

(THIS SHELF DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS SHELF 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/2008/13/127878 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, SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014)



**SHELF DISCLOSURE DOCUMENT  
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/>

Shelf Disclosure Document dated November 26, 2020 for issue of up to 2,500 (Two Thousand and Five Hundred) rated, listed, secured, redeemable non-convertible debentures having face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, of the aggregate nominal value of up to Rs. 250,00,00,000/- (Rupees Two Hundred Fifty Crore only) (the "Debentures"), on a private placement basis (the "Issue") in one or more Series/ Tranches.

**BACKGROUND**

This Shelf Disclosure Document ("Shelf DD") is related to the Debentures to be issued by Spandana Sphoorty Financial Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures in one or more Series/ Tranches. The issue of the Debentures described under this Shelf DD has been authorised by the Issuer through a resolution 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 resolution passed by the board of directors of the Issuer on May 17, 2019, read with the resolution passed by the Management Committee dated June 02, 2020 and November 25, 2020 in accordance with the provisions of the Act and the Memorandum and Articles of the Company. The present issue of the Debentures in terms of this Disclosure Document is within the overall powers of the Board as per the above shareholder resolution.

**GENERAL RISKS**

As the Issue is being made on a private placement basis, this Shelf DD and the Supplemental Disclosure Documents (together, "this Information Memorandum") 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. 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 Shelf DD. 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**

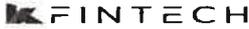
The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is 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 Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**CREDIT RATING**

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited (the "Rating Agency"/ "ICRA"). The Rating Agency has assigned a rating of 'ICRA A-' (pronounced as "ICRA A Minus") with "stable" outlook in respect of the Debentures. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. 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 Shelf DD for, the letter dated November 16, 2020 from the Rating Agency assigning the credit rating abovementioned and the rating rationale adopted by the Rating Agency for the aforesaid rating.

**LISTING**

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the NSE Limited ("NSE"). Please refer to Annexure VIII of this Shelf DD for a copy of the in-principle approval letter dated November 26, 2020 issued by NSE.

| Debenture Trustee   | Registrar & Transfer Agent  |
|---|---|
|  <p><b>CATALYST</b><br/>Catalyst Trusteeship Limited<br/>Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz<br/>(East), Mumbai - 400098<br/>Tel.: 022-49220555<br/>Fax: 022-49220505<br/>Email: umesh.salvi@cfltrustee.com<br/>Contact Person: Mr. Umesh Salvi</p> |  <p><b>KFin Technologies Private Limited</b><br/>Selenium Tower - B,<br/>Plot 31-32, Gachibowli,<br/>Financial District, Nanakramguda<br/>Tel.: (040) 7961 1000<br/>Fax: (040) 23001153<br/>Email: einward.ris@kfintech.com<br/>Contact Person: Mr. S P Venugopal</p> |

### TABLE OF CONTENTS

|  |     |
|--|-----|
| 1. DEFINITIONS AND ABBREVIATIONS                       | 3   |
| 2. NOTICE TO INVESTORS AND DISCLAIMERS                 | 8   |
| 3. RISK FACTORS  | 12  |
| 4. DISCLOSURES UNDER SEBI DEBT LISTING REGULATIONS     | 26  |
| 5. DISCLOSURES PERTAINING TO WILFUL DEFAULT            | 53  |
| 6. OTHER INFORMATION AND APPLICATION PROCESS           | 54  |
| 7. DECLARATION   | 63  |
| ANNEXURE I: RATING LETTER AND RATING RATIONALE         | 64  |
| ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE | 65  |
| ANNEXURE III: DRAFT SUPPLEMENTAL DISCLOSURE DOCUMENT   | 66  |
| ANNEXURE IV: AUDITED FINANCIAL STATEMENTS              | 83  |
| ANNEXURE V: RELATED PARTY TRANSACTIONS                 | 101 |
| ANNEXURE VI: COPY OF BOARD RESOLUTION                  | 114 |
| ANNEXURE VII: COPY OF SHAREHOLDERS' RESOLUTIONS        | 115 |
| ANNEXURE VIII: IN PRINCIPLE LISTING APPROVAL           | 116 |



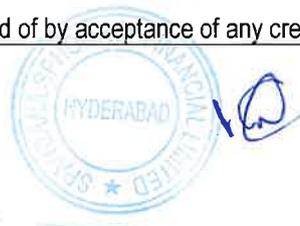
## 1. DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Shelf DD.

|                                   |  |
|-----------------------------------|--|
| Allot/Allotment/Allotted          | Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue to the successful Applicants.  |
| 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 will be annexed to each Supplemental DD, the format of which Supplemental DD is marked as <b>Annexure III</b> .  |
| Application Money                 | The money credited by the Applicant to the bank account of the clearing corporation for the purpose of subscription of NCDs issued under a Series / Tranche.   |
| Approvals / Clearances            | Any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by any Person including by any governmental authority, lenders, RBI, or any other authority under any Applicable Law. |
| Articles of Association/ Articles | The articles of association of the Issuer, as amended from time to time.   |
| Board/Board of Directors          | The Board of Directors of the Issuer and includes any authorised committee of directors, formed or to be formed in this regard.  |
| Beneficial Owners                 | The Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository.   |
| Business Day                      | As per Supplemental DD to be issued in relation to the relevant Series/ Tranche of Debentures.   |
| NSE                               | NSE Limited  |
| ICRA Limited                      | ICRA Limited, a company incorporated under Companies Act, 1956 and having its registered office at 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001.  |
| CDSL                              | Central Depository Services (India) Limited  |
| Coupon                            | As per Supplemental DD to be issued in relation to relevant Tranche/ Series of Debentures  |
| Coupon Payment Date               | As per Supplemental DD to be issued in relation to relevant Tranche/ Series of Debentures  |
| Coupon Period                     | As per Supplemental DD to be issued in relation to relevant Tranche/ Series of Debentures.   |
| 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.   |
| Debentures / NCDs                 | 2,500 (Two Thousand Five Hundred) rated, listed, secured, redeemable non-convertible Debentures having face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each of the aggregate nominal value of Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) to be issued in one or more Series/ Tranches.                            |
| Debenture Holders / Investors     | Initially, the persons to whom the Information Memorandum has been issued to and who have subscribed the Debentures in the primary market  |



|  |   |
|--|---|
|  | <p>and thereafter shall mean and include any Person to whom the Debentures are transferred to, each who fulfils the following requirements:</p> <p>(a) Persons who are registered as such as the Beneficial Owners; and</p> <p>(b) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s);</p> <p>(in the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail).</p> |
| Debenture Outstandings                         | With respect to a Tranche / Series, on any given date, any and all amounts that are outstanding in respect of the Debentures issued under such Tranche/ Series on such date (whether due or not), including Principal Amount and Coupon 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.       |
| Deemed Date of Allotment / Allotment Date      | The date as set out for each Series/Tranche of Debentures in the Supplemental DD(s) issued in relation to the respective Series/Tranche of Debentures, being the date on which the Debentures being issued thereunder are deemed to be allotted to the Debenture Holders.   |
| Debenture Trustee / Trustees                   | Catalyst Trusteeship Limited  |
| Debenture Trustee Agreement/ Trustee Agreement | The debenture trustee appointment agreement entered into by and between the Company and the Catalyst Trusteeship Limited for the appointment of Catalyst Trusteeship Limited as Debenture Trustee in relation to the Debentures and/ or in relation to any Tranche of the Debentures.   |
| Deed of Hypothecation                          | The deed of hypothecation to be executed by the Company in favour of the Debenture Trustee for the purpose of creation of first ranking charge by way of hypothecation over the Hypothecated Assets in relation to any Series/ Tranche of the Debentures.   |
| Debenture Trust Deed                           | The deed to be executed between the Company and the Debenture Trustee setting out the terms and conditions in connection with the issuance of the Debentures and/ or in relation to any Series/ Tranche of the Debentures.  |
| 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 with whom the Issuer has made arrangements for dematerializing the Debentures.  |
| Depository Participant / DP                    | A depository participant as defined under the Depositories Act.   |
| Director(s)                                    | Director(s) of the Issuer unless otherwise mentioned.   |
| DP ID  | Depository Participant Identification Number.   |
| Due Date                                       | Any date on which the holders of the Debentures are entitled to any payments, including on the Coupon Payment Dates / Redemption Dates or upon acceleration pursuant to occurrence of any Event of Default.   |
| Electronic Book Provider/ EBP                  | NSE   |
| Event of Default                               | Any of the events described as an 'Event of Default' in the Transaction Documents.  |
| Financial Indebtedness                         | Any indebtedness for or in respect of: <ul style="list-style-type: none"> <li>i. monies borrowed;</li> <li>ii. any amount availed of by acceptance of any credit facility;</li> </ul>   |



|                             |   |
|-----------------------------|---|
|                             | <ul style="list-style-type: none"> <li>iii. any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments;</li> <li>iv. 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;</li> <li>v. 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);</li> <li>vi. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</li> <li>vii. 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);</li> <li>viii. 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;</li> <li>ix. 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;</li> <li>x. 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);</li> <li>xi. any preference shares (excluding any compulsorily convertible preference shares);</li> <li>xii. (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (xi) above.</li> <li>xiii. Notwithstanding the items in paragraphs (i) to (xii) 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.</li> </ul> |
| 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.  |
| Hypothecated Assets         | The identified book debt receivables of the Company more particularly described in the schedule of the Deed of Hypothecation.   |
| this Information Memorandum | This Shelf Disclosure Document and the Supplemental Disclosure Document issued in relation to each of the Series / Tranches   |
| Issue                       | Issue of 2,500 rated, listed, secured, redeemable non-convertible debentures having face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, of the aggregate nominal value of up to Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) to be issued by the Issuer, in one or more Series/ Tranches, on a private placement basis, on such terms and conditions as set out in this Shelf Disclosure Document and the Supplemental Disclosure Document issued in relation to each of the Series / Tranches and the other Transaction Documents.  |
| Issue Opening Date          | Subject to any change to the Issue schedule by the Issuer, the Issue Opening Date shall be as indicated in the Supplemental DD issued in relation to the respective Series/ Tranche of Debentures.  |

|   |   |
|---|---|
| Issue Closing Date                        | Subject to any change to the Issue schedule by the Issuer, the Issue Closing Date shall be as indicated in the Supplemental DD issued in relation to the respective Series/ Tranche of Debentures.  |
| Issuer/ Company/ Spandana                 | Spandana Sphoorty Financial Limited   |
| Majority Debenture Holders                | Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures for the time being outstanding. It is however clarified that if a resolution is required to be passed in relation to a matter concerning a particular Series/ Tranche only, then the term "Majority Debenture Holder(s)" shall mean the Debenture Holder(s) of that Series/ Tranche holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures comprised in that Series/ Tranche for the time being outstanding. |
| Maturity Date / Redemption Date           | With respect to any Series/ Tranche shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures of that Series/ Tranche will be made, subject to early redemption/ acceleration pursuant to the Event of Default and shall be as specified in the Supplemental DD issued for such Series/ Tranche.  |
| Memorandum of Association/ Memorandum     | The Memorandum of Association of the Issuer, as amended from time to time   |
| N.A.                                      | Not Applicable  |
| NSDL                                      | National Securities Depository Limited  |
| PAN                                       | Permanent Account Number  |
| Principal Amounts                         | Means the aggregate face value of the Debentures  |
| RBI                                       | Reserve Bank of India   |
| Rating Agency                             | ICRA Limited  |
| 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) days prior to any Due Date.  |
| R&T Agent/ Registrar and Transfer Agent   | Registrar and Transfer Agent to the Issue, in this case being KFin Technologies Private Limited.  |
| ROC                                       | Registrar of Companies  |
| Rs. / INR                                 | Indian National 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             | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended from time to time.   |
| SEBI (LODR) Regulations                   | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.   |
| SEBI Electronic Book Mechanism Guidelines | The guidelines issued by SEBI and pertaining to the Electronic Book Mechanism set out in the terms specified by SEBI in its Circular dated January 05, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) titled 'Electronic book mechanism for issuance of securities on private placement basis' read with the related clarifications dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122), and the related operational guidelines issued by the concerned Electronic Book Provider, as may be amended, clarified or updated from time to time.   |
| Series/ Tranche                           | Any Series/ Tranche of Debentures issued pursuant to the issue of a Supplemental Disclosure Document.   |





## 2. NOTICE TO INVESTORS AND DISCLAIMERS

### 2.1 ISSUER'S DISCLAIMER

This Shelf Disclosure Document read together with any Supplemental DD issued pursuant hereto (hereinafter collectively referred as "**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 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 Shelf Disclosure Document and the relevant Supplemental DD 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.

The Issuer does not undertake to update this Shelf DD together with any Supplemental DD hereto to reflect subsequent events after the date of the relevant Supplemental DD and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with 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.

Each of the notices and disclaimers as set out in this Shelf Disclosure Document shall, *ipso facto*, without the requirement of any further act, deed or reference by the Company, unless specifically further modified/updated in the Supplemental DD, *mutatis mutandis* be deemed to apply to and be repeated in each Supplemental DD, issued by the Company in relation to any Series/ Tranche of the Debentures.

## 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 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the clause titled "**Persons who may apply**" under **Section 6** of this Shelf Disclosure Document, who shall be specifically approached 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. Please refer to **Section 4.21** of this Shelf Disclosure Document, under row titled 'Governing Law and Jurisdiction' for details in relation to the governing law and jurisdiction applicable to any disputes arising out of this Issue. 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.

#### 2.4 **DISCLAIMER IN RESPECT OF RATING AGENCY**

ICRA's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. ICRA's ratings do not convey suitability or price for the investor. ICRA's ratings do not constitute an audit on the rated entity. ICRA has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. ICRA 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 ICRA have paid a credit rating fee, based on the amount and type of bank facilities/instruments. ICRA or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/ proprietary concerns, the rating / outlook assigned by ICRA is, inter-alia, based on the capital deployed by the partners/ proprietor and the financial strength of the firm at present. The rating/ outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/ proprietor in addition to the financial performance and other relevant factors. ICRA is not responsible for any errors and states that it has no financial liability whatsoever to the users of ICRA's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

#### 2.5 **FORCE MAJEURE**

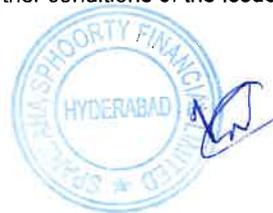
The Company reserves the right to withdraw the Issue of any Series/ Tranche of the Debentures at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund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

#### 2.6 **ISSUE OF DEBENTURES IN DEMATERIALIZED FORM**

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depository(ies) 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 in accordance with the SEBI Electronic Book Mechanism Guidelines.

#### 2.7 **DISCLAIMER CLAUSE OF STOCK EXCHANGES**

As required, a copy of this Shelf Disclosure Document and the relevant Supplemental DD(s) shall be filed with 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.



## **2.8 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.

## **2.9 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 Information Memorandum. It is to be distinctly understood that this Information Memorandum 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 Information Memorandum. Potential investors may make investment decision in the securities offered in terms of this Information Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.



### 3. RISK FACTORS

The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

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 stated in this Disclosure Document and the Private Placement Offer Letter in relation to the Debentures 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 represents 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 ordering 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.* Potential Investors should also read the detailed information set out elsewhere in this Disclosure Document and/or the Private Placement Offer Letter and reach their own views prior to making any investment decision. Each of the risk factors set out in this Shelf DD shall, *ipso facto*, without the requirement of any further act, deed or reference by the Company, unless specifically further modified/updated in the Supplemental DD, *mutatis mutandis* be deemed to apply to and be repeated in each Supplemental DD, issued by the Company in relation to any Tranche of the Debentures.

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. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. 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. INTERNAL RISK FACTORS

##### Risks relating to the Company and its Business

- 1. Our operations are concentrated in the states of Karnataka, Madhya Pradesh, Orissa, Maharashtra and Andhra Pradesh and any adverse developments in these states could have an adverse effect on our business, financial condition, results of operations and cash flows.**

As of September 30, 2020, we conducted our operations through 1027 branches in India, of which 157, 155, 131, 122 and 108 branches, were located in Madhya Pradesh, Orissa, Karnataka, Maharashtra and Andhra Pradesh, respectively. As of September 30, 2020, 17.3%, 16.6%, 12.7%, 12.6% and 9.6%, respectively, of our Gross AUM originated in Orissa, Madhya Pradesh, Maharashtra, Karnataka, and Andhra Pradesh. While we endeavor to manage and monitor our concentration risk at the district level, we are susceptible to risks relating to concentration in these states and in the event of a regional slowdown in the economic activity in one or more of these states, or any other developments including political unrest, disruption or sustained economic downturn that make our products in any of these states less beneficial, we may experience an adverse impact on our business, financial condition, results of operations and cash flows. Further, the market for our products in these states may fluctuate and be subject to, market and regulatory developments that are different for various states of India. There can be no assurance that the demand for our products will grow and will not decrease in the future in these states.



**2. Microfinance loans are unsecured and are susceptible to various operational, credit and political risks which may result in increased levels of NPAs, thereby adversely affecting our business, results of operation and financial condition.**

The focus client segment for our micro-loans is women in Rural Areas. As of September 30, 2020, 99.77% of our clients were women. Our clients typically have limited sources of income, savings and credit histories and as a result, are usually adversely affected by declining economic conditions. Further, for most of our loans, our clients do not provide any collateral or security for their borrowings as the RBI has mandated that loans given by NBFC-MFIs should be collateral free for the purpose of "Qualifying Assets". Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. Furthermore, although we use credit bureau reports to check certain background information such as the total indebtedness of each potential client and her existing repayment/ default history, the information in such reports may be incomplete or unreliable and accordingly the credit risk analyses we carry out on potential clients may be limited. Further, we rely primarily on non-traditional guarantee mechanisms rather than any tangible assets such as collateral. Most of our loans involve a joint liability mechanism whereby borrowers form an informal joint liability group and provide joint and several guarantees for loans obtained by each member of the group. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if there is irregular participation in group meetings, if inadequate risk management procedures have been employed, or as a result of adverse external factors such as natural calamities. As a result, our clients potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, the microfinance business is susceptible to various political and social risks, including political interference in the working of MFIs at the district, state or national level; adverse publicity or litigation relating to the microfinance sector; public criticism of the microfinance sector; introduction of a stringent regulatory regime; or religious beliefs relating to loans and interest payments, which adversely affect repayment by our clients and may have an adverse effect on our business prospects and future financial performance. Due to the underlying profile of our clients, we may, in the future, experience increased levels of non-performing assets and related provisions and write-offs, which would materially and adversely impact our business and results of operations.

**3. An increase in our portfolio of NPAs and/or our provisions may adversely affect our business, results of operations and cash flows.**

Our management of credit risk involves having appropriate credit policies, underwriting standards, approval processes, loan portfolio monitoring, collection and remedial management, provisioning policies and an overall architecture for managing credit risk. If the credit quality of our clients deteriorates or our provisioning levels increase, it could have an adverse effect on our business, results of operations and financial condition. In addition, even if our policies and procedures are appropriate, we may not be able to anticipate future economic or financial developments or downturns, which could lead to an increase in our NPAs. A number of factors outside of our control affect our ability to limit NPAs, including developments in the Indian and global economy, domestic or global turmoil, decline in agricultural productivity, decline in business or client confidence, competition, changes in client behavior and demographic patterns, various central and state government decisions, changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI, or the Government of India. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. Our credit quality is also susceptible to other external events that impact the industry as a whole. For example, in the aftermath of the AP Microfinance Ordinance, we had to make provisions for our outstanding portfolio of loans from the formerly unified Andhra Pradesh, which significantly affected our results of operations and financial condition. Pursuant to the RBI guidelines and our accounting policies, we make provisions against standard assets, which are recognized under provisions and write-offs in our restated summary statement of assets and liabilities and restated summary statement of profit and loss. Any increase in our provisions may materially and adversely affect our business, results of operations and cash flows. The RBI further requires us to classify and, depending on the duration of non-payment of dues, make a provision on loans that become NPAs. As the number of our loans that become NPAs increases, the credit quality of our loan portfolio decreases. Our GNPA and NNPA are lowest in the industry and increasing profitability year



*[Handwritten signature]*

after year we have adequate cushion to meet any increase in provisions.

In addition to the relevant minimum regulatory provision, we also consider our internal estimates for loan losses and risks inherent in the loan portfolio when deciding on the appropriate level of provisioning. This determination requires that we make estimates. Any incorrect estimation may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio. Further, the RBI may introduce regulations reducing the provisioning requirements in relation to a class or classes of borrowers, which will impact our ability to create an appropriate level of provisioning.

