deemed Date of Allotment: November 24, 2020
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS
Depositories	NSDL and CDSL
Business Days	Any day of the week (excluding Saturdays, Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Mumbai and " Business Days " shall be construed accordingly.

Business Day Convention	<p>Subject to the SEBI circular bearing reference number CIR/IMD/DF-1/122/2016 dated November 11, 2016 issued by SEBI, as modified, amended or supplemented from time to time:</p> <p>If any Coupon Payment Date or the Principal Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day.</p> <p>If the Maturity Date (including the last Coupon Payment Date and the last Principal Payment Date) falls on a day that is not a Business Day, the payment shall be made on the immediately preceding Business Day.</p>
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) Business Days prior to any Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Kindly refer to Paragraph 2 (Company's Covenant) of Annexure IX of this Information Memorandum
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document)	<p>(a) The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Issuer undertakes:</p> <p>(b) to maintain the value of Hypothecated Receivables equal to at least (i) 1.20 (One Decimal Point Two Zero) times or 120% of the Debenture Outstandings from the Deemed Date of Allotment till December 31, 2021; and (ii) 1.10 (One Decimal Point One Zero) times or 110% of the Debenture Outstandings after December 31, 2021 ("Asset Cover").</p> <p>(c) To perfect the security created over the Hypothecated Asset by filing the relevant form with the Registrar of Companies on or prior to the Deemed Date of Allotment and the Company to obtain the relevant certificate of registration of charge within 30 (Thirty) calendar days from the date of creation of such security.</p> <p>(d) In the event of any fall in the Asset Cover, additional Hypothecated Asset shall be taken in the manner as provided for in the Deed of Hypothecation;</p> <p>(e) In case the any of the eligible loans forming part of the Hypothecated Assets shall comprise of overdue loans (i.e. such loans in respect of which any amount is overdue for 1 (One) or more days) or fail to meet the eligibility criteria set out below, the Company shall replace all such overdue loans within 30 (Thirty) calendar days;</p> <p>(f) The additional security created pursuant paragraph (d) and/or (e) above shall be perfected by filing the relevant form with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of such security being created; and</p> <p>(g) to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour</p>



	<p>of the Debenture Trustee pursuant to the Deed of Hypothecation (for the benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report").</p> <p>Following are the eligibility Criteria for the Hypothecated Receivables:</p> <ul style="list-style-type: none"> (a) the receivables are existing at the time of selection and have not been terminated or pre-paid; (b) the receivables should not be overdue for 1 (One) day or more; (c) all "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India; (d) the receivables should not been restructured or rescheduled, except the receivables restructured or rescheduled due to the moratorium provided pursuant to guidelines issued by RBI on account of COVID 19 provided however the said receivables are not overdue. (h) Undated cheques signed by an authorized signatory for principal redemption amount as per repayment schedule.
Transaction Documents	<p>The documents executed in relation to the issue of the Debentures and the creation of the Security and shall include the Information Memorandum, the Debenture Trustee Agreement, the Deed of Hypothecation, the Debenture Trust Deed, board resolutions authorizing the issuance of the Debentures, applicable shareholder's resolutions, rating rationale, tripartite agreement with the Depository (ies) and Registrar and Transfer Agent, listing approval from stock exchange and any other document and undertaking that may be agreed between the Debenture Trustee (acting on behalf of the Debenture Holders) and the Company</p>
Conditions Precedent to Disbursement	<p>Following documents will be required to be submitted to the Debenture Trustee as condition precedent to the issue of the Debentures on or prior to the Issue Closing Date:</p> <ol style="list-style-type: none"> 1. The Issuer to deliver to the Debenture Holders, a certified true copy of the Issuer's constitutional documents and Certificate of Incorporation, as amended up-to-date; 2. The Issuer to deliver to the Debenture Holders, a certified true copy of the resolution of the Board of Directors of the Issuer authorizing the issue of Debentures as also execution of the necessary documents in that behalf; 3. The Issuer to deliver to the Debenture Holders, a certified true copy of the resolution of the shareholders of the Issuer under Section 42 and Section 180(1)(c) of the Companies Act, 2013; 4. The Issuer to deliver consent letter from the Debenture Trustee conveying its consent to act as the trustee for the benefit of the Debenture Holders; 5. The Issuer to submit all required documents of 'Know Your Customer' to the satisfaction of the Debenture Trustee; 6. The Issuer to submit to the Debenture Trustee, the audited financial statements of the Company for the Financial Year ended March 31, 2020 and provisional quarterly financial statements for the period ended June 30, 2020; 7. Receipt of rating letter and rating rationale from the Rating Agency; 8. Letter from NSE conveying its in-principle approval for listing of the Debentures; 9. Filing of the CHG-9 with the Registrar of Companies ("ROC") for registering the charge over the secured property;



[Handwritten signature]

	<p>10. Issuance/execution of the Information Memorandum, execution of the Debenture Trustee Agreement, Debenture Trust Deed and Deed of Hypothecation;</p> <p>11. Any other condition precedent as may be set out in the Debenture Trust Deed.</p>
Conditions Subsequent to Disbursement	<p>1. Filing a return of allotment of Debentures with complete list of all holders of the Debentures in Form PAS-3 under Section 42 of the Companies Act, 2013, with the Registrar of Companies, within 15 (Fifteen) days from the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</p> <p>2. Credit the demat account(s) of the allottee(s) by number of Debentures allotted within 2 (two) Business Days from the Deemed Date of Allotment;</p> <p>3. Obtaining final listing permission within 20 (Twenty) days from the Deemed Date of Allotment of Debentures;</p> <p>4. The Company shall obtain the relevant certificate of registration of charge within 30 (Thirty) calendar days from the date of creation of security;</p> <p>5. Any other condition subsequent as may be set out in this Information Memorandum</p>
Representation and Warranties	Kindly refer to Paragraph 1 (<i>Representations and Warranties of the Company</i>) of Annexure IX of this Information Memorandum.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Kindly refer to Paragraph 3 (Events of Default) of Annexure IX of this Information Memorandum
Creation of recovery expense fund	The Company shall create and maintain a recovery expense fund as per the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and other Applicable Law, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by SEBI or any other regulator under the Applicable Law in respect of creation of the recovery expense fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Kindly refer to Paragraph 3 (<i>Events of Default</i>) of Annexure IX of this Information Memorandum which set out in details all events of defaults in relation to the Issue including events of default set out above in paragraph 5.19 (<i>Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</i>).
Consequences of Event of Default	Kindly refer to Paragraph 4 (<i>Consequences of an Event of Default</i>) of Annexure IX of this Information Memorandum.
Provisions related to Cross Default Clause	(i) any Financial Indebtedness of the Company is not paid when due and the applicable cure period has lapsed without the Company remedying the same; or



	(ii) any Financial Indebtedness of the Company is declared or otherwise becomes due and payable before its specified maturity as a result of an event of default.
Role and Responsibilities of Debenture Trustee	<p>Following are inter alia the roles and responsibilities of the of the Debenture Trustee:</p> <ol style="list-style-type: none"> 1. Call for periodical reports from the Issuer; 2. To enforce Security in the interest of the Debenture Holders; 3. Submit to the Debenture Holder (in a format which shall be provided by the Debenture Holder from time to time) such other information relevant to the Issue that the Debenture Holder may reasonably request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder, subject to such information being available with the Company. 4. To take appropriate measures for protecting the interest of Debenture Holders as soon as there is any breach of any provision of the Debenture Trust Deed. 5. To ascertain that the Debentures have been redeemed in accordance with the provisions of the Debenture Trust Deed. 6. To inform SEBI immediately of any breach of Debenture Trust Deed or provision and law. 7. To appoint a nominee director on the Board of Issuer in the event of two consecutive defaults in payment of interest to the Debenture Holders or default in creation of security for debentures default in redemption of debentures 8. The Debenture Trustee may take all steps as he may deem fit – <ol style="list-style-type: none"> (a) To ensure on a continuous basis that the Security provided to secure the Debentures is available and adequate at all times to discharge the interest and principal amount payable to debenture holders. (b) To ensure that the Company does not commit any breach of covenants of the Debenture Trust Deed; (c) To take steps to call a meeting of holders of Debentures as and when such meeting is required to be held.
Risk factors pertaining to the Issue	As specified under Part B of Section 3 (Risk Factors) of this Information Memorandum.
Illustration of Bond Cashflows	Kindly refer to Annexure V of this Information Memorandum
Valuation Agent	ICRA Analytics Limited, a company existing under the Companies Act, 2013 and having its registered office at 17th Floor, Plot G-1, Infinity Benchmark, Block GP, Sector V, Salt Lake, Kolkata, West Bengal- 700091.
Valuation Frequency and Publication	<p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency at www.icraanalytics.com. The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer.</p> <p>The latest and historical valuations for the Debentures will be published on the website of the Issuer at www.spandanaindia.com and the website of the Valuation Agency at www.icraanalytics.com.</p> <p>Upon request by any Debenture Holder for the valuation of these Debentures, the Issuer shall provide them with the latest valuation.</p>



Valuation Agency Fees	The fees payable to the Valuation Agent shall be borne solely by the Issuer and the same shall not exceed 2.0 bps p.a. on the face value of the outstanding Debentures.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the non-exclusive jurisdiction of the courts in Mumbai.
Additional Risk Factors	The Debentures are subject to model risk i.e. the securities created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the funds in case of default by the Issuer.

Note:

1. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.

The penal interest rates mentioned above as payable by the Issuer are independent of each other.




SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- A. Name of the Bank declaring the entity as a Wilful Defaulter: NA
- B. The year in which the entity is declared as a Wilful Defaulter: NA
- C. Outstanding amount when the entity is declared as a Wilful Defaulter: NA
- D. Name of the entity declared as a Wilful Defaulter: NA
- E. Steps taken, if any, for the removal from the list of wilful defaulters: NA
- F. Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NA
- G. Any other disclosure as specified by the Board: NA



SECTION 7: DISCLOSURES UNDER THE COMPANIES ACT

FORM NO. PAS – 4

PRIVATE PLACEMENT OFFER LETTER

(Pursuant to Section 42 and Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

7.1 General Information:

A. Name, address, website and other contact details of the Company, indicating both registered office and the Corporate office:

Issuer / Company	: Spandana Sphoorty Financial Limited
Registered Office	: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad, Telangana-500032
Corporate Office	: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad, Telangana-500032
Telephone No.	: 040 – 48126666
Contact Person	: Mr. Satish Kottakota
Email	: secretarial@spandanindia.com
Website	: http://www.spandanaindia.com

B. Date of Incorporation of the Company:

March 10, 2003

C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any:

The details of the business carried out by the Company is set out under Section 5.4 (a) above. The Company has its offices / sites / branches across India, however, for the purpose of this issue, the concerned are requested contact the compliance officer at the registered office of the Company during the business hours.

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 Plot No. 31 and 32, Ramky Selenium Towers, Tower A, Ground Floor, Financial District, Hyderabad 500 032, Telangana, India.

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 Holdings Limited

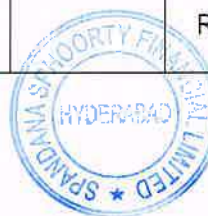
Criss Financial was incorporated under the Companies Act, 1956 as a public limited company, under the name of M.G. Brothers Finance Limited pursuant to certificate of incorporation issued by the RoC, dated August 20, 1992, and received its certificate for commencement of business from the RoC on September 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 Plot No. 31 and 32, Ramky Selenium Towers, Tower A, Ground Floor, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India.

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.

D. Brief particulars of the management of the Company:

The details of the directors of the Company are set out under paragraph E below. Apart from the directors, the following persons are also involved in the management of the Company:

Name	Designation	PAN	Occupation	Residential Address
Ms. Padmaja Gangireddy	Founder & Managing Director	AEZPG1437L	Business	A-208, "A" block, Jayabheri Orange County Nanakramguda, Financial District, Gachibowli Hyderabad 500032 TG IN
Mr. Satish Kottakota	Chief Financial Officer	AKGPK4321G	Service	41/192/2, Prashanth Nagar, Near AP Special Police, 8 th Battalion, Kondapur, Rangareddy 500 084
Mr. Abdul Feroz Khan	Chief Strategy Officer	AZQPK5044H	Service	Flat No-1203, Block-3, My Home Vihanga, Financial District, Serilingampally, Gachibowli, Near Q City Gopanpally KV Rangareddy Hyderabad 500107 TG IN



Mr. Ramesh Periasamy	Company Secretary and Compliance Officer	AOYPR6663N	Service	211 Journalist Colony, Phase 3, Ghachibowli Hyderabad 50032 TGIN
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E. Name, address, DIN and occupations of the directors:

Name,	Designation	DIN	Occupation	Residential Address
Deepak Calian Vaidya	Chairman and Independent Director	00337276	Consultant	249 / 251, 3rd Floor, Suraj Walkeshwar Road Mumbai 400006 MH
Padmaja Gangireddy	Managing Director	00004842	Business	Flat no. A-208, Jayabheri Orange County, Near ICICI Towers, Nanakramguda, Serilingampally, K.V. Rang Areddy Hyderabad 500032 TG
Sunish Sharma	Nominee Director	00274432	Business	1305 North Tower The Imperial, B. B. Nakashe Marg, Tardeo, Tulsiwadi, Mumbai 400034 MH
Ramachandra Kasargod Kamath	Nominee Director	01715073	Consultant	B-2004, Neptune Society, Sun City, Adi Shankaracharya Marg Near Powai IIT Market, Powai, Mumbai Mumbai 400076 MH IN
Abanti Mitra	Independent Director	02305893	Business	Flat No-2505, B Wing, Oberoi Woods, Goregaon East, Mumbai 400063 MH IN
Kartikeya Dhruv Kaji	Nominee Director	07641723	Service	The Imperial, Apartment 3901 B. B. Nakashe Marg Tardeo, Tulsiwadi Mumbai 400034 MH IN
Amit Sobti	Nominee Director	07795874	Service	101 Repulse Bay Road Flat A15, 6/F Hongkong 000000 HK
Bharat Dhirajlal Shah	Independent Director	00136969	Business	21 Hill Park, Bldg No 2 A. G Bell Road, Malabar Hill, Mumbai 400006 MH IN
Jagdish Capoor	Independent Director	00002516	Consultant	1601, Brooke Ville, 359 Mogul Lane Near Magnet Mall, Mahim West Mumbai 400016 MH IN



F. Management perception of Risk Factors:

Please refer to **Section 3** of this Information Memorandum.

G. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:

Sr. No.	Particulars	Default Amount
1.	Statutory Dues	Nil
2.	Debenture and interest thereon	Nil
3.	Deposits and interest thereon	Nil
4.	Loans from banks and financial institutions and interest thereon	Nil

H. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:

Name of Nodal/ Compliance officer	Designation	Address	Phone No.	Email ID
Mr. Ramesh Periasamy	Company Secretary	Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad, Telanagna-500032	040 – 48126666	ramesh.periasamy@spandanaindia.com

I. Any default in annual filing of the Company under the Companies Act, 2013, or the rules made thereunder-

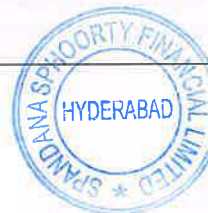
The company has not defaulted in annual filing under the Companies Act, 2013, or the rules made thereunder.

7.2 Particulars of the Offer:

Financial position of the Company for the last 3 financial years	Please refer to Annexure IV of this Information Memorandum.
Date of passing of Board Resolution	Resolution passed by the Board of Directors dated June 02, 2020 read with the resolution passed by the management committee of the Board of Directors of the Issuer on November 11, 2020. Copies of the said board resolutions are collectively annexed hereto and marked as Annexure VI
Date of passing of resolution in general meeting, authorizing the	The shareholders resolution under Section 42 of the Act is dated July 17, 2020 and the resolution under Section 180(1)



offer of securities	(c) of the Act is dated July 14, 2018. A copy of the said shareholders' resolutions (under both Section 42 and Section 180 of the Act) is collectively annexed hereto and marked as Annexure VII
Kinds of securities offered (i.e. whether share or debentures) and class of security; the total number of shares or other securities to be issued	Rated, Redeemable, Listed, Secured, Transferable, Taxable, Principal Protected Market Linked (PP-MLD) Non-Convertible Debentures
Price at which the security is being offered, including premium, if any, along with justification of the price	The Debentures are being issued at face value of Rs. 1,00,000/- (Rupees One Lakh only) each at par. The pricing of the Debentures has been arrived at on the basis of prevailing market terms and conditions
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	Not applicable as the Debentures are being offered at face value of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture.
Relevant date with reference to which the price has been arrived at	N.A.
The class or classes of persons to whom the allotment is proposed to be made	Please refer to 'Persons who may apply' under Section 9 of this Information Memorandum.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	N.A.
The proposed time within which the allotment shall be completed	Please refer to Cover Page
The names of the proposed allottees and the percentage of post private placement capital that may be held by them	N.A.
The change in control, if any, in the company that would occur consequent to the private placement	N.A.
The number of persons to whom allotment on preferential basis/ private placement / rights issue has already been made during the year, in terms of number of securities as well as price	As indicated under Section 5.9 (C) of this Information Memorandum
The justification for the allotment proposed to be made for consideration other than cash	N.A.



together with valuation report of the registered valuer.					
Amount, which the Company intends to raise by way of proposed offer of securities	Private Placement of the Debentures amounting up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only)				
Terms of raising securities	Duration, if applicable:	As indicated in Clause 5.19 of this Disclosure Document			
	Coupon	As indicated in Clause 5.19 of this Disclosure Document			
	Mode of Payment	RTGS, electronic fund transfer or other permitted mode			
	Mode of Repayment	RTGS, electronic fund transfer or other permitted mode			
Proposed time schedule for which the offer letter is valid	Please refer to Cover Page				
Purpose and objects of the Issue	The Issue proceeds will be utilized for onward lending to its micro finance customers, general corporate purposes, for repayment/refinancing of existing debt of the Issuer and payment of transaction related expenses including cost incurred towards obtaining the rating and documentation.				
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	None				
Principal terms of assets charged as security, if applicable	Refer to Clause 5.19				
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	NIL				
<p>The pre-issue and post-issue shareholding pattern of the Company in the following format:</p> <p>There will be no change in shareholding pattern of the Company pursuant to the Issue, as non-convertible debentures are being issued. Please find below the details:</p> <p>1. <i>Pre-issue:</i></p>					
Sr. No.	Category	No. of Equity shares held	Percentage of shareholding	No. of Preference shares held	Percentage of shareholding
A	Promoters' holding				



	Indian				
1	Individual	1,02,85,953	15.99		-
	Bodies Corporate	-	-	-	-
	Sub-total	1,02,85,953	15.99	-	-
2	Foreign promoters	2,93,03,172	45.56	-	-
	Sub-total (A)	3,95,89,125	61.55	-	-
B	Non-promoters' holding				
1	Institutional Investors	99,45,919	15.46	-	-
2	Non-Institutional Investors		-	-	-
	Private Corporate Bodies(Domestic and Foreign)	72,07,504	11.21	-	-
	Directors and relatives	6,94,974	1.08	-	-
	Indian public	13,87,446	2.16	-	-
	Others (including Non-resident Indians)	54,90,515	8.54	-	-
	Sub-total (B)	2,47,26,358	38.45	-	-
	Grand Total	6,43,15,483	100	-	-

2. Post Issue:

Sr. No.	Category	No. of Equity shares held	Percentage of shareholding	No. of Preference shares held	Percentage of shareholding
A	Promoters' holding				
	Indian				
1	Individual	1,02,85,953	15.99		-
	Bodies Corporate	-	-	-	-
	Sub-total	1,02,85,953	15.99	-	-
2	Foreign promoters	2,93,03,172	45.56	-	-
	Sub-total (A)	3,95,89,125	61.55	-	-
B	Non-promoters' holding				
1	Institutional Investors	99,45,919	15.46	-	-
2	Non-Institutional Investors		-	-	-



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	Private Corporate Bodies (Domestic and Foreign)	72,07,504	11.21	-	-
	Directors and relatives	6,94,974	1.08	-	-
	Indian public	13,87,446	2.16	-	-
	Others (including Non-resident Indians)	54,90,515	8.54	-	-
	Sub-total (B)	2,47,26,358	38.45	-	-
	Grand Total	6,43,15,483	100	-	-

7.3 Mode of payment for subscription:

1. Cheque;
2. Demand draft; and
3. Other banking channels, such as RTGS

7.4 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	The directors, promoters or key managerial personnel do not have any financial or other material interest in the offer/ Issue.				
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 offeree Company during the last three years immediately preceding the year of the issue of the 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	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 Information Memorandum.				
Remuneration of directors (during the current year and last three financial years)	(Rs. In Lakhs)				
	Name of the Director	Current Year (Rs.)	FY 2019-20 (Rs.)	FY 2018-19 (Rs.)	FY 2017-18 (Rs.)
	Padmaja Gangireddy	13.80	53.75	53.75	30.00





	Deepak Calian Vaidya	NA	NA	NA	NA
	Sunish Sharma	NA	NA	NA	NA
	Ramachandra Kasargod Kamath	NA	NA	NA	NA
	Abanti Mitra	NA	NA	NA	NA
	Kartikeya Dhruv Kaji	NA	NA	NA	NA
	Amit Sobti	NA	NA	NA	NA
	Bharat Dhirajlal Shah	NA	NA	NA	NA
	Jagdish Capoor	NA	NA	NA	NA
Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided	Please refer to Annexure VIII for the related party transactions for the financial years 2018, 2019 and 2020.				
Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of 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	NA				
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of the Company and all of its subsidiaries, and if there were any were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its	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 Information Memorandum. The details of Compounding of Offences made during last three immediately preceding financial year are given herein				



subsidiaries	
Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company.	NIL

7.5 Financial Position of the Company:

The capital structure of the Company:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	For details in this regard, please refer to Section 5.5 (A) of this Information Memorandum.
Size of the Present Issue	Issue of upto 10,000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Transferable, Taxable Principal Protected Market Linked (PP-MLD) Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis.
Paid-up Capital: a. After the offer: b. After the conversion of convertible instruments (if applicable):	This issuance of the Debentures will not alter the paid-up capital of the Issuer.
Share Premium Account: a. Before the offer: b. After the offer:	Nil Nil
Details of the existing share capital of the Issuer: 1. Equity share capital:	



Year & Date of Allotment	No. of Equity Shares allotted	Face value per Equity Share (Rs.)	Issue price per Equity Share (Rs.)	Details of Consideration (Rs.)	Form of consideration
March 10, 2003	50,700	10	10.00	507,000	Cash
December 31, 2003	2,100,000	10	10.00	21,000,000	Cash
March 29, 2005	194,300	10	10.00	1,943,000	Cash
May 19, 2005	121,000	10	10.00	1,210,000	Cash
November 2, 2005	6,165,000	10	-	-	NA (Bonus Issue)
August 3, 2007	1,208,051	10	115.86	139,964,788.9	Cash
October 14, 2008	2,033,977	10	164.78	335,158,730.1	Cash
December 1, 2008	1,522,186	10	656.95	1000,000,093	Cash
March 22, 2010	152,219	10	656.95	100,000,272.1	Cash
October 12, 2011	5,833,334	10	12.00	70,000,008	Cash
May 16, 2014	1,000,000	10	50.00	50,000,000	Cash
March 31, 2017	8,068,626	10	235.48	1,900,000,050	Cash
March 8, 2018	1,307,425	10	235.48	307,872,439	Cash
May 15, 2018	9,979,615	10	235.48	2,349,999,740	Cash
May 15, 2018	5,062,542	10	235.48	1,192,127,390	Cash
May 15, 2018	8,948,425	10	238.67	2,135,720,595	Cash
June 20, 2018	1,135,085	10	235.48	267,289,815.8	Cash
June 20, 2018	283,771	10	235.48	66,822,395.08	Cash
June 20, 2018	283,771	10	235.48	66,822,395.08	Cash
June 20, 2018	283,771	10	235.48	66,822,395.08	Cash
June 20, 2018	283,771	10	235.48	66,822,395.08	Cash
June 20, 2018	1,488,544	10	235.48	350,522,341.1	Cash
June 21, 2018	2,127,570	10	235.48	501,000,183.6	Cash
August 14, 2019	4,543,385	10	856.00	3,889,137,560	Cash
January 28, 2020	91752	10	263.35	24,162,889.2	Cash
March 03, 2020	46663	10	263.35	12,288,701.05	Cash

(Signature)



2. Preference share capital

Date of allotment	No. of Preference Shares allotted	Face value per Preference Share (₹)	Issue / Acquisition/ Transfer price per Preference Share (₹)	Details of Consideration (Rs.)	Form of consideration
CCPS					
August 3, 2007	33,516,041	10	10.00	335,160,410	Cash
OCCRPS					
September 26, 2011	943,700,000	10	-	-	Other than cash
Promoter OCRPS					
March 31, 2017	2,270,169	10	235.48	534,579,396	Cash
Class A CCPS					
March 31, 2017	110,000,008	10	10.00	1,100,000,080	Cash
December 4, 2017	124,999,989	10	10.00	1,249,999,890	Cash
ClassA1 CCPS					
March 8, 2018	119,212,760	10	10.00	1,192,127,600	Cash

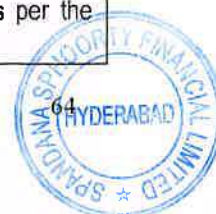
*As on the date of this Information Memorandum, our Company does not have any outstanding Preference Shares.

Number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for consideration other than cash

NIL



and the details of the consideration in each case													
Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of the private placement offer cum application letter	<div>(Rs. in Millions)</div> <table><tr><th>Particulars</th><th>FY 2018</th><th>FY 2019</th><th>FY 2020</th></tr><tr><td>Profit before Tax</td><td>6,184.54</td><td>4,734.72</td><td>2,827.01</td></tr><tr><td>Profit after Tax</td><td>3,518.29</td><td>3,119.00</td><td>1,879.46</td></tr></table>	Particulars	FY 2018	FY 2019	FY 2020	Profit before Tax	6,184.54	4,734.72	2,827.01	Profit after Tax	3,518.29	3,119.00	1,879.46
Particulars	FY 2018	FY 2019	FY 2020										
Profit before Tax	6,184.54	4,734.72	2,827.01										
Profit after Tax	3,518.29	3,119.00	1,879.46										
Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	<div>(Rs. in Millions)</div> <table><tr><th>Particulars</th><th>Rs. FY 2018</th><th>Rs. FY 2019</th><th>Rs. FY 2020</th></tr><tr><td>Dividend declared</td><td>--</td><td>0.13</td><td>--</td></tr><tr><td>Interest coverage ratio (on a standalone basis)</td><td>2.69</td><td>2.32</td><td>2.22</td></tr></table>	Particulars	Rs. FY 2018	Rs. FY 2019	Rs. FY 2020	Dividend declared	--	0.13	--	Interest coverage ratio (on a standalone basis)	2.69	2.32	2.22
Particulars	Rs. FY 2018	Rs. FY 2019	Rs. FY 2020										
Dividend declared	--	0.13	--										
Interest coverage ratio (on a standalone basis)	2.69	2.32	2.22										
A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter	Please refer to Annexure IV of this Information Memorandum												
Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter	Please refer to Annexure IV of this Information Memorandum												
Any change in accounting policies during the last three years and their effect on	Our Company has adopted the Indian Accounting Standards (" IndAS ") for the financial periods starting from April 01, 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 01, 2018 as per the statutory requirement.												



the profits and the reserves of the Company	The relevant information is furnished in Annexure IV of the Information Memorandum.
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SECTION 8: APPLICANT'S DETAILS

1. Name:
2. Father's Name:
3. Complete address including flat/ house number/ street, locality, pin code:
4. Phone number, if any:
5. Email id, if any:
6. PAN:
7. Bank account details:

Signature of the Applicant

Initial of the officer of the Company designated to keep the record

For Spandana Sphoorty Financial Limited

Authorised Signatory



DECLARATION

The Company and each of the directors of the Company hereby confirm and declare that:

- a. the Company has complied with the provisions of the Act and the rules made thereunder, including the compliances in relation to making a private placement of the Debentures;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the Issue shall be used only for the purposes and objects indicated in the Disclosure Document (offer letter);

I am authorized by the Board of Directors of the Company vide resolution number B-11 dated June 02, 2020 read with the management committee resolution dated November 11, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Disclosure Document 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

For Spandana Sphoorty Financial Limited

Authorised Signatory

Mr. Aditya Kumar Grandhi
Designation: Vice President – Investor Relations
Date: November 24, 2020
Place: Hyderabad, Telangana



SECTION 9: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

9.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/ CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

9.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

9.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of Principal Amount and Coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.



9.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

9.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under applicable laws. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

9.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

9.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

9.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address, e-mail or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

9.9 Issue Procedure

Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall



be as set out in the clause 5.19. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

9.10 Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

9.11 Fictitious Application

All fictitious applications will be rejected.

9.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

9.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture is payable along with the making of an application.

All payments must be made through NEFT, RTGS. The details for payments are mentioned herein below:

Name of beneficiary	Spandana Sphoorty Financial Limited
Name of Bank	IndusInd Bank
SWIFT Code	INDBINBBHYB
IFSC Code	INDB0000004
Account number	201001917803
Branch Address	Begumpet, Secunderabad

9.14 Eligible Investors

The Persons to whom this Disclosure Document is being issued are the only persons eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with



laws applicable to them by submitting all the relevant documents along with the Application Form. The class of investors to whom this Disclosure Document is being issued are:

- A. Mutual Funds
- B. Non-banking financial companies
- C. Corporates
- D. Banks and Financial Institutions
- E. Foreign Portfolio Investors (FPIs)
- F. Foreign Institutional Investors (FIIs)
- G. Qualified Foreign Investors (QFIs)
- H. High Net Worth Individuals
- I. Insurance Companies
- J. Any other person eligible to invest in these Debentures

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

9.15 Procedure for Applying for Dematerialised Facility

- A. The applicant must have at least one beneficiary account with any of the DPs of NSDL/ CDSL prior to making the application.
- B. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- C. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- E. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- F. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- G. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is



therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

- H. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

9.16 Depository Arrangements

The Issuer shall make necessary arrangement with NSDL/CDSL for issue and holding of Debenture in dematerialised form.

9.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

9.18 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

9.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- A. SEBI registration certificate
- B. Resolution authorizing investment and containing operating instructions
- C. Specimen signature of authorized signatories



9.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- A. Memorandum and Articles of Association or other constitutional documents
- B. Resolution authorising investment
- C. Power of Attorney to custodian
- D. Specimen signatures of the authorised signatories
- E. SEBI registration certificate (for Mutual Funds)
- F. Copy of PAN card
- G. Application Form

9.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

9.22 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

9.23 Mode of Payment

All payments must be made through EFT/RTGS as set out in the Application Form.

9.24 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holders at the office of the Registrar and Transfer Agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due.

All monies payable by the Company to the Debenture Holders under the Transaction Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim, other than in respect of any Tax in respect of income of the Debenture Holders which, as per Applicable Law, has to be deducted at source. All Taxes in respect of the income of the Debenture Holders, if any, which is required by Applicable Law to be deducted by the Company from any part of the coupon, any other interest or fees paid or payable under this Deed shall be paid by the Company to the appropriate authorities when due, and the Company shall within the statutory limits prescribed under Applicable Law, deliver to the Debenture Holders, a certificate of tax deduction at source issued in the name of the Debenture Holders.

9.25 Letters of Allotment

Each of the Debenture Holders shall be issued proof of allotment of Debentures by way of a physical letter of allotment, issued by the Company to the said Debenture Holders on the Deemed Date of Allotment. On the completion of all statutory formalities and in no event later than 2 (Two) Business Days from the Deemed Date of Allotment, such letter of allotment will be substituted and the depository account of each of the Debenture



Holders maintained with its corresponding depository participant and mentioned in the Application Form shall be credited with the number of Debentures allotted to such Debenture Holders in terms of the letter of allotment issued to it.

9.26 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 November 24, 2020 by which date the Investors would be intimated of allotment.

9.27 Record Date

The Record Date will be 15 (Fifteen) Business Days prior to any Due Date.

9.28 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

9.29 Interest on Application Money

Interest shall be payable on all application monies received at the Coupon Rate net of Taxes from the date of realization of the application monies by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

9.30 PAN Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

9.31 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/ CDSL and accordingly the account of the Debenture Holder(s) with NSDL/ CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is



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liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents/ authorizations/ information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

For Spandana Sphoorty Financial Limited

Authorized Signatory

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SECTION 10: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For **SPANDANA SPHOORTY FINANCIAL LIMITED**

For Spandana Sphoorty Financial Limited

Authorised Signatory

Mr. Aditya Kumar Grandhi

Designation: Vice President – Investor Relations

Date: November 24, 2020

Authorised Signatory



A handwritten signature in blue ink, appearing to be "Aditya", written over the circular stamp.

A faint, handwritten signature in blue ink, appearing to be "Aditya", located at the bottom of the page.

ANNEXURE I: RATING LETTER FROM THE RATING AGENCY

[ATTACHED SEPERATELY]



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ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE
[ATTACHED SEPERATELY]



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ANNEXURE III: APPLICATION FORM

SPANDANA SPOORTY FINANCIAL LIMITED

A public company with limited liability incorporated on March 10, 2003 under the Companies Act, 1956 (registered as a non-banking financial company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.

Registered Office: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor,
Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032

Corporate Office: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Second Floor,
Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032

CIN: L65929TG2003PLC040648

Telephone No.: +91 40 4812 6666, **Contact Person:** Mr. Satish Kottakota

E-mail: secretarial@spandanaindia.com, **Website:** <http://www.spandanaindia.com/>

DEBENTURE SERIES APPLICATION FORM SERIAL NO.

ISSUE OF UPTO 10,00 (TEN THOUSAND) SECURED, RATED, LISTED, REDEEMABLE, TRANSFERABLE, TAXABLE, PRINCIPAL PROTECTED MARKET LINKED (PP-MLD) NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, AGGREGATING UP TO RS. 100,00,00,000/- (RUPEES ONE HUNDRED ONLY) ON A PRIVATE PLACEMENT BASIS.

DEBENTURE SERIES APPLIED FOR:

Number of Debentures ____ In words ____

Amount Rs. ₹ in words Rupees _____ Crores only

DETAILS OF PAYMENT:

RTGS

No. _____ Drawn on _____

Funds transferred to Indian Clearing Corporation Limited

Dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE

--	--



APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT _____

WE ARE () COMPANY () OTHERS () SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum 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 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:

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

Applicant Bank Account: (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 _____



[Handwritten Signature]

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum 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) the Applicant 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.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures and shall hold us harmless in respect of any such loss and/or damage. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

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 -

(To be filled in by Applicant) SERIAL NO.									
---	--	--	--	--	--	--	--	--	--

Received from _____

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



**ANNEXURE IV: LATEST AUDITED FINANCIAL STATEMENTS/ LIMITED REVIEW HALF YEARLY
STANDALONE FINANCIAL INFORMATION**

Spandan Spheerity Financial Limited
Standalone Balance Sheet as at September 30, 2020

(Rupees in millions unless otherwise stated)			
	Notes	As at September 30, 2020	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	4,347.22	536.19
Bank balances other than cash and cash equivalents	5	2,145.40	1,970.99
Trade receivables	6	80.10	223.68
Loans	7	55,291.24	49,051.40
Investments	8	656.88	5,498.55
Other financial assets	9	1,427.21	1,652.89
Subtotal - Financial assets		63,948.05	58,933.70
Non-financial assets			
Current tax assets (net)	10	149.38	149.38
Deferred tax assets (net)	11	800.03	69.03
Property, plant and equipment	12	141.26	151.43
Intangible assets	12	10.24	12.84
Other non-financial assets	13	76.50	101.46
Subtotal - Non-financial assets		1,177.40	484.14
Total assets		65,125.45	59,417.84
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	14	7,526.95	7,776.28
Borrowings (other than debt securities)	14	25,329.43	23,184.11
Subordinated liabilities	14	201.68	201.67
Other financial liabilities	15	2,777.76	2,255.73
Subtotal - Financial liabilities		35,835.82	32,417.79
Non-financial liabilities			
Current tax liabilities (net)	16	1,702.74	596.69
Provisions	17	17.52	27.58
Other non-financial liabilities	18	331.29	294.40
Subtotal - Non-financial liabilities		2,051.55	918.67
EQUITY			
Equity share capital	19	643.15	643.15
Other equity	20	26,594.93	25,438.23
Subtotal - Equity		27,238.08	26,081.38
Total liabilities and equity		65,125.45	59,417.84

Summary of significant accounting policies 3
The accompanying notes are an integral part of the standalone financial statements.