The following table shows our NPA and PAR levels for the periods mentioned:

| Metric  | As of                            |                                  |                                |
|---|----------------------------------|----------------------------------|--------------------------------|
|   | March 31, 2020<br>(Consolidated) | March 31, 2019<br>(Consolidated) | March 31, 2018<br>(standalone) |
| Gross NPA <sup>(1)</sup> (Rs. in million)                                     | 17.98                            | 362.78                           | 8,588.70                       |
| Net NPA <sup>(2)</sup> (Rs. in million)                                       | 3.46                             | 7.37                             | 12.2                           |
| Gross PAR 90+(excluding the old AP Portfolio) <sup>(3)</sup> (Rs. in million) | 29.04                            | 4.36                             | 655.6                          |
| Gross PAR 90+ Ratio (excluding the old AP Portfolio) <sup>(4)</sup>           | 0.43%                            | 0.10%                            | 2.07%                          |
| Net PAR 90+ (excluding the old AP Portfolio) <sup>(5)</sup> (Rs. in million)  | 14.52                            | 0.59                             | 9.5                            |
| Net PAR 90+ Ratio (excluding the old AP Portfolio) <sup>(6)</sup> (%)         | 0.21%                            | 0.01%                            | 0.03%                          |

Figures disclosed above are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) Gross NPA represents the non-performing portfolio loans outstanding (gross) as of the last day of the relevant year (including loans originating from the states of Andhra Pradesh and Telangana that were disbursed prior to January 1, 2012).

(2) Net NPA represents the non-performing portfolio loans outstanding (net) as of the last day of the relevant year i.e. non performing portfolio loans outstanding (gross) as reduced by the provision for such non-performing assets (including provision for loans originating from the states of Andhra Pradesh and Telangana that were disbursed prior to January 1, 2012).

(3) Gross PAR 90+ (excluding the old AP Portfolio) represents total loan outstanding that are overdue for 90 days or more including any such loan outstandings that form part of our securitized loan portfolio), excluding loans originating from the states of Andhra Pradesh and Telangana that were disbursed prior to January 1, 2012.

(4) Gross PAR 90+ Ratio (excluding the old AP Portfolio) represents “Gross PAR 90+ (excluding the old AP Portfolio” (as defined above) as a percentage of Gross AUM as at the date mentioned

(5) Net PAR 90+ (excluding the old AP Portfolio) represents the total loan outstanding that are overdue for 90 days or more, (including any such loan outstandings that form part of our securitized loan portfolio), as reduced by the provision for such PAR 90+ loans (excluding provision for loans originating from the states of Andhra Pradesh and Telangana that were disbursed prior to January 1, 2012).

(6) Net PAR 90+ Ratio (excluding the old AP Portfolio) represents “Net PAR 90+ (excluding the old AP Portfolio”(as defined above) as a percentage of Gross AUM (net of provision for such PAR 90+ loans) as at the date mentioned.

If our NPAs increase, we will be required to increase our provisions, which could materially adversely affect our financial condition, profitability and results of operations.



**4. Competition from MFIs, banks and other financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian microcredit lending industry.**

We face significant competition from other MFIs and banks in India (including SFBs), as the microfinance industry is characterized by low barriers to entry. Many of the institutions with which we compete may be larger in terms of business volume or may have greater assets, higher geographical penetration and better access to, and lower cost of, funding than we do. In certain areas, they may also have better brand recognition and larger client bases than us. We anticipate that we may encounter greater competition as we continue expanding our operations in India, and this may result in an adverse effect on our business, results of operations and financial condition. Traditional banks also participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs, or through certain state-sponsored social programs as well as through their own operations pursuant to the JLG model. Further, most SFBs which received approval from the RBI for the commencement of SFB operations are focused on low and middle income individuals and micro, small and medium enterprises. In addition, of late, some commercial banks are also beginning to directly compete with for-profit MFIs for lower income segment clients in certain geographies. Further, disruption from digital platforms could also have an adverse effect on our business model and the success of our products and services that we offer to our clients. We face threats to our business from newer business models that leverage technology to bring together savers and borrowers. We may not be competitive in facing up to the challenges from such newer entrants. Increasing competition may adversely affect our business, financial condition and results of operations. In addition, as competition amongst micro-finance players increases, borrowers may take more than one loan from different micro-finance players, which may adversely affect our asset quality or the asset quality of the industry as a whole.

**5. Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations.**

The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, industry position, and ability to meet our obligations. Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest income and net interest margin. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. During the year ended March 31, 2011, credit ratings were reduced for MFIs operating in Andhra Pradesh as a result of a crisis in the MFI industry, which also impacted our fundraising activities and our business and financial results. As noted above in "Our business, financial condition, cash flows and results of operations have been adversely affected in the past by certain state regulations. There can be no assurance that similar disruptions will not occur in the states in which we operate, which may have an adverse impact on our business, financial condition and results of operations." the AP government in October 2010 passed the AP Microfinance Ordinance, placing extremely stringent operating guidelines on MFIs operating in that state. In December 2010, in the aftermath of the Microfinance Ordinance, CRISIL downgraded our credit rating from A-/P1 to BBB/P3+ and placed us on "Rating Watch with Negative Implications". The industry as a whole was greatly impacted, and we had to resort to CDR due to the decline in loan collections, asset quality and fresh disbursements. We exited CDR in 2017. Further, in 2016, as a result of a number of factors, including the Government of India's demonetization measures, the credit ratings of a number of NBFC-MFIs were downgraded. There is no assurance that our credit ratings will not be downgraded in the future. Any such development in the future may adversely affect our business operations, future financial performance.



**6. We require various statutory and regulatory approvals, licenses, registrations and permissions to conduct our business and an inability to obtain or maintain such approvals, licenses, registrations and permissions in a timely manner, or at all, may adversely affect our operations.**

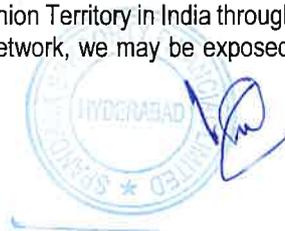
We require various approvals, licenses, registrations and permissions to operate our business, including a registration for our company with the RBI as an NBFC-MFI as well as various other corporate actions. We are also required to comply with the prescribed requirements, including classification of NPAs and provisioning, KYC requirements, ticket sizes, qualifying assets and other internal control mechanisms. In future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner, or at all, and/ or on favorable terms and conditions. Our failure to comply with the terms and conditions of such permits or approvals and/ or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have a material adverse effect on our business operations, future financial performance. In the event that we are unable to comply with the requirements, we may be subject to regulatory actions by the RBI, including the levy of fines or penalties and/ or the cancellation of our license to operate as an NBFC-MFI. Any levy of fines or penalties or the cancellation of our license to operate as an NBFC-MFI may adversely affect our business, prospects, results of operations, and financial condition. In addition, we require various registrations to operate our branches in the ordinary course of business, such as those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labor related registrations and trade licenses of the particular state in which they operate. Some of these approvals may have expired, and our company has either applied, or is in the process of applying for renewals of them. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, our business may be adversely affected.

**7. There can be no assurance that we will be able to access capital as and when we need it and at a cost favorable for our growth.**

Our liquidity and profitability are, in large part, dependent upon our timely access to capital and costs associated with raising capital. Our funding requirements have historically been met from a combination of term loans, working capital facilities, assignment or securitization of our portfolio to banks and financial institutions, proceeds from issuance of non-convertible debentures, subordinated debt as well as equity contributions. Any change in the RBI regulations on priority sector lending, or our inability to maintain relationships with such banks and financing institutions could adversely affect our business, results of operations and financial condition. Our business depends and will continue to depend on our ability to access diversified low cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. If we are unable to access the necessary amounts of capital, it may adversely impact our ability to grow our overall business and may even require us to curtail or withdraw from some of our current business operations. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates on our loans to clients. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/ or lenders' perception of demand for debt and equity securities of NBFCs and MFIs, and our current and future results of operations and financial condition. There can also be no assurance that we would be able to raise adequate additional capital in the future on terms favorable to us, or at all, and this may hamper and adversely impact our growth plans. Our capital adequacy ratio at present is very high and our leverage is very low and our strong financials will enable us to access capital as and when required on terms favorable to us.

**8. We may face various risks associated with our large number of branches and widespread network of operations which may adversely affect our business, financial condition and results of operations.**

As of September 30, 2020, we operate across 17 states and 1 Union Territory in India through 1,027 branches and 5,818 Credit Assistants. As a consequence of our large network, we may be exposed to certain risks, including, amongst others:



- preserving our asset quality and managing our NPAs as our geographical presence increases and our client profile changes;
- developing and improving our product delivery channels;
- upgrading, expanding and securing our technology platform;
- complying with regulatory requirements such as KYC and AML norms;
- maintaining high levels of client satisfaction;
- difficulties arising from coordinating and consolidating corporate and administrative functions;
- delay in the transfer of data amongst various locations;
- higher technology support costs to achieve last mile connectivity;
- operational risks including integration of internal controls and procedures;
- failure to manage third-party service providers in relation to any outsourced services;
- difficulties in the integration of new branches with our existing branch network;
- difficulties in supervising local operations from our centralized locations;
- risks relating to lack of infrastructure in rural areas, where we operate;
- difficulties in hiring and training skilled personnel in sufficient numbers to operate the new branches locally and management to supervise such operations from centralized locations; and
- unforeseen legal, regulatory, property, local taxation, labor or other issues.

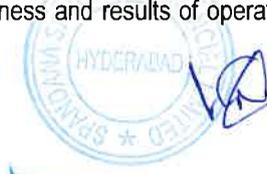
Any of the above reasons may result in our failure to manage our expansive presence, which may materially and adversely affect our brand, reputation, business, financial condition and results of operations.

**9. Any failure or material weakness of our internal control systems could cause significant operational errors, which would materially and adversely affect our profitability and reputation.**

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and the complexity of our operations. Our internal or concurrent audit functions are equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business personnel adhere to our policies, compliance requirements and internal circular guidelines. While we periodically test and update our internal control systems as necessary, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given our volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. For instance, our statutory auditor's report for the year ended March 31, 2014 noted that our internal control system for rendering of services was inadequate as certain deficiencies had been noted in appropriating collections and recoveries in respect of loan balances to the respective client accounts. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. We face operational risks in our business and there may be losses due to deficiencies in the credit sanction process, inaccurate financial reporting, fraud and failure of critical systems and processes. In addition, we carry out certain processes manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer material losses. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

**10. We are subject to certain conditions and restrictions in terms of our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.**

As of September 30, 2020, we had total borrowings on a consolidated basis aggregating to ₹33,531,30 million, comprising debt securities amounting to ₹7,526.96 million, borrowings (other than debt securities) amounting to ₹25,802,66 million and subordinated liabilities amounting to ₹201.68 million, each on a consolidated basis. Incurring indebtedness is a direct consequence of the nature of our business, and having large outstanding borrowings portfolio may have significant implications on our business and results of operations, including, inter alia:



- low availability of cash flow for working capital, capital expenditures and other general corporate requirements;
- affecting our ability to obtain additional financing in the future at reasonable terms;
- triggering provisions of cross-default across multiple financing arrangements;
- adverse and onerous implications (including limitations to the use of funds in the relevant facility) in the event of inability to comply with financial and other covenants specified in the financing agreements;
- the right to recall loans by our lenders; and
- reduction in the ability to respond to changing business, regulatory and economic conditions.

Further, under certain financing arrangements, we are required to maintain specific credit ratings and other financial ratios, which may restrict or delay certain actions or initiatives that we may propose to take in the ordinary course of business. Failure to observe the covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger cross-default provisions and the enforcement of security provided. There can be no assurance that we would be able to persuade our lenders to grant extensions or refrain from exercising such rights which may adversely affect our operations and cash flows. During any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund our liquidity requirements. In relation to our historic loan defaults leading to corporate debt restructuring, please see "Our business, financial condition, cash flows and results of operations have been adversely affected in the past by state regulations. There can be no assurance that similar disruptions will not occur in the states in which we operate, which may have an adverse impact on our business, financial condition and results of operations."

In addition to the CDR, in the past, we have entered into certain settlement agreements with certain collecting agents, with respect to irregular payments on our part. As on date of this Offer Letter, we do not have any liabilities arising out of these settlements, however, there can be no assurance that in the future we may comply with provisions of any such agreements, which in turn may have an adverse impact on our credit rating, business operations and future financial operations.

Our lenders also have the ability to recall or accelerate all or part of the amounts owed by us, subject to the terms of the financing arrangement. Such recalls may be contingent on happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls. A recall notice may also lead to an event of default under an existing financing arrangement. There can be no assurance that we will be able to repay our loans in full, or at all, at the receipt of a recall or acceleration notice, or otherwise. Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse impact on our credit rating, business operations and future financial performance. Further, if we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected, which will have a significant adverse effect on our results of operations, financial condition and our business. Based on our operational and financial strengths we would continue to access funds for business requirements on a continuous basis.

**11. Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.**

Our operations are subject to various risks inherent to the finance industry, as well as theft, robbery, acts of terrorism and other force majeure events. None of our insurance policies are assigned in favor of any third-party. We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honored fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In particular, we do not maintain direct insurance

coverage over our loan portfolio. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

**12. Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our ability to further securitize/ assign our loans in the future.**

We may, in the ordinary course of business to improve liquidity and minimize risks, assign or securitize a portion of our receivables from our loan portfolio to banks and NBFCs. Such securitization/ assignment transactions are undertaken by us on the basis of our internal estimates of funding requirements, and may vary from time to time. The outstanding carrying value of our loans securitized on a consolidated basis, which are recognized on the balance sheet under Ind AS, was ₹3,765.65 million and ₹5398.17 million as at September 30, 2020 and March 31, 2020, respectively. The outstanding carrying value of loans derecognised on a consolidated basis for the same period was ₹ 15,133.62 million and ₹19,155.84 million, respectively. Any change in the RBI or other government regulations in relation to assignments securitisations by NBFCs could have an adverse impact on our assignment/ securitisation initiatives.

However, in the event the bank or NBFC does not realise the receivables due under loans that have been securitized, the relevant bank or NBFC can enforce the underlying credit enhancements assured by us. Further, any deterioration in the performance of any batch of receivables assigned to banks and NBFCs could adversely affect our credibility and therefore our ability to conduct further assignments and securitizations. We may also be named as a party in legal proceedings initiated by an assignee in relation to the securitized assets. Should a substantial portion of our securitized/ assigned loans be put back to us, it could have an adverse effect on our financial condition and results of operations.

**13. As an NBFC-MFI, we are subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.**

As an RBI- registered NBFC-MFI, we are subject to periodic inspections by the RBI to verify the correctness or completeness of our business and operations, internal controls, and any statement, information or particulars furnished to the RBI. We will continue to be subject to inspections by the RBI, in the course of which the RBI may report on divergences (if any) from regulatory requirements applicable to NBFCs. For instance, in the past, the RBI has made observations in its inspection reports, inter alia, in relation to: (i) a difference in assessed NOF and reported NOF; (ii) variations in CRAR assessments; (iii) imposition of condition restricting the number of installments before which repayment can be made without incurring a penalty being against the spirit of the RBI instructions; (iv) the Company not putting in place policies in relation to the due diligence of the portfolio being purchased; and (v) breach of limits on branch level cap for portfolio outstanding. While we have responded to the observations made by the RBI in its inspection reports on an ongoing basis, and have not received any adverse remarks following the submission of our responses in the past, there can be no assurance that we will be able to respond to the observations made by the RBI in its inspection report in the future to its satisfaction, or that the RBI will not make an adverse remark or impose a penalty as a consequence of such inspections. There can be no assurance that the RBI would not make adverse observations, including on divergences, in the future. If we are unable to resolve such deficiencies and other matters to the RBI's satisfaction, we could be exposed to penalties and restrictions, and our ability to conduct our business may be adversely affected

**14. Our business is vulnerable to interest rate risk, and volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.**

Our results of operations depend to a large extent on the level of our net interest income as our primary revenue source is interest income. Net interest income represents gross interest income for the relevant year reduced by finance costs and cost of portfolio derecognized in such year. For more details, see "Selected Statistical Information". The differential between the interest rates that we charge on interest-earning assets (i.e., our loan portfolio) and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. During the year ended March 31, 2019 and 2020, interest income represented 95.66% and 81.46% of our consolidated revenue from

operations, respectively. Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities. An increase in interest rates could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our loan portfolio and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. Further, such increase in interest rates could impact our ability to raise low cost funds as compared to some of our competitors which may have access to lower cost deposits. The differences between repricing maturities of rate sensitive liabilities and rate sensitive assets, called repricing gaps, exposes our business to interest rate risk. As per RBI regulations, the interest rates charged by us on our microfinance loans is required to be the lower of (i) 10% margin above our cost of funds for the previous quarter or (ii) 2.75 times the average base rate of the five largest commercial banks by assets (as notified every quarter by the RBI) ("**RBI Benchmark**"). Our business is also exposed to interest rate risk in the form of non-uniform movement in different interest rates that are used for pricing of our assets and liabilities. The following table represents the RBI Benchmark and the maximum interest rates we charge on our micro-finance loans disbursements for the periods mentioned:

|  | Quarter ended September 30, 2020 (in %) | Quarter ended March 31, 2020 (in %) | Quarter ended December 31, 2019 (in %) | Quarter ended September 30, 2019 (in %) | Quarter ended June 30, 2019 (in %) |
|--|---|-------------------------------------|--|---|------------------------------------|
| RBI Benchmark  | 23.68                                   | 25.19                               | 25.36                                  | 25.25                                   | 25.32                              |
| Maximum rate of interest charged on our disbursement | 20.98                                   | 24                                  | 24                                     | 24                                      | 24                                 |

A sustained decline in the RBI Benchmark may adversely impact our ability to charge interest on our microfinance loans at our desired rates, which may adversely affect our interest income from loan portfolio.

As the repricing maturities of our liabilities and assets are spread over different time periods, we are exposed to interest rate risk in the form of non-parallel movement in yield curves. Further, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin.

**15. The examination report of our Statutory Auditors on the Financial Statements makes references to certain qualifications.**

In their examination report on our Financial Statements, our Statutory Auditors have made references to certain audit qualifications included in the auditors' report pursuant to Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 on the standalone financial statements for the year ended March 31, 2017 and annexures to the auditors' reports issued under the Companies (Auditor's Report) Order, 2016, 2015 and 2003, as applicable, on the standalone financial statements for the years ended March 31, 2018, 2017, 2016, 2015 and 2014. Investors should consider these matters while evaluating our financial position, cash flows and results of operations.

**16. We have had negative cash flows in the past and may continue to have negative cash flows in the future.**

The following table sets forth our cash flow for the periods indicated:

| Particulars  | For the year ended March 31, |            |             |
|--|------------------------------|------------|-------------|
|  | 2020                         | 2019       | 2018        |
|  | (Rs. in million)             |            |             |
| Net cash generated/ (used in) Operating Activities | (536.66)                     | (6,497.75) | (10,838.82) |

| Particulars   | For the year ended March 31, |          |            |
|---|------------------------------|----------|------------|
|   | 2020                         | 2019     | 2018       |
|   | (Rs. in million)             |          |            |
| Net cash generated/ (used in) Investing Activities    | (4,851.89)                   | (592.78) | (55.48)    |
| Net cash generated/ (used in) Financing Activities    | 4,470.68                     | 7,519.54 | 9,018.13   |
| Net increase/ (decrease) in Cash and Cash Equivalents | (917.88)                     | 429.00   | (1,876.17) |

Our effective cash management system will ensure that we will not face negative cash flows on an ongoing basis.

**17. We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.**

As of September 30, 2020, we had the following contingent liabilities on a consolidated basis which have not been provided for as per Ind AS-37:

| Particulars   | As at September 30, 2020<br>(consolidated)<br>(in ₹ millions) |
|---|---|
| Claims against the Company not acknowledged as debts: |   |
| - Service tax open assessments                        | 48.66   |
| - Income tax open assessments                         | 588.47  |

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future. If the aforementioned contingent liabilities materialize, our profitability and cash flows may be adversely affected. We have made applications and appeals with the respective departments and we expect favourable orders in respect of the claims disputed by us.

**18. We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law or may discontinue providing service which may adversely impact our operations.**

We enter into arrangements with third-party vendors, separate employees and independent contractors to provide services that include, among others, telecommunications infrastructure services and software services. We also enter into agreements with credit bureaus for availing credit assessment and other services. We cannot guarantee that there will be no disruptions in the provision of such services or that these third-parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. On November 9, 2017, the RBI issued the 'Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs' ("**Outsourcing Directions**"). Pursuant to the Outsourcing Directions, the RBI has directed NBFCs to put in place necessary safeguards for the activities outsourced by them. In this regard, NBFCs are required to put in place a comprehensive, board-approved outsourcing policy which incorporates criteria for selection of activities as well as service providers, delegation of authority depending on risks and materiality and systems to monitor and review the operation of these activities. Further, in case NBFCs have back-office and service arrangements/ agreements with group entities, e.g. sharing of premises, legal and other professional services, hardware and software applications etc., the NBFCs are required to have a board-approved policy prior to entering into such arrangements with group entities, which shall cover demarcation of sharing resources (for example, premises and personnel). Further, a central record of all material outsourcing



that is readily accessible for review by the board and senior management of the NBFC shall be maintained, and records shall be updated promptly and half yearly reviews shall be placed before the board or risk management committee.