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Spandan Spahoorty Financial Limited
Standalone Profit and Loss statement for the Period ended September 30, 2020

(Rupees in millions unless otherwise stated)

	Notes	For period ended September 30, 2020	For year ended March 31, 2020
Revenue from operations			
Interest income	31	6,133.31	11,454.46
Commission and Incentive Income		-	351.12
Net gain on fair value changes	22	391.88	2,184.03
Others	23	41.05	105.25
Total revenue from operations		6,566.24	14,094.86
Other income	24	91.90	319.28
Total income		6,658.13	14,414.14
Expenses			
Finance cost	25	1,604.81	3,541.11
Impairment on financial instruments and other provisions	26	2,333.44	3,728.96
Employee benefits expense	27	815.55	1,609.70
Depreciation and amortization expense	12	31.05	87.42
Other expenses	28	205.43	405.55
Total expenses		6,070.28	8,432.74
Profit before tax		1,587.86	5,981.40
Tax expense:	29		
Current tax		1,124.50	653.54
Deferred tax		(713.09)	1,960.92
Income tax expense		410.91	2,614.46
Profit for the year		1,177.04	3,366.94
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		15.12	(17.38)
Income tax effect		(3.80)	4.37
Items that will be reclassified subsequently to profit or loss			
Fair value gain on loans		(98.15)	12.11
Income tax effect		24.70	(3.05)
Total comprehensive income for the year		1,114.91	3,362.99
Earnings per share (equity share, par value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic	30	18.30	53.85
Diluted	30	18.24	53.40
Nominal value		10.00	10.00

Summary of significant accounting policies

3

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



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Spandana Spahourty Financial Limited
Standalone Cash Flow Statement for the period ended September 30, 2020

(Rupees in millions unless otherwise stated)

Particulars	For year ended September 30, 2020	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	1,587.86	5,981.40
Adjustments for:		
Depreciation and amortization	31.06	87.42
Share based payment to employees	49.37	41.07
Provision for gratuity	5.05	10.20
Finance cost on Lease Liability	7.13	14.37
Impairment on financial instruments and other provisions	2,333.44	2,728.96
Net gain on fair value changes	(44.32)	(44.76)
Other provisions and write offs	9.02	29.13
Operating profit before working capital changes	3,978.62	8,847.79
Movements in working capital:		
Increase / (decrease) in other financial liabilities	522.82	1,707.33
Increase / (decrease) in provisions	-	(3.42)
Increase / (decrease) in other non financial liabilities	36.89	70.97
(Increase) / decrease in bank balances other than cash and cash equivalents	(174.41)	57.11
(Increase) / decrease in trade receivables	143.58	(188.19)
(Increase) / decrease in loans	(8,671.44)	(9,443.85)
(Increase) / decrease in other financial assets	216.66	(1,491.20)
(Increase) / decrease in other non financial assets	34.96	25.55
Cash used in operations	(3,922.31)	(417.91)
Income taxes paid	(22.23)	(118.77)
Net cash generated/(used) in operating activities (A)	(3,944.55)	(536.68)
Cash flow from investing activities		
Purchase of property, plant and equipment	(18.28)	(45.00)
Purchase of intangible assets	-	(0.02)
Proceeds from derecognition of property, plant and equipment	0.01	-
Purchase of investments	(7,073.00)	(72,390.11)
Sale of investments	11,958.25	67,583.24
Net cash generated/(used) in investing activities (B)	4,866.97	(4,851.88)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	3,925.59
Debt securities (net)	(249.34)	(5,943.36)
Payment of Lease liability	(7.42)	(15.42)
Borrowings (other than debt securities) (net)	3,145.36	6,654.22
Subordinated liabilities (net)	0.91	0.11
Share issue expenses	-	(150.46)
Net generated/(used) in financing activities (C)	2,888.62	4,470.68
Net increase / (decrease) in cash and cash equivalents (A + B + C)	3,811.04	(917.88)
Cash and cash equivalents at the beginning of the year	536.19	1,454.07
Cash and cash equivalents at the end of the year (refer note 4)	4,347.22	536.19
Components of cash and cash equivalents as at the end of year		
Cash on hand	17.83	2.82
Balance with banks - on current account	3,858.26	533.37
Deposits with original maturity of less than or equal to 3 months	471.13	-
Total cash and cash equivalents	4,347.22	536.19

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



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Spandana Spheerthy Financial Limited
Consolidated Balance Sheet as at September 30, 2020

(Rupees in millions unless otherwise stated)			
	Notes	As at September 30, 2020	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	4,617.19	596.31
Bank balances other than cash and cash equivalents	5	2,171.13	1,975.85
Trade receivables	6	80.10	123.68
Loans	7	56,199.62	49,767.05
Investments	8	33.27	4,874.62
Other financial assets	9	1,438.07	1,661.86
Subtotal - Financial assets		64,629.38	59,098.57
Non-financial assets			
Current tax assets (net)	10	153.13	153.13
Deferred tax assets (net)	11	801.45	70.32
Property, plant and equipment	12	141.98	152.38
Intangible assets	13	10.24	13.31
Goodwill		173.74	173.74
Other non-financial assets	13	82.64	112.43
Subtotal - Non-financial assets		1,363.18	675.70
Total assets		65,992.56	59,773.78
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	14	7,526.96	7,776.28
Borrowings (other than debt securities)	14	35,802.66	22,273.34
Subordinated liabilities	14	201.68	203.28
Other financial liabilities	15	2,817.97	2,271.90
Subtotal - Financial liabilities		36,349.26	32,524.80
Non-financial liabilities			
Current tax liabilities (net)	16	1,780.11	647.07
Provisions	17	18.29	28.00
Other non-financial liabilities	18	333.65	301.45
Subtotal - Non-financial liabilities		2,132.05	976.52
EQUITY			
Equity share capital	19	643.15	643.15
Other equity	20	26,853.17	25,616.39
Equity attributable to shareholders of the company		17,406.33	26,259.54
Non controlling interest	20	14.93	12.92
Subtotal Equity		27,511.25	26,272.46
Total liabilities and equity		65,992.56	59,773.78



Spandana Spahoorty Financial Limited
Consolidated Profit and Loss statement for the year ended September 30, 2020

(Rupees in millions unless otherwise stated)

	Notes	For period ended September 30, 2020	For year ended March 31, 2020
Revenue from operations:			
Interest income	21	6,271.08	11,691.94
Commission and Incentive Income		3.67	370.56
Net gain on fair value changes	22	392.14	2,185.23
Others	23	41.09	105.25
Total revenue from operations		6,707.98	14,352.98
Other income	24	102.64	343.08
Total income		6,810.62	14,696.06
Expenses			
Finance cost	25	1,690.67	3,563.35
Impairment on financial instruments and other provisions	26	2,335.95	2,735.72
Employee benefit expense	27	836.08	1,707.47
Depreciation and amortization expense	13	31.76	88.33
Other expenses	28	217.36	415.65
Total expenses		5,112.33	8,510.52
Profit before tax		1,698.29	6,184.54
Tax expense:	29		
Current tax		1,152.90	705.16
Deferred tax		(713.49)	1,961.09
Income tax expense		439.41	2,666.25
Profit for the year		1,258.87	3,518.29
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		14.98	(17.53)
Income tax effect		(3.77)	4.41
Items that will be reclassified subsequently to profit or loss			
Fair Value gain on loan portfolio		(98.15)	12.11
Income tax effect		24.70	(3.05)
Total comprehensive income for the year		1,196.63	3,514.24
Profit for the year attributable to:			
Owners of the company		1,256.86	3,514.59
Non-controlling interests		2.01	3.70
Total comprehensive income for the year attributable to :		1,258.87	3,518.29
Owners of the company		1,194.63	3,510.55
Non-controlling interests		2.01	3.70
Earnings per share (equity share, par value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic	30	19.54	56.21
Diluted	30	19.47	55.74
Nominal Value (in Rs.)		10.00	10.00



Spendam Spahoorty Financial Limited
Consolidated Cash Flow Statement for the year ended September 30, 2020

(Figures in millions unless otherwise stated)

Particulars	For period ended September 30, 2020	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	1,090.28	4,164.54
Adjustments for:		
Interest on income tax	-	1.80
Depreciation and amortization	31.76	83.33
Share-based payment to employees	49.32	41.64
Provision for gratuity	5.27	10.43
Finance cost on Lease Liability	7.13	14.37
Net (gain)/ loss on derecognition of property, plant and equipment	-	-
Impairment on financial instruments and other provisions	2,331.95	2,731.72
Net gain on fair value changes	(44.50)	(45.96)
Other provisions and tax effects	8.99	29.24
Operating profit before working capital changes	4,097.17	9,859.17
Movements in working capital:		
Increase / (decrease) in other financial liabilities	433.64	1,713.86
Increase / (decrease) in other non financial liabilities	32.20	76.60
Increase / (decrease) in provisions	-	(1.53)
(Increase) / decrease in bank balances other than cash and cash equivalents	(196.08)	56.81
(Increase) / decrease in trade receivables	143.58	(188.19)
(Increase) / decrease in other financial assets	324.80	(1,481.65)
(Increase) / decrease in loans	(8,808.57)	(9,413.08)
(Increase) / decrease in other non financial assets	29.80	17.20
Cash used in operations:	(4,108.46)	(107.77)
Income taxes paid	(9.37)	(106.00)
Net cash generated/ (used) in operating activities (A)	(4,117.83)	(251.77)
Cash flow from investing activities		
Purchase of property, plant and equipment	(18.28)	(45.67)
Purchase of intangible assets	-	(0.02)
Proceeds from derecognition of property, plant and equipment	-	-
Purchase of investments	(7,073.00)	(72,432.21)
Proceeds from sale of investments	11,959.02	67,604.54
Investment in subsidiary (net of cash acquired)	-	-
Net cash generated/ (used) in investing activities (B)	4,867.74	(4,873.37)
Cash flows from financing activities		
Proceeds from issue of equity shares (including exercise premium)	-	3,921.90
Debt securities (net)	(249.33)	(5,943.36)
Payment of Lease Liability	(7.42)	(13.42)
Borrowings (other than debt securities) (net)	3,529.32	6,511.52
Subordinated liabilities (net)	(1.60)	8.34
Share issue expenses	-	(130.44)
Net cash generated/ (used) in financing activities (C)	3,270.97	4,335.27
Net increase / (decrease) in cash and cash equivalents: (A + B + C)	4,020.88	(289.87)
Add: Cash and cash equivalents at the beginning of the year	596.31	1,486.12
Cash and cash equivalents at the end of the year (refer note 4)	4,617.19	596.31
Components of cash and cash equivalents as at the end of year		
Cash on hand	18.32	2.82
Balance with banks - on current account	4,127.74	593.49
Deposits with original maturity of less than or equal to 3 months	471.13	-
Total cash and cash equivalents:	4,617.19	596.31



Spandana Sphoorty Financial Limited
Consolidated Balance Sheet as at June 30, 2020

(Rupees in millions unless otherwise stated)

	Notes	As at June 30, 2020	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	7,622.63	596.31
Bank balances other than cash and cash equivalents	5	2,104.39	1,975.05
Trade receivables	6	89.61	223.68
Loans	7	47,750.52	48,523.95
Investments	8	23.25	4,874.62
Other financial assets	9	2,894.31	2,904.96
Subtotal - Financial assets		60,484.71	59,098.57
Non-financial assets			
Current tax assets (net)	10	153.13	153.13
Deferred tax assets (net)	11	318.40	70.32
Property, plant and equipment	12	151.25	152.28
Intangible assets	12	11.54	13.31
Goodwill		173.74	173.74
Other non-financial assets	13	81.28	112.43
Subtotal - Non-financial assets		889.34	675.21
Total assets		61,374.05	59,773.78
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	14	7,785.65	7,776.28
Borrowings (other than debt securities)	14	23,345.56	22,273.34
Subordinated liabilities	14	201.64	203.28
Other financial liabilities	15	1,726.03	2,271.90
Subtotal - Financial liabilities		33,058.88	32,524.80
Non-financial liabilities			
Current tax liabilities (net)	16	1,114.22	647.07
Deferred tax liabilities (net)		0.27	-
Provisions	17	23.02	28.00
Other non-financial liabilities	18	209.02	301.45
Subtotal - Non-financial liabilities		1,346.53	976.52
EQUITY			
Equity share capital	19	643.15	643.15
Other equity	20	26,311.52	25,616.39
Equity attributable to shareholders of the company		26,954.67	26,259.54
Non controlling interest	20	13.97	12.92
Subtotal Equity		26,968.64	26,272.46
Total liabilities and equity		61,374.05	59,773.78



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Spandana Sphoorty Financial Limited
Consolidated Profit and Loss statement for the year ended June 30, 2020

(Rupees in millions unless otherwise stated)

	Notes	For period ended June 30, 2020	For year ended March 31, 2020
Revenue from operations			
Interest income	21	3,098.46	11,691.94
Commission and Incentive Income		0.15	370.56
Net gain on fair value changes	22	154.52	2,185.23
Others	23	6.52	105.25
Total revenue from operations		3,259.65	14,352.98
Other income	24	9.87	342.08
Total income		3,269.52	14,695.06
Expenses			
Finance cost	25	849.63	3,563.35
Impairment on financial instruments and other provisions	26	1,114.66	2,735.72
Employee benefit expense	27	415.83	1,707.47
Depreciation and amortization expense	12	15.50	88.33
Other expenses	28	89.80	415.65
Total expenses		2,485.42	8,510.52
Profit before tax		784.10	6,184.54
Tax expense:	29		
Current tax		472.19	705.16
Deferred tax		(278.47)	1,961.09
Income tax expense		193.72	2,666.25
Profit for the year		590.38	3,518.29
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		8.24	(17.52)
Income tax effect		(2.07)	4.41
Items that will be reclassified subsequently to profit or loss			
Fair Value gain on loan portfolio		106.28	12.11
Income tax effect		(26.75)	(3.05)
Total comprehensive income for the year		676.08	3,514.24
Profit for the year attributable to:			
Owners of the company		589.33	3,514.59
Non-controlling interests		1.05	3.70
		590.38	3,518.29
Total comprehensive income for the year attributable to:			
Owners of the company		675.03	3,510.55
Non-controlling interests		1.05	3.70
		676.08	3,514.25
Earnings per share (equity share, par value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic	30	9.18	56.21
Diluted	30	9.14	55.74
Nominal Value (in Rs.)		10.00	10.00



Spandana Sphoorty Financial Limited
Consolidated Cash Flow Statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	For period ended June 30, 2020	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	784.10	6,184.54
Adjustments for:		
Interest on income tax	-	0.88
Depreciation and amortization	15.50	88.33
Share based payment to employees	27.60	41.64
Provision for gratuity	3.41	10.41
Finance cost on Lease Liability	3.57	14.37
Net (gain)/ loss on derecognition of property, plant and equipment	-	-
Impairment on financial instruments and other provisions	1,114.66	2,735.72
Net gain on fair value changes	(44.57)	(45.96)
Other provisions and write offs	10.89	29.24
Operating profit before working capital changes	1,915.15	9,059.17
Movements in working capital :		
Increase / (decrease) in other financial liabilities	(658.78)	1,713.86
Increase / (decrease) in other non financial liabilities	(92.43)	76.60
Increase / (decrease) in provisions	(0.15)	(3.53)
(Increase)/ decrease in bank balances other than cash and cash equivalents	(129.34)	56.81
(Increase)/ decrease in trade receivables	134.08	(188.19)
(Increase)/ decrease in other financial assets	(0.24)	(2,329.73)
(Increase)/ decrease in loans	(234.95)	(8,569.97)
(Increase)/ decrease in other non financial assets	31.17	17.28
Cash used in operations	964.50	(167.70)
Income taxes paid	(3.14)	(184.00)
Net cash generated/ (used) in operating activities (A)	961.36	(351.70)
Cash flow from investing activities		
Purchase of property, plant and equipment	(12.76)	(45.63)
Purchase of intangible assets	-	(0.02)
Proceeds from derecognition of property, plant and equipment	-	-
Purchase of investments	(7,095.10)	(72,432.21)
Proceeds from sale of investments	11,970.26	67,604.54
Investment in subsidiary (net of cash acquired)	-	-
Net cash generated/ (used) in investing activities (B)	4,862.39	(4,873.32)
Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	3,925.59
Balance subscription of optionally convertible redeemable preference shares (all series)	-	-
Proceeds from issue of share warrants (including securities premium)	-	-
Dividend paid on compulsory convertible preference shares (all series)	-	-
Debt securities (net)	9.36	(5,943.36)
Payment of Lease Liability	(3.86)	(15.42)
Borrowings (other than debt securities) (net)	1,072.22	6,518.52
Subordinated liabilities (net)	(1.64)	0.34
Share issue expenses	0.05	(150.46)
Net cash generated/ (used) in financing activities (C)	1,076.13	4,335.21
Net increase / (decrease) in cash and cash equivalents (A + B + C)	6,899.88	(889.81)
Add: Cash and cash equivalents at the beginning of the year	596.31	1,486.12
Cash and cash equivalents at the end of the year	7,496.19	596.31



Spandana Sphoorty Financial Limited
Standalone Balance Sheet as at June 30, 2020

(Rupees in millions unless otherwise stated)

	Notes	As at June 30, 2020	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	7,597.83	536.19
Bank balances other than cash and cash equivalents	5	2,100.26	1,970.99
Trade receivables	6	89.61	223.68
Loans	7	46,161.30	46,844.86
Investments	8	647.01	5,498.55
Other financial assets	9	3,701.28	3,859.43
Subtotal - Financial assets		60,297.29	58,933.70
Non-financial assets			
Current tax assets (net)	10	149.38	149.38
Deferred tax assets (net)	11	316.99	69.03
Property, plant and equipment	12	150.53	151.43
Intangible assets	12	11.54	12.84
Other non-financial assets	13	77.53	101.46
Subtotal - Non-financial assets		705.97	484.14
Total assets		61,003.26	59,417.84
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	14	7,785.65	7,776.28
Borrowings (other than debt securities)	14	23,291.36	22,184.11
Subordinated liabilities	14	201.64	201.67
Other financial liabilities	15	1,709.69	2,255.73
Subtotal - Financial liabilities		32,988.34	32,417.79
Non-financial liabilities			
Current tax liabilities (net)	16	1,050.14	596.69
Provisions	17	22.35	27.58
Other non-financial liabilities	18	207.69	294.40
Subtotal - Non-financial liabilities		1,280.18	918.67
EQUITY			
Equity share capital	19	643.15	643.15
Other equity	20	26,091.59	25,438.23
Subtotal - Equity		26,734.74	26,081.38
Total liabilities and equity		61,003.26	59,417.84



Spandana Sphoorty Financial Limited
Standalone Profit and Loss statement for the Period ended June 30, 2020

(Rupees in millions unless otherwise stated)

	Notes	For period ended June 30, 2020	For year ended March 31, 2020
Revenue from operations			
Interest income	21	3,030.06	11,454.46
Commission and Incentive Income		-	351.12
Net gain on fair value changes	22	154.25	2,184.03
Others	23	6.52	105.25
Total revenue from operations		3,190.83	14,094.86
Other income	24	6.66	319.28
Total income		3,197.49	14,414.14
Expenses			
Finance cost	25	847.33	3,541.11
Impairment on financial instruments and other provisions	26	1,114.42	2,728.96
Employee benefits expense	27	405.29	1,669.70
Depreciation and amortization expense	12	14.94	87.42
Other expenses	28	88.45	405.55
Total expenses		2,470.43	8,432.74
Profit before tax		727.06	5,981.40
Tax expense:	29		
Current tax		458.27	653.54
Deferred tax		(278.69)	1,960.92
Income tax expense		179.58	2,614.46
Profit for the year		547.48	3,366.94
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		8.39	(17.38)
Income tax effect		(2.11)	4.37
Items that will be reclassified subsequently to profit or loss			
Fair value gain on loans		106.28	12.11
Income tax effect		(26.75)	(3.05)
Total comprehensive income for the year		633.29	3,362.99
Earnings per share (equity share, par value of Rs.10 each)			
Computed on the basis of total profit for the year			
Basic	30	8.51	53.85
Diluted	30	8.47	53.40
Nominal value		10.00	10.00



Spandanva Spoority Financial Limited
Standalone Cash Flow Statement for the period ended June 30, 2020

(Rupees in millions unless otherwise stated)

Particulars	For year ended June 30, 2020	For year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	727.06	5,981.40
Adjustments for:		
Depreciation and amortization	14.94	87.42
Share based payment to employees	27.52	41.07
Provision for gratuity	3.15	10.20
Finance cost on Lease Liability	3.57	14.37
Impairment on financial instruments and other provisions	1,114.42	2,728.96
Net gain on fair value changes	(44.31)	(44.76)
Other provisions and write offs	10.73	29.13
Operating profit before working capital changes	1,857.10	8,847.79
Movements in working capital:		
Increase / (decrease) in other financial liabilities	(545.76)	1,707.33
Increase / (decrease) in provisions	(0.00)	(3.42)
Increase / (decrease) in other non financial liabilities	(86.71)	70.97
(Increase) / decrease in bank balances other than cash and cash equivalents	(129.27)	57.11
(Increase) / decrease in trade receivables	134.08	(188.19)
(Increase) / decrease in loans	(324.58)	(7,907.82)
(Increase) / decrease in other financial assets	147.41	(3,027.22)
(Increase) / decrease in other non financial assets	23.93	25.55
Cash used in operations	1,076.19	(417.90)
Income taxes paid	(10.50)	(118.77)
Net cash generated/(used) in operating activities (A)	1,065.69	(536.67)
Cash flow from investing activities		
Purchase of property, plant and equipment	(12.78)	(45.00)
Purchase of intangible assets	-	(0.02)
Proceeds from derecognition of property, plant and equipment	0.01	-
Purchase of investments	(7,053.00)	(72,390.11)
Sale of investments	11,948.96	67,583.24
Net cash generated/(used) in investing activities (B)	4,883.19	(4,851.89)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	3,925.59
Debt securities (net)	9.36	(5,943.36)
Payment of Lease liability	(3.86)	(15.42)
Borrowings (other than debt securities) (net)	1,107.24	6,654.22
Subordinated liabilities (net)	(0.02)	0.11
Share issue expenses	0.05	(150.46)
Net generated/(used) in financing activities (C)	1,112.77	4,470.68
Net increase / (decrease) in cash and cash equivalents (A + B + C)	7,061.65	(917.88)
Cash and cash equivalents at the beginning of the year	536.19	1,454.07
Cash and cash equivalents at the end of the year	7,597.84	536.19



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Spandana Sphoorty Financial Limited
Consolidated Balance Sheet as at March 31, 2020

(Rupees in millions unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
ASSETS		
Financial assets		
Cash and cash equivalents	596.31	1,486.12
Bank balances other than cash and cash equivalents	1,975.05	2,031.86
Trade receivables	223.68	35.49
Loans	48,523.95	42,677.59
Investments	4,874.62	1.00
Other financial assets	2,904.96	604.47
Subtotal - Total financial assets	59,098.56	46,836.53
Non-financial assets		
Current tax assets (net)	153.13	83.37
Deferred tax assets (net)	70.32	1,999.79
Property, plant and equipment	152.28	71.74
Intangible assets	13.31	22.21
Goodwill	173.74	173.74
Other non-financial assets	112.43	129.69
Subtotal - Total non-financial assets	675.21	2,480.54
Total assets	59,773.77	49,317.07
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	7,776.28	13,719.64
Borrowings (other than debt securities)	22,273.34	15,754.79
Subordinated liabilities	203.28	202.94
Other financial liabilities	2,271.90	444.85
Subtotal - Total financial liabilities	32,524.80	30,122.22
Non-financial liabilities		
Current tax liabilities (net)	647.07	62.83
Provisions	28.00	3.59
Other non-financial liabilities	301.45	224.85
Subtotal - Total non-financial liabilities	976.52	291.27
EQUITY		
Equity share capital	643.15	596.34
Other equity	25,616.39	18,298.02
Equity attributable to shareholders of the company	26,259.55	18,894.36
Non controlling interest	12.92	9.22
Subtotal - Total Equity	26,272.46	18,903.58
Total liabilities and equity	59,773.78	49,317.07



Spandana Sphoorty Financial Limited
Consolidated Profit and Loss statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2020	For year ended March 31, 2019
Revenue from operations		
Interest income	11,691.94	9,978.74
Commission and Incentive Income	370.56	150.12
Net gain on fair value changes	2,185.23	266.76
Others	105.25	35.34
Total revenue from operations	14,352.98	10,430.96
Other income	342.08	54.33
Total income	14,695.06	10,485.29
Expenses		
Finance cost	3,563.35	3,578.65
Impairment on financial instruments and other provisions	2,735.72	453.01
Employee benefit expenses	1,707.47	1,310.46
Depreciation and amortization expense	88.33	69.66
Other expenses	415.65	338.80
Total expenses	8,510.52	5,750.58
Profit before tax	6,184.54	4,734.71
Tax expense:		
Current tax	705.16	12.88
Deferred tax	1,961.09	1,602.84
Income tax expense	2,666.25	1,615.72
Profit for the year	3,518.29	3,118.99
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(17.52)	(2.94)
Income tax effect	4.41	1.03
Items that will be reclassified subsequently to profit or loss		
Fair Value gain on loan portfolio	12.11	688.80
Income tax effect	(3.05)	(240.69)
Total comprehensive income for the year	3,514.24	3,565.19
Profit for the year attributable to:		
Shareholders of the company	3,514.59	3,118.24
Non-controlling interests	3.70	0.76
Total comprehensive income for the year attributable to:	3,518.29	3,119.00
Shareholders of the company	3,510.55	3,564.43
Non-controlling interests	3.70	0.76
Earnings per share (equity share, par value of Rs.10 each)		
Computed on the basis of total profit for the year		
Basic	56.21	53.46
Diluted	55.74	53.35
Nominal Value (in Rs.)	10.00	10.00



Spandana Sphoorty Financial Limited
Consolidated Cash Flow Statment for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	6,184.54	4,734.71
Adjustments for:		
Interest on income tax	0.88	3.15
Depreciation and amortization	88.33	69.66
Share based payment to employees	41.64	41.25
Provision for gratuity	10.41	4.01
Finance cost on Lease Liability	14.37	-
Net (gain)/ loss on derecognition of property, plant and equipment	-	0.37
Impairment on financial instruments and other provisions	2,735.72	453.00
Net gain on fair value changes	(45.96)	(110.63)
Other provisions and write offs	29.24	23.51
Operating profit before working capital changes	9,059.18	5,219.03
Movements in working capital :		
Increase / (decrease) in other financial liabilities	1,713.86	285.30
Increase / (decrease) in other non financial liabilities	76.60	42.73
Increase / (decrease) in provisions	(3.52)	(7.68)
(Increase) / decrease in bank balances other than cash and cash equivalents	56.81	(977.74)
(Increase) / decrease in trade receivables	(188.19)	(10.46)
(Increase) / decrease in other financial assets	(2,329.73)	31.63
(Increase) / decrease in loans	(8,569.97)	(10,070.52)
(Increase) / decrease in other non financial assets	17.28	(109.85)
Cash used in operations	(167.70)	(5,597.56)
Income taxes paid	(184.00)	(135.88)
Net cash generated/ (used) in operating activities (A)	(351.69)	(5,733.44)
Cash flow from investing activities		
Purchase of property, plant and equipment	(45.63)	(69.56)
Purchase of intangible assets	(0.02)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.08
Purchase of investments	(72,432.21)	(67,585.20)
Proceeds from sale of investments	67,604.54	67,695.83
Investment in subsidiary (net of cash acquired)	-	(360.95)
Net cash generated/ (used) in investing activities (B)	(4,873.32)	(327.80)
Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	3,925.59	501.00
Balance subscription of optionally convertible redeemable preference shares (all series) (including securities premium)	-	532.31
Proceeds from issue of share warrants (including securities premium)	-	349.03
Dividend paid on compulsory convertible preference shares (all series)	-	(0.13)
Payment of Lease Liability	(15.42)	-
Debt securities (net)	(5,943.36)	3,572.51
Borrowings (other than debt securities) (net)	6,518.52	1,664.56
Subordinated liabilities (net)	0.34	(117.29)
Share issue expenses	(150.46)	-
Net cash generated/ (used) from financing activities (C)	4,335.21	6,501.99
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(889.80)	440.75
Add: Cash and cash equivalents at the beginning of the year	1,486.11	1,045.36
Cash and cash equivalents at the end of the year	596.31	1,486.11



Spandana Sphoorty Financial Limited
Standalone Balance Sheet as at March 31, 2020

(Rupees in millions unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
ASSETS		
Financial assets		
Cash and cash equivalents	536.19	1,454.07
Bank balances other than cash and cash equivalents	1,970.99	2,028.09
Trade receivables	223.68	35.49
Loans	46,844.86	41,653.89
Investments	5,498.55	646.35
Other financial assets	3,859.43	861.35
Subtotal - Total financial assets	58,933.71	46,679.24
Non-financial assets		
Current tax assets (net)	149.38	83.37
Deferred tax assets (net)	69.03	1,998.36
Property, plant and equipment	151.43	70.86
Intangible assets	12.84	21.53
Other non-financial assets	101.46	127.01
Subtotal - Total non-financial assets	484.13	2,301.13
Total assets	59,417.84	48,980.37
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	7,776.28	13,719.64
Borrowings (other than debt securities)	22,184.11	15,529.89
Subordinated liabilities	201.67	201.56
Other financial liabilities	2,255.73	435.21
Subtotal - Total financial liabilities	32,417.79	29,886.30
Non-financial liabilities		
Current tax liabilities (net)	596.69	3.48
Provisions	27.58	3.42
Other non-financial liabilities	294.40	223.43
Subtotal - Total non-financial liabilities	918.67	230.33
EQUITY		
Equity share capital	643.15	596.34
Other equity	25,438.23	18,267.40
Subtotal - Total equity	26,081.38	18,863.74
Total liabilities and equity	59,417.84	48,980.37



Spandana Sphoorty Financial Limited
Standalone Profit and Loss statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2020	For year ended March 31, 2019
Revenue from operations		
Interest income	11,454.46	9,914.42
Commission and Incentive Income	351.12	147.59
Net gain on fair value changes	2,184.03	265.70
Others	105.25	35.10
Total revenue from operations	14,094.86	10,362.81
Other income	319.28	54.27
Total income	14,414.14	10,417.08
Expenses		
Finance cost	3,541.11	3,564.71
Impairment on financial instruments and other provisions	2,728.96	454.17
Employee benefits expense	1,669.70	1,299.89
Depreciation and amortization expense	87.42	69.19
Other expenses	405.55	335.31
Total expenses	8,432.74	5,723.27
Profit before tax	5,981.40	4,693.81
Tax expense:		
Current tax	653.54	3.48
Deferred tax	1,960.92	1,602.85
Income tax expense	2,614.46	1,606.33
Profit for the year	3,366.94	3,087.48
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(17.38)	(3.07)
Income tax effect	4.37	1.07
Items that will be reclassified subsequently to profit or loss		
Fair value gain on loan portfolio	12.11	688.80
Income tax effect	(3.05)	(240.69)
Total comprehensive income for the year	3,362.99	3,533.59
Earnings per share (equity share, par value of Rs.10 each)		
Computed on the basis of total profit for the year		
Basic	53.85	52.92
Diluted	53.40	52.81
Nominal value	10.00	10.00



Spandana Sphoorty Financial Limited
Standalone Cash Flow Statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	5,981.40	4,693.81
Adjustments for:		
Interest on income tax	-	1.15
Depreciation and amortization	87.42	69.19
Share based payment to employees	41.07	41.14
Provision for gratuity	10.20	3.95
Finance cost on Lease Liability	14.37	-
Net gain on derecognition of property, plant and equipment	-	(0.03)
Impairment on financial instruments and other provisions	2,728.96	454.17
Net gain on fair value changes	(44.76)	(109.57)
Other provisions and write offs	29.13	23.61
Operating profit before working capital changes	8,847.79	5,177.42
Movements in working capital :		
Increase / (decrease) in other financial liabilities	1,707.33	290.10
Increase / (decrease) in provisions	(3.42)	(7.50)
Increase / (decrease) in other non financial liabilities	70.97	43.12
(Increase) / decrease in bank balances other than cash and cash equivalents	57.11	(995.63)
(Increase) / decrease in trade receivables	(188.19)	(9.95)
(Increase) / decrease in loans	(7,907.82)	(10,522.94)
(Increase) / decrease in other financial assets	(3,027.22)	(225.23)
(Increase) / decrease in other non financial assets	25.55	(111.54)
Cash used in operations	(417.89)	(6,362.14)
Income taxes paid	(118.77)	(135.61)
Net cash used in operating activities (A)	(536.66)	(6,497.75)
Cash flow from investing activities		
Purchase of property, plant and equipment	(45.00)	(69.07)
Purchase of intangible assets	(0.02)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.08
Purchase of investments	(72,390.11)	(67,585.20)
Sale of investments	67,583.24	67,694.76
Investment in subsidiary	-	(625.35)
Net cash used in investing activities (B)	(4,851.89)	(592.78)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	3,925.59	501.00
Balance subscription of optionally convertible redeemable preference shares (all series)	-	532.31
Proceeds from issue of Share Warrants (including securities premium)	-	349.03
Dividend paid on compulsory convertible preference shares (all series)	-	(0.13)
Debt securities (net)	(5,943.36)	3,572.51
Payment of Lease liability	(15.42)	-
Borrowings (other than debt securities) (net)	6,654.22	2,564.81
Subordinated liabilities (net)	0.11	0.01
Share issue expenses	(150.46)	-
Net cash from financing activities (C)	4,470.68	7,519.54
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(917.88)	429.00
Cash and cash equivalents at the beginning of the year	1,454.07	1,025.07
Cash and cash equivalents at the end of the year	536.19	1,454.07



Spandana Sphoorty Financial Limited
Consolidated Balance Sheet as at March 31, 2019

(Rupees in millions unless otherwise stated)

	As At March 31, 2019	As At March 31, 2018
ASSETS		
Financial assets		
Cash and cash equivalents	1,486.12	1,045.36
Bank balances other than cash and cash equivalents	2,031.86	1,032.47
Trade receivables	35.49	25.03
Loan portfolio	42,677.59	30,896.26
Investments	1.00	1.00
Other financial assets	604.47	659.60
Total financial assets	46,836.53	33,659.72
Non-financial assets		
Current tax assets (net)	83.37	41.86
Deferred tax assets (net)	1,999.79	3,840.84
Property, plant and equipment	71.74	58.54
Intangible assets	22.21	26.03
Goodwill	173.74	-
Other non-financial assets	129.69	15.48
Total non-financial assets	2,480.54	3,982.75
Total assets	49,317.07	37,642.47
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	13,719.64	10,147.13
Borrowings (other than debt securities)	15,754.79	12,965.08
Subordinated liabilities	202.94	201.55
Other financial liabilities	444.85	145.14
Total financial liabilities	30,122.22	23,458.90
Non-financial liabilities		
Current tax liabilities (net)	62.83	92.98
Provisions	3.59	3.90
Other non-financial liabilities	224.85	180.33
Total non-financial liabilities	291.27	277.21
EQUITY		
Equity share capital	596.34	297.56
Other equity	18,298.02	13,608.80
Equity attributable to shareholders of the company	18,894.36	13,906.36
Non controlling interest	9.22	-
Total Equity	18,903.58	13,906.36
Total liabilities and equity	49,317.07	37,642.47



Spandana Sphoorty Financial Limited

Consolidated Profit and Loss statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations		
Interest income	9,978.74	5,730.41
Commission income	150.12	39.75
Net gain on fair value changes	266.76	42.15
Others	35.34	60.75
Total revenue from operations	10,430.96	5,873.06
Other income	54.33	2.25
Total income	10,485.29	5,875.31
Expenses		
Finance cost	3,578.65	2,317.91
Impairment on financial instruments	453.00	(354.09)
Employee benefit expenses	1,310.46	758.71
Depreciation and amortization expense	69.66	57.24
Other expenses	338.80	268.53
Total expenses	5,750.57	3,048.30
Profit before tax	4,734.72	2,827.01
Tax expense:		
Current tax	12.88	573.43
Deferred tax	1,602.84	374.12
Income tax expense	1,615.72	947.55
Profit for the year	3,119.00	1,879.46
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(2.94)	(0.42)
Income tax effect	1.03	0.14
Items that will be reclassified subsequently to profit or loss		
Fair Value gain on loan portfolio	688.80	-
Income tax effect	(240.69)	-
Total other comprehensive income for the year	446.20	(0.28)
Total comprehensive income for the year	3,565.20	1,879.18
Profit for the year attributable to:		
Shareholders of the company	3,118.24	1,879.46
Non-controlling interests	0.76	-
	3,119.00	1,879.46
Total comprehensive income for the year attributable to:		
Shareholders of the company	3,564.44	1,879.18
Non-controlling interests	0.76	-
	3,565.20	1,879.18
Earnings per share (equity share, par value of Rs.10 each)		
Computed on the basis of total profit for the year		
Basic	53.46	42.52
Diluted	53.35	42.51
Nominal Value (in Rs.)	10.00	10.00

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Spandana Sphoorty Financial Limited
Consolidated Cash Flow Statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	4,734.72	2,827.01
Adjustments for:		
Interest on income tax	3.15	24.40
Depreciation and amortization	69.66	57.24
Share based payment to employees	41.25	-
Provision for gratuity	4.01	4.05
Net (gain)/ loss on derecognition of property, plant and equipment	0.37	(0.40)
Impairment on financial instruments	453.00	(354.09)
Net gain on fair value changes	(110.63)	(15.84)
Other provisions and write offs	23.51	19.06
Operating profit before working capital changes	5,219.04	2,561.43
Movements in working capital:		
Increase / (decrease) in other financial liabilities	285.30	(114.38)
Increase / (decrease) in other non financial liabilities	42.73	5.78
Increase / (decrease) in provisions	(7.68)	(6.55)
(Increase) / decrease in bank balances other than cash and cash equivalents	(977.74)	(1,009.39)
(Increase) / decrease in trade receivables	(10.46)	(10.39)
(Increase) / decrease in other financial assets	31.63	(661.24)
(Increase) / decrease in loan portfolio	(10,070.52)	(18,596.70)
(Increase) / decrease in other non financial assets	(109.85)	16.25
Cash used in operations	(5,597.55)	(17,815.19)
Income taxes paid	(135.88)	(735.74)
Net cash generated/ (used) in operating activities (A)	(5,733.43)	(18,550.93)
Cash flow from investing activities		
Purchase of property, plant and equipment	(69.56)	(34.87)
Purchase of intangible assets	(8.00)	(16.93)
Proceeds from derecognition of property, plant and equipment	0.08	0.48
Purchase of investments	(67,585.20)	(34,856.79)
Proceeds from sale of investments	67,695.83	34,872.64
Investment in subsidiary (net of cash acquired)	(360.95)	-
Net cash generated/ (used) in investing activities (B)	(327.80)	(35.47)
Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	501.00	307.87
Balance subscription of optionally convertible redeemable preference shares (all series) (including securities premium)	532.31	2,442.13
Proceeds from issue of share warrants (including securities premium)	349.03	1.49
Dividend paid on compulsory convertible preference shares (all class)	(0.13)	-
Debt securities (net)	3,572.51	10,147.13
Borrowings (other than debt securities) (net)	1,664.56	3,640.51
Subordinated liabilities (net)	(117.29)	191.46
Net cash generated/ (used) from financing activities (C)	6,501.99	16,730.59
Net increase / (decrease) in cash and cash equivalents (A + B + C)	440.76	(1,855.81)
Add: Cash and cash equivalents at the beginning of the year	1,045.36	2,901.17
Cash and cash equivalents at the end of the year (refer note 4)	1,486.12	1,045.36



Spandana Sphoorty Financial Limited
Standalone Balance Sheet as at March 31, 2019