Further, certain of our agreements, including an agreement with a credit bureau, require us to indemnify our counterparties for certain losses, and limit contractual or other liabilities of our counterparties to fees or other amounts received by them from us for a certain period of time. If such indemnities are invoked, or if our counterparties limit their liabilities to an extent that our losses are not fully recovered, we may incur additional costs. Such additional costs, in addition to the cost of entering into agreements with third-parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. We engage high quality service providers whose services are well proved in the market.

**19. We depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our base of clients.**

We own trademark registration of our brand names, "Spandana Sphoorty", "SSFL", as well as an image consisting of coined word "Spandana" with emblem. We believe that any damage to our reputation could substantially impair our reputation and our ability to maintain or grow our business, or have a material adverse effect on our overall business, financial condition and results of operations. If we fail to maintain brand recognition with our target clients due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and client acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value. In such an event, we may not be able to compete for clients effectively, and our business, financial condition and results of operations may be adversely affected.

In addition, we also face the risk of our brand name being misused for fraudulent purposes, which may adversely affect our reputation. Our continued superior operational and financial performance will help us maintain our brand value.

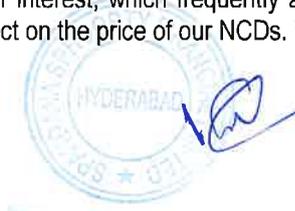
**20. We have entered into, and will continue to enter into, related party transactions.**

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, there can be no assurance that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into post-listing, will be subject to Board or Shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. All the transactions with the related parties are within the approved by board limits and are entered at arm lengths basis.

**B. Risks Relating to the Debentures**

**1. 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.



2. **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.

3. **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.

4. **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.

5. **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.

6. **Security may be insufficient to redeem the Debentures**

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 the Supplemental Disclosure Document, 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% the amounts 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.

## **7. 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.

## **C. EXTERNAL RISK FACTORS**

### **Risks Relating to the Indian Economy**

#### **1. We operate in a highly regulated environment.**

We operate in a highly regulated environment in which we are regulated by the RBI, the MCA, the Registrar of Companies and other domestic and international regulators. Accordingly, legal and regulatory risks are inherent and substantial in our business. As we operate under licenses or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators.

Being regulated, we are subject to regular scrutiny and supervision by their respective regulators, such as regular inspections that may be conducted by the RBI. The requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect investors and depositors. Any non-compliance with regulatory guidelines and directions may result in substantial penalties and reputational impact. Among other things, in the event of being found non-compliant, we could be fined or prohibited from engaging in certain business activities.

In addition, we are also exposed to the risk of us or any of our employees being non-compliant with insider trading rules or engaging in front running in securities markets. In the event of any such violations, regulators could take regulatory actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on us. Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business. Our strict adherence to regulatory guidelines will ensure that we operate as a highly compliant company.

#### **2. The performance of the subsidiary companies**

The performance of the subsidiary companies, would affect the performance of the Company as the financials of the Company is largely dependent on the dividend income received from the subsidiary companies. The volume of the subsidiary Company's is significantly low to make any material impact on the operations of the Company.

#### **3. Impact of spread of COVID-19 virus**

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 adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services.



However, the extent of negative financial impact cannot be reasonably estimated at this time but 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. As our operations have been geographically well diversified and more than 90% of our operations are in rural areas, the significant on our operations is minimal.



#### 4. DISCLOSURES UNDER SEBI DEBT LISTING REGULATIONS

##### 4.1 Documents submitted to the NSE

The following documents have been submitted to the NSE:

- A. Memorandum and Articles of Association 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 Board / Committee Resolution authorising the issue of Debentures and list of authorised signatories;
- E. Undertaking from the Issuer stating that all documents required to be executed in relation with the Debentures shall be executed within the time frame specified, and uploaded on the website of the Designated Stock Exchange, where the Debentures are listed, within a period of 5 (Five) working days of the execution of the same;
- F. Any other particulars or documents that the stock exchange may call for as it deems fit.
- G. An undertaking that permission/consent from the prior creditors for the charge being created in favour of the Debenture Trustee shall be obtained, if required, within the time frame specified herein for creation of security for the Debentures.

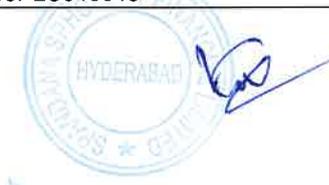
##### 4.2 Documents submitted to the Debenture Trustee

The following documents have been submitted to the Debenture Trustee:

- A. Memorandum and Articles of Association 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 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, till the redemption of the Debentures, 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) 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' (QIBs) and other existing debenture holders within 2 (Two) Business Days of their specific request.

##### 4.3 Issuer Information

| Sr. No. | Particulars                     | Details   |
|---------|---------------------------------|---|
| 1.      | Name of the Issuer              | Spandana Sphoorty Financial Limited   |
| 2.      | Registered Office of the Issuer | Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad TG 500032 IN |
| 3.      | Corporate Office of the Issuer  | Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Second Floor, Financial Dist, Nanakramguda, Hyderabad TG 500032 IN |
| 4.      | Registration                    | Corporate Identification Number: L65929TG2003PLC040648  |



| Sr. No. | Particulars                                 | Details   |
|---------|---|---|
|         |   | The Company was granted NBFC – Microfinance Institution status by the RBI with effect from April 13, 2015 and a modified certificate of registration bearing registration no. N-09.00414 was issued by the RBI to this effect.  |
| 5.      | Compliance Officer of the Issuer            | Name: Mr. Ramesh Periasamy<br>Address: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad, Telanagna-500032<br>Tel: 040 – 4812 6666<br>E-mail: ramesh.periasamy@spandanaindia.com   |
| 6.      | Chief Financial Officer (CFO) of the Issuer | Name: Mr. Satish Kottakota<br>Address: Plot No: - 31 & 32, Ramky Selenium Towers, Tower A Ground Floor, Financial Dist, Nanakramguda, Hyderabad TG 500032 IN<br>Tel: 040 – 4812 6666<br>E-mail: Satish.kottakota@spandanaindia.com  |
| 7.      | Arrangers/ Distributor (if any)             | The Issuer may appoint an arranger/ distributor in relation to each Series/ Tranche of the Debentures. In the event any arranger/ distributor has been appointed in relation to any particular Tranche the Supplemental DD for the said Series/ Tranche shall disclose the same.        |
| 8.      | Debenture Trustee to the Issue              | <b>Catalyst Trusteeship Limited</b><br>Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098<br>Tel: 022-49220555<br>Fax: NA<br>Contact person: Mr. Umesh Salvi, Business Head<br>E-mail: umesh.salvi@ctltrustee.com                               |
| 9.      | Registrar and Transfer Agent to the Issue   | <b>Name: KFin Technologies Private Limited</b><br>Address: Ramky Selenium Tower - B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032<br>Tel: (040) 7961 1000<br>Fax: (040) 23001153<br>Contact person: Mr. S P Venugopal<br>E-mail: einward.ris@kfintech.com |
| 10.     | Credit Rating Agency (s) of the Issue       | <b>ICRA Limited</b><br>Address: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg<br>New Delhi 110 001   |
| 11.     | Auditor(s) of the Issuer                    | Name: <b>S.R. Batliboi &amp; Co. LLP</b><br>Address: 12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West) Mumbai 400 028, Maharashtra, India<br>Tel No.: +91 22 6819 8000  |

4.4 **A brief summary of business / activities of Issuer and its line of business**

A. **Overview:**



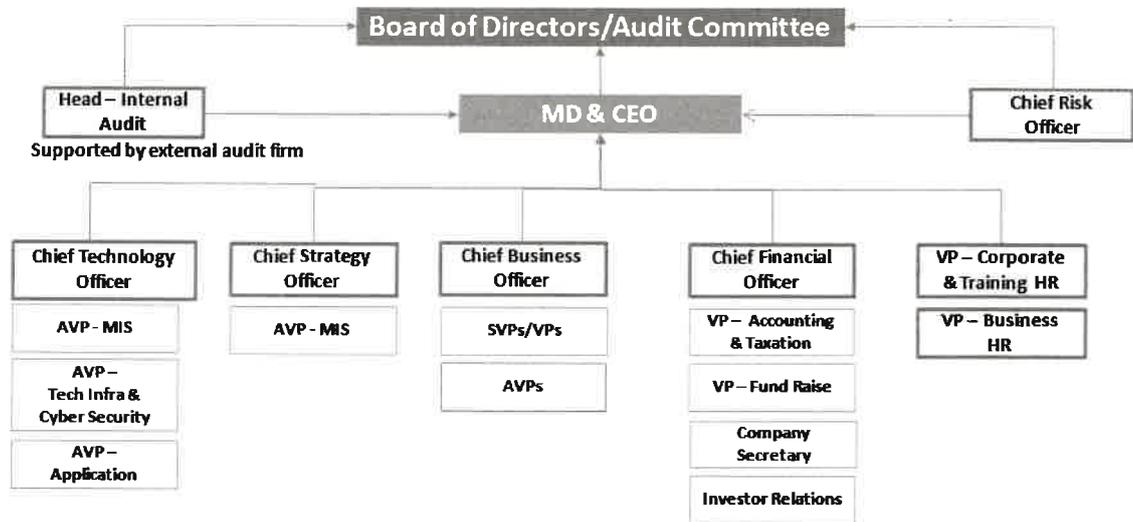
I. Brief overview of the Company

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. Corporate 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.

4.5 **Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis\*\*:**

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

\*\*As per Indian Accounting Standards



## A. Gross Debt: Equity Ratio of the Issuer:

|                                       |      |
|---------------------------------------|------|
| <b>Before the issue of Debentures</b> | 1.28 |
| <b>After the issue of Debentures</b>  | 1.37 |

## B. Project cost and means of financing, in case of funding of new projects:

Nil

## 4.6 Brief history of Issuer since its incorporation

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

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

## B. Changes in its capital structure as on the 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 (Rs. In crore) | 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                  | 2.72                         | Preferential Allotment | 9,924,767                  | 19.92                              | 2.18                               | NIL    |
|                   | Valiant Mauritius                    | 3,30,000            | 10                  | 50                  | 1.65                         | Preferential           | 20,254,767                 | 20.25                              | 1.32                               | NIL    |

|            |   |           |    |        |        |                             |            |       |        |     |
|------------|---|-----------|----|--------|--------|-----------------------------|------------|-------|--------|-----|
|            | Partners FDI Ltd                              |           |    |        |        | Allotment                   |            |       |        |     |
|            | Helion Venture Partners II LLC                | 90,000    | 10 | 50     | 0.45   | Preferential Allotment      | 20,344,767 | 20.34 | 0.36   | NIL |
|            | Helion Venture Partners LLC                   | 36,000    | 10 | 50     | 0.18   | Preferential Allotment      | 20,380,767 | 20.38 | 0.14   | NIL |
| 31.03.2017 | Kangchenjunga Limited                         | 78,96,937 | 10 | 235.48 | 185.96 | Private Placement           | 28,277,704 | 28.28 | 178.06 | NIL |
|            | Kedaara Capital Alternative Investment Fund - | 1,71,689  | 10 | 235.48 | 4.04   | Private Placement           | 28,449,393 | 28.45 | 3.87   | NIL |
| 08.03.2018 | Mrs. Padmaja Gangireddy                       | 74,954    | 10 | 235.48 | 1.76   | Preferential allotment      | 28,524,347 | 28.52 | 1.69   | NIL |
|            | JM Financial Products Limited                 | 5,41,535  | 10 | 235.48 | 12.75  | Preferential allotment      | 29,065,882 | 29.07 | 12.21  | NIL |
| 08.03.2018 | Valiant Mauritius Partners FDI Limited        | 6,50,790  | 10 | 235.48 | 15.32  | Preferential allotment      | 29,716,672 | 29.72 | 14.67  | NIL |
| 08.03.2018 | Spandana Employee Welfare Trust               | 38,512    | 10 | 235.48 | 0.90   | Preferential allotment      | 29,755,184 | 29.76 | 0.87   | NIL |
| 08.03.2018 | BalaDeeptiGangireddy                          | 1,634     | 10 | 235.48 | 0.03   | Preferential allotment      | 29,756,818 | 29.76 | 0.04   | NIL |
| 15.05.2018 | Kangchenjunga Limited                         | 9767263   | 10 | 235.48 | 229.99 | Conversion of Class A CCPS  | 39,524,081 | 39.52 | 220.23 | NIL |
| 15.05.2018 | Kedaara Capital Alternative Investment Fund   | 212352    | 10 | 235.48 | 5.00   | Conversion of Class A CCPS  | 39,736,433 | 39.74 | 4.79   | NIL |
| 15.05.2018 | Kangchenjunga Limited                         | 4954819   | 10 | 235.48 | 116.68 | Conversion of Class A1 CCPS | 44,691,252 | 44.69 | 111.72 | NIL |
| 15.05.2018 | Kedaara Capital Alternative Investment        | 107723    | 10 | 235.48 | 2.54   | Conversion of Class A1 CCPS | 44,798,975 | 44.80 | 2.43   | NIL |



|            |  |               |    |            |        |  |            |       |        |     |
|------------|--|---------------|----|------------|--------|--|------------|-------|--------|-----|
| 15.05.2018 | nt Fund<br>Kangche<br>njunga<br>Limited                      | 8758017       | 10 | 238.6<br>7 | 209.03 | Conversi<br>on of<br>Class B<br>CCPS                   | 53,556,992 | 53.56 | 200.27 | NIL |
| 15.05.2018 | Kedaara<br>Capital<br>Alternati<br>ve<br>Investme<br>nt Fund | 190408        | 10 | 238.6<br>7 | 4.54   | Conversi<br>on of<br>Class B<br>CCPS                   | 53,747,400 | 53.75 | 4.35   | NIL |
| 20.06.2018 | Padmaja<br>Gangired<br>dy                                    | 1,135,08<br>5 | 10 | 235.4<br>8 | 26.73  | Conversi<br>on of<br>Series C<br>OCRPS                 | 54,882,485 | 54.88 | 25.59  | NIL |
| 20.06.2018 | Padmaja<br>Gangired<br>dy                                    | 283,771       | 10 | 235.4<br>8 | 6.68   | Conversi<br>on of<br>FY 18<br>Series A<br>OCRPS        | 55,166,256 | 55.17 | 6.40   | NIL |
| 20.06.2018 | Padmaja<br>Gangired<br>dy                                    | 283,771       | 10 | 235.4<br>8 | 6.68   | Conversi<br>on of<br>FY 18<br>Series B<br>OCRPS        | 55,450,027 | 55.45 | 6.40   | NIL |
| 20.06.2018 | Padmaja<br>Gangired<br>dy                                    | 283,771       | 10 | 235.4<br>8 | 6.68   | Conversi<br>on of<br>FY 19<br>Series A<br>OCRPS        | 55,733,798 | 55.73 | 6.40   | NIL |
| 20.06.2018 | Padmaja<br>Gangired<br>dy                                    | 283,771       | 10 | 235.4<br>8 | 6.68   | Conversi<br>on of<br>FY 19<br>Series B<br>OCRPS        | 56,017,569 | 56.02 | 6.40   | NIL |
| 20.06.2018 | Padmaja<br>Gangired<br>dy                                    | 1488544       | 10 | 235.4<br>8 | 35.05  | Conversi<br>on of<br>convertibl<br>e share<br>warrants | 57,506,113 | 57.51 | 33.56  | NIL |
| 21.06.2018 | Padmaja<br>Gangired<br>dy                                    | 2031988       | 10 | 235.4<br>8 | 47.85  | Private<br>placemen<br>t                               | 59,538,101 | 59.54 | 45.82  | NIL |
| 21.06.2018 | Abdul<br>Feroz<br>Khan                                       | 72402         | 10 | 235.4<br>8 | 1.70   | Private<br>placemen<br>t                               | 59,610,503 | 59.61 | 1.63   | NIL |
| 21.06.2018 | Venkata<br>Nagesw<br>ararao                                  | 9748          | 10 | 235.4<br>8 | 0.23   | Private<br>placemen<br>t                               | 59,620,251 | 59.62 | 0.22   | NIL |
| 21.06.2018 | Raju<br>Danttu   | 9185          | 10 | 235.4<br>8 | 0.22   | Private<br>placemen<br>t                               | 59,629,436 | 59.63 | 0.21   | NIL |
| 21.06.2018 | Abanti<br>Mitra  | 4247          | 10 | 235.4<br>8 | 0.10   | Private<br>placemen<br>t                               | 59,633,683 | 59.63 | 0.10   | NIL |
| 14.08.2019 | IPO  | 45,43,38<br>5 | 10 | 856.0<br>0 | 388.91 | Initial<br>Public<br>Offer                             | 54,177,068 | 64.17 | 384.37 | NIL |
| 28.01.2020 | ESOP   | 91752         | 10 | 263.3<br>5 | 2.42   | ESOP   | 54,268,820 | 64.26 | 2.32   | NIL |

|            |      |       |    |        |      |      |            |       |      |     |
|------------|------|-------|----|--------|------|------|------------|-------|------|-----|
| 03.03.2020 | ESOP | 46663 | 10 | 263.35 | 1.23 | ESOP | 54,315,483 | 64.31 | 1.18 | NIL |
|------------|------|-------|----|--------|------|------|------------|-------|------|-----|

| Date of allotment     | No. of Preference Shares allotted | Face value per Preference Share (Rs) | Issue / Acquisition/ Transfer price per Preference Share (Rs) | Nature of consideration | Nature of allotment                   | Cumulative number of Preference Shares* | Cumulative paid-up Preference Share capital* (Rs) |
|-----------------------|-----------------------------------|--------------------------------------|---|-------------------------|---------------------------------------|---|---|
| <b>CCPS</b>           |                                   |                                      |   |                         |                                       |   |   |
| August 3, 2007        | 33,516,041                        | 10                                   | 10.00   | Cash                    | Preferential allotment <sup>(1)</sup> | 33,516,041                              | 335,160,410                                       |
| <b>Promoter OCRPS</b> |                                   |                                      |   |                         |                                       |   |   |
| March 31, 2017        | 2,270,169                         | 10                                   | 235.48  | Cash                    | Preferential allotment <sup>(2)</sup> | 2,270,169                               | 22,701,690  |
| <b>Class A CCPS</b>   |                                   |                                      |   |                         |                                       |   |   |
| March 31, 2017        | 110,000,008                       | 10                                   | 10.00   | Cash                    | Private placement <sup>(3)</sup>      | 110,000,008                             | 1,100,000,080                                     |
| December 4, 2017      | 124,999,989                       | 10                                   | 10.00   | Cash                    | Preferential allotment <sup>(4)</sup> | 234,999,997                             | 2,349,999,970                                     |
| <b>Class A1 CCPS</b>  |                                   |                                      |   |                         |                                       |   |   |
| March 8, 2018         | 119,212,760                       | 10                                   | 10.00   | Cash                    | Preferential allotment <sup>(5)</sup> | 119,212,760                             | 1,192,127,600                                     |

- (1) 27,297,353 CCPS were allotted to JM Financial Trustee Company Private Limited and 6,218,688 CCPS were allotted to Lok Capital LLC. Subsequently, these CCPS were converted into Equity Shares on October 14, 2008. For details in relation to the allotment of Equity Shares pursuant to the conversion
- (2) 1,135,085 Series C OCRPS, 283,771 FY18 Series A OCRPS, 283,771 FY18 Series B OCRPS, 283,771 FY19 Series A OCRPS and 283,771 FY19 Series B OCRPS were allotted to Padmaja Gangireddy. These OCRPS were partly paid-up to the extent of ₹0.04 on the face value of Rs.10 per OCRPS at the time of allotment and thereafter, on June 20, 2018, they were fully paid-up on payment of the balance subscription amounts and converted into Equity Shares.
- (3) 107,659,360 Class A CCPS were allotted to Kangchenjunga and 2,340,648 Class A CCPS were allotted to Kedaara AIF 1. Subsequently, these Class A CCPS were converted into Equity Shares on May 15, 2018
- (4) 122,340,172 Class A CCPS were allotted to Kangchenjunga and 2,659,817 Class A CCPS were allotted to Kedaara AIF 1. Subsequently, these Class A CCPS were converted into Equity Shares on May 15, 2018
- (5) 116,676,087 Class A1 CCPS were issued to Kangchenjunga and 2,536,673 Class A1 CCPS were issued to Kedaara AIF1. Subsequently, these Class A1 CCPS were converted into Equity Shares on May 15, 2018

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

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

There has been no acquisition or amalgamation in the last one year.

**E. Details of any Reorganisation or Reconstruction in the last 1 (One) year:**

There has been no reorganisation or reconstruction in the last one year.

**4.7 Details of the shareholding of the Company as on the latest quarter end i.e. September 30, 2020**

**A. Shareholding pattern of the Company as on last quarter end i.e. 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 | <b>Promoter &amp; Promoter Group:</b>  |                    |                    |              |
|   | (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         |
|   | <b>Sub-Total (A=i+ii+iii)</b>          | <b>4,02,84,099</b> | <b>4,02,84,099</b> | <b>62.64</b> |
| B | <b>Public:</b>                         |                    |                    |              |
|   | (a)Institutions                        | 99,45,919          | 99,45,919          | 15.46        |
|   | (b)Non-Institutions                    | 1,40,85,465        | 1,40,85,465        | 21.90        |
|   | <b>Sub-Total (B= a+b)</b>              | <b>2,40,31,384</b> | <b>2,40,31,384</b> | <b>37.36</b> |
|   | <b>Total(A) +(B)</b>                   | <b>6,43,15,483</b> | <b>6,43,15,483</b> | <b>100</b>   |

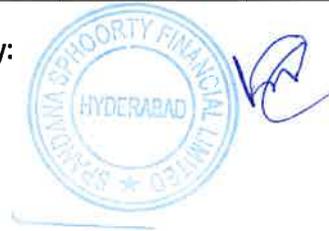
Notes: Shares pledged or encumbered by the promoters, if any: NIL

- B. List of top 10 holders of equity shares of the Company as on the latest quarter end i.e. 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           |
| 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           |

- 4.8 Following details regarding the directors of the Company:

- A. Details of current directors of the Issuer:



| Sr. No. | DIN      | Name                 | Designation                          | Address   | Director of the Company since | Details of other directorship  |
|---------|----------|----------------------|--------------------------------------|---|-------------------------------|--|
| 1.      | 00337276 | Deepak Calian Vaidya | Chairman (Non-Executive Independent) | 249 / 251, 3rd Floor, Suraj Walkeshwar Road Mumbai 400006 MH  | 06/06/2018                    | <ol style="list-style-type: none"> <li>1. STRIDES PHARMA SCIENCE LIMITED</li> <li>2. SOLARA ACTIVE PHARMA SCIENCES LIMITED</li> <li>3. INDRAPRASTHA MEDICAL CORPORATION LIMITED</li> <li>4. BOMBAY OXYGEN INVESTMENTS LIMITED</li> <li>5. APOLLO GLENEAGLES HOSPITAL LIMITED</li> <li>6. MARUDHAR HOTELS PVT LTD</li> <li>7. UTI CAPITAL PRIVATE LIMITED</li> <li>8. CRISS FINANCIAL HOLDINGS LIMITED</li> <li>9. STELIS BIOPHARMA PRIVATE LIMITED</li> <li>10. SUNTEC BUSINESS SOLUTIONS PRIVATE LIMITED</li> </ol> |
| 2       | 00004842 | Padmaja Gangireddy   | Managing Director                    | Flat no. A-208, Jayabheri Orange County, Near ICICI Towers, Nanakramguda, Serilingampally, K.V. Rang Areddy Hyderabad 500032 TG | 19/04/2003                    | <ol style="list-style-type: none"> <li>1. CRISS FINANCIAL HOLDINGS LIMITED</li> <li>2. ABHIRAM MARKETING SERVICES LIMITED</li> <li>3. CASPIAN FINANCIAL SERVICES LIMITED</li> </ol>  |
| 3       | 00274432 | Sunish Sharma        | Nominee Director                     | 1305 North Tower The Imperial, B. B. Nakashe Marg, Tardeo, Tulsiwadi, Mumbai 400034 MH  | 1/03/2017                     | VEDANT FASHIONS PRIVATE LIMITED  |



|   |          |                             |                      |   |            |   |
|---|----------|-----------------------------|----------------------|---|------------|---|
| 4 | 01715073 | Ramachandra Kasargod Kamath | Nominee Director     | B-2004, Neptune Society, Sun City, Adi Shankaracharya Marg Near Powai IIT Market, Powai, Mumbai Mumbai 400076 MH IN | 04/05/2017 | <ol style="list-style-type: none"> <li>1. AAVAS FINANCIERS LIMITED</li> <li>2. CENTRUM CAPITAL LIMITED.</li> <li>3. MANIPAL TECHNOLOGIES LIMITED</li> <li>4. CONATUS FINSERVE PRIVATE LIMITED</li> <li>5. ASHIMARA HOUSING PRIVATE LIMITED</li> <li>6. BQ PADMAVATHY FINANCE ACADEMY PRIVATE LIMITED</li> <li>7. NEW OPPORTUNITY CONSULTANCY PRIVATE LIMITED</li> </ol> |
| 5 | 07641723 | Kartikeya Dhruv Kaji        | Nominee Director     | The Imperial, Apartment 3901 B. B. Nakashe Marg Tardeo, Tulsiwadi Mumbai 400034 MH IN                               | 31/03/2017 | <ol style="list-style-type: none"> <li>1. AAVAS FINANCIERS LIMITED</li> <li>2. CRISS FINANCIAL HOLDINGS LIMITED</li> <li>3. RELIGARE HEALTH INSURANCE COMPANY LIMITED</li> </ol>  |
| 6 | 07795874 | Amit Sobti                  | Nominee Director     | 101 Repulse Bay Road Flat A15, 6/F Hongkong 000000 HK   | 29/05/2017 | Nil   |
| 7 | 02305893 | Abanti Mitra                | Independent Director | Flat No-2505, B Wing, Oberoi Woods, Goregaon East, Mumbai 400063 MH IN  | 04/05/2017 | <ol style="list-style-type: none"> <li>1. CRISS FINANCIAL HOLDINGS LIMITED</li> <li>2. POSITRON CONSULTING SERVICES PRIVATE LIMITED</li> <li>3. DEVELOPMENT EQUITIES PRIVATE LIMITED</li> </ol>   |
| 8 | 00002516 | Jagdish Capoor              | Independent Director | 1601, Brooke Ville, 359 Mogul Lane Near Magnet Mall, Mahim West Mumbai 400016 MH IN                                 | 06/06/2018 | <ol style="list-style-type: none"> <li>1. MANAPPURAM FINANCE LIMITED</li> <li>2. LIC HOUSING FINANCE LTD</li> <li>3. LIC PENSION FUND LIMITED</li> <li>4. HDFC SECURITIES LIMITED</li> <li>5. LICHFL TRUSTEE COMPANY PRIVATE LIMITED</li> <li>6. FINTECH PRODUCTS AND SOLUTIONS (INDIA) PRIVATE LIMITED</li> <li>7. FINSEC AA SOLUTIONS PRIVATE LIMITED</li> </ol>      |



|   |          |                       |                      |   |            |  |
|---|----------|-----------------------|----------------------|---|------------|--|
| 9 | 00136969 | Bharat Dhirajlal Shah | Independent Director | 21 Hill Park, Bldg No 2 A. G Bell Road, Malabar Hill, Mumbai 400006 MH IN | 13/04/2018 | 1. STRIDES PHARMA SCIENCE LIMITED<br>2. 3M INDIA LIMITED<br>3. EXIDE INDUSTRIES LIMITED<br>4. MAHINDRA LIFESPACE DEVELOPERS LIMITED<br>5. DIGIKREDIT FINANCE PRIVATE LIMITED<br>6. HDFC ERGO HEALTH INSURANCE LIMITED<br>7. SALISBURY INVESTMENTS PRIVATE LIMITED<br>8. HDFC SECURITIES LIMITED<br>9. TATA SKY LIMITED<br>10. MAHINDRA WORLD CITY DEVELOPERS LIMITED |
|---|----------|-----------------------|----------------------|---|------------|--|

**Note: Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: Nil**

**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                                      |
|-----------------------------|----------------------|----------|-----------------------------------|--|--|
| Kartikeya DhruvKaji         | Nominee Director     | 07641723 | 31/03/2017                        | -  | Appointment                                  |
| Sunish Sharma               | Nominee Director     | 00274432 | 31/03/2017                        | -  | Appointment                                  |
| PerurSeshappa Prasad        | Director             | 00206204 | 31/03/2017                        | 15/09/2014   | Resignation                                  |
| AnnapureddyG opalareddy     | Independent Director | 02873035 | 25/04/2017                        | 15/09/2014   | Resignation                                  |
| Sundaram Ramakrishnan       | Nominee Director     | 02650040 | 02/05/2017                        | 24/09/2015   | Nomination withdrawn by appointing authority |
| Abanti Mitra                | Independent Director | 02305893 | 04/05/2017                        | -  | Appointment                                  |
| Ramachandra Kasargod Kamath | Independent Director | 01715073 | 04/05/2017                        | -  | Appointment                                  |
| Darius Dinshaw Pandole      | Nominee Director     | 00727320 | 18/07/2017                        | 19/05/2017   | Nomination withdrawn by appointing authority |
| Amit Sobti                  | Nominee Director     | 07795874 | 29/05/2017                        | -  | Appointment                                  |
| Darius Dinshaw Pandole      | Nominee Director     | 00727320 | 18/07/2017                        | -  | Appointment                                  |

|                             |  |          |            |            |                       |
|-----------------------------|--|----------|------------|------------|-----------------------|
| Madhava Potturi             | Independent Director   |          | 18/10/2017 | 23/09/2014 | Resignation           |
| Vijay Bhaskar Pedamallu     | Additional Director (independent)  | 06629884 | 03/03/2018 | -          | Appointment           |
| Bharat Dhirajlal Shah       | Additional Director(independent)   | 00136969 | 13/04/2018 | -          | Appointment           |
| Vijay BhaskarPedamallu      | Additional Director (independent)  | 06629884 | 04/05/2018 | 03/03/2018 | Demise                |
| Deepak Calian Vaidya        | Additional Director(independent)   | 00337276 | 06/06/2018 | -          | Appointment           |
| Jagdish Capoor              | Additional Director(independent)   | 00002516 | 06/06/2018 | -          | Appointment           |
| Ramachandra Kasargod Kamath | Re-designated as Non Executive-Nominee Director  | 01715073 | 14/06/2018 | -          | Change in designation |
| Deepak Calian Vaidya        | Change in designation from Additional Director to Independent Director and Chairman of the Company | 00337276 | 14/06/2018 | -          | Change in designation |
| Jagdish Capoor              | Change in designation from Additional Director to Independent Director                             | 00002516 | 14/06/2018 | -          | Change in designation |
| Bharat Dhirajlal Shah       | Change in designation from Additional Director to Independent Director                             | 00136969 | 14/06/2018 | -          | Change in designation |

| 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 |

4.9 **Following details regarding the auditors of the Company:**

A. **Details of the auditor of the Company:**



| Name                          | Address  | Auditor since       |
|-------------------------------|--|---------------------|
| M/s. S. R. Batliboi & Co. LLP | 14th Floor, The Ruby 29 Senapati Bapat Marg, Dadar (West), Mumbai - 400028 | 27th September 2013 |

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

4.10 Details of borrowings of the Company:

A. Details of Secured Loan Facilities, as on the latest quarter end i.e. September 30, 2020:

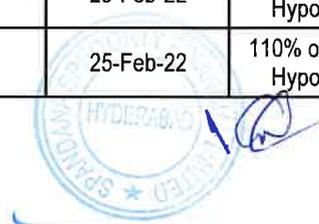
| Lender                        | Type of Facility | Amt. sanctioned (Rs. Crs) | Amt. outstanding as at September 30, 2020 (Rs. Crs) | Repayment Date / Terminal Date of Maturity | Security   |
|-------------------------------|------------------|---------------------------|---|--|--|
| AU Small Finance 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                          |



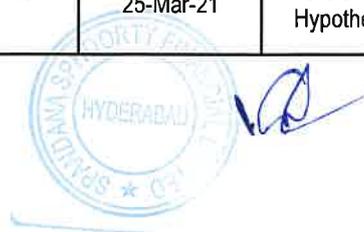
|  |           |     |     |           |   |
|--|-----------|-----|-----|-----------|---|
| Hinduja Leyland Finance                            | Term Loan | 20  | 20  | 16-Sep-23 | 110% of Book Debt Hypothecation                         |
| Hongkong and Shanghai Banking Corporation          | Term Loan | 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 | 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 the latest quarter end i.e. September 30, 2020**

| Lender                  | Type of Facility | Amt.sanctioned (Rs. Crs) | Amt.outstanding as at Sep 31, 2020 (Rs. 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 the latest quarter end i.e. 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<br>A- | Secured | 110% of Book<br>Debt<br>Hypothecation |
| NA | 24 | 12.75% | 25 | 29-Sep-20 | 29-Sep-22 | ICRA<br>A- | Secured | 110% of Book<br>Debt<br>Hypothecation |

**D. List of Top 10 Debenture Holders as on latest quarter ended 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                  |
| <b>Total</b>                                      | <b>392.93</b>       |

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

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: The total face value of commercial papers outstanding, as on latest quarter end i.e. September 30, 2020: Nil**

**G. Details of rest of the borrowings (if any, including hybrid debt like FCCB, optionally convertible debentures/preference shares) as on latest quarter end i.e. September 30, 2020: Nil**

**H. Details of all defaults 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 (five) years, as on the latest quarter end: 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, as on the latest quarter end: Nil**

**4.11 Details of Promoters of the Company**

**A. Details of Promoter Holding in Company as on the latest quarter end i.e. 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  | -                     | -  |
|         | <b>Total</b>                     | <b>40,284,099</b>               | <b>40,284,099</b>               | <b>62.64</b>  | <b>-</b>              | <b>-</b>   |

- 4.12 **Abridged version of the Audited Consolidated (wherever available) 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:**

Please refer to **Annexure IV** of this Shelf Disclosure Document.

*[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]*

- 4.13 **Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like profit & loss statement, and balance sheet) and auditors qualifications, if any:**

Please refer to **Annexure IV** of this Shelf Disclosure Document.

*[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]*

- 4.14 **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 Debentures:**

Nil.

- 4.15 **The name of the Debenture Trustee shall be mentioned with statement to the effect that debenture trustee has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the Debenture Holders.**

The Debenture Trustee appointed 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 Shelf Disclosure Document.

- 4.16 **The detailed 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) by the Rating Agencies shall be disclosed.**



The Rating Agency has assigned a rating of "ICRA A-(Stable)" outlook to the Debentures. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry a very low credit risk. The rating letter and rationale is provided in **Annexure I** of this Shelf Disclosure Document.

- 4.17 **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.**

Nil

- 4.18 **Copy of consent letter of Debenture Trustee to act as the debenture trustee to the issue to be disclosed.**

The consent letter from Debenture Trustee is provided in **Annexure II** of this Shelf Disclosure Document.

- 4.19 **Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange.**

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the NSE.

- 4.20 **Other details**

- A. **Debenture Redemption Reserve Creation-relevant regulations and applicability:**

As per Rule 18 (7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with Reserve Bank of India under Section 45 IA of the RBI (Amendment) Act 1997.

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-relevant details (Companies Act, RBI guidelines, etc.):**

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 (LODR) Regulations 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](mailto: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 6** of this Shelf Disclosure Document.

4.21 **Issue Details**

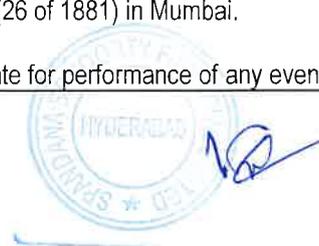
|   |   |
|---|---|
| <b>Security Name</b>  | As per Supplemental DD to be issued in relation to the relevant Series/ Tranche of Debentures.  |
| <b>Issuer</b>   | Spandana Sphoorty Financial Limited   |
| <b>Type of Instrument</b>   | Non-Convertible Debentures  |
| <b>Nature of Instrument</b>   | Rated, Secured, Redeemable, Listed Non-Convertible Debentures.  |
| <b>Seniority</b>  | Senior  |
| <b>Mode of Issue</b>  | Private placement   |
| <b>Eligible Investors</b>   | Please refer to 'Persons who may apply' under <b>Section 6</b> of this Shelf Disclosure Document  |
| <b>Listing (including name of stock market where it will be listed and timeline of listing)</b> | The Issuer shall list the Debentures on NSE within a maximum period of 20 (Twenty) days from the Deemed Date of Allotment.<br>In case of delay in listing of the Debentures under any Series/ Tranche beyond 20 (Twenty) days from the relevant Deemed Date of Allotment of the Series/ Tranche, the Issuer will be liable to make payment to the Debenture Holders of penal interest calculated on the face value of the Debentures of at least 1% (One Percent) per annum which shall be payable over and above the Coupon rate payable in relation to the relevant Series/ Tranche of Debentures from the expiry of 30 (Thirty) days from the Deemed Date of Allotment of the relevant Series/ Tranche until the listing of such Debentures. |
| <b>Rating of the Instrument</b>   | 'ICRA A-' (Stable) by the Rating Agency   |
| <b>Issue Size</b>   | Up to Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) in one or more Series/ Tranches   |
| <b>Option to retain oversubscription</b>  | The Debentures under each Series/ Tranche may be issued with a green shoe option to retain oversubscription within the aggregate Issue Size.<br><br>The Supplemental DD to be issued in relation to each Series/ Tranche shall set out details in relation to the same.   |
| <b>Objects of the Issue</b>   | To raise senior secured debt to the extent upto Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crores  |



|   |   |
|---|---|
|   | only).  |
| <b>Details of the utilisation of the Proceeds</b>   | For the purpose of onward lending/ disbursement/financing to borrowers, repayment / prepayment of interest and /or principal of borrowings of the Issuer, augmenting the long -term resources of the Issuer, general corporate purposes and working capital requirements. Any balance proceeds out of the Issue after utilization for the purposes described above, the Company shall use to temporarily invest in income bearing liquid instruments including money market mutual funds, deposits with banks or deploy the funds in income bearing securities.                               |
| <b>Coupon Rate</b>  | As per Supplemental DD to be issued in relation to the relevant Series/ Tranche of Debentures.  |
| <b>Step Up/ Step Down Coupon Rate</b>   | As per Supplemental DD to be issued in relation to the relevant Series/ Tranche of Debentures.  |
| <b>Coupon Payment Frequency</b>   | As per Supplemental DD to be issued in relation to relevant Series/ Tranche of Debentures.  |
| <b>Coupon payment dates</b>   | As per Supplemental DD to be issued in relation to relevant Series/ Tranche of Debentures.  |
| <b>Coupon Type</b>  | As per Supplemental DD to be issued in relation to relevant Series/ Tranche of Debentures.  |
| <b>Coupon Reset Date</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)</b> | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Day Count Basis</b>  | Actual/ Actual  |
| <b>Interest on Application Money</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Default Interest Rate</b>  | The Issuer shall pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon rate, 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 provided however the Default Interest Rate may be varied as per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Delay in execution of the Debenture Trust Deed</b>   | 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. |
| <b>Tenor</b>  | As per Supplemental DD to be issued in relation to relevant Series/ Tranche of Debentures.  |
| <b>Redemption Date</b>  | As per Supplemental DD to be issued in relation to relevant Series/ Tranche of Debentures   |
| <b>Redemption Amount</b>  | As per Supplemental DD to be issued in relation to  |