(Rupees in millions unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
ASSETS		
Financial assets		
Cash and cash equivalents	1,454.07	1,025.07
Bank balances other than cash and cash equivalents	2,028.09	1,032.47
Trade receivables	35.49	25.54
Loan portfolio	41,653.89	30,896.26
Investments	646.35	21.00
Other financial assets	861.35	659.59
Total financial assets	46,679.24	33,659.93
Non-financial assets		
Current tax assets (net)	83.37	41.86
Deferred tax assets (net)	1,998.36	3,840.84
Property, plant and equipment	70.86	58.54
Intangible assets	21.53	26.03
Other non-financial assets	127.01	15.47
Total non-financial assets	2,301.13	3,982.74
Total assets	48,980.37	37,642.67
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	13,719.64	10,147.13
Borrowings (other than debt securities)	15,529.89	12,965.08
Subordinated liabilities	201.56	201.55
Other financial liabilities	435.21	145.14
Total financial liabilities	29,886.30	23,458.90
Non-financial liabilities		
Current tax liabilities (net)	3.48	92.96
Provisions	3.42	3.90
Other non-financial liabilities	223.43	180.31
Total non-financial liabilities	230.33	277.17
EQUITY		
Equity share capital	596.34	297.56
Other equity	18,267.40	13,609.04
Total equity	18,863.74	13,906.60
Total liabilities and equity	48,980.37	37,642.67



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Spandana Sphoorty Financial Limited
Standalone Profit and Loss statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2019	For year ended March 31, 2018
Revenue from operations		
Interest income	9,914.42	5,730.09
Commission income	147.59	39.75
Net gain on fair value changes	265.70	42.15
Others	35.10	60.75
Total revenue from operations	10,362.81	5,872.74
Other income	54.27	2.25
Total income	10,417.08	5,874.99
Expenses		
Finance cost	3,564.71	2,317.91
Impairment on financial instruments	454.17	(354.09)
Employee benefit expenses	1,299.89	758.71
Depreciation and amortization expense	69.19	57.24
Other expenses	335.31	268.01
Total expenses	5,723.27	3,047.78
Profit before tax	4,693.81	2,827.21
Tax expense:		
Current tax	3.48	573.37
Deferred tax	1,602.85	374.13
Income tax expense	1,606.33	947.50
Profit for the year	3,087.48	1,879.71
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(3.07)	(0.42)
Income tax effect	1.07	0.14
Items that will be reclassified subsequently to profit or loss		
Fair value gain on loan portfolio	688.80	-
Income tax effect	(240.69)	-
Total comprehensive income for the year	3,533.59	1,879.43
Earnings per share (equity share, par value of Rs.10 each)		
Computed on the basis of total profit for the year		
Basic	52.92	42.52
Diluted	52.81	42.51
Nominal value	10.00	10.00



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Spandana Sphoorty Financial Limited
Standalone Cash Flow Statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2019	For year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	4,693.81	2,827.20
Adjustments for:		
Interest on income tax	1.15	24.40
Depreciation and amortization	69.19	57.25
Share based payment to employees	41.14	-
Provision for gratuity	3.95	4.05
Net gain on derecognition of property, plant and equipment	(0.03)	(0.40)
Impairment on financial instruments	454.17	(354.09)
Net gain on fair value changes	(265.70)	(15.84)
Other provisions and write offs	23.61	19.06
Operating profit before working capital changes	5,021.29	2,561.63
Movements in working capital :		
Increase / (decrease) in other financial liabilities	290.10	(114.65)
Increase / (decrease) in provisions	82.62	131.61
Increase / (decrease) in other non financial liabilities	43.12	5.78
(Increase) / decrease in bank balances other than cash and cash equivalents	(995.63)	(1,009.37)
(Increase) / decrease in trade receivables	(9.95)	(10.90)
(Increase) / decrease in other current tax assets	(130.98)	(138.14)
(Increase) / decrease in loan portfolio	(10,763.54)	(18,596.70)
(Increase) / decrease in other financial assets	(225.23)	(661.22)
(Increase) / decrease in other non financial assets	(111.54)	16.26
(Increase) / decrease in deferred tax asset	239.63	-
Cash used in operations	(6,560.11)	(17,815.70)
Income taxes paid	(92.53)	(735.50)
Net cash used in operating activities (A)	(6,652.64)	(18,551.20)
Cash flow from investing activities		
Purchase of property, plant and equipment	(70.33)	(34.87)
Purchase of intangible assets	(8.00)	(16.93)
Proceeds from derecognition of property, plant and equipment	0.08	0.48
Purchase of investments	(67,585.20)	(34,856.79)
Sale of investments	67,585.20	34,856.79
Purchase of non current investments	(625.35)	(20.00)
Net gain on fair value changes	265.70	15.84
Net cash used in investing activities (B)	(437.90)	(55.48)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	501.00	307.87
Balance subscription of optionally convertible redeemable preference shares (all series)	532.31	2,442.13
Proceeds from issue of share warrants	349.03	1.49
Dividend paid on compulsory convertible preference shares (all class)	(0.13)	-
Debt securities (net)	3,572.51	10,147.13
Borrowings (other than debt securities) (net)	2,564.81	3,640.51
Subordinated liabilities (net)	0.01	191.46
Net cash from financing activities (C)	7,519.54	16,730.59
Net increase / (decrease) in cash and cash equivalents (A + B + C)	429.00	(1,876.09)
Cash and cash equivalents at the beginning of the year	1,025.07	2,901.17
Cash and cash equivalents at the end of the year (refer note 4)	1,454.07	1,025.07



Spandana Sphoorty Financial Limited
Consolidated Cash Flow Statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	6,184.54	4,734.71
Adjustments for:		
Interest on income tax	0.88	3.15
Depreciation and amortization	88.33	69.66
Share based payment to employees	41.64	41.25
Provision for gratuity	10.41	4.01
Finance cost on Lease Liability	14.37	-
Net (gain)/ loss on derecognition of property, plant and equipment	-	0.37
Impairment on financial instruments and other provisions	2,735.72	453.00
Net gain on fair value changes	(45.96)	(110.63)
Other provisions and write offs	29.24	23.51
Operating profit before working capital changes	9,059.18	5,219.03
Movements in working capital :		
Increase / (decrease) in other financial liabilities	1,713.86	285.30
Increase / (decrease) in other non financial liabilities	76.60	42.73
Increase / (decrease) in provisions	(3.52)	(7.68)
(Increase) / decrease in bank balances other than cash and cash equivalents	56.81	(977.74)
(Increase) / decrease in trade receivables	(188.19)	(10.46)
(Increase) / decrease in other financial assets	(2,329.73)	31.63
(Increase) / decrease in loans	(8,569.97)	(10,070.52)
(Increase) / decrease in other non financial assets	17.28	(109.85)
Cash used in operations	(167.70)	(5,597.56)
Income taxes paid	(184.00)	(135.88)
Net cash generated/ (used) in operating activities (A)	(351.69)	(5,733.44)
Cash flow from investing activities		
Purchase of property, plant and equipment	(45.63)	(69.56)
Purchase of intangible assets	(0.02)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.08
Purchase of investments	(72,432.21)	(67,585.20)
Proceeds from sale of investments	67,604.54	67,695.83
Investment in subsidiary (net of cash acquired)	-	(360.95)
Net cash generated/ (used) in investing activities (B)	(4,873.32)	(327.80)
Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	3,925.59	501.00
Balance subscription of optionally convertible redeemable preference shares (all series) (including securities premium)	-	532.31
Proceeds from issue of share warrants (including securities premium)	-	349.03
Dividend paid on compulsory convertible preference shares (all series)	-	(0.13)
Payment of Lease Liability	(15.42)	-
Debt securities (net)	(5,943.36)	3,572.51
Borrowings (other than debt securities) (net)	6,518.52	1,664.56
Subordinated liabilities (net)	0.34	(117.29)
Share issue expenses	(150.46)	-
Net cash generated/ (used) from financing activities (C)	4,335.21	6,501.99
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(889.80)	440.75
Add: Cash and cash equivalents at the beginning of the year	1,486.11	1,045.36
Cash and cash equivalents at the end of the year	596.31	1,486.11



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Spandana Sphoorty Financial Limited
Standalone Balance Sheet as at March 31, 2020

(Rupees in millions unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
ASSETS		
Financial assets		
Cash and cash equivalents	536.19	1,454.07
Bank balances other than cash and cash equivalents	1,970.99	2,028.09
Trade receivables	223.68	35.49
Loans	46,844.86	41,653.89
Investments	5,498.55	646.35
Other financial assets	3,859.43	861.35
Subtotal - Total financial assets	58,933.71	46,679.24
Non-financial assets		
Current tax assets (net)	149.38	83.37
Deferred tax assets (net)	69.03	1,998.36
Property, plant and equipment	151.43	70.86
Intangible assets	12.84	21.53
Other non-financial assets	101.46	127.01
Subtotal - Total non-financial assets	484.13	2,301.13
Total assets	59,417.84	48,980.37
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	7,776.28	13,719.64
Borrowings (other than debt securities)	22,184.11	15,529.89
Subordinated liabilities	201.67	201.56
Other financial liabilities	2,255.73	435.21
Subtotal - Total financial liabilities	32,417.79	29,886.30
Non-financial liabilities		
Current tax liabilities (net)	596.69	3.48
Provisions	27.58	3.42
Other non-financial liabilities	294.40	223.43
Subtotal - Total non-financial liabilities	918.67	230.33
EQUITY		
Equity share capital	643.15	596.34
Other equity	25,438.23	18,267.40
Subtotal - Total equity	26,081.38	18,863.74
Total liabilities and equity	59,417.84	48,980.37



Spandana Sphoorty Financial Limited
Standalone Profit and Loss statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2020	For year ended March 31, 2019
Revenue from operations		
Interest income	11,454.46	9,914.42
Commission and Incentive Income	351.12	147.59
Net gain on fair value changes	2,184.03	265.70
Others	105.25	35.10
Total revenue from operations	14,094.86	10,362.81
Other income	319.28	54.27
Total income	14,414.14	10,417.08
Expenses		
Finance cost	3,541.11	3,564.71
Impairment on financial instruments and other provisions	2,728.96	454.17
Employee benefits expense	1,669.70	1,299.89
Depreciation and amortization expense	87.42	69.19
Other expenses	405.55	335.31
Total expenses	8,432.74	5,723.27
Profit before tax	5,981.40	4,693.81
Tax expense:		
Current tax	653.54	3.48
Deferred tax	1,960.92	1,602.85
Income tax expense	2,614.46	1,606.33
Profit for the year	3,366.94	3,087.48
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(17.38)	(3.07)
Income tax effect	4.37	1.07
Items that will be reclassified subsequently to profit or loss		
Fair value gain on loan portfolio	12.11	688.80
Income tax effect	(3.05)	(240.69)
Total comprehensive income for the year	3,362.99	3,533.59
Earnings per share (equity share, par value of Rs.10 each)		
Computed on the basis of total profit for the year		
Basic	53.85	52.92
Diluted	53.40	52.81
Nominal value	10.00	10.00



Spandana Sphoorty Financial Limited
Standalone Cash Flow Statement for the year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	5,981.40	4,693.81
Adjustments for:		
Interest on income tax	-	1.15
Depreciation and amortization	87.42	69.19
Share based payment to employees	41.07	41.14
Provision for gratuity	10.20	3.95
Finance cost on Lease Liability	14.37	-
Net gain on derecognition of property, plant and equipment	-	(0.03)
Impairment on financial instruments and other provisions	2,728.96	454.17
Net gain on fair value changes	(44.76)	(109.57)
Other provisions and write offs	29.13	23.61
Operating profit before working capital changes	8,847.79	5,177.42
Movements in working capital :		
Increase / (decrease) in other financial liabilities	1,707.33	290.10
Increase / (decrease) in provisions	(3.42)	(7.50)
Increase / (decrease) in other non financial liabilities	70.97	43.12
(Increase) / decrease in bank balances other than cash and cash equivalents	57.11	(995.63)
(Increase) / decrease in trade receivables	(188.19)	(9.95)
(Increase) / decrease in loans	(7,907.82)	(10,522.94)
(Increase) / decrease in other financial assets	(3,027.22)	(225.23)
(Increase) / decrease in other non financial assets	25.55	(111.54)
Cash used in operations	(417.89)	(6,362.14)
Income taxes paid	(118.77)	(135.61)
Net cash used in operating activities (A)	(536.66)	(6,497.75)
Cash flow from investing activities		
Purchase of property, plant and equipment	(45.00)	(69.07)
Purchase of intangible assets	(0.02)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.08
Purchase of investments	(72,390.11)	(67,585.20)
Sale of investments	67,583.24	67,694.76
Investment in subsidiary	-	(625.35)
Net cash used in investing activities (B)	(4,851.89)	(592.78)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	3,925.59	501.00
Balance subscription of optionally convertible redeemable preference shares (all series)	-	532.31
Proceeds from issue of Share Warrants (including securities premium)	-	349.03
Dividend paid on compulsory convertible preference shares (all series)	-	(0.13)
Debt securities (net)	(5,943.36)	3,572.51
Payment of Lease liability	(15.42)	-
Borrowings (other than debt securities) (net)	6,654.22	2,564.81
Subordinated liabilities (net)	0.11	0.01
Share issue expenses	(150.46)	-
Net cash from financing activities (C)	4,470.68	7,519.54
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(917.88)	429.00
Cash and cash equivalents at the beginning of the year	1,454.07	1,025.07
Cash and cash equivalents at the end of the year	536.19	1,454.07



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Spandana Sphoorty Financial Limited
Consolidated Balance Sheet as at March 31, 2019

(Rupees in millions unless otherwise stated)

	As At March 31, 2019	As At March 31, 2018
ASSETS		
Financial assets		
Cash and cash equivalents	1,486.12	1,045.36
Bank balances other than cash and cash equivalents	2,031.86	1,032.47
Trade receivables	35.49	25.03
Loan portfolio	42,677.59	30,896.26
Investments	1.00	1.00
Other financial assets	604.47	659.60
Total financial assets	46,836.53	33,659.72
Non-financial assets		
Current tax assets (net)	83.37	41.86
Deferred tax assets (net)	1,999.79	3,840.84
Property, plant and equipment	71.74	58.54
Intangible assets	22.21	26.03
Goodwill	173.74	-
Other non-financial assets	129.69	15.48
Total non-financial assets	2,480.54	3,982.75
Total assets	49,317.07	37,642.47
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	13,719.64	10,147.13
Borrowings (other than debt securities)	15,754.79	12,965.08
Subordinated liabilities	202.94	201.55
Other financial liabilities	444.85	145.14
Total financial liabilities	30,122.22	23,458.90
Non-financial liabilities		
Current tax liabilities (net)	62.83	92.98
Provisions	3.59	3.90
Other non-financial liabilities	224.85	180.33
Total non-financial liabilities	291.27	277.21
EQUITY		
Equity share capital	596.34	297.56
Other equity	18,298.02	13,608.80
Equity attributable to shareholders of the company	18,894.36	13,906.36
Non controlling interest	9.22	-
Total Equity	18,903.58	13,906.36
Total liabilities and equity	49,317.07	37,642.47



Spandana Sphoorty Financial Limited
Consolidated Profit and Loss statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations		
Interest income	9,978.74	5,730.41
Commission income	150.12	39.75
Net gain on fair value changes	266.76	42.15
Others	35.34	60.75
Total revenue from operations	10,430.96	5,873.06
Other income	54.33	2.25
Total income	10,485.29	5,875.31
Expenses		
Finance cost	3,578.65	2,317.91
Impairment on financial instruments	453.00	(354.09)
Employee benefit expenses	1,310.46	758.71
Depreciation and amortization expense	69.66	57.24
Other expenses	338.80	268.53
Total expenses	5,750.57	3,048.30
Profit before tax	4,734.72	2,827.01
Tax expense:		
Current tax	12.88	573.43
Deferred tax	1,602.84	374.12
Income tax expense	1,615.72	947.55
Profit for the year	3,119.00	1,879.46
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(2.94)	(0.42)
Income tax effect	1.03	0.14
Items that will be reclassified subsequently to profit or loss		
Fair Value gain on loan portfolio	688.80	-
Income tax effect	(240.69)	-
Total other comprehensive income for the year	446.20	(0.28)
Total comprehensive income for the year	3,565.20	1,879.18
Profit for the year attributable to:		
Shareholders of the company	3,118.24	1,879.46
Non-controlling interests	0.76	-
	3,119.00	1,879.46
Total comprehensive income for the year attributable to:		
Shareholders of the company	3,564.44	1,879.18
Non-controlling interests	0.76	-
	3,565.20	1,879.18
Earnings per share (equity share, par value of Rs.10 each)		
Computed on the basis of total profit for the year		
Basic	53.46	42.52
Diluted	53.35	42.51
Nominal Value (in Rs.)	10.00	10.00



Spandana Sphoorty Financial Limited
Consolidated Cash Flow Statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	4,734.72	2,827.01
Adjustments for:		
Interest on income tax	3.15	24.40
Depreciation and amortization	69.66	57.24
Share based payment to employees	41.25	-
Provision for gratuity	4.01	4.05
Net (gain)/ loss on derecognition of property, plant and equipment	0.37	(0.40)
Impairment on financial instruments	453.00	(354.09)
Net gain on fair value changes	(110.63)	(15.84)
Other provisions and write offs	23.51	19.06
Operating profit before working capital changes	5,219.04	2,561.43
Movements in working capital:		
Increase / (decrease) in other financial liabilities	285.30	(114.38)
Increase / (decrease) in other non financial liabilities	42.73	5.78
Increase / (decrease) in provisions	(7.68)	(6.55)
(Increase) / decrease in bank balances other than cash and cash equivalents	(977.74)	(1,009.39)
(Increase) / decrease in trade receivables	(10.46)	(10.39)
(Increase) / decrease in other financial assets	31.63	(661.24)
(Increase) / decrease in loan portfolio	(10,070.52)	(18,596.70)
(Increase) / decrease in other non financial assets	(109.85)	16.25
Cash used in operations	(5,597.55)	(17,815.19)
Income taxes paid	(155.88)	(735.74)
Net cash generated/ (used) in operating activities (A)	(5,733.43)	(18,550.93)
Cash flow from investing activities		
Purchase of property, plant and equipment	(69.56)	(34.87)
Purchase of intangible assets	(8.00)	(16.93)
Proceeds from derecognition of property, plant and equipment	0.08	0.48
Purchase of investments	(67,585.20)	(34,856.79)
Proceeds from sale of investments	67,695.83	34,872.64
Investment in subsidiary (net of cash acquired)	(360.95)	-
Net cash generated/ (used) in investing activities (B)	(327.80)	(35.47)
Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	501.00	307.87
Balance subscription of optionally convertible redeemable preference shares (all series) (including securities premium)	532.31	2,442.13
Proceeds from issue of share warrants (including securities premium)	349.03	1.49
Dividend paid on compulsory convertible preference shares (all class)	(0.13)	-
Debt securities (net)	3,572.51	10,147.13
Borrowings (other than debt securities) (net)	1,664.56	3,640.51
Subordinated liabilities (net)	(117.29)	191.46
Net cash generated/ (used) from financing activities (C)	6,501.99	16,730.59
Net increase / (decrease) in cash and cash equivalents (A + B + C)	440.76	(1,855.81)
Add: Cash and cash equivalents at the beginning of the year	1,045.36	2,901.17
Cash and cash equivalents at the end of the year (refer note 4)	1,486.12	1,045.36



Spandana Sphoorty Financial Limited
Standalone Balance Sheet as at March 31, 2019