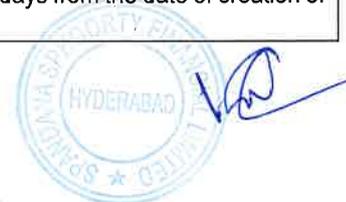
|  |  |
|--|--|
|  | relevant Series/ Tranche of Debentures   |
| <b>Redemption Premium/Discount</b>   | N.A.   |
| <b>Issue Price</b>   | Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture.  |
| <b>Discount at which security is issued and the effective yield as a result of such discount</b>                       | N.A.   |
| <b>Put Date</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Put Event</b>   | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Put Option</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Put Price</b>   | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Call Date</b>   | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Call Event</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Call Option</b>   | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Call Price</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Put Notification Time</b>   | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Call Notification Time</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.   |
| <b>Face Value</b>  | Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture   |
| <b>Minimum Application and in multiples of Debt Securities thereafter</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures  |
| <b>Issue Timing</b><br>1. Issue Opening Date<br>2. Issue Closing Date<br>3. Pay-in Date<br>4. Deemed Date of Allotment | As per Supplemental DD to be issued in relation to relevant Series/ Tranche of Debentures  |
| <b>Issuance mode of the Instrument</b>   | Demat only   |
| <b>Trading mode of the Instrument</b>  | Demat only   |
| <b>Settlement mode of the Instrument</b>   | RTGS or such other mode as may be determined by the Issuer   |
| <b>Depository(ies)</b>   | NSDL/ CDSL   |
| <b>Business Day Convention</b>   | As per 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.<br><br>"Business Day" means any day of the week (excluding Saturdays, Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai.<br><br>In the event that the date for performance of any event or |



|  |  |
|--|--|
|  | <p>any of the Coupon Payment Dates or any Record Date falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination or the date for performance of such event, as the case may be.</p> <p>In the event that the Maturity Date or Redemption Date of the Debentures falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment.</p> |
| <b>Record Date</b>   | In relation to any Due Date, 15 (Fifteen) days prior to such Due Date.   |
| <b>Representations and warranties</b>  | As per the Supplemental DD to be issued in relation to the relevant Tranche of Debentures.   |
| <b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>   | As per the Supplemental DD to be issued in relation to the relevant Tranche of Debentures.   |
| <b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</b> | As per the Supplemental DD to be issued in relation to the relevant Series/ Tranche of Debentures.   |
| <b>Transaction Documents</b>   | <p>(a) Debenture Trustee Agreement which confirms the appointment of Debenture Trustee;</p> <p>(b) Information Memorandum;</p> <p>(c) Debenture Trust Deed;</p> <p>(d) Deed of Hypothecation;</p> <p>(e) Power of Attorney (if any); and</p> <p>(f) Any other document that may be designated as a transaction document by the Debenture Trustee.</p> <p>Such other documents as per the Supplemental DD to be issued in relation to the relevant Tranche of Debentures.</p>   |
| <b>Conditions Precedent to Disbursement</b>  | <p>As customary for transaction of a similar nature and size including:</p> <p>(a) A certified true copy of the constitutional documents of the Issuer (being its memorandum and articles of association and certificate of incorporation) should have been submitted to the Debenture Trustee;</p>  |



|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>(b) A copy of a resolution of the shareholders of the Company should have been submitted to the Debenture Trustee in relation to approval under Section 180(1)(a), Section 180(1)(c), Section 42 of the Companies Act, 2013 read with the applicable rules in relation to the private placement;</li> <li>(c) A copy of a resolution of the board of directors of the Company or any committee thereof should have been submitted to the Debenture Trustee:             <ul style="list-style-type: none"> <li>(i) Authorising the Company to issue Debentures;</li> <li>(ii) Authorising the Company, for creation/ declaration of trust, appointment of the Debenture Trustee and issue of Debentures in accordance with the terms hereof;</li> <li>(iii) Authorising the creation of the Security interest;</li> <li>(iv) Authorising a specified person, on its behalf, to sign and/or execute and/or stamp and/or get registered and/or despatch all documents and/or notices required so to be done, under or in relation to the issuance of the Debentures;</li> </ul> </li> <li>(d) Letter of consent for appointment of Debenture Trustee as debenture trustee in relation to the Debenture Trustee;</li> <li>(e) Receipt of the rating letter from the Rating Agency;</li> <li>(f) Receipt by the Debenture Trustee of copy of in-principle approval obtained by the Company from the NSE, for listing the Debentures on the Wholesale Debt Market ("WDM") segment of the NSE;</li> <li>(g) Receipt by the Debenture Trustee of Certified copy of the depository arrangements made by Company with NSDL and CDSL for issue of Debentures in dematerialized form;</li> <li>(h) Such other conditions (if any) as set out in the Supplemental DD to be issued in relation to each Series/ Tranche of Debentures; and</li> <li>(i) Any other document as required by the Debenture Trustee/ Investor.</li> </ul> |
| <p><b>Conditions Subsequent to Disbursement</b></p> | <p>As customary for transaction of a similar nature and size including:</p> <ul style="list-style-type: none"> <li>(a) Credit of demat account(s) of the allottee(s) by number of Debentures allotted within 2 (Two) business days from the Deemed Date of Allotment.</li> <li>(b) Filing of the relevant forms with the Registrar of Companies ("ROC") for the perfection of charge over the Secured Property within and no later 30 (Thirty) calendar days from the date of creation of security;</li> </ul>   |



|   |   |
|---|---|
|   | <p>(c) Filing of the return of allotment with the relevant Registrar of Companies within the timelines specified under the Act.</p> <p>(d) Complete the listing of Debentures on the NSE within 20 (Twenty) days from the relevant Deemed Date of Allotment.</p>  |
| <b>Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</b> | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Creation of recovery expense fund</b>  | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>                      | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Provisions related to Cross Default Clause</b>   | As per Supplemental DD to be issued in relation to relevant Tranche of Debentures.  |
| <b>Further Issuance</b>   | The Company reserve the right to make multiple issuances under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30 <sup>th</sup> June 2017. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated June 30, 2017. |
| <b>Role and Responsibilities of Debenture Trustee</b>   | To oversee and monitor the overall transaction for and on behalf of the Debenture Holders and all the roles and responsibilities provided in the Supplemental DD.   |
| <b>Risk factors pertaining to the Issue</b>   | As per the Supplemental DD to be issued in relation to the relevant Tranche of Debentures.  |
| <b>Governing Law and Jurisdiction</b>   | As per the Supplemental DD to be issued in relation to the relevant Tranche of Debentures.  |
| <b>Approvals</b>  | The Issuer agrees to comply with all applicable laws in respect of the Issue. The Issuer will be responsible for taking all the necessary authorisations and / or Approvals internal, external regulatory, statutory or otherwise.  |



**5. DISCLOSURES PERTAINING TO WILFUL DEFAULT**

- 5.1 Name of the bank declaring the entity as a wilful defaulter: NIL
- 5.2 The year in which the entity is declared as a wilful defaulter: N.A
- 5.3 Outstanding amount when the entity is declared as a wilful defaulter: N.A
- 5.4 Name of the entity declared as a wilful defaulter: N.A
- 5.5 Steps taken, if any, for the removal from the list of wilful defaulters: N.A
- 5.6 Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:  
None
- 5.7 Any other disclosure as specified by SEBI: NIL



## 6. 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.

### 6.1 Mode of Transfer/ Transmission of Debentures

The Debentures shall be transferable freely. 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 the Depository and the relevant DPs of the transferor or transferee and any other Applicable Laws and rules notified in respect thereof. It would be the responsibility of the Investors to ensure that they sell the Debenture 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 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.

### 6.2 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 debit 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 RTGS or such other permitted mode to the bank account of the Debenture Holder(s) for redemption payments.

### 6.3 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 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 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 Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.



#### **6.4 Rights of Debenture Holders**

The Debenture Holders shall have the rights and privileges specified in the Transaction Documents, including and not limited to:

- (a) The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members, including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned Debenture Holders for their consideration. In terms of Section 219(2) of the Act, holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the company.
- (b) The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of the Majority Debenture Holders, provided that nothing in such consent or resolution shall be operative against the company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the company.
- (c) The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders/List of Beneficial Owners shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her/its voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her/it on every resolution placed before such meeting of the Debenture Holders.
- (d) The quorum for such meetings shall be at least five Debenture Holders present in person or as may be prescribed by Applicable Law from time to time.
- (e) The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles, the terms of this Information Memorandum and other Transaction Documents and Application Form.
- (f) A register of debenture holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders/ List of Beneficial Owners. The Debenture Holders will be entitled to their Debenture free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

#### **6.5 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.

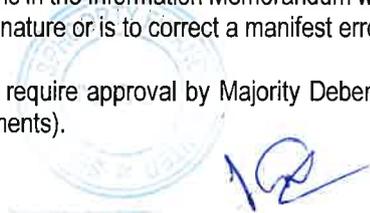
#### **6.6 Debenture Holder not a Shareholder**

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. 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.

#### **6.7 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 Majority Debenture Holders (unless otherwise provided specifically in the Transaction Documents).



For the avoidance of doubt, any amendment to the terms and conditions of the Debentures or the Transaction Documents shall require approval of Majority Debenture Holders (unless otherwise provided specifically in the Transaction Documents), either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders.

#### **6.8 Right to accept or reject Applications**

The Board/ 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.

#### **6.9 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 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 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, 3 (Three) calendar days after posting; (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 or (d) in the case of personal delivery, at the time of delivery.

#### **6.10 Issue Procedure**

Only investors as specified in the section titled "Persons who may apply" given hereunder 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 set out in the Application Form. 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 final subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the SEBI Electronic Book Mechanism Guidelines by placing bids on the electronic book platform during the Issue period.

#### **Application Procedure through electronic book process:**

In order to be able to bid under the NSE electronic book platform, Eligible Investors must have provided the requisite documents (including but not limited to know your customer) in accordance with the SEBI Electronic Book Mechanism Guidelines. The Issuer is entitled at any time to require an Eligible Investor to provide any know your customer or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with applicable laws. All Eligible Investors are required to register themselves as a one-time exercise (if not already registered) with the NSE electronic book platform for participating in electronic book building mechanism.



Eligible Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of NSE. Eligible Investors will also have to complete the mandatory know your customer verification process.

The details of the Issue shall be entered on the NSE electronic book platform by the Issuer at least 2 (Two) Business Days prior to the Issue Opening Date, in accordance with the SEBI Electronic Book Mechanism Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the NSE EBP Platform, at least 1 (one) Business Day before the start of the Issue Opening Date.

Some of the key guidelines in terms of the extant SEBI Electronic Book Mechanism Guidelines on issuance of securities on private placement basis through an electronic book mechanism, are as follows:

- (i) Modification of Bid: Eligible Investors may note that modification of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, revision of bid is only allowed for upward revision of the bid amount placed or to improve the coupon or yield by the Eligible Investor.
- (ii) Cancellation of Bid: Eligible Investors may note that cancellation of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, no cancellation of bids is permitted.
- (iii) Multiple Bids: Bidders are permitted to place multiple bids on the NSE electronic book platform in line with the SEBI Electronic Book Mechanism Guidelines.
- (iv) Manner of bidding: The Issue will be through closed bidding on the NSE electronic book platform in line with the SEBI Electronic Book Mechanism Guidelines.
- (v) Manner of allotment: The allotment will be done on uniform yield basis in line with the SEBI Electronic Book Mechanism Guidelines.
- (vi) Manner of settlement: Settlement of the Issue will be done through the clearing corporation.
- (vii) Settlement cycle: The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date.
- (viii) Offer or Issue of executed Information Memorandum to successful Eligible Investors. The final Information Memorandum will be issued to the successful Eligible Investors, who are required to complete and submit the application form to the Issuer in order to accept the offer of Debentures.

No person other than the successful Eligible Investors to whom the Information Memorandum has been issued by the Issuer may apply for the Issue through the application forms received from a person other than those specifically addressed will be invalid. However, Eligible Investors should refer to the extant SEBI Electronic Book Mechanism Guidelines as prevailing on the date of the bid.

Withdrawal of Issue:

The Issuer may, at its discretion, withdraw the issue process on the conditions set out under the operational guidelines of the NSE; provided that the Issuer shall accept or withdraw the issue on the NSE electronic book platform within 1 (one) hour of the closing of the bidding window. However, Eligible Investors should refer to the SEBI Electronic Book Mechanism Guidelines as prevailing on the date of the bid. The expression 'estimated cut off yield' means yield so estimated by the Company, prior to opening of issue on the NSE electronic book platform and the disclosure of estimated cut off yield by NSE electronic book platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer.



Process flow of statement:

Successful bidders shall make pay-in of funds towards the allocation made to them, in the bank account of the clearing corporation, the details whereof are as set out in paragraph 6.14 herein below, on or before 10:30 A.M. on the Deemed Date of Allotment.

The fund pay-in by the successful bidders will be made only from the bank account(s), which have been provided/updated in the electronic book mechanism system. Upon the transfer of funds into the aforesaid account and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Debenture Holder(s) to Indian Clearing Corporation Limited, the R&T Agent shall provide the corporate action file along with all requisite documents to the Depositories by 12:00 hours and subsequently, the pay-in funds shall be released into the following bank account of the Issuer:

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Beneficiary Name:</b> | Spandana Sphoorty Financial Ltd |
| <b>Bank Account No.</b>  | 201001917803                    |
| <b>IFSC CODE:</b>        | INDB0000004                     |
| <b>Bank Name</b>         | IndusInd                        |
| <b>Branch Address:</b>   | Begumpet, Secunderabad          |

**6.11 Application Procedure**

Potential 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.

**6.12 Fictitious Application**

All fictitious Applications will be rejected.

**6.13 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 in line with the SEBI Electronic Book Mechanism Guidelines. 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.

**6.14 Payment Instructions**

The Application Form should be submitted directly to the Issuer. The full amount of Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture is payable along with the making of an application.

All payments must be made through NEFT, RTGS, electronic fund transfer to Indian Clearing Corporation Limited. The details for payments are mentioned herein below:

|                   |       |
|-------------------|-------|
| Beneficiary Name: | _____ |
| Bank Account No.  | _____ |
| IFSC CODE:        | _____ |
| Bank Name         | _____ |
| Branch Address:   | _____ |



#### 6.15 Persons who may apply

The Persons to whom this Information Memorandum 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 Information Memorandum is being issued are:

- a) Mutual Funds
- b) Non-banking financial companies;
- c) Provident Funds and Pension Funds;
- d) Corporates;
- e) Banks;
- f) Trust inclusive of public charitable trust subject to their investment guidelines;
- g) Foreign Institutional Investors (FIIs);
- h) Qualified Foreign Investors (QFIs);
- i) Foreign Portfolio Investors (FPIs);
- j) Insurance Companies;
- k) Financial Institutions;
- l) Provident Funds, Gratuity, Superannuation, subject to their Investment guidelines.
- m) High Net Worth Individuals; and
- n) Any other investor eligible to invest in these Debentures

All 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.

#### 6.16 Procedure for Applying for Dematerialised Facility

- (a) The Applicant must have at least one beneficiary account with any of the DP's of the Depository 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-à-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, till 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.

#### 6.17 **Depository Arrangements**

The Issuer shall make necessary arrangement with the Depository for issue and holding of Debenture in dematerialised form.

#### 6.18 **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 and interest monies.

#### 6.19 **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.

#### 6.20 **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) Certified true copy of power of attorney,
- (d) Specimen signatures of the authorised signatories duly certified by an appropriate authority,
- (e) Copy of PAN card to be submitted,
- (f) Application Form (including RTGS details).



**6.21 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 RTGS.

**6.22 Succession**

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or 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.

**6.23 Mode of Payment**

All payments must be made through cheque(s)/draft(s)/transfers/RTGS as set out in the Application Form.

**6.24 Effect of Holidays**

As per 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.

In the event that the date for performance of any event or any of the Coupon Payment Dates or any Record Date falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination or the date for performance of such event, as the case may be.

In the event that the Redemption Date of the Debentures falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment.

**6.25 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 transfer agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due. Tax exemption certificate / declaration of non deduction of tax at source on interest on application money, should be submitted along with the Application form.

**6.26 Letters of Allotment**

The letter of allotment, indicating allotment of the Debentures, will be provided on each Deemed Date of Allotment. On completion of all statutory formalities, the aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form.

**6.27 Deemed Date of Allotment**

All the benefits under the Debentures issued under any Series/ Tranche will accrue to the Investor from the relevant Deemed Date of Allotment as per the relevant Supplemental DD for such Series/ Tranche.



**6.28 Record Date**

In relation to any Due Date, the relevant record date shall be 15 (Fifteen) days prior to such Due Date.

**6.29 Refunds**

For Applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (Seven) days from each 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 Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

**6.30 Interest on Application Money**

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 such rate as specified in the Supplemental DD, applicable for the Debentures issued on the Application Monies, 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. The interest on the Application Monies shall be paid by the Issuer to the Debenture Holders within such number of days as specified in the Supplemental DD from the relevant Deemed Date of Allotment.

**6.31 Pan Number**

Every Applicant should mention its 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.

**6.32 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 the Depository and accordingly the account of the Debenture Holder(s) with the Depository 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 Shelf Disclosure Document along with the Supplemental DD has been specifically addressed may apply. However, an application, even if complete in all respects, is 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.



## 7. DECLARATION

It is hereby declared that this Shelf Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended till May 7, 2019), Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time, Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014).

The Issuer also confirms that this Shelf Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Shelf Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in this Shelf Disclosure Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

Signed by Mr. Madhusudhan Rao Kesiraju pursuant to the authority granted by the Board of Directors of the Company in their meeting held on May 17, 2019 read with the resolution passed by the management committee dated November 26, 2020.

For **SPANDANA SPOORTY FINANCIAL LIMITED**

  
\_\_\_\_\_  
Mr. Madhusudhan Rao Kesiraju  
Designation: Senior Vice President  
Date: November 26, 2020  
Place: Hyderabad



**ANNEXURE I: RATING LETTER AND RATING RATIONALE**

**[Attached Separately]**



**ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE**

**[attached separately]**



### ANNEXURE III: DRAFT SUPPLEMENTAL DISCLOSURE DOCUMENT

**Please note:** This Annexure III of the Shelf Information Memorandum dated [●] is an indicative format of the Supplemental DD to be issued in relation to each Tranche/ Series of Debentures. The Company shall be entitled to amend/ alter the terms hereof in relation to each Tranche of Debentures.

Serial No.: [●]  
[Series/Tranche] [●]

Addressed to: [●]  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE  
PLACEMENT BASIS  
DATE: [●]



#### 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:** U65929TG2003PLC040648

**Telephone No. [-]; Contact Person: [-]**

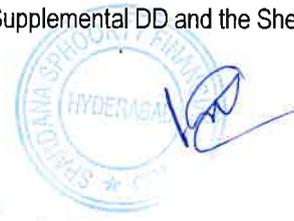
**E-mail: [-]; Website:** <http://www.spandanaindia.com/>

**Supplemental Disclosure Document dated [●], 2020 issued 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, as amended from time to time and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.**

**ISSUE OF UPTO [●] ([●]) RATED LISTED SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UPTO RS. [●]- (RUPEES [●] CRORE ONLY) ON A PRIVATE PLACEMENT BASIS ("[TRANCHE/SERIES [●]] DEBENTURES") ISSUED UNDER THE SHELF DISCLOSURE DOCUMENT DATED NOVEMBER [●], 2020 ("SHELF DISCLOSURE DOCUMENT" OR "SHELF DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF SECURED, SENIOR, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, AGGREGATING UPTO RS. 250,00,00,000/- (RUPEES TWO HUNDRED AND FIFTY CRORE ONLY) TO BE ISSUED IN ONE OR MORE SERIES, ON PRIVATE PLACEMENT BASIS**

This supplemental disclosure document ("**Supplemental Disclosure Document/Supplemental DD**") is issued in terms of and pursuant to the Shelf Disclosure Document dated November [●], 2020. All the terms, conditions, information and stipulations contained in the Shelf Disclosure Document, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Disclosure Document must be read in conjunction with the Shelf Disclosure Document.

This Supplemental DD contains details of this [Series/ Tranche] [●] and any material changes in the information provided in the Shelf Disclosure Document, as set out herein. Accordingly set out below are the updated particulars / changes in the particulars set out in the Shelf Disclosure Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Disclosure Document. All other particulars appearing in the Shelf Disclosure Document shall remain unchanged. In case of any inconsistency between the terms of this Supplemental DD and the Shelf DD and/or



the terms of this Supplemental DD and/or any other Transaction Document, the terms as set out in this Supplemental DD shall prevail.

Capitalised terms used in this Supplemental DD and not defined shall have the meaning as has been assigned to the term in Shelf DD.

### Part A: Summary Term Sheet

[SERIES/TRANCHE] [●]

|   |   |
|---|---|
| <b>Security Name</b>                              | [ ] Spandana Sphoorty Financial Limited Tranche-[●] NCDs [ ]  |
| <b>Series/Tranche</b>                             | [●]   |
| <b>Issuer</b>                                     | Spandana Sphoorty Financial Limited   |
| <b>Type of Instrument</b>                         | Non-Convertible Debentures  |
| <b>Nature of Instrument</b>                       | Rated, Secured, Redeemable, Listed Non-Convertible Debentures.  |
| <b>Seniority</b>                                  | Senior  |
| <b>Mode of Issue</b>                              | Private placement   |
| <b>Eligible Investors</b>                         | Please refer to 'Persons who may apply' under <b>Section 6</b> of the Shelf Disclosure Document   |
| <b>Listing</b>                                    | The Issuer shall list the [Series/ Tranche] [●] Debentures on NSE within a maximum period of 20 (Twenty) days from the Deemed Date of Allotment.<br><br>In case of delay in listing of the [Series/ Tranche] [●] Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment, the Issuer will make payment to the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of [●] % ([●] Percent)] per annum which shall be payable over and above the Coupon rate from the expiry of [●] ([●]) days from the Deemed Date of Allotment until the listing of such Debentures. |
| <b>Rating of the Instrument</b>                   | [ ] by the Rating Agency  |
| <b>Issue Size</b>                                 | Up to Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) in one or more Series/ Tranches   |
| <b>Series/Tranche Size</b>                        | The [Series/ Tranche] [●] NCDs being issued in terms of the Supplemental DD read with this Shelf DD are upto [●] ([●]) secured, rated, listed, redeemable, non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. [●]/- (Rupees [●] only).  |
| <b>Option to retain oversubscription (Amount)</b> | N.A.  |
| <b>Objects of the Issue</b>                       | The objects of the Issue are as set out in the section " <b>Objects of the Issue</b> " stipulated in <b>Section 4.21</b> of the Shelf Disclosure Document.  |
| <b>Details of the utilization of the Proceeds</b> | The funds raised through the Issue will be utilized as per the section " <b>Details of the utilisation of the Proceeds</b> " stipulated in <b>Section 4.21</b> of the Shelf Disclosure Document.  |
| <b>Coupon rate</b>                                | [●] % ([●] Percent)   |
| <b>Step Up/Step Down Coupon Rate</b>              | As stipulated in the Shelf DD.  |
| <b>Coupon Payment Frequency/ Coupon Period</b>    | [●], on the Coupon Payment Dates. The " <b>Coupon Period</b> " shall be: (i) with respect to the first Coupon Payment Date, the period between the Allotment Date 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  |
| <b>Coupon Payment Dates</b>                       | The dates set out in Appendix I of this Supplemental DD   |

|   |  |
|---|--|
| <b>Coupon Type</b>  | Fixed  |
| <b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).</b>  | N.A.   |
| <b>Day Count Basis</b>  | Actual/ Actual   |
| <b>Interest on Application Money</b>  | As stipulated in the Shelf DD.   |
| <b>Default Interest Rate</b>  | As stipulated in the Shelf DD.   |
| <b>Tenor</b>  | [●] months from the Deemed Date of Allotment, subject to early redemption/ acceleration pursuant to Event of Default |
| <b>Redemption Date</b>  | [●] being [●] ([●]) months from the Deemed Date of Allotment   |
| <b>Redemption Amount</b>  | Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture along with Coupon payable on the Redemption Date.               |
| <b>Issue Price</b>  | As stipulated in the Shelf DD.   |
| <b>Redemption Premium / Discount</b>  | N.A.   |
| <b>Discount at which security is issued and the effective yield as a result of such discount.</b>   | N.A.   |
| <b>Put Option Date</b>  | N.A.   |
| <b>Put Option Price</b>   | N.A.   |
| <b>Call Option Date</b>   | N.A.   |
| <b>Call Option Price</b>  | N.A.   |
| <b>Put Notification Time</b>  | N.A.   |
| <b>Call Notification Time</b>   | N.A.   |
| <b>Face Value</b>   | Rs. 10,00,000/- (Rs. Ten Lakh only) per [Series/ Tranche] [●] Debenture  |
| <b>Minimum Application and in multiples of __ Debt securities thereafter</b>  | [5 (Five) [Series/ Tranche] [-] Debentures and in multiples of 1 (One) [Series/ Tranche] [-] Debentures thereafter]  |
| <b>[Series/ Tranche] [●] Issue Timing</b>   |  |
| 1. Issue Opening Date   | [-], 2020  |
| 2. Issue Closing Date   | [-], 2020  |
| 3. Pay-in Date  | [-], 2020  |
| 4. Deemed Date of Allotment   | [-], 2020  |
| <b>Issuance mode of the Instrument</b>  | Demat only   |
| <b>Trading mode of the Instrument</b>   | Demat only   |
| <b>Settlement mode of the Instrument</b>  | RTGS or such other mode as may be determined by the Issuer   |
| <b>Depository(ies)</b>  | NSDL and/ or CDSL  |
| <b>Business Day Convention</b>  | As stipulated in the Shelf DD.   |
| <b>Record Date</b>  | As stipulated in the Shelf DD.   |
| <b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>  | [●]  |
| <b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.),</b> | [●]  |



|  |  |
|--|--|
| date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum. |  |
| Transaction Documents  | [●]  |
| Conditions Precedent to Disbursement   | [●]  |
| Condition Subsequent to Disbursement   | [●]  |
| Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)   | [●]  |
| Creation of recovery expense fund  | [●]  |
| Conditions for breach of covenants (as specified in Debenture Trust Deed)  | [●]  |
| Provisions related to Cross Default Clause   | [●]  |
| Role and Responsibilities of Debenture Trustee   | [●]  |
| Risk factors pertaining to the Issue   | [●]  |
| Illustration of Bond Cashflows   | As per Appendix I to this Supplemental DD. |
| Governing Law and Jurisdiction   | [●]  |

[Note: In the addition to the information regarding the relevant Series/ Tranche of Debentures, if any change/ modification has occurred in relation to the disclosures made in the Shelf DD, the same would also be required to be updated in this Supplemental DD]

**PART B: DISCLOSURES UNDER THE COMPANIES ACT  
FORM NO. PAS – 4  
PRIVATE PLACEMENT OFFER LETTER**

(Pursuant to Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**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 & 3s2, 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

Telephone No. : 040 – 48126666

Contact Person : Mr. Satish Kottakota

Email : [secretarial@spandanindia.com](mailto:secretarial@spandanindia.com)

Website : <http://www.spandanindia.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:**

For the details of the business carried out by the Company and the details of branches or units, please refer to **Section 4.4** of the Shelf Disclosure Document.

The Company has its offices / sites / branches across India, however, for the purpose of this issue, the concerned are requested contact the Compliance Officer/Chief Financial 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:

[-]

**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 |
|-------|-------------|-----|------------|---------------------|
| [-]   | [-]         | [-] | [-]        | [-]                 |

**E. Name, address, DIN and occupations of the directors:**

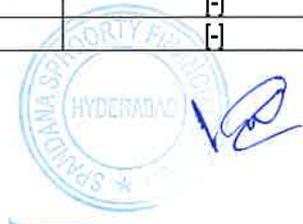
| Name, | Designation | DIN | Occupation | Residential Address |
|-------|-------------|-----|------------|---------------------|
| [-]   | [-]         | [-] | [-]        | [-]                 |

**F. Management perception of Risk Factors:**

Please refer to **Section 3** of the Shelf Disclosure Document.

**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                 | [-]            |
| 2.      | Debenture and interest thereon | [-]            |
| 3.      | Deposits and interest thereon  | [-]            |

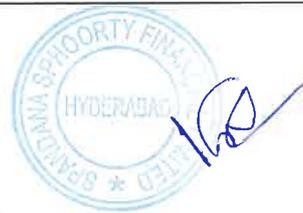


|    |  |     |
|----|--|-----|
| 4. | Loans from banks and financial institutions and interest thereon | [-] |
|----|--|-----|

- H. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue: [-]
- I. Any default in annual filing of the Company under the Companies Act, 2013, or the rules made thereunder: [-]

2. Particulars of the Offer:

|  |   |
|--|---|
| <b>Financial position of the Company for the last 3 financial years</b>  | Please refer to <b>Annexure IV</b> of the Shelf Disclosure Document.  |
| <b>Date of passing of Board Resolution</b>   | Resolution passed by the Board of Directors of the Issuer on [-] read with the resolution passed by the [management committee] of the Board of Directors of the Issuer on [-].<br><br>Copies of the said board and committee resolutions are collectively annexed hereto and marked as <b>Annexure VI</b>                         |
| <b>Date of passing of resolution in general meeting, authorizing the offer of securities</b>   | The shareholders resolution under Section 42 of the Act is dated [-] and the resolution under Section 180(1) (c) of the Act is dated [-].<br><br>A copy of the said shareholders' resolutions (under both Section 42 and Section 180 of the Act) is collectively annexed at <b>Annexure VII</b> of the Shelf Disclosure Document. |
| <b>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</b>                           | Rated, Redeemable, Listed, Secured Non-Convertible Debentures   |
| <b>Price at which the security is being offered, including premium, if any, along with justification of the price</b>  | The Debentures are being issued at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each at par.   |
| <b>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer</b> | Not Applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture   |
| <b>Relevant date with reference to which the price has been arrived at</b>   | Not applicable.   |
| <b>The class or classes of persons to whom the allotment is proposed to be made</b>  | Please refer to 'Persons who may apply' under <b>Section 6</b> of the Shelf Disclosure Document   |
| <b>Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)</b>                          | Not applicable.   |
| <b>The proposed time within which the allotment shall be completed</b>   | As indicated in Part A of this Supplemental DD  |
| <b>The names of the proposed allottees and the percentage of post private</b>  | Not applicable.   |



|   |   |                          |  |        |  |                 |  |                   |  |
|---|---|--------------------------|--|--------|--|-----------------|--|-------------------|--|
| <b>placement capital that may be held by them</b>   |   |                          |  |        |  |                 |  |                   |  |
| <b>The change in control, if any, in the company that would occur consequent to the private placement</b>   | [-]   |                          |  |        |  |                 |  |                   |  |
| <b>The number of persons to whom allotment on preferential basis/ private placement / rights issue has already been made during the year, in terms of number of securities as well as price</b> | [-]   |                          |  |        |  |                 |  |                   |  |
| <b>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.</b>                                       | [-]   |                          |  |        |  |                 |  |                   |  |
| <b>Amount, which the Company intends to raise by way of proposed offer of securities</b>  | Up to Rs. [-]/- (Rupees [-] only).  |                          |  |        |  |                 |  |                   |  |
| <b>Terms of raising securities</b>  | <table border="1"> <tr> <td>Duration, if applicable:</td> <td>[-] ([-]) months from the Deemed Date of Allotment, subject to early redemption or acceleration pursuant to Event of Default</td> </tr> <tr> <td>Coupon</td> <td>[-]% ([-] Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates</td> </tr> <tr> <td>Mode of Payment</td> <td>RTGS, electronic fund transfer or other permitted mode</td> </tr> <tr> <td>Mode of Repayment</td> <td>RTGS, electronic fund transfer or other permitted mode</td> </tr> </table> | Duration, if applicable: | [-] ([-]) months from the Deemed Date of Allotment, subject to early redemption or acceleration pursuant to Event of Default | Coupon | [-]% ([-] Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates | Mode of Payment | RTGS, electronic fund transfer or other permitted mode | Mode of Repayment | RTGS, electronic fund transfer or other permitted mode |
| Duration, if applicable:  | [-] ([-]) months from the Deemed Date of Allotment, subject to early redemption or acceleration pursuant to Event of Default  |                          |  |        |  |                 |  |                   |  |
| Coupon  | [-]% ([-] Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates  |                          |  |        |  |                 |  |                   |  |
| Mode of Payment   | RTGS, electronic fund transfer or other permitted mode  |                          |  |        |  |                 |  |                   |  |
| Mode of Repayment   | RTGS, electronic fund transfer or other permitted mode  |                          |  |        |  |                 |  |                   |  |
| <b>Proposed time schedule for which the offer letter is valid</b>   | As indicated in Part A of this Supplemental DD.   |                          |  |        |  |                 |  |                   |  |
| <b>Purpose and objects of the Issue</b>   | As indicated in Part A of this Supplemental DD.   |                          |  |        |  |                 |  |                   |  |
| <b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</b>   | N.A.  |                          |  |        |  |                 |  |                   |  |
| <b>Principal terms of assets charged as security, if applicable</b>   | As indicated in Part A of this Supplemental DD.   |                          |  |        |  |                 |  |                   |  |
| <b>The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations</b>                | Nil   |                          |  |        |  |                 |  |                   |  |
| <b>The pre-issue and post-issue shareholding pattern of the Company in the following format:</b>  |   |                          |  |        |  |                 |  |                   |  |



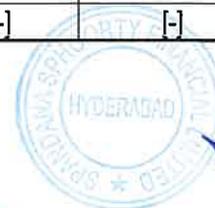
There will be no change in shareholding pattern of the Company pursuant to the Issue, as non-convertible debentures are being issued. Please find below the details:

1. Pre-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                              | [-]                       | [-]                        | [-]                           | [-]                        |
|         | Bodies Corporate                        | [-]                       | [-]                        | [-]                           | [-]                        |
|         | Sub-total                               | [-]                       | [-]                        | [-]                           | [-]                        |
| 2       | Foreign promoters                       |                           |                            |                               |                            |
|         | Sub-total (A)                           | [-]                       | [-]                        | [-]                           | [-]                        |
| B       | Non-promoters' holding                  |                           |                            |                               |                            |
| 1       | Institutional Investors                 |                           |                            | [-]                           | [-]                        |
| 2       | Non-Institutional Investors             |                           |                            | [-]                           | [-]                        |
|         | Private Corporate Bodies                |                           |                            | [-]                           | [-]                        |
|         | Directors and relatives                 |                           |                            | [-]                           | [-]                        |
|         | Indian public                           | [-]                       | [-]                        | [-]                           | 0                          |
|         | Others (including Non-resident Indians) | [-]                       | [-]                        | [-]                           | 0                          |
|         | Sub-total (B)                           | [-]                       | [-]                        | [-]                           | [-]                        |
|         | <b>Grand Total</b>                      | <b>[-]</b>                | <b>[-]</b>                 | <b>[-]</b>                    | <b>[-]</b>                 |

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                  | [-]                       | [-]                        | [-]                           | [-]                        |
|         | Bodies Corporate            | [-]                       | [-]                        | [-]                           | [-]                        |
|         | Sub-total                   | [-]                       | [-]                        | [-]                           | [-]                        |
| 2       | Foreign promoters           |                           |                            |                               |                            |
|         | Sub-total (A)               | [-]                       | [-]                        | [-]                           | [-]                        |
| B       | Non-promoters' holding      |                           |                            |                               |                            |
| 1       | Institutional Investors     |                           |                            | [-]                           | [-]                        |
| 2       | Non-Institutional Investors |                           |                            | [-]                           | [-]                        |
|         | Private Corporate Bodies    |                           |                            | [-]                           | [-]                        |
|         | Directors and relatives     |                           |                            | [-]                           | [-]                        |



|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Indian public                           | [-]        | [-]        | [-]        | 0          |
| Others (including Non-resident Indians) | [-]        | [-]        | [-]        | 0          |
| Sub-total (B)                           | [-]        | [-]        | [-]        | [-]        |
| <b>Grand Total</b>                      | <b>[-]</b> | <b>[-]</b> | <b>[-]</b> | <b>[-]</b> |

3. Mode of payment for subscription:

- Cheque
- Demand draft
- Other banking channels, such as RTGS

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   | [-]  |                      |                    |                  |                  |                  |     |     |     |     |     |
|--|--|----------------------|--------------------|------------------|------------------|------------------|-----|-----|-----|-----|-----|
| 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 | [-]  |                      |                    |                  |                  |                  |     |     |     |     |     |
| Remuneration of directors (during the current year and last three financial years)   | (Rs. in Lakhs)   |                      |                    |                  |                  |                  |     |     |     |     |     |
|  | <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="background-color: #cccccc;">Name of the Director</th> <th style="background-color: #cccccc;">Current Year (Rs.)</th> <th style="background-color: #cccccc;">FY 2019-20 (Rs.)</th> <th style="background-color: #cccccc;">FY 2018-19 (Rs.)</th> <th style="background-color: #cccccc;">FY 2017-18 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>[-]</td> <td>[-]</td> <td>[-]</td> <td>[-]</td> <td>[-]</td> </tr> </tbody> </table> | Name of the Director | Current Year (Rs.) | FY 2019-20 (Rs.) | FY 2018-19 (Rs.) | FY 2017-18 (Rs.) | [-] | [-] | [-] | [-] | [-] |
| Name of the Director   | Current Year (Rs.)   | FY 2019-20 (Rs.)     | FY 2018-19 (Rs.)   | FY 2017-18 (Rs.) |                  |                  |     |     |     |     |     |
| [-]  | [-]  | [-]                  | [-]                | [-]              |                  |                  |     |     |     |     |     |
| 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 <b>Annexure V</b> of the Shelf Disclosure Document for the related party transactions for the financial years 2018, 2019 and 2020.   |                      |                    |                  |                  |                  |     |     |     |     |     |
| Summary of reservations or qualifications or adverse remarks of  | Nil  |                      |                    |                  |                  |                  |     |     |     |     |     |

|   |     |
|---|-----|
| <p>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</p>   |     |
| <p>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 subsidiaries</p> | [-] |
| <p>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.</p>  | [-] |

5. Financial Position of the Company:

|   |   |
|---|---|
| <p>The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)</p> | <p>For details in this regard, please refer to <b>Section 4.5 (A)</b> of the Shelf Disclosure Document.</p>   |
| <p>Size of the Present Issue</p>  | <p>The [Series/ Tranche] [-] NCDs being issued in terms of this Supplemental DD read with the Shelf DD are upto [-] ([-]) secured, rated, listed, redeemable, non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. [-]/- (Rupees [-] only).</p> |
| <p>Paid-up Capital:<br/>a. After the offer:<br/><br/>b. After the conversion of convertible</p>                               | <p>This issuance of Debentures will not alter the paid-up capital of the Issuer.</p>  |



|  |                               |                            |                |                                |                       |
|--|-------------------------------|----------------------------|----------------|--------------------------------|-----------------------|
| instruments (if applicable):   |                               |                            |                |                                |                       |
| Share Premium Account:<br>a. Before the offer:<br>b. After the offer:  | [-]                           |                            |                |                                |                       |
| <b>Details of the existing share capital of the Issuer:</b>  |                               |                            |                |                                |                       |
| Year & Date of Allotment   | No of Equity Shares           | Face Value of Shares (Rs.) | Price (Rs.)    | Details of Consideration (Rs.) | Form of consideration |
| [-]  | [-]                           | [-]                        | [-]            | [-]                            | [-]                   |
| [-]  | [-]                           | [-]                        | [-]            | [-]                            | [-]                   |
| <b>Total</b>   | <b>[-]</b>                    |                            |                | <b>[-]</b>                     |                       |
| 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 and the details of the consideration in each case | Not Applicable                |                            |                |                                |                       |
| 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   | <i>(Rs. in Lakhs)</i>         |                            |                |                                |                       |
|  | Particulars                   | FY 2020                    | FY 2019        | FY 2018                        |                       |
|  | Profit before Tax             | [-]                        | [-]            | [-]                            |                       |
|  | Profit after Tax              | [-]                        | [-]            | [-]                            |                       |
| 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)  | Particulars                   | Rs.<br>FY 2018             | Rs.<br>FY 2019 | Rs.<br>FY 2020                 |                       |
|  | Dividend declared             | -                          | -              | -                              |                       |
|  | Interest coverage ratio (on a | [-]                        | [-]            | [-]                            |                       |



|  |  |  |  |  |
|--|--|--|--|--|
|  | standalone basis)  |  |  |  |
| <b>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</b> | Please refer to <b>Annexure IV</b> of the Shelf Disclosure Document  |  |  |  |
| <b>Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter</b>   | Please refer to <b>Annexure IV</b> of the Shelf Disclosure Document  |  |  |  |
| <b>Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company</b>   | Pursuant to the adoption of INDAS by our Company for financial periods commencing April 1, 2018. Given that Ind AS differs in many respects from Indian GAAP and so, there has been a change in revenue recognition and other significant accounting practices since April 1, 2018 as per the statutory requirement. |  |  |  |

**PART C: 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

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

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## 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 Shelf Disclosure Document (offer letter);

I am authorized by the Board of Directors of the Company *vide* resolution number [●] dated [●], 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 Information Memorandum 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**

\_\_\_\_\_  
Mr. [-]  
Designation: [-]  
Date: [-], 2020  
Place: [-]



**Appendix I: Indicative Cashflow Schedule**

|                           |  |
|---------------------------|--|
| Issuer                    | Spandana Sphoorty Financial Limited  |
| Series/Tranche            | [●]  |
| Face Value (per security) | Rs. 10,00,000/- (Rupees Ten Lakh only)                                       |
| Deemed Date of Allotment  | [●], 2020  |
| Coupon Rate               | [●]% p.a.  |
| Redemption Date           | [●], subject to early redemption/ acceleration pursuant to Event of Default. |
| Day Count Convention      | Actual/ Actual   |

| Illustrative Cashflow* per [Series/Tranche] [●] Debenture of Rs. 10,00,000/- |              |                              |        |
|--|--------------|------------------------------|--------|
| Flow Type  | Payment Date | No. of Days in Coupon Period | Amount |
| [●]  | [●]          | [●]                          | [●]    |
| [●]  | [●]          | [●]                          | [●]    |
| [●]  | [●]          | [●]                          | [●]    |
| [●]  | [●]          | [●]                          | [●]    |
| [●]  | [●]          | [●]                          | [●]    |
| [●]  | [●]          | [●]                          | [●]    |

\*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.