(Rupees in millions unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
ASSETS		
Financial assets		
Cash and cash equivalents	1,454.07	1,025.07
Bank balances other than cash and cash equivalents	2,028.09	1,032.47
Trade receivables	35.49	25.54
Loan portfolio	41,653.89	30,896.26
Investments	646.35	21.00
Other financial assets	861.35	659.59
Total financial assets	46,679.24	33,659.93
Non-financial assets		
Current tax assets (net)	83.37	41.86
Deferred tax assets (net)	1,998.36	3,840.84
Property, plant and equipment	70.86	58.54
Intangible assets	21.53	26.03
Other non-financial assets	127.01	15.47
Total non-financial assets	2,301.13	3,982.74
Total assets	48,980.37	37,642.67
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Debt securities	13,719.64	10,147.13
Borrowings (other than debt securities)	15,529.89	12,965.08
Subordinated liabilities	201.56	201.55
Other financial liabilities	435.21	145.14
Total financial liabilities	29,886.30	23,458.90
Non-financial liabilities		
Current tax liabilities (net)	3.48	92.96
Provisions	3.42	3.90
Other non-financial liabilities	223.43	180.31
Total non-financial liabilities	230.33	277.17
EQUITY		
Equity share capital	596.34	297.56
Other equity	18,267.40	13,609.04
Total equity	18,863.74	13,906.60
Total liabilities and equity	48,980.37	37,642.67



Spandana Sphoorty Financial Limited

Standalone Profit and Loss statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2019	For year ended March 31, 2018
Revenue from operations		
Interest income	9,914.42	5,730.09
Commission income	147.59	39.75
Net gain on fair value changes	265.70	42.15
Others	35.10	60.75
Total revenue from operations	10,362.81	5,872.74
Other income	54.27	2.25
Total income	10,417.08	5,874.99
Expenses		
Finance cost	3,564.71	2,317.91
Impairment on financial instruments	454.17	(354.09)
Employee benefit expenses	1,299.89	758.71
Depreciation and amortization expense	69.19	57.24
Other expenses	335.31	268.01
Total expenses	5,723.27	3,047.78
Profit before tax	4,693.81	2,827.21
Tax expense:		
Current tax	3.48	573.37
Deferred tax	1,602.85	374.13
Income tax expense	1,606.33	947.50
Profit for the year	3,087.48	1,879.71
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(3.07)	(0.42)
Income tax effect	1.07	0.14
Items that will be reclassified subsequently to profit or loss		
Fair value gain on loan portfolio	688.80	-
Income tax effect	(240.69)	-
Total comprehensive income for the year	3,533.59	1,879.43
Earnings per share (equity share, par value of Rs.10 each)		
Computed on the basis of total profit for the year		
Basic	52.92	42.52
Diluted	52.81	42.51
Nominal value	10.00	10.00



Spandana Sphoorty Financial Limited
Standalone Cash Flow Statement for the year ended March 31, 2019

(Rupees in millions unless otherwise stated)

	For year ended March 31, 2019	For year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	4,693.81	2,827.20
Adjustments for:		
Interest on income tax	1.15	24.40
Depreciation and amortization	69.19	57.25
Share based payment to employees	41.14	-
Provision for gratuity	3.95	4.05
Net gain on derecognition of property, plant and equipment	(0.03)	(0.40)
Impairment on financial instruments	454.17	(354.09)
Net gain on fair value changes	(265.70)	(15.84)
Other provisions and write offs	23.61	19.06
Operating profit before working capital changes	5,021.29	2,561.63
Movements in working capital :		
Increase / (decrease) in other financial liabilities	290.10	(114.65)
Increase / (decrease) in provisions	82.62	131.61
Increase / (decreases) in other non financial liabilities	43.12	5.78
(Increase) / decrease in bank balances other than cash and cash equivalents	(995.63)	(1,009.37)
(Increase) / decrease in trade receivables	(9.95)	(10.90)
(Increase) / decrease in other current tax assets	(130.98)	(138.14)
(Increase) / decrease in loan portfolio	(10,763.54)	(18,596.70)
(Increase) / decrease in other financial assets	(225.23)	(661.22)
(Increase) / decrease in other non financial assets	(111.54)	16.26
(Increase) / decrease in deferred tax asset	239.63	-
Cash used in operations	(6,560.11)	(17,815.70)
Income taxes paid	(92.53)	(735.50)
Net cash used in operating activities (A)	(6,652.64)	(18,551.20)
Cash flow from Investing activities		
Purchase of property, plant and equipment	(70.33)	(34.87)
Purchase of intangible assets	(8.00)	(16.93)
Proceeds from derecognition of property, plant and equipment	0.08	0.48
Purchase of investments	(67,585.20)	(34,856.79)
Sale of investments	67,585.20	34,856.79
Purchase of non current investments	(625.35)	(20.00)
Net gain on fair value changes	265.70	15.84
Net cash used in investing activities (B)	(437.90)	(55.48)
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	501.00	307.87
Balance subscription of optionally convertible redeemable preference shares (all series)	532.31	2,442.13
Proceeds from issue of share warrants	349.03	1.49
Dividend paid on compulsory convertible preference shares (all class)	(0.13)	-
Debt securities (net)	3,572.51	10,147.13
Borrowings (other than debt securities) (net)	2,564.81	3,640.51
Subordinated liabilities (net)	0.01	191.46
Net cash from financing activities (C)	7,519.54	16,730.59
Net increase / (decrease) in cash and cash equivalents (A + B + C)	429.00	(1,876.09)
Cash and cash equivalents at the beginning of the year	1,025.07	2,901.17
Cash and cash equivalents at the end of the year (refer note 4)	1,454.07	1,025.07



SPANDANA SPOORTY FINANCIAL LIMITED
Balance sheet as at March 31, 2018

	Notes	31-Mar-18 (Rupees)	31-Mar-17 (Rupees)
Equity and liabilities			
Shareholders' funds			
Share capital	4.1	11,74,98,63,767	9,29,46,62,027
Reserves and surplus	4.2	(1,90,89,83,429)	(3,92,23,06,249)
Money received against share warrants	4.3	14,88,544	-
		9,84,23,68,882	5,37,23,55,778
Non-current liabilities			
Long-term borrowings	4.4	4,89,39,44,479	5,37,73,13,403
Other long term liabilities	4.5	10,07,216	-
Long-term provisions	4.6	8,72,41,18,286	8,46,89,82,179
		13,61,90,69,981	13,84,62,95,582
Current liabilities			
Short-term borrowings	4.7	4,01,237	1,00,00,281
Other current liabilities	4.8 & 4.4	12,05,96,52,502	4,61,67,66,157
Short-term provisions	4.6	25,78,39,031	28,63,41,225
		12,31,78,92,770	4,91,31,07,663
TOTAL		35,77,93,31,633	24,13,17,59,023
Assets			
Non-current assets			
Fixed Assets			
Property, plant & equipment	4.9.1	5,85,38,269	6,62,31,489
Intangible assets	4.9.2	2,60,28,926	2,38,49,346
Non-current investments	4.10	2,10,00,000	10,00,000
Loan portfolio	4.11	16,15,10,27,915	11,16,60,81,615
Other long-term loans and advances	4.12	6,53,87,781	6,46,93,625
Other non-current assets	4.13	52,93,04,377	2,26,13,512
		16,85,12,87,268	11,34,44,69,587
Current assets			
Trade receivables	4.14	2,55,41,715	72,941
Cash and bank balances	4.15	1,52,62,39,392	2,90,11,68,938
Loan portfolio	4.11	16,59,95,77,470	9,78,01,75,123
Other short-term loans and advances	4.12	55,35,79,241	3,05,61,835
Other current assets	4.13	22,31,06,547	7,53,10,599
		18,92,80,44,365	12,78,72,89,436
TOTAL		35,77,93,31,633	24,13,17,59,023



SPANDANA SPHOORTY FINANCIAL LIMITED
Statement of Profit and Loss for the year ended March 31, 2018

	Notes	31-Mar-18 (Rupees)	31-Mar-17 (Rupees)
Revenue			
Revenue from operations	4.16	5,60,83,62,339	3,71,46,77,645
Other income	4.17	13,21,89,021	50,35,61,529
Total revenue (I)		5,74,05,51,360	4,21,82,39,174
Expenses			
Employee benefit expenses	4.18	75,91,17,690	58,29,59,601
Finance cost	4.19	1,99,87,97,054	2,09,63,81,321
Other expenses	4.20	26,20,39,294	28,75,29,719
Depreciation and amortization expense	4.9.1&4.9.2	5,72,50,311	8,33,31,208
Provision and write offs	4.21	37,15,98,103	42,02,81,147
Total expenses (II)		3,44,88,02,452	3,47,04,82,996
Profit before tax (III) = (I)-(II)		2,29,17,48,908	74,77,56,178
Tax expenses:			
Current tax		57,32,24,277	21,82,69,133
Deferred tax		-	-
Adjustment of tax relating to earlier periods		-	-
Profit for the year		1,71,85,24,631	52,94,87,045
Earnings per share			
Basic (computed on the basis of total profit for the year)	4.22	60.22	25.95
Diluted (computed on the basis of total profit for the year)	4.22	38.87	0.65
Nominal value		10.00	10.00



SPANDANA SPOORTY FINANCIAL LIMITED
Cash flow statement for the year ended March 31, 2018

	31-Mar-18 (Rupees)	31-Mar-17 (Rupees)
Cash flow from operating activities		
Profit before tax	2,29,17,48,908	74,77,56,178
Adjustments to reconcile profit before tax to net cash flows:		
Interest on income tax	2,43,97,752	1,75,70,665
Depreciation and amortization	5,72,50,311	8,33,31,208
Amortization of ancillary borrowing cost (incurred in earlier years)	-	1,94,77,762
Amortization of loan processing fee (collected in earlier years)	-	(14,29,57,844)
Unamortised Collection Fee (Current year - Non current Portion)	10,07,216	-
Provision for gratuity	44,60,580	52,00,986
Profit on sale of property, plant and equipment	(4,03,699)	(2,05,004)
Contingent provision against standard assets	24,59,64,465	(5,78,58,642)
Provision for non-performing assets	12,56,33,638	45,53,36,926
Portfolio loans written off	-	2,28,02,863
Dividend from mutual funds	(1,58,41,987)	(1,63,81,164)
Excess provisions / liabilities written back	-	(44,78,55,614)
Other provisions and write offs	1,90,63,309	1,02,73,181
Operating profit before working capital changes	2,75,32,80,493	69,64,91,501
Movements in working capital:		
Increase / (decrease) in other current liabilities & Provisions	67,17,31,798	(82,54,45,976)
Decrease / (increase) in margin money deposit (net)	(98,29,23,559)	(17,35,495)
Decrease / (increase) in trade receivables	(2,54,68,775)	1,82,66,772
Decrease / (increase) in loans and advances	(12,34,71,23,518)	(70,16,99,086)
Decrease / (increase) in other current and non-current assets	(17,27,95,948)	(79,00,488)
Cash generated from / (used in) operations	(10,10,32,99,509)	(82,20,22,773)
(Direct taxes paid) / Refunds	(73,55,00,428)	-
Net cash flow (used in) / from operating activities (A)	(10,83,87,99,937)	(82,20,22,773)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,18,08,195)	(2,87,78,265)
Proceeds from sale of property, plant and equipment	4,75,223	2,55,154
Purchase of current investments	(34,85,67,93,952)	(4,59,34,00,000)
Sale of current investments	34,85,67,93,952	4,59,34,00,000
Purchase of Shares(Non Current Investments)	(2,00,00,000)	-
Dividend from mutual funds	1,58,41,987	1,63,81,164
Net cash flow (used in) / from investing activities (B)	(5,54,90,985)	(1,21,41,947)
Cash flows from financing activities		
Proceeds from issue of equity shares	30,78,72,439	1,90,00,00,050
Proceeds from issue of Preference Shares	2,44,21,27,490	1,10,22,70,249
Proceeds from issue of Share Warrants	14,88,544	-
Long term borrowings (net)	6,27,62,41,023	36,97,98,718
Short term borrowings (net)	(96,00,818)	1,00,00,281
Net cash flow from / (used in) financing activities (C)	9,01,81,28,678	3,38,20,69,298
Net decrease in cash and cash equivalents (A + B + C)	(1,87,61,62,244)	2,54,79,04,578
Cash and cash equivalents at the beginning of the year	2,90,11,68,938	35,32,64,360
Cash and cash equivalents at the end of the year (refer note 4.15)	1,02,50,06,694	2,90,11,68,938



ANNEXURE V: INDICATIVE CASHFLOW SCHEDULE

Illustration of Bond Cash Flows	
Company	Spandana Sphoorty Financial Limited
Face Value (per security)	Rs. 1,00,000/- (Rupees One Lakh only)
Issue Date / Date of Allotment	Issue Opening Date: November 24, 2020 Issue Closing Date: November 24, 2020 Deemed Date of Allotment: November 24, 2020
Maturity Date	November 24, 2023
Coupon Rate	As indicated in Clause 5.19 of this Information Memorandum
Frequency of the Principal Payment with specified dates	As indicated in Clause 5.19 of this Information Memorandum
Frequency of the Coupon Payment with specified dates	As indicated in Clause 5.19 of this Information Memorandum
Day Count Convention	Actual / Actual

ILLUSTRATION OF CASH FLOWS FOR DEBENTURES ALONG WITH THE SCENARIO ANALYSIS:

Coupon Fixing Level on Determination Date	Scenario	Coupon
In the event the Coupon Fixing Level is greater than 12%	1	12.25%
In the event the Coupon Fixing Level is less than or equal to 12%,	2	12.50%

Cashflows per each debenture with applicable Coupon rate as per above scenarios:				
Cash – Flow	Date	No of Days in Coupon Period	In case of Scenario 1	In case of Scenario 2
Inflow: Principal	24-11-2020		-100000.00	-100000.00
Outflow: Upfront interest Income	24-11-2020	0	1681.00	1681.00
Outflow: Coupon payment	24-12-2020	30	1004.10	1024.59
Outflow: Coupon payment	24-01-2021	31	1039.77	1060.99
Outflow: Coupon payment	24-02-2021	31	1040.41	1061.64
Outflow: Coupon payment	24-03-2021	28	939.73	958.90
Outflow: Coupon payment	24-04-2021	31	1040.41	1061.64
Outflow: Coupon payment	24-05-2021	30	1006.85	1027.40
Outflow: Coupon payment	24-06-2021	31	1040.41	1061.64
Outflow: Coupon payment	24-07-2021	30	1006.85	1027.40
Outflow: Coupon payment	24-08-2021	31	1040.41	1061.64
Outflow: Coupon payment	24-09-2021	31	1040.41	1061.64
Outflow: Coupon payment	24-10-2021	30	1006.85	1027.40
Outflow: Coupon payment	24-11-2021	31	1040.41	1061.64
Outflow: Coupon payment	24-12-2021	30	1006.85	1027.40
Outflow: Coupon payment	24-01-2022	31	1040.41	1061.64
Outflow: Coupon payment	24-02-2022	31	1040.41	1061.64

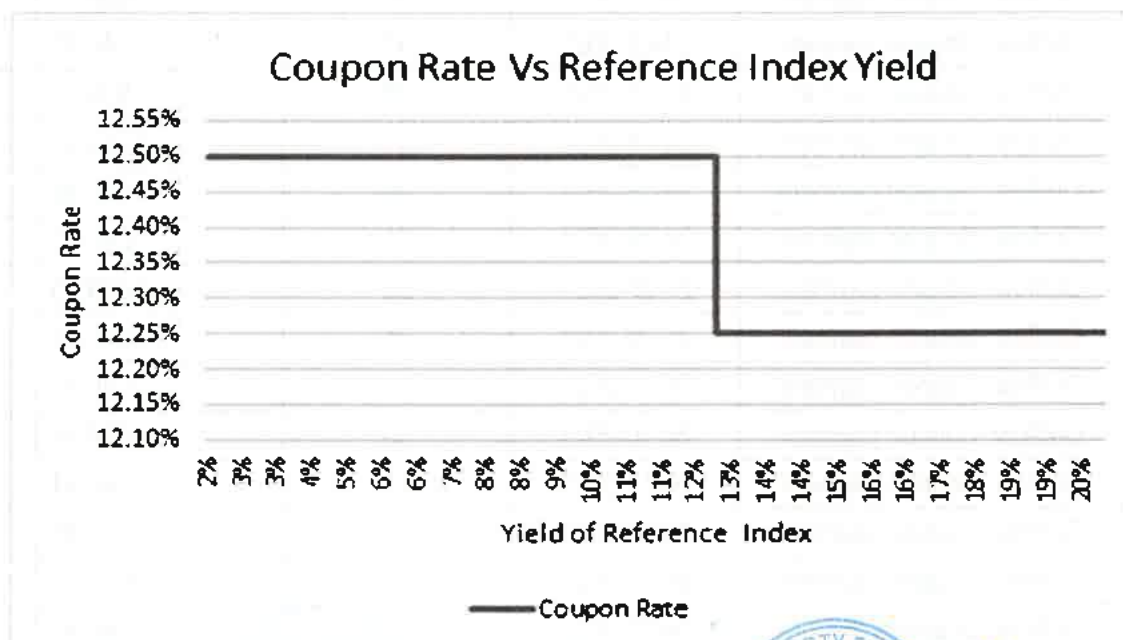


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Outflow: Coupon payment	24-03-2022	28	939.73	958.90
Outflow: Coupon payment	24-04-2022	31	1040.41	1061.64
Outflow: Coupon payment	24-05-2022	30	1006.85	1027.40
Outflow: Coupon payment	24-06-2022	31	1040.41	1061.64
Outflow: Coupon payment	24-07-2022	30	1006.85	1027.40
Outflow: Coupon payment	24-08-2022	31	1040.41	1061.64
Outflow: Coupon payment	24-09-2022	31	1040.41	1061.64
Outflow: Coupon payment	24-10-2022	30	1006.85	1027.40
Outflow: Coupon payment	24-11-2022	31	1040.41	1061.64
Outflow: Coupon payment	24-12-2022	30	1006.85	1027.40
Outflow: Coupon payment	24-01-2023	31	1040.41	1061.64
Outflow: Coupon payment	24-02-2023	31	1040.41	1061.64
Outflow: Coupon payment	24-03-2023	28	939.73	958.90
Outflow: Coupon payment	24-04-2023	31	1040.41	1061.64
Outflow: Coupon payment	24-05-2023	30	1006.85	1027.40
Outflow: Coupon payment	24-06-2023	31	1040.41	1061.64
Outflow: Coupon payment	24-07-2023	30	1006.85	1027.40
Outflow: Coupon payment	24-08-2023	31	1040.41	1061.64
Outflow: Coupon payment	24-09-2023	31	1040.41	1061.64
Outflow: Coupon payment	24-10-2023	30	1006.85	1027.40
Outflow: Coupon payment	24-11-2023	31	1040.41	1061.64
Outflow: Principal	24-11-2023		100000.00	100000.00

*The above-mentioned cash flows are illustrative and indicative. The actual due dates and the cash flow will be in accordance with the circular bearing reference number CIR/IMD/DF-1/122/2016 dated November 11, 2016 issued by SEBI, as modified, amended or supplemented from time to time.