**Appendix II: Application Form**

**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 Ground 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 APPLICATION FORM SERIAL NO. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | [●] |
|---------------------------------------|---|---|---|---|---|---|---|---|-----|

Addressed to: \_\_\_\_\_

ISSUE OF UPTO [●] ([●]) RATED LISTED SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UPTO RS. [●]- (RUPEES [●] CRORE ONLY) ON A PRIVATE PLACEMENT BASIS (“[TRANCHE/SERIES [●]] DEBENTURES”) ISSUED UNDER THE SHELF DISCLOSURE DOCUMENT DATED NOVEMBER [●], 2020 (“SHELF DISCLOSURE DOCUMENT” OR “SHELF DD”) AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF SECURED, SENIOR, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, AGGREGATING UPTO Rs. 250,00,00,000/- (TWO HUNDRED AND FIFTY CRORE ONLY) TO BE ISSUED IN ONE OR MORE SERIES, ON PRIVATE PLACEMENT BASIS

DEBENTURE APPLIED FOR:

Tranche \_\_\_\_\_

Series \_\_\_\_\_





**Details for Issue of Debentures in Electronic / Dematerialised Form**

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

|   |  |
|---|--|
| <b>Applicant Bank Account:</b>                        |  |
| (Settlement by way of RTGS, electronic fund transfer) |  |

We understand and confirm that the information provided in this 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 Issuer 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.

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**

|                   |   |   |   |   |   |   |   |   |   |     |
|-------------------|---|---|---|---|---|---|---|---|---|-----|
| <b>SERIAL NO.</b> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | [.] |
|-------------------|---|---|---|---|---|---|---|---|---|-----|

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

|   |
|---|
| Address _____   |
| Cheque / Demand Draft / RTGS/UTR # _____ Drawn on _____ for<br>Rs. _____ on account of application of _____ Debenture under Tranche _____ |



## ANNEXURE IV: LATEST AUDITED/ LIMITED REVIEW HALF YEARLY FINANCIAL STATEMENTS

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

(Rupees in millions unless otherwise stated)

|  | Notes | As at              |                  |
|--|-------|--------------------|------------------|
|  |       | September 30, 2020 | March 31, 2020   |
| <b>ASSETS</b>                                      |       |                    |                  |
| <b>Financial assets</b>                            |       |                    |                  |
| Cash and cash equivalents                          | 4     | 4,617.19           | 596.31           |
| Bank balances other than cash and cash equivalents | 5     | 2,171.13           | 1,975.05         |
| Trade receivables                                  | 6     | 80.10              | 223.68           |
| Loans  | 7     | 56,299.62          | 49,767.05        |
| Investments  | 8     | 33.27              | 4,874.62         |
| Other financial assets                             | 9     | 1,428.07           | 1,661.86         |
| <b>Subtotal - Financial assets</b>                 |       | <b>64,629.38</b>   | <b>59,098.57</b> |
| <b>Non-financial assets</b>                        |       |                    |                  |
| 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             | 152.28           |
| Intangible assets                                  | 12    | 10.24              | 13.31            |
| Goodwill   |       | 173.74             | 173.74           |
| Other non-financial assets                         | 13    | 82.64              | 112.43           |
| <b>Subtotal - Non-financial assets</b>             |       | <b>1,363.18</b>    | <b>675.20</b>    |
| <b>Total assets</b>                                |       | <b>65,992.56</b>   | <b>59,773.78</b> |
| <b>LIABILITIES AND EQUITY</b>                      |       |                    |                  |
| <b>LIABILITIES</b>                                 |       |                    |                  |
| <b>Financial liabilities</b>                       |       |                    |                  |
| Debt securities                                    | 14    | 7,526.96           | 7,776.28         |
| Borrowings (other than debt securities)            | 14    | 25,802.66          | 22,273.34        |
| Subordinated liabilities                           | 14    | 201.68             | 203.28           |
| Other financial liabilities                        | 15    | 2,817.97           | 2,271.90         |
| <b>Subtotal - Financial liabilities</b>            |       | <b>36,349.26</b>   | <b>32,524.80</b> |
| <b>Non-financial liabilities</b>                   |       |                    |                  |
| 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           |
| <b>Subtotal - Non-financial liabilities</b>        |       | <b>2,132.05</b>    | <b>976.52</b>    |
| <b>EQUITY</b>                                      |       |                    |                  |
| Equity share capital                               | 19    | 643.15             | 643.15           |
| Other equity                                       | 20    | 26,853.17          | 25,616.39        |
| Equity attributable to shareholders of the company |       | 27,496.32          | 26,259.54        |
| Non controlling interest                           | 20    | 14.93              | 12.92            |
| <b>Subtotal Equity</b>                             |       | <b>27,511.25</b>   | <b>26,272.46</b> |
| <b>Total liabilities and equity</b>                |       | <b>65,992.56</b>   | <b>59,773.78</b> |



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

(Rupees in millions unless otherwise stated)

|   | Notes | For period ended<br>September 30, 2020 | For year ended<br>March 31, 2020 |
|---|-------|--|----------------------------------|
| <b>Revenue from operations:</b>   |       |  |                                  |
| Interest income   | 31    | 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                           |
| <b>Total revenue from operations</b>                                      |       | <b>6,707.98</b>                        | <b>14,352.98</b>                 |
| Other income  | 24    | 102.54                                 | 342.08                           |
| <b>Total income</b>   |       | <b>6,810.62</b>                        | <b>14,695.06</b>                 |
| <b>Expenses</b>   |       |  |                                  |
| 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                                     | 12    | 31.76                                  | 88.33                            |
| Other expenses  | 28    | 217.86                                 | 415.65                           |
| <b>Total expenses</b>   |       | <b>5,112.33</b>                        | <b>8,510.52</b>                  |
| <b>Profit before tax</b>  |       | <b>1,698.28</b>                        | <b>6,184.54</b>                  |
| <b>Tax expense:</b>   | 29    |  |                                  |
| Current tax   |       | 1,152.90                               | 705.16                           |
| Deferred tax  |       | (713.49)                               | 1,961.09                         |
| <b>Income tax expense</b>   |       | <b>439.41</b>                          | <b>2,666.25</b>                  |
| <b>Profit for the year</b>  |       | <b>1,258.87</b>                        | <b>3,518.29</b>                  |
| <b>Other Comprehensive Income</b>   |       |  |                                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |       |  |                                  |
| Re-measurement gains/(losses) on defined benefit plans                    |       | 14.98                                  | (17.52)                          |
| Income tax effect   |       | (3.77)                                 | 4.41                             |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |       |  |                                  |
| Fair Value gain on loan portfolio   |       | (98.15)                                | 12.11                            |
| Income tax effect   |       | 24.70                                  | (3.05)                           |
| <b>Total comprehensive income for the year</b>                            |       | <b>1,196.63</b>                        | <b>3,514.24</b>                  |
| <b>Profit for the year attributable to:</b>                               |       |  |                                  |
| Owners of the company   |       | 1,256.86                               | 3,514.59                         |
| Non-controlling interests   |       | 2.01                                   | 3.70                             |
| <b>Total comprehensive income for the year attributable to:</b>           |       | <b>1,258.87</b>                        | <b>3,518.29</b>                  |
| <b>Owners of the company</b>  |       | <b>1,194.63</b>                        | <b>3,510.55</b>                  |
| <b>Non-controlling interests</b>  |       | <b>2.01</b>                            | <b>3.70</b>                      |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |       |  |                                  |
| 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                            |



Spandana Spheerity Financial Limited  
Consolidated Cash Flow Statement for the year ended September 30, 2020

(Rupees in millions unless otherwise stated)

| Particulars:  | For period ended<br>September 30, 2020 | For year ended<br>March 31, 2020 |
|---|--|----------------------------------|
| <b>Cash flow from operating activities</b>                                  |  |                                  |
| Profit before tax   | 1,698.28                               | 6,184.54                         |
| Adjustments for:  |  |                                  |
| Interest on income tax  | -                                      | 0.83                             |
| Depreciation and amortisation   | 31.76                                  | 88.33                            |
| Share based payment to employees  | 49.32                                  | 41.64                            |
| Provision for gratuity  | 5.27                                   | 10.41                            |
| 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                    | 2,335.95                               | 2,735.72                         |
| Net gain on fair value changes  | (44.58)                                | (45.96)                          |
| Other provisions and write offs   | 8.99                                   | 29.24                            |
| <b>Operating profit before working capital changes:</b>                     | <b>4,692.12</b>                        | <b>9,059.17</b>                  |
| 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   | -                                      | (3.53)                           |
| (Increase) / decrease in bank balances other than cash and cash equivalents | (196.08)                               | 56.81                            |
| (Increase) / decrease in trade receivables                                  | 143.38                                 | (188.19)                         |
| (Increase) / decrease in other financial assets                             | 224.80                                 | (1,481.65)                       |
| (Increase) / decrease in loans  | (8,868.32)                             | (9,418.08)                       |
| (Increase) / decrease in other non financial assets                         | 29.80                                  | 17.28                            |
| <b>Cash used in operations:</b>   | <b>(4,108.46)</b>                      | <b>(167.72)</b>                  |
| Income taxes paid   | (9.37)                                 | (184.00)                         |
| <b>Net cash generated/ (used) in operating activities (A)</b>               | <b>(4,117.83)</b>                      | <b>(351.72)</b>                  |
| <b>Cash flow from investing activities</b>                                  |  |                                  |
| Purchase of property, plant and equipment                                   | (18.26)                                | (45.63)                          |
| 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)                             | -                                      | -                                |
| <b>Net cash generated/ (used) in investing activities (B)</b>               | <b>4,867.74</b>                        | <b>(4,873.32)</b>                |
| <b>Cash flows from financing activities</b>                                 |  |                                  |
| Proceeds from issue of equity shares (including securities premiums)        | -                                      | 3,921.58                         |
| Debt securities (net)   | (249.33)                               | (3,943.36)                       |
| Payment of Lease Liability  | (7.42)                                 | (15.42)                          |
| Borrowings (other than debt securities) (net)                               | 3,529.32                               | 6,518.52                         |
| Subordinated liabilities (net)  | (1.60)                                 | 0.34                             |
| Share issue expenses  | -                                      | (150.46)                         |
| <b>Net cash generated/ (used) in financing activities (C)</b>               | <b>3,270.97</b>                        | <b>4,335.22</b>                  |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>   | <b>4,020.89</b>                        | <b>(889.82)</b>                  |
| Add: Cash and cash equivalents at the beginning of the year                 | 596.31                                 | 1,486.13                         |
| <b>Cash and cash equivalents at the end of the year (refer note 4)</b>      | <b>4,617.19</b>                        | <b>596.31</b>                    |
| <b>Components of cash and cash equivalents at the end of year</b>           |  |                                  |
| Cash on hand  | 18.32                                  | 2.82                             |
| Balance with banks - on current account                                     | 4,127.74                               | 393.49                           |
| Deposits with original maturity of less than or equal to 3 months           | 471.13                                 | -                                |
| <b>Total cash and cash equivalents:</b>                                     | <b>4,617.19</b>                        | <b>596.31</b>                    |



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

(Rupees in millions unless otherwise stated)

|  | Notes | As at<br>September 30, 2020 | As at<br>March 31, 2020 |
|--|-------|-----------------------------|-------------------------|
| <b>ASSETS</b>                                      |       |                             |                         |
| <b>Financial assets</b>                            |       |                             |                         |
| Cash and cash equivalents                          | 4     | 4,347.22                    | 536.19                  |
| Bank balances other than cash and cash equivalents | 5     | 1,145.40                    | 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                |
| <b>Subtotal - Financial assets</b>                 |       | <b>63,948.05</b>            | <b>58,933.70</b>        |
| <b>Non-financial assets</b>                        |       |                             |                         |
| 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                       | 12.04                   |
| Other non-financial assets                         | 13    | 76.50                       | 101.46                  |
| <b>Subtotal - Non-financial assets</b>             |       | <b>1,177.40</b>             | <b>484.14</b>           |
| <b>Total assets</b>                                |       | <b>65,125.45</b>            | <b>59,417.84</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |       |                             |                         |
| <b>LIABILITIES</b>                                 |       |                             |                         |
| <b>Financial liabilities</b>                       |       |                             |                         |
| Debt securities                                    | 14    | 7,526.95                    | 7,776.28                |
| Borrowings (other than debt securities)            | 14    | 25,329.43                   | 22,184.11               |
| Subordinated liabilities                           | 14    | 301.68                      | 201.67                  |
| Other financial liabilities                        | 15    | 1,777.76                    | 2,255.73                |
| <b>Subtotal - Financial liabilities</b>            |       | <b>35,835.82</b>            | <b>32,417.79</b>        |
| <b>Non-financial liabilities</b>                   |       |                             |                         |
| Current tax liabilities (net)                      | 16    | 1,702.74                    | 596.69                  |
| Provisions   | 17    | 17.52                       | 37.58                   |
| Other non-financial liabilities                    | 18    | 331.29                      | 294.40                  |
| <b>Subtotal - Non-financial liabilities</b>        |       | <b>2,051.55</b>             | <b>918.67</b>           |
| <b>EQUITY</b>                                      |       |                             |                         |
| Equity share capital                               | 19    | 643.15                      | 643.15                  |
| Other equity                                       | 20    | 26,594.93                   | 25,438.33               |
| <b>Subtotal - Equity</b>                           |       | <b>27,238.08</b>            | <b>26,081.38</b>        |
| <b>Total liabilities and equity</b>                |       | <b>65,125.45</b>            | <b>59,417.84</b>        |

Summary of significant accounting policies

3

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



| Spandanam Sphoorty Financial Limited   |       |  |                                  |
|--|-------|--|----------------------------------|
| Standalone Profit and Loss statement for the Period ended September 30, 2020 |       |  |                                  |
| (Rupees in millions unless otherwise stated)                                 |       |  |                                  |
|  | Notes | For period ended<br>September 30, 2020 | For year ended<br>March 31, 2020 |
| <b>Revenue from operations</b>   |       |  |                                  |
| Interest income  | 21    | 6,133.31                               | 11,454.46                        |
| Commission and Incentive Income  |       | -                                      | 351.13                           |
| Net gain on fair value changes   | 22    | 391.88                                 | 2,184.03                         |
| Others   | 23    | 41.05                                  | 105.25                           |
| <b>Total revenue from operations</b>   |       | <b>6,566.24</b>                        | <b>14,094.86</b>                 |
| Other income   | 24    | 91.90                                  | 319.28                           |
| <b>Total income</b>  |       | <b>6,658.13</b>                        | <b>14,414.14</b>                 |
| <b>Expenses</b>  |       |  |                                  |
| Finance cost   | 25    | 1,684.81                               | 3,541.11                         |
| Impairment on financial instruments and other provisions                     | 26    | 2,333.44                               | 2,738.96                         |
| Employee benefits expense  | 27    | 815.55                                 | 1,669.70                         |
| Depreciation and amortization expense  | 12    | 31.06                                  | 87.42                            |
| Other expenses   | 28    | 205.42                                 | 405.55                           |
| <b>Total expenses</b>  |       | <b>5,070.28</b>                        | <b>8,432.74</b>                  |
| <b>Profit before tax</b>   |       | <b>1,587.86</b>                        | <b>5,981.40</b>                  |
| <b>Tax expense:</b>  | 29    |  |                                  |
| Current tax  |       | 1,124.50                               | 653.54                           |
| Deferred tax   |       | (713.69)                               | 1,900.92                         |
| <b>Income tax expense</b>  |       | <b>410.81</b>                          | <b>2,614.46</b>                  |
| <b>Profit for the year</b>   |       | <b>1,177.04</b>                        | <b>3,366.94</b>                  |
| <b>Other comprehensive income</b>  |       |  |                                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b>    |       |  |                                  |
| Re-measurement gains/(losses) on defined benefit plans                       |       | 15.12                                  | (17.38)                          |
| Income tax effect  |       | (3.80)                                 | 4.37                             |
| <b>Items that will be reclassified subsequently to profit or loss</b>        |       |  |                                  |
| Fair value gain on loans   |       | (98.15)                                | 12.11                            |
| Income tax effect  |       | 34.70                                  | (3.05)                           |
| <b>Total comprehensive income for the year</b>                               |       | <b>1,114.91</b>                        | <b>3,362.99</b>                  |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>            |       |  |                                  |
| 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                            |
| <b>Summary of significant accounting policies</b>                            | 3     |  |                                  |

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



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

(Rupees in millions unless otherwise stated)

| Particulars   | For year ended<br>September 30, 2020 | For year ended<br>March 31, 2020 |
|---|--------------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>                                  |                                      |                                  |
| 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   | 9.03                                 | 29.13                            |
| <b>Operating profit before working capital changes</b>                      | <b>3,978.62</b>                      | <b>8,847.79</b>                  |
| Movements in working capital :  |                                      |                                  |
| Increase / (decrease) in other financial liabilities                        | 522.81                               | 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                         | 24.96                                | 25.55                            |
| <b>Cash used in operations</b>  | <b>(3,922.31)</b>                    | <b>(417.91)</b>                  |
| Income taxes paid   | (22.23)                              | (118.77)                         |
| <b>Net cash generated/(used) in operating activities (A)</b>                | <b>(3,944.55)</b>                    | <b>(536.68)</b>                  |
| <b>Cash flow from investing activities</b>                                  |                                      |                                  |
| 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                        |
| <b>Net cash generated/(used) in investing activities (B)</b>                | <b>4,866.97</b>                      | <b>(4,851.88)</b>                |
| <b>Cash flow from financing activities</b>                                  |                                      |                                  |
| 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)  | 0.01                                 | 0.11                             |
| Share issue expenses  | -                                    | (150.46)                         |
| <b>Net generated/(used) in financing activities (C)</b>                     | <b>2,888.62</b>                      | <b>4,470.68</b>                  |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>   | <b>3,811.04</b>                      | <b>(917.88)</b>                  |
| Cash and cash equivalents at the beginning of the year                      | 536.19                               | 1,454.07                         |
| <b>Cash and cash equivalents at the end of the year (refer note 4)</b>      | <b>4,347.22</b>                      | <b>536.19</b>                    |
| <b>Components of cash and cash equivalents as at the end of year</b>        |                                      |                                  |
| 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                               | -                                |
| <b>Total cash and cash equivalents</b>                                      | <b>4,347.22</b>                      | <b>536.19</b>                    |

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



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

(Rupees in millions unless otherwise stated)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                      |                         |                         |
| <b>Financial assets</b>                            |                         |                         |
| 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                  |
| <b>Subtotal - Total financial assets</b>           | <b>59,098.56</b>        | <b>46,836.53</b>        |
| <b>Non-financial assets</b>                        |                         |                         |
| 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                  |
| <b>Subtotal - Total non-financial assets</b>       | <b>675.21</b>           | <b>2,480.54</b>         |
| <b>Total assets</b>                                | <b>59,773.77</b>        | <b>49,317.07</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |                         |                         |
| <b>LIABILITIES</b>                                 |                         |                         |
| <b>Financial liabilities</b>                       |                         |                         |
| 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                  |
| <b>Subtotal - Total financial liabilities</b>      | <b>32,524.80</b>        | <b>30,122.22</b>        |
| <b>Non-financial liabilities</b>                   |                         |                         |
| Current tax liabilities (net)                      | 647.07                  | 62.83                   |
| Provisions   | 28.00                   | 3.59                    |
| Other non-financial liabilities                    | 301.45                  | 224.85                  |
| <b>Subtotal - Total non-financial liabilities</b>  | <b>976.52</b>           | <b>291.27</b>           |
| <b>EQUITY</b>                                      |                         |                         |
| 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                    |
| <b>Subtotal - Total Equity</b>                     | <b>26,272.46</b>        | <b>18,903.58</b>        |
| <b>Total liabilities and equity</b>                | <b>59,773.78</b>        | <b>49,317.07</b>        |