GRAPHICAL REPRESENTATION:



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ANNEXURE VI: COPIES OF BOARD RESOLUTIONS

[ATTACHED SEPERATELY]

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ANNEXURE VII: COPIES OF SHAREHOLDERS' RESOLUTIONS

[ATTACHED SEPERATELY]



ANNEXURE VIII: RELATED PARTY TRANSACTIONS

Details of Related Party Transactions (last three financial years):

Related Party	Nature of Transactions	Transaction s during year ended March 31, 2020	Transaction s during year ended March 31, 2019	(Payable)/Receivable	
				March 31, 2020	March 31, 2019
Spandana Rural and Urban Development Organization	Rent expense	-	9.69	-	(0.29)
	Interest expense on lease	6.60	-	-	-
	Lease liability payable	-	-	(51.86)	-
	Rent deposit	-	-	3.09	3.09
	Expense reimbursement	0.13	0.04	0.01	0.00
Criss Financial Holdings Limited	Expense reimbursement (net)	0.67	0.19	0.50	0.02
	Inter-corporate advances (net) *	760.07	(58.07)	1,033.00	272.93
	Interest income	67.10	91.30	11.34	2.59
	Subscription to equity shares	-	250.00	-	-
Abhiram Marketing Services Limited	Commission income	268.62	147.59	97.91	28.61
	Incentive income	82.50	-	80.85	-
	Expenses reimbursement	40.73	34.95	10.21	6.85
	Inter-corporate advances (net) *	755.00	187.34	1,150.00	395.00
	Other advances	122.19	-	122.19	-
	Interest income	109.70	51.16	12.19	-
	Purchase of fixed assets & goods	53.19	31.77	(0.03)	(0.68)
Caspian Financial Services Limited	Pre-incorporation expenses	-	(0.51)	-	-
Kangchenjung a Limited	Dividend on CCPS (all class)	-	0.11	-	-
Mr. Deepak Goswami	Remuneration#	0.32	7.65	-	(2.08)
	Remuneration#	8.24	3.83	(3.45)	(1.38)

Mr. Sudhesh Chandrasekar	Equity shares issued pursuant to stock option scheme	1.32	-	-	-
	Fair value of Stock Options granted	0.68	-	-	-
Mr. Rakesh Jhinjhar	Equity shares issued pursuant to stock option scheme	0.79	-	-	-
	Fair value of Stock Options granted	0.41	-	-	-
	Remuneration#	2.34	1.87	(0.31)	(0.01)
Mr. Nitin Prakash Agrawal	Remuneration#	0.09	8.97	-	(1.49)
Mr. Bharat Shah	Sitting fee	2.00	2.00	(0.50)	-
Mr. Deepak Vaidya	Sitting fee	2.00	1.67	(0.50)	-
Mr. Jagdish Capoor	Sitting fee	2.00	1.67	(0.50)	-
Mr. K. R. Kamath	Sitting fee	2.00	2.00	(0.50)	-
Ms. Abanti Mitra	Sitting fee	1.00	1.00	(0.25)	-
	Subscription to equity shares	-	1.00	-	-
Mr. Abdul Feroz Khan	Equity shares issued pursuant to stock option scheme	4.74	-	-	-
	Fair value of Stock Options granted	2.43	-	-	-
	Remuneration#	6.81	6.39	(1.27)	(1.87)
	Subscription to equity shares	-	17.05	-	-
Mrs. Padmaja Gangireddy	Balance subscription received on share warrants	-	349.03	-	-
	Balance subscription received on OCRPS (all series)	-	532.31	-	-
	Subscription to equity shares	-	478.49	-	-
	Purchase of CFHL Shares	-	270.49	-	-
	Dividend on OCRPS	-	0.00	-	-
	Remuneration#	53.75	53.75	(27.68)	(4.58)
	Remuneration#	2.38	0.76	(0.65)	(0.20)

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Mr. Revan Saahith	Purchase of CFHL Shares	-	61.82	-	-
Mr. Vijaya Sivarami Reddy Vendidandi	Purchase of CFHL Shares	-	26.10	-	-
Mrs. Hina Ansari	Purchase of CFHL Shares	-	13.33	-	-



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Related party transactions during the year:

S. No	Related Party	Nature of Transactions	Transactions during year ended March 31, 2018	(Payable)/Receivable March 31, 2018
1	Spandana Rural and Urban Development Organization	Rent expense	8.90	(0.25)
		Rent deposit	-	3.09
		Expense reimbursement	0.66	0.00
		Short Term Borrowing	-	-
		Short Term Borrowing Repaid	10.00	-
		Unsecured Loan	-	-
		Interest Expense	0.23	-
2	Criss Financial Holdings Limited	Expense reimbursement (net)	0.11	0.01
		Inter-corporate advances (net)	331.10	331.00
		Interest income	13.58	3.31
		Purchase of portfolio	230.10	-
3	Abhiram Marketing Services Limited	Commission income	54.32	5.36
		Incentive income	16.53	19.17
		Expense reimbursement (net)	25.04	0.48
		Inter-corporate advances (net)*	207.66	207.66
		Interest income	3.35	1.18
		Unsecured Loan	-	-
		Interest Expense	-	-
		Purchase of fixed assets & goods	4.23	-
		Others	-	-
4	Kangchenjunga Limited	Dividend on CCPS (all class)	-	-
		Issue of Preference shares (class A) of Parent Company	1,223.40	-
		Issue of Preference shares (class A1) of Parent Company	1,166.76	-
5	Mr. Deepak Goswami	Remuneration#	1.85	(0.73)
6	Mr. Rakesh Jhinjharia	Remuneration#	1.09	(0.10)
		Equity shares issued pursuant to stock option scheme	-	-
7	Mr. Nitin Prakash Agrawal	Remuneration#	-	-
8	Mr. Bharat Shah	Sitting fee	-	-
9	Mr. Deepak Vaidya	Sitting fee	-	-
10	Mr. Jagdish Capoor	Sitting fee	-	-
11	Mr. K. R. Kamath	Sitting fee	1.83	-
12	Ms. Abanti Mitra	Sitting fee	0.92	-
		Subscription to equity shares of Parent Company	-	-
13	Mr. P. S. Prasad	Sitting fee	0.01	-
14	Mr. Gopala Reddy A	Sitting fee	-	-
15	Mr. P Madhava Rao	Sitting fee	0.03	-
16	Mr. Sundaram Ramakrishnan	Sitting fee	0.01	-
17	Mr. Abdul Feroz Khan	Equity shares issued pursuant to stock option scheme	-	-
		Remuneration#	4.08	(0.83)
		Subscription to equity shares of Parent Company	-	-
18	Mrs. Padmaja Gangireddy	Balance subscription received on share warrants of Parent Company	1.49	-
		Balance subscription received on OCRPS (all series) of Parent Company	-	-
		Subscription to equity shares	17.65	-
		Purchase of CFHL Shares	-	-
		Dividend on OCRPS	-	-
		Remuneration#	30.00	(3.49)
		Rental Deposit received	0.11	-
		Rent paid	0.03	-
19	Mr. Revan Saahith	Remuneration#	-	-
20	Mr. Vijaya Sivarami Reddy Vendidandi	Purchase of CFHL Shares	-	-
21	Mrs. Hina Ansari	Purchase of CFHL Shares	-	-
22	Spandana Employee Welfare Trust	Expense reimbursement	0.03	-
		Issue of Equity shares	9.07	-
		Unsecured Loan	-	-
		Interest Expense	-	-
23	Spandana Mutual Benefit Trust	Unsecured Loan	-	-
		Interest Expense	-	-
		Expense reimbursement	0.23	-



ANNEXURE IX: KEY TERMS OF THE ISSUE

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the Transaction Documents.

(a) Authority and Capacity

- i. The Company has been duly incorporated, organized and is validly existing, under Applicable Law as a company as well as a non-banking finance company.
- ii. The Company has the corporate power, authority and all permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted.
- iii. The Company is in compliance with Applicable Law for the performance of its obligations with respect to this Issue.
- iv. All consents, and actions of, filings with and notices to any governmental authority as may be required to be obtained by the Company in connection with the Issue has been obtained and is in full force and effect.
- v. All consents or approvals from its current lenders, creditors and equity investors, if any and as may be necessary or required to be obtained by the Company in connection with the Issue of the Debenture and creation of Security have been obtained and are in full force and effect.

(b) Corporate Matters

- i. All the legal and procedural requirements specified in the constitutional documents have been duly complied with in all respects in relation to the Issue.
- ii. The registers, and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Company under Applicable Law:
 - A. are up-to-date and have been maintained in accordance with Applicable Law;
 - B. comprise complete and accurate records of all information required to be recorded in such books and records; and
 - C. no notice or allegation that any of them are incorrect and / or should be rectified has been received.

(c) Non-conflict with other obligations

The Issue (or any of the obligations undertaken by the Company in relation thereto) does not and will not conflict with the objects of its constitutional documents or any Applicable Law to which the Company is subject, including but not limited to any laws and regulations regarding anti-money laundering/ terrorism financing and similar financial sanctions as well as 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 Company.



(d) **Binding Obligation**

The Transaction Documents have been duly and validly executed by the Company, and upon the execution and delivery by the Company of Transaction Documents, each such documents will constitute, legal, valid and binding obligations of the Company, enforceable against it in accordance with their respective terms.

(e) **Accounts and Records**

The books of accounts of the Company have been fairly and properly maintained, the accounts of the Company have been prepared in accordance with Applicable Law and in accordance with the generally accepted accounting principles, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Company.

(f) **Taxation Matters**

- i. The Company has complied with all the requirements as specified under the respective Tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Company to any tax authority for taxation and for any other Tax or duty purposes, have been made and are correct.
- ii. The Company has not received any written notice of any tax disputes or other liabilities of taxes in respect of which a claim has been made or notice has been issued against the Company.

(g) **Legal / Litigation Matters**

- i. There are no claims, investigations or proceedings before any governmental authority in progress or pending against or relating to the Company, other than in the normal course of business, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled Payments in relation to the Debentures.
- ii. There are no unfulfilled or unsatisfied judgments or court orders of which the Company has notice and which is outstanding against the Company which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.
- iii. The Company has not taken any action nor has any order been passed for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets.

(h) **Assets**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN L65929TG2003PLC040648 on the website <http://www.mca.gov.in/mcafoportal/showIndexOfCharges.do> under the heading Index of Charges), the Company 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.

(i) **Employees**

The Company is in compliance with all obligations under the applicable labour laws and other laws in relation to its employees.

(j) **Pari Passu ranking**

- (i) The Issuer's payment obligations under the Debentures are the direct, unconditional and irrevocable obligations of the Company;
- (ii) Commencing from the date of creation of the security over the Hypothecated Asset in accordance with the Transaction Documents until the Final Settlement Date (A) its payment obligations under the Transaction Documents shall be superior to all the claims of equity investors/ lenders of Tier I Capital and Tier II Capital (including without limitation, any subordinated debt) and shall rank at least at par with the claims of all of its other senior secured creditors, and (B) the charge created over the receivables will be a first ranking exclusive charge.

(k) **Event of Default**

There is no Event of Default that has currently occurred or is continuing as on the date hereof.

(l) **Material Adverse Effect**

The Company hereby represents that there is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.

(m) **No Immunity**

Neither the Company, nor any of its assets are entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. This Issue (and the documents to be executed in relation thereto) constitutes, and the exercise of its rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes.

(n) **Security**

Save and except the charge created to secure the Debentures (and any other charges disclosed to the Debenture Trustee) herein before expressed to be granted, conveyed, assigned, transferred and assured unto the Debenture Trustee is the sole and absolute property of the Company and is free from any other charge or encumbrance and is not subject to any *lis pendens*, attachment, or other order or process issued by any governmental authority.

(o) **Information**

All information provided by the Company is true and accurate in all respects as on the date it was provided or as on the date at which it was stated and is not misleading, whether by reason of omission to state a fact or otherwise.

(p) **Net worth**

The Issuer has a minimum net worth of at least Rs. 100,00,00,000/- (Rupees One Hundred Crores Only).

(q) **Nature of Representations and Warranties**

Each of the representations and warranties set out above shall be true and accurate as on the Deemed Date of Allotment of the Debentures.

(r) The Company further confirms that the Debenture Trustee, "*ipso facto*" does not have the obligations of the Company or the borrower or a principal debtor or a guarantor as to the monies paid/invested by the Debenture Holder(s) for the subscription of the Debentures.

2. COMPANY'S COVENANTS

The Issuer hereby undertakes and covenants the following and the same shall also be set out in the Transaction Documents.

2.1 Affirmative Covenants

The Company hereby covenants with the Debenture Trustee that the Company shall (except as may otherwise be previously agreed in writing by the Debenture Trustee):

(a) **Validity of Transaction Documents**

The Company shall ensure that the Transaction Documents are duly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Company.

(b) **Preserve Corporate Status**

The Company shall diligently preserve its corporate existence and status and its license to conduct business as a non-banking financial company and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.

(c) **Further documents and acts**

The Company shall execute all such deeds, documents, instruments and assurances and do all such acts and things the Debenture Trustee may reasonably require for exercising the rights under the Debenture Trust Deed and the Debentures and for perfecting the Debenture Trust Deed or for effectuating and completing the security intended to be hereby created and shall from time to time and at all times after the security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Hypothecated Assets and in particular the Company shall execute all transfers, assignments and assurance of the Hypothecated Assets whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.



(d) **Make the Relevant filings**

Pursuant to the Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein including the Form PAS-3 for return of allotment with the Registrar of Companies and/or any other authority within the timelines stipulated under the Act and the relevant rules thereunder.

(e) **Compliance with laws**

The Company shall comply with:

- A. all laws, rules, regulations and guidelines (including the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as may be in force from time to time during the currency of the Debentures; (ii) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures including the Listing Regulations, (iii) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act;
- B. comply with all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, the circular dated September 28, 2011 issued by SEBI on Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time.
- C. The Company shall, while submitting half yearly/ annual financial results to the NSE disclose *inter alia* the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half-yearly basis:
 - A. Credit rating of the Issue and change in credit rating, if any;
 - B. Debt- equity ratio of the Company;
 - C. Previous due date for the payment of interest/ repayment of principal and whether the same has been paid or not;
 - D. Next due date of payment along with the amount of interest/ principal along with the amount of interest payable;
 - E. Net worth;
 - F. Net profit after tax;
 - G. Earnings per share;
 - H. Any other information as may be required as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- D. All other Applicable Laws.

(f) **End- Use**

The Company shall utilise the monies received towards subscription of the Debentures for meeting its funding requirements of the Company for onward lending to its micro finance customers, general corporate purposes, for repayment/refinancing of existing debt of the Issuer and payment of transaction related expenses including cost incurred towards obtaining the rating and documentation. The Company shall also furnish to the Debenture Trustee a



certificate from the chartered accountant in respect of the utilisation of funds raised by the issue of the Debentures. In addition to the above, upon completion of each financial year, the Company shall furnish to the Debenture Trustee a statement/certificate showing the manner in which the said monies have been utilized from its management.

(g) **Asset Cover**

The Company shall maintain the Asset Cover as required under the Deed of Hypothecation at all times until the Final Settlement Date.

(h) **Security**

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

- A. The Debentures shall be secured by way of a first ranking and exclusive charge on the Hypothecated Assets and such Hypothecated Assets are free from any encumbrances and, if required the Issuer has obtained consents/ permission from the earlier creditors for creating the aforesaid charge over the Hypothecated Assets;
- B. It shall file Form CHG-9 with the Registrar of Companies and perfect the security created over the Hypothecated Assets by within the timeline stipulated in the Information Memorandum, without payment of penalty and shall deliver a copy thereof to the Debenture Trustee;
- C. Notwithstanding the above, the Company shall from time to time take all the necessary and requisite actions, including the making of all filings with the relevant authorities, such as the Registrar of Companies, in order to perfect the security over the Hypothecated Assets created or modified (by way of addition or substitution or replacement of receivables, as provided for in the Deed of Hypothecation) by the Company, within the time period stipulated in the Deed of Hypothecation or acceptable to the Debenture Trustee. The Company shall submit the requisite proof of such perfection of security to the Debenture Trustee.

(i) **Pre-authorisation**

The Company proposes to pay the redemption amount in relation to the Debentures on the Redemption Date from the bank account, details of which are set out below and hereby authorises the Debenture Trustee to seek information in relation to payment with respect to redemption of the Debentures directly from the Company's bank. Further, in the event that, the Company proposes to change the aforesaid bank account the Company shall inform the Debenture Trustee about the new bank account details within 1 (One) Business day of such change.

Bank Account Details:

Bank Name : IndusInd Bank
Branch Address : Begumpet, Secunderabad
Account Name : Spandana Sphoorty Financial Limited
Account No. : 201000684362
IFSC Code : INDB0000004

The Company further undertakes that it shall obtain an acknowledgment (in the form and manner acceptable to the Debenture Trustee) from the bank where the Company holds the abovementioned bank account, in terms of which acknowledgment the bank shall agree to



provide the information pertaining to payment with respect to redemption of Debentures, as and when required by the Debenture Trustee.

(j) **Fraud and Money Laundering**

The Company shall ensure that it maintains internal control for the purpose of (i) preventing fraud of monies lent by the Company; and (ii) preventing its money being used for money laundering or any illegal purposes.

(k) **Inspection**

A. The Company shall make available to the Debenture Trustee the loan agreements or such other documents as required by the Debenture Trustee in order to carry out the necessary due diligence and monitor the asset cover in the manner as may be specified by SEBI from time to time.

B. The Company shall at their sole cost and expense permit the Debenture Trustee, as the representative of the Debenture Holders, to enter into its premises and inspect and make copies of the books of record and accounts of the Company.

(l) **Recovery Expense Fund**

The Issuer shall create a recovery expense fund in the manner as maybe specified by the SEBI from time to time and inform the Debenture Trustee about the same.

(m) **Rating Downgrade**

The rating of the Debentures shall at all times be maintained at 'PP-MLD ICRA A-', provided however, breach of this covenant shall amount to an Event of Default only upon the rating of the Debentures, falling 2 or more notches below 'PP-MLD ICRA A-'.

(n) **Appointment of Observer**

The Company shall do all such things as may be required to for the appointment of the Observer pursuant to Clause 4.1(d) of this Annexure including but not limited to amending its constitution documents.

(o) **Upfront Interest Income**

The Company hereby agrees and undertakes to make payment of Rs. 1,68,10,000/- (Rupees One Crore Sixty Eight Lakhs and Ten Thousand Only), net of any/all applicable taxes, towards one-time upfront interest income to the initial Debenture Holders on the Deemed Date of Allotment for subscribing to the Debentures issued by the Company.

(p) **Terms and Conditions of the Information Memorandum**

The Company shall at all times during the term of these presents comply with any other covenant or undertaking set out in the Information Memorandum.

2.2 **Information Covenants**

- (a) Without prejudice to the quarterly report or any other report to the submitted by the Company to the Debenture Trustee, the Company shall provide/ cause to be provided information/ report in respect of the following promptly and no later than 10 (Ten) Business Days from the occurrence of such event (unless otherwise specifically provided):



- A. notify the Debenture Trustee in writing, of any notice of an application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Company.
- B. provide/ submit information in relation to litigation, arbitration, investigation or administrative proceedings which could result in a Material Adverse Effect.
- C. notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect.
- D. notify the Debenture Trustee promptly in writing, of fraud amounting to more than 1% (One percent) of the gross loan portfolio of the Company or any event which constitutes an Event of Default or a potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same.
- E. notify the Debenture Trustee in writing, of any proposed change in the nature or scope or the business or operations of the Company or the entering into any agreement or arrangement by any person that may materially affect the assets and liabilities of the Company, at least 3 (Three) Business Days prior to the date on which such action is proposed to be given effect.
- F. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee may reasonably request in relation to the payments due to be made on the Debentures;
- G. provide to the Debenture Trustee such information regarding details of any change in shareholding pattern/ structure of the Company;
- H. notify the Debenture Trustee promptly of any revision in the rating provided by the rating agency in the Issue;
- I. provide to the Debenture Trustee such information regarding the details of any change in the senior management officers of the Company i.e. any chief financial officer or chief executive officer or any other officer of the Company holding such equivalent post;
- J. provide to the Debenture Trustee such information regarding details of any change in the accounting policy of the Company, excluding changes required due to compliance with statutory requirements;
- K. inform the Debenture Trustee promptly about any failure to create security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets.
- L. inform the Debenture Trustee before declaring or distributing any dividend, unless the Company has paid the amounts then due and payable on the Debentures under the Debenture Trust Deed.
- M. inform the Debenture Trustee of one or more of the other creditors of the Company accelerating its payment obligations on the grounds of (a) a Material Adverse Effect in the financial, operational or regulatory conditions governing the Company or (b) on account of a breach of representation or breach of an information covenant) under the terms of any other agreement involving borrowed money or the extension of credit or any other indebtedness under which the Company may be obligated as a borrower or guarantor.



- N. notify the Debenture Trustee in writing of any one or more events, conditions or circumstances that exist or have occurred that has, had or could reasonably be expected to have a Material Adverse Effect;
 - O. notify the Debenture Trustee in writing of any change to the constitutional documents of the Company;
 - P. promptly notify the Debenture Trustee of any changes in the composition of its Board of Directors of the Issuer and any change in the capital structure of the Issuer;
 - Q. The Company agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:
 - a) a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - b) a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and
 - c) a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.
- (b) The Company shall give to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following within a maximum of 15 (Fifteen) calendar days from the date of request made by the Debenture Trustee (unless otherwise specifically provided):
- A. Submit to the Debenture Holder (in a format which shall be provided by the Debenture Holder from time to time) such other information relevant to the Issue that the Debenture Holder may reasonably request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder, subject to such information being available with the Company.
 - B. Submit to the Debenture Trustee, if so requested, a statement that the assets of the Company which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.
 - C. As soon as practicable, and in any event within 1 (One) Business Day, upon the Company having knowledge of any winding up proceeding including filing of any application under the IBC or initiation of any insolvency resolution process against the Company under the IBC.
 - D. Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Company that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Assets, together with all records, registers in relation to the Hypothecated Assets as required by the Debenture Trustee.
 - E. The Company shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any governmental authority under Applicable Law.
 - F. The Company shall provide / submit such information, as may be required by the



Debenture Trustee from time to time.

- G. The Company shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s) and promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and provide report to the Debenture Trustee periodically of its compliance.

(c) **Certificates and financial statements**

- A. Furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Debenture Trustee (and to the Debenture Holders), containing the following particulars: -
- (i) Periodical status/performance reports from the Company within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter, whichever is earlier;
 - (ii) Details of the shareholding pattern/ structure and the composition of the board of directors of the Company within 30 (Thirty) days of the end of the respective quarter;
 - (iii) Updated list of the names and addresses of the Debenture Holder(s);
 - (iv) Details of the coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof in relation to the Debentures;
 - (v) The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company, those grievances not yet solved and the reasons to the satisfaction of the Debenture Holder(s);
 - (vi) Certificate from the Director/ Managing Director of the Company, certifying the value of the book debts/receivables underlying the Hypothecated Assets and stating that those assets of the Company which are available by way of security are sufficient to discharge the claims of the Debenture Holders as and when they become due;
 - (vii) Certificate from an independent Chartered Accountant, certifying the value of book debts/receivables underlying the Hypothecated Assets and certifying that (i) the Asset Cover as required under the Transaction Documents are maintained; and (ii) the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due and payable;
 - (viii) Certificate from the Director or Chief Financial Officer of the Company, certifying that the Company is in compliance with all the financial covenants provided by the Company in the Transaction Documents along with the summary details in the format acceptable to the Debenture Trustee within 45 (Forty Five) days of the end of the respective quarter.
 - (ix) submitting such information, as required by the Debenture Trustee
- B. The Issuer shall submit a certificate from its statutory auditor to the Debenture Trustee on half-yearly basis confirming (i) maintenance of Asset Cover as per the terms of this Information Memorandum and other Transaction Documents; (ii) compliance with all the covenants, in respect of the Debentures along with the half-yearly financial results.



C. **Financial Statements**

The Company shall:

- (i) Submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its duly audited annual accounts, within 180 (One Hundred and Eighty) days from the close of its accounting year.
- (ii) Submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its provisional quarterly financials, within 45 (Forty Five) days from the close of each of its accounting quarters.

- D. Furnish any documents/information/reports/certification to the Debenture Trustee as maybe required by the Debenture Trustee in order to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines specified by SEBI in the SEBI Circular dated November 12, 2020 bearing reference no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230.

2.3 **Negative Covenants**

The Company hereby covenants with the Debenture Trustee that the Company shall not undertake the following without a prior written consent to the Debenture Trustee and the Debenture Holders:

(a) **Share Capital**

The Company shall not purchase or redeem any of its issued share capital or reduce its share capital.

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

The Company shall not enter into any agreement to effectuate transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction, acquisition, restructuring without prior intimation of the Debenture Trustee.

(c) **Constitutional Documents**

The Company shall not make any amendments to its constitutional documents in a manner which could have a Material Adverse Effect.

(d) **Arrangement**

- A. The Company shall not enter into any compromise or arrangement or settlement with any of its secured creditors that would prejudicially affect the interests of the Debenture Holder(s);
- B. The Company shall not, enter 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 any rights of the Debenture Holders.



(e) **Payment of dividend**

The Company shall not, declare dividends or redeem shares unless the dividends are declared only out of the profits relating to that financial year and after making all due and necessary provisions; provided that there have been no defaults in repayment of the Debentures.

(f) **Disposal of Assets**

The Company shall not sell, transfer, or otherwise dispose of in any manner whatsoever any material assets of the Company, other than in ordinary course of business including any securitization / portfolio sale of assets undertaken by the Company in its ordinary course of business.

(g) **No Encumbrance Over Hypothecated Assets**

The Company shall not, until the all payments have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full, create any further charge or encumbrance over the Hypothecated Assets, except as created in favour of the Debenture Trustee for the benefit of the Debenture Holders, under the terms of the Debenture Trust Deed and the Deed of Hypothecation.

(h) **Proceedings**

The Company shall not commence a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, insolvency resolution professional, assignee (or similar official) for all or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution.

(i) **Diversification**

- A. The Company shall not alter its principal nature of business or shall not undertake any material diversification of any existing business without prior approval of Debenture Trustee.
- B. The Company shall not undertake any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business.
- C. The Company shall not undertake any new major new business outside financial services or any diversification of its business outside financial services sector.

(j) **Change in financial year end**

The Company shall not change its financial year-end from 31st March (or such other date as may be approved by the Debenture Holders), unless required under any Applicable Law.

(k) **Repayment**

The Company shall not repay any amount availed by the Company from any of its promoters, shareholders, directors, friends or any of their relatives or any other associates until any obligations of the Debentures are outstanding;



A handwritten signature in blue ink, appearing to be "Aul".

2.4 Financial Covenants

The Issuer covenants with the Debenture Trustee that the Issuer shall comply *inter alia* with the following:

- (a) The capital adequacy ratio of the Issuer shall not fall below 35% until the Redemption Date;
- (b) Gross NPA shall not exceed 5% as on the quarter ending on June 30, 2021 and 3% all quarters thereafter till the Redemption Date;
- (c) Net NPA shall not exceed 1.5% in any of the quarters (including quarter ending March 31, 2021)
- (d) Gross Debt to Equity ratio shall not exceed 3 times;
- (e) Net Worth (as per the financial statement of the Issuer) shall not fall below Rs. 2,600 crore.

For the purposes of the aforesaid covenants:

"Gross NPA" shall mean the entire outstanding principal value of the entire owned portfolio of the Issuer that has one or more instalments of payments (including principal overdue) for 90 days or more.

"Net NPA" shall mean the difference between (i) the outstanding principal value of the entire owned portfolio of the Company that has one or more instalments of payment (including principal overdue) for 90 days or more and (ii) all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets of the Company.

"Gross Debt" shall mean the aggregate Financial Indebtedness of the Company;

"Equity" shall mean the paid-up share capital of the Company along with free reserves excluding revaluation reserve.

3. EVENTS OF DEFAULT

If one or more of the events specified herein (hereinafter each an **'Event of Default'** and collectively, **"Events of Default"**) happen(s), the Debenture Trustee shall be entitled to exercise any and all rights hereunder as contained herein below:

3.1 Payments

If the Company defaults in making payment/ repayment of the coupon/interest/premium and/or the Redemption Amount on the respective Due Dates in full or in part.

3.2 Representation and Warranty

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company is incorrect, false or misleading in any respect when made or deemed made.

3.3 Breach of obligations

If the Company fails to comply with any covenant or undertaking provided by it in the Debenture Trust Deed or any other Transaction Documents including any covenants stipulated in this Information Memorandum and any other Transaction Documents.

3.4 Security

- (a) Failure of the Company to register and perfect the charge created over the Hypothecated Assets within the timelines stipulated herein or any other Transaction Documents;



- (b) Failure of the Company to maintain the asset cover or top up the receivables within the timelines stipulated under the Deed of Hypothecation or any other Transaction Documents; and
- (c) When the Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof without the prior approval of the Debenture Trustee / Debenture Holders.

3.5 Transaction Documents

- (a) In the opinion of the Debenture Trustee, any of the Transaction Documents failing 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 failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable;
- (b) Any of the Transaction Documents are claimed by the Company, or any of the security providers, not to be in full force and effect.

3.6 End Use

All or any part of the proceeds of the Issue is not utilised or is not being utilized for the intended end use stipulated in the Debenture Trust Deed or the Information Memorandum.

3.7 Applicable Law

- (a) The Company fails to comply with Applicable Law in relation to the issue or the security interest created in relation therewith;
- (b) The other security providers fail to comply with the Applicable Law in relation to the security interests made available by them.

3.8 Insolvency

- (a) The Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, insolvency resolution professional, assignee (or similar official) for all or a substantial part of its property or take any action towards its reorganization, re-arrangement, merger, amalgamation, liquidation or dissolution without the prior written intimation of the Debenture Trustee (acting on behalf of the Debenture Holders);
- (b) An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by the Majority Debenture Holders;
- (c) An expropriation, distress, attachment, sequestration, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets (including the Hypothecated Assets) or revenues of the Company;
- (d) The Company is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or stops or



suspends payment of all its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or any application has been filed or proceedings have been initiated against the Company under the IBC or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.

3.9 Material Adverse Effect

The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.

3.10 Cessation of business

The Company suspend, cease or threaten to suspend or cease to carry on all or a substantial part of its respective business.

3.11 Insolvency Proceedings

Any corporate action, legal proceedings or other procedure or step is taken (including the making of an application, the presentation of a petition, the filing of a notice or the passing of a resolution), in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, insolvency, dissolution, administration or reorganisation of the Company with an intention of winding up or liquidating or declaring insolvent the Company (by way of voluntary arrangement, scheme of arrangement or otherwise); or
- (b) a composition, compromise, assignment or arrangement with any creditor of the Company; or
- (c) enforcement of assets of the Company; or
- (d) the appointment of a liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets, and such appointment has not been vacated or has not been challenged by the Company; or
- (e) any analogous procedure or step taken in any other jurisdiction.

3.12 Unlawfulness and Invalidity

- (a) It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- (b) The Company repudiates a Transaction Document to which it is a party or evidences an intention to repudiate Transaction Documents to which it is a party.
- (c) The Company admits in writing its inability to pay its debts (including but not limited to any kind of hybrid borrowing like foreign currency convertible bonds, optionally convertible preference shares or debentures).

3.13 Cross default

- (a) Any Financial Indebtedness of the Company and/or the Obligors and/or Promoter is not paid when due nor within any originally applicable grace period;



- (b) Any Financial Indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default, a default or other similar condition or event (however described).

3.14 Seizure

All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority.

3.15 Information Memorandum

Occurrence of any other Event of Default set out in the Information Memorandum or any other Transaction Documents.

3.16 Delisting of the Debentures

The Debentures cease to be listed on the debt market segment of the NSE for any reason whatsoever (whether or not attributable to the actions of the Company) or suspended at any point of time prior to the Redemption Date. PROVIDED THAT the foregoing shall not apply if such delisting is in accordance with the prior consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

3.17 Promoters, Directors and Employees of the Company

- (a) Any of the directors or the promoters of the Company are declared as wilful defaulter(s);
- (b) Any of the directors and/ or the promoters of the Company are convicted of criminal offence or of any act of moral turpitude, dishonesty or which otherwise impinges on the integrity of the director and/ or the promoter, including any accusations, charges and/or convictions of any offence relating to bribery;
- (c) Any officer, employee, or member of management of the Company commits any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Company/ promoter funds or revenues or any other act having a similar effect.

4. CONSEQUENCES OF AN EVENT OF DEFAULT

- 4.1 On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Company is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period (if applicable) provided to the Company, or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the Parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed cure period, the Debenture Trustee shall if so directed by the Majority Debenture Holder(s) by notice to the Company:

- (a) accelerate the redemption of the Debentures;
- (b) declare that all or part of the Debentures, together with all other amounts accrued or outstanding under the Transaction Documents be immediately due and payable, whereupon they shall become immediately due and payable;
- (c) enforce the charge over the Hypothecated Assets in accordance with the terms of the Deed



of Hypothecation;

- (d) appoint an observer ("**Observer**") on the board of the Company and the Observer shall be entitled to receive in advance all notices, agenda, etc. and to attend all general meetings and meetings of the Board and it shall exercise such powers and duties as may be approved by the Debenture Trustee including but not limited to attend meetings and furnishing reports of the proceedings of all such meetings;
- (e) require the borrowers to deposit the Hypothecated Receivables in a separate bank account or an escrow account (as may be intimated by the Debenture Trustee (on behalf of the Debenture Holders) to the borrowers) without the intervention of the court and to utilize the Hypothecated Receivables deposited in such separate bank account or escrow account towards redemption of the Debentures;
- (f) exercise any other right that the Debenture Trustee and /or Debenture Holder(s) may have under the Transaction Documents or under Applicable law.

4.2 Until the happening of any of the Event(s) of Default set out in paragraph 3 (*Events of Default*) above, the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management of the affairs of the Company or its business thereof. The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event(s) of Default set out in paragraph 3 (*Events of Default*) above or upon the happening of any of such Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.





SPANDANA SPHOORTY FINANCIAL LIMITED

A public company with limited liability incorporated on March 10, 2003 under the Companies Act, 1956 (registered as a non-banking financial company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.

Registered Office: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor,
Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032

Corporate Office: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Second Floor,
Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032

CIN: L65929TG2003PLC040648

Telephone No. +91 40 4812 6666; **Contact Person:** Mr. Satish Kottakota

E-mail: secretarial@spandanaindia.com; **Website:** <http://www.spandanaindia.com/>

THIS DOCUMENT DATED NOVEMBER 27, 2020 IS AN ADDENDUM TO, AND SHOULD BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM DATED NOVEMBER 23, 2020 ("INFORMATION MEMORANDUM"/ "DISCLOSURE DOCUMENT") ISSUED BY US IN CONNECTION WITH THE ISSUE OF UPTO 10,000 (TEN THOUSAND) SECURED, RATED, LISTED, REDEEMABLE, TRANSFERABLE, TAXABLE PRINCIPAL PROTECTED MARKET LINKED (PP-MLD) NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, AGGREGATING UP TO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORES ONLY) ("DEBENTURES"), ON PRIVATE PLACEMENT BASIS.

This addendum to the Information Memorandum dated November 27, 2020 ("**Addendum to the IM**") is issued in terms of and pursuant to the Information Memorandum dated November 23, 2020.



NOTICE TO INVESTORS AND GENERAL DISCLAIMER:

This addendum ("**Addendum to the IM**") to the Information Memorandum dated November 23, 2020 ("**Information Memorandum**" / "**Disclosure Document**") is neither a prospectus nor a statement in lieu of a prospectus and is being issued pursuant to the Information Memorandum. Capitalised terms used herein but not defined shall have the meaning assigned to such term in the Information Memorandum.

Pursuant to the recent amendments to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, we are issuing this Addendum to the IM to make certain modifications/ amendments to the Information Memorandum as more particularly set out in **Schedule I** hereto.

The person who is in receipt of this Addendum to the IM shall maintain utmost confidentiality regarding the contents of this Addendum to the IM and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the prior written consent of the Issuer.

This Addendum to the IM seeks to modify the Information Memorandum only to the limited extent set out herein and save and except as specifically and expressly amended by this addendum all other provisions of the Information Memorandum shall remain unchanged and in full force and effect and shall continue to remain applicable and binding on the Parties.

This Addendum to the IM shall form an integral part of the Information Memorandum. This Addendum to the IM must be read in conjunction with the Information Memorandum.

For Spandana Sphoorty Financial Limited,


Authorised Signatory

Date: November 27, 2020



SCHEDULE I

The Information Memorandum shall stand to be modified to the extent hereinafter appearing.

1. Under Section 3 of the Information Memorandum, the paragraph (e) shall be replaced as under:

"e. SECURITY MAY BE INSUFFICIENT TO REDEEM THE TRANCHE 3 DEBENTURES

The Debentures are proposed to be secured by the assets to the tune of 100% of the principal and interest amounts of the Debentures or as per the terms of this Information Memorandum, in favour of the Debenture Trustee. In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. It is the duty of the Debenture Trustee to monitor that the security/ asset cover is maintained, however, the recovery of 100% amounts in relation to the Debentures will be subject to and shall depend on the market scenario prevalent at the time of enforcement of the security. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures."

2. In relation to Clause 5.4(c) under Section 5 of the Information Memorandum setting out the disclosures to be made under Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time), the table set out under the aforesaid Clause shall be replaced as under:

(Rs. In Millions)				
Particulars/ Parameters	Up to Latest Half Year i.e, September 30, 2020	FY20	FY19	FY18
Equity	27,511	26,272	18,904	13,906
Total Borrowings of which-	33,532	30,253	29,677	23,314
Debt securities	7,527	7,776	13,720	10,147
Borrowings (other than debt securities)	25,803	22,273	15,755	12,965
Subordinated Liabilities	202	203	203	202
Property, Plant and Equipment	142	152	72	59
Goodwill	174	174	174	-
Other Intangible assets	10	13	22	26
Financial Assets	64,629	59,099	46,837	33,660
Non- Financial Assets	1,363	675	2,481	3,983
Cash and Cash Equivalents	4,617	596	1,486	1,045
Bank Balances other than cash and cash equivalents	2,171	1,975	2,032	1,032
Financial Liabilities	36,349	32,525	30,122	23,459
Non- Financial Liabilities	2,132	977	291	277
Loans	56,300	48,524	42,678	30,896
Interest Income	6,271	11,692	9,979	5,730



<i>Finance Costs</i>	1,691	3,563	3,579	2,318
<i>Impairment on Financial Instruments</i>	2,336	2,736	453	-354
<i>Profit for the year</i>	1,259	3,515	3,118	1,879
<i>Gross NPA (%)</i>	0.54%	0.36%	0.11%	1.78%
<i>Net NPA (%)</i>	0.11%	0.07%	0.01%	0.14%
<i>Tier I Capital Adequacy Ratio (%)</i>	44.60%	51.78%	38.57%	37.16%
<i>Tier II Capital Adequacy Ratio (%)</i>	0.37%	1.11%	1.04%	-