**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<br>March 31, 2020 | For year ended<br>March 31, 2019 |
|---|----------------------------------|----------------------------------|
| <b>Revenue from operations</b>  |                                  |                                  |
| 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                            |
| <b>Total revenue from operations</b>                                      | <b>14,352.98</b>                 | <b>10,430.96</b>                 |
| Other income  | 342.08                           | 54.33                            |
| <b>Total income</b>   | <b>14,695.06</b>                 | <b>10,485.29</b>                 |
| <b>Expenses</b>   |                                  |                                  |
| 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                           |
| <b>Total expenses</b>   | <b>8,510.52</b>                  | <b>5,750.58</b>                  |
| <b>Profit before tax</b>  | <b>6,184.54</b>                  | <b>4,734.71</b>                  |
| <b>Tax expense:</b>   |                                  |                                  |
| Current tax   | 705.16                           | 12.88                            |
| Deferred tax  | 1,961.09                         | 1,602.84                         |
| <b>Income tax expense</b>   | <b>2,666.25</b>                  | <b>1,615.72</b>                  |
| <b>Profit for the year</b>  | <b>3,518.29</b>                  | <b>3,118.99</b>                  |
| <b>Other Comprehensive Income</b>   |                                  |                                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |                                  |                                  |
| Re-measurement gains/(losses) on defined benefit plans                    | (17.52)                          | (2.94)                           |
| Income tax effect   | 4.41                             | 1.03                             |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |                                  |                                  |
| Fair Value gain on loan portfolio   | 12.11                            | 688.80                           |
| Income tax effect   | (3.05)                           | (240.69)                         |
| <b>Total comprehensive income for the year</b>                            | <b>3,514.24</b>                  | <b>3,565.19</b>                  |
| <b>Profit for the year attributable to:</b>                               |                                  |                                  |
| Shareholders of the company   | 3,514.59                         | 3,118.24                         |
| Non-controlling interests   | 3.70                             | 0.76                             |
|   | <b>3,518.29</b>                  | <b>3,119.00</b>                  |
| <b>Total comprehensive income for the year attributable to :</b>          |                                  |                                  |
| Shareholders of the company   | 3,510.55                         | 3,564.43                         |
| Non-controlling interests   | 3.70                             | 0.76                             |
|   | <b>3,514.25</b>                  | <b>3,565.19</b>                  |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |                                  |                                  |
| 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 Statement for the year ended March 31, 2020**

(Rupees in millions unless otherwise stated)

| Particulars   | For year ended<br>March 31, 2020 | For year ended<br>March 31, 2019 |
|---|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>  |                                  |                                  |
| 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                         | 153.00                           |
| Net gain on fair value changes  | (45.96)                          | (110.63)                         |
| Other provisions and write offs   | 29.24                            | 23.51                            |
| <b>Operating profit before working capital changes</b>  | <b>9,059.18</b>                  | <b>5,219.03</b>                  |
| 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)                         |
| <b>Cash used in operations</b>  | <b>(167.70)</b>                  | <b>(5,597.56)</b>                |
| Income taxes paid   | (184.00)                         | (135.88)                         |
| <b>Net cash generated/ (used) in operating activities (A)</b>   | <b>(351.69)</b>                  | <b>(5,733.44)</b>                |
| <b>Cash flow from investing activities</b>  |                                  |                                  |
| 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)                         |
| <b>Net cash generated/ (used) in investing activities (B)</b>   | <b>(4,873.32)</b>                | <b>(327.80)</b>                  |
| <b>Cash flows from financing activities</b>   |                                  |                                  |
| 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)                         | -                                |
| <b>Net cash generated/ (used) from financing activities (C)</b>   | <b>4,335.21</b>                  | <b>6,501.99</b>                  |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>   | <b>(889.80)</b>                  | <b>440.75</b>                    |
| Add: Cash and cash equivalents at the beginning of the year   | 1,486.11                         | 1,045.36                         |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>596.31</b>                    | <b>1,486.11</b>                  |

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

(Rupees in millions unless otherwise stated)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                      |                         |                         |
| <b>Financial assets</b>                            |                         |                         |
| 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                  |
| <b>Subtotal - Total financial assets</b>           | <b>58,933.71</b>        | <b>46,679.24</b>        |
| <b>Non-financial assets</b>                        |                         |                         |
| 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                  |
| <b>Subtotal - Total non-financial assets</b>       | <b>484.13</b>           | <b>2,301.13</b>         |
| <b>Total assets</b>                                | <b>59,417.84</b>        | <b>48,980.37</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |                         |                         |
| <b>LIABILITIES</b>                                 |                         |                         |
| <b>Financial liabilities</b>                       |                         |                         |
| 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                  |
| <b>Subtotal - Total financial liabilities</b>      | <b>32,417.79</b>        | <b>29,886.30</b>        |
| <b>Non-financial liabilities</b>                   |                         |                         |
| Current tax liabilities (net)                      | 596.69                  | 3.48                    |
| Provisions   | 27.58                   | 3.42                    |
| Other non-financial liabilities                    | 294.40                  | 223.43                  |
| <b>Subtotal - Total non-financial liabilities</b>  | <b>918.67</b>           | <b>230.33</b>           |
| <b>EQUITY</b>                                      |                         |                         |
| Equity share capital                               | 643.15                  | 596.34                  |
| Other equity                                       | 25,438.23               | 18,267.40               |
| <b>Subtotal - Total equity</b>                     | <b>26,081.38</b>        | <b>18,863.74</b>        |
| <b>Total liabilities and equity</b>                | <b>59,417.84</b>        | <b>48,980.37</b>        |



**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<br>March 31, 2020 | For year ended<br>March 31, 2019 |
|---|----------------------------------|----------------------------------|
| <b>Revenue from operations</b>  |                                  |                                  |
| 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                            |
| <b>Total revenue from operations</b>                                      | <b>14,094.86</b>                 | <b>10,362.81</b>                 |
| Other income  | 319.28                           | 54.27                            |
| <b>Total income</b>   | <b>14,414.14</b>                 | <b>10,417.08</b>                 |
| <b>Expenses</b>   |                                  |                                  |
| 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                           |
| <b>Total expenses</b>   | <b>8,432.74</b>                  | <b>5,723.27</b>                  |
| <b>Profit before tax</b>  | <b>5,981.40</b>                  | <b>4,693.81</b>                  |
| <b>Tax expense:</b>   |                                  |                                  |
| Current tax   | 653.54                           | 3.48                             |
| Deferred tax  | 1,960.92                         | 1,602.85                         |
| <b>Income tax expense</b>   | <b>2,614.46</b>                  | <b>1,606.33</b>                  |
| <b>Profit for the year</b>  | <b>3,366.94</b>                  | <b>3,087.48</b>                  |
| <b>Other comprehensive income</b>   |                                  |                                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |                                  |                                  |
| Re-measurement gains/(losses) on defined benefit plans                    | (17.38)                          | (3.07)                           |
| Income tax effect   | 4.37                             | 1.07                             |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |                                  |                                  |
| Fair value gain on loan portfolio   | 12.11                            | 688.80                           |
| Income tax effect   | (3.05)                           | (240.69)                         |
| <b>Total comprehensive income for the year</b>                            | <b>3,362.99</b>                  | <b>3,533.59</b>                  |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |                                  |                                  |
| 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<br>March 31, 2020 | For year ended<br>March 31, 2019 |
|--|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>   |                                  |                                  |
| 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                            |
| <b>Operating profit before working capital changes</b>                                   | <b>8,847.79</b>                  | <b>5,177.42</b>                  |
| 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)                         |
| <b>Cash used in operations</b>   | <b>(417.89)</b>                  | <b>(6,362.14)</b>                |
| Income taxes paid  | (118.77)                         | (135.61)                         |
| <b>Net cash used in operating activities (A)</b>   | <b>(536.66)</b>                  | <b>(6,497.75)</b>                |
| <b>Cash flow from investing activities</b>   |                                  |                                  |
| 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)                         |
| <b>Net cash used in investing activities (B)</b>   | <b>(4,851.89)</b>                | <b>(592.78)</b>                  |
| <b>Cash flow from financing activities</b>   |                                  |                                  |
| 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)                         | -                                |
| <b>Net cash from financing activities (C)</b>  | <b>4,470.68</b>                  | <b>7,519.54</b>                  |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>                | <b>(917.88)</b>                  | <b>429.00</b>                    |
| Cash and cash equivalents at the beginning of the year                                   | 1,454.07                         | 1,025.07                         |
| <b>Cash and cash equivalents at the end of the year</b>                                  | <b>536.19</b>                    | <b>1,454.07</b>                  |



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

(Rupees in millions unless otherwise stated)

|  | As At<br>March 31, 2019 | As At<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                      |                         |                         |
| <b>Financial assets</b>                            |                         |                         |
| 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                  |
| <b>Total financial assets</b>                      | <b>46,836.53</b>        | <b>33,659.72</b>        |
| <b>Non-financial assets</b>                        |                         |                         |
| 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                   |
| <b>Total non-financial assets</b>                  | <b>2,480.54</b>         | <b>3,982.75</b>         |
| <b>Total assets</b>                                | <b>49,317.07</b>        | <b>37,642.47</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |                         |                         |
| <b>LIABILITIES</b>                                 |                         |                         |
| <b>Financial liabilities</b>                       |                         |                         |
| 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                  |
| <b>Total financial liabilities</b>                 | <b>30,122.22</b>        | <b>23,458.90</b>        |
| <b>Non-financial liabilities</b>                   |                         |                         |
| Current tax liabilities (net)                      | 62.83                   | 92.98                   |
| Provisions   | 3.59                    | 3.90                    |
| Other non-financial liabilities                    | 224.85                  | 180.33                  |
| <b>Total non-financial liabilities</b>             | <b>291.27</b>           | <b>277.21</b>           |
| <b>EQUITY</b>                                      |                         |                         |
| 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                    | -                       |
| <b>Total Equity</b>                                | <b>18,903.58</b>        | <b>13,906.36</b>        |
| <b>Total liabilities and equity</b>                | <b>49,317.07</b>        | <b>37,642.47</b>        |



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

|   | (Rupees in millions unless otherwise stated) |                                      |
|---|--|--------------------------------------|
|   | For the year ended<br>March 31, 2019         | For the year ended<br>March 31, 2018 |
| <b>Revenue from operations</b>  |  |                                      |
| 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                                |
| <b>Total revenue from operations</b>                                      | <b>10,430.96</b>                             | <b>5,873.06</b>                      |
| Other income  | 54.33  | 2.25                                 |
| <b>Total income</b>   | <b>10,485.29</b>                             | <b>5,875.31</b>                      |
| <b>Expenses</b>   |  |                                      |
| 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                               |
| <b>Total expenses</b>   | <b>5,750.57</b>                              | <b>3,048.30</b>                      |
| <b>Profit before tax</b>  | <b>4,734.72</b>                              | <b>2,827.01</b>                      |
| <b>Tax expense:</b>   |  |                                      |
| Current tax   | 12.88  | 573.43                               |
| Deferred tax  | 1,602.84                                     | 374.12                               |
| <b>Income tax expense</b>   | <b>1,615.72</b>                              | <b>947.55</b>                        |
| <b>Profit for the year</b>  | <b>3,119.00</b>                              | <b>1,879.46</b>                      |
| <b>Other Comprehensive Income</b>   |  |                                      |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |  |                                      |
| Re-measurement gains/(losses) on defined benefit plans                    | (2.94)                                       | (0.42)                               |
| Income tax effect   | 1.03   | 0.14                                 |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |  |                                      |
| Fair Value gain on loan portfolio   | 688.80                                       | -                                    |
| Income tax effect   | (240.69)                                     | -                                    |
| <b>Total other comprehensive income for the year</b>                      | <b>446.20</b>                                | <b>(0.28)</b>                        |
| <b>Total comprehensive income for the year</b>                            | <b>3,565.20</b>                              | <b>1,879.18</b>                      |
| <b>Profit for the year attributable to:</b>                               |  |                                      |
| Shareholders of the company   | 3,118.24                                     | 1,879.46                             |
| Non-controlling interests   | 0.76   | -                                    |
|   | <b>3,119.00</b>                              | <b>1,879.46</b>                      |
| <b>Total comprehensive income for the year attributable to :</b>          |  |                                      |
| Shareholders of the company   | 3,564.44                                     | 1,879.18                             |
| Non-controlling interests   | 0.76   | -                                    |
|   | <b>3,565.20</b>                              | <b>1,879.18</b>                      |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |  |                                      |
| 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 Statment for the year ended March 31, 2019**

(Rupees in millions unless otherwise stated)

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>  |                                      |                                      |
| 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                                |
| <b>Operating profit before working capital changes</b>  | <b>5,219.04</b>                      | <b>2,561.43</b>                      |
| 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                                |
| <b>Cash used in operations</b>  | <b>(5,597.55)</b>                    | <b>(17,815.19)</b>                   |
| Income taxes paid   | (135.88)                             | (735.74)                             |
| <b>Net cash generated/ (used) in operating activities (A)</b>   | <b>(5,733.43)</b>                    | <b>(18,550.93)</b>                   |
| <b>Cash flow from investing activities</b>  |                                      |                                      |
| 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)                             | -                                    |
| <b>Net cash generated/ (used) in investing activities (B)</b>   | <b>(327.80)</b>                      | <b>(35.47)</b>                       |
| <b>Cash flows from financing activities</b>   |                                      |                                      |
| 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                               |
| <b>Net cash generated/ (used) from financing activities (C)</b>   | <b>6,501.99</b>                      | <b>16,730.59</b>                     |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>   | <b>440.76</b>                        | <b>(1,855.81)</b>                    |
| Add: Cash and cash equivalents at the beginning of the year   | 1,045.36                             | 2,901.17                             |
| <b>Cash and cash equivalents at the end of the year (refer note 4)</b>  | <b>1,486.12</b>                      | <b>1,045.36</b>                      |



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

(Rupees in millions unless otherwise stated)

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                      |                         |                         |
| <b>Financial assets</b>                            |                         |                         |
| 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                  |
| <b>Total financial assets</b>                      | <b>46,679.24</b>        | <b>33,659.93</b>        |
| <b>Non-financial assets</b>                        |                         |                         |
| 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                   |
| <b>Total non-financial assets</b>                  | <b>2,301.13</b>         | <b>3,982.74</b>         |
| <b>Total assets</b>                                | <b>48,980.37</b>        | <b>37,642.67</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |                         |                         |
| <b>LIABILITIES</b>                                 |                         |                         |
| <b>Financial liabilities</b>                       |                         |                         |
| 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                  |
| <b>Total financial liabilities</b>                 | <b>29,886.30</b>        | <b>23,458.90</b>        |
| <b>Non-financial liabilities</b>                   |                         |                         |
| Current tax liabilities (net)                      | 3.48                    | 92.96                   |
| Provisions   | 3.42                    | 3.90                    |
| Other non-financial liabilities                    | 223.43                  | 180.31                  |
| <b>Total non-financial liabilities</b>             | <b>230.33</b>           | <b>277.17</b>           |
| <b>EQUITY</b>                                      |                         |                         |
| Equity share capital                               | 596.34                  | 297.56                  |
| Other equity                                       | 18,267.40               | 13,609.04               |
| <b>Total equity</b>                                | <b>18,863.74</b>        | <b>13,906.60</b>        |
| <b>Total liabilities and equity</b>                | <b>48,980.37</b>        | <b>37,642.67</b>        |



**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<br>March 31, 2019 | For year ended<br>March 31, 2018 |
|---|----------------------------------|----------------------------------|
| <b>Revenue from operations</b>  |                                  |                                  |
| 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                            |
| <b>Total revenue from operations</b>                                      | <b>10,362.81</b>                 | <b>5,872.74</b>                  |
| Other income  | 54.27                            | 2.25                             |
| <b>Total income</b>   | <b>10,417.08</b>                 | <b>5,874.99</b>                  |
| <b>Expenses</b>   |                                  |                                  |
| 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                           |
| <b>Total expenses</b>   | <b>5,723.27</b>                  | <b>3,047.78</b>                  |
| <b>Profit before tax</b>  | <b>4,693.81</b>                  | <b>2,827.21</b>                  |
| <b>Tax expense:</b>   |                                  |                                  |
| Current tax   | 3.48                             | 573.37                           |
| Deferred tax  | 1,602.85                         | 374.13                           |
| <b>Income tax expense</b>   | <b>1,606.33</b>                  | <b>947.50</b>                    |
| <b>Profit for the year</b>  | <b>3,087.48</b>                  | <b>1,879.71</b>                  |
| <b>Other comprehensive income</b>   |                                  |                                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |                                  |                                  |
| Re-measurement gains/(losses) on defined benefit plans                    | (3.07)                           | (0.42)                           |
| Income tax effect   | 1.07                             | 0.14                             |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |                                  |                                  |
| Fair value gain on loan portfolio   | 688.80                           | -                                |
| Income tax effect   | (240.69)                         | -                                |
| <b>Total comprehensive income for the year</b>                            | <b>3,533.59</b>                  | <b>1,879.43</b>                  |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |                                  |                                  |
| 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<br>March 31, 2019 | For year ended<br>March 31, 2018 |
|--|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>   |                                  |                                  |
| 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                            |
| <b>Operating profit before working capital changes</b>                                   | <b>5,021.29</b>                  | <b>2,561.63</b>                  |
| 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                           | -                                |
| <b>Cash used in operations</b>   | <b>(6,560.11)</b>                | <b>(17,815.70)</b>               |
| Income taxes paid  | (92.53)                          | (735.50)                         |
| <b>Net cash used in operating activities (A)</b>   | <b>(6,652.64)</b>                | <b>(18,551.20)</b>               |
| <b>Cash flow from investing activities</b>   |                                  |                                  |
| 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                            |
| <b>Net cash used in investing activities (B)</b>   | <b>(437.90)</b>                  | <b>(55.48)</b>                   |
| <b>Cash flow from financing activities</b>   |                                  |                                  |
| 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                           |
| <b>Net cash from financing activities (C)</b>  | <b>7,519.54</b>                  | <b>16,730.59</b>                 |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>                | <b>429.00</b>                    | <b>(1,876.09)</b>                |
| Cash and cash equivalents at the beginning of the year                                   | 1,025.07                         | 2,901.17                         |
| <b>Cash and cash equivalents at the end of the year (refer note 4)</b>                   | <b>1,454.07</b>                  | <b>1,025.07</b>                  |



**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<br>March 31, 2020 | For year ended<br>March 31, 2019 |
|---|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>  |                                  |                                  |
| 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                            |
| <b>Operating profit before working capital changes</b>  | <b>9,059.18</b>                  | <b>5,219.03</b>                  |
| 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)                         |
| <b>Cash used in operations</b>  | <b>(167.70)</b>                  | <b>(5,597.56)</b>                |
| Income taxes paid   | (184.00)                         | (135.88)                         |
| <b>Net cash generated/ (used) in operating activities (A)</b>   | <b>(351.69)</b>                  | <b>(5,733.44)</b>                |
| <b>Cash flow from investing activities</b>  |                                  |                                  |
| 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)                         |
| <b>Net cash generated/ (used) in investing activities (B)</b>   | <b>(4,873.32)</b>                | <b>(327.80)</b>                  |
| <b>Cash flows from financing activities</b>   |                                  |                                  |
| 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)                         | -                                |
| <b>Net cash generated/ (used) from financing activities (C)</b>   | <b>4,335.21</b>                  | <b>6,501.99</b>                  |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>   | <b>(889.80)</b>                  | <b>440.75</b>                    |
| Add: Cash and cash equivalents at the beginning of the year   | 1,486.11                         | 1,045.36                         |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>596.31</b>                    | <b>1,486.11</b>                  |

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

(Rupees in millions unless otherwise stated)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                      |                         |                         |
| <b>Financial assets</b>                            |                         |                         |
| 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                  |
| <b>Subtotal - Total financial assets</b>           | <b>58,933.71</b>        | <b>46,679.24</b>        |
| <b>Non-financial assets</b>                        |                         |                         |
| 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                  |
| <b>Subtotal - Total non-financial assets</b>       | <b>484.13</b>           | <b>2,301.13</b>         |
| <b>Total assets</b>                                | <b>59,417.84</b>        | <b>48,980.37</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |                         |                         |
| <b>LIABILITIES</b>                                 |                         |                         |
| <b>Financial liabilities</b>                       |                         |                         |
| 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                  |
| <b>Subtotal - Total financial liabilities</b>      | <b>32,417.79</b>        | <b>29,886.30</b>        |
| <b>Non-financial liabilities</b>                   |                         |                         |
| Current tax liabilities (net)                      | 596.69                  | 3.48                    |
| Provisions   | 27.58                   | 3.42                    |
| Other non-financial liabilities                    | 294.40                  | 223.43                  |
| <b>Subtotal - Total non-financial liabilities</b>  | <b>918.67</b>           | <b>230.33</b>           |
| <b>EQUITY</b>                                      |                         |                         |
| Equity share capital                               | 643.15                  | 596.34                  |
| Other equity                                       | 25,438.23               | 18,267.40               |
| <b>Subtotal - Total equity</b>                     | <b>26,081.38</b>        | <b>18,863.74</b>        |
| <b>Total liabilities and equity</b>                | <b>59,417.84</b>        | <b>48,980.37</b>        |



**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<br>March 31, 2020 | For year ended<br>March 31, 2019 |
|---|----------------------------------|----------------------------------|
| <b>Revenue from operations</b>  |                                  |                                  |
| 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                            |
| <b>Total revenue from operations</b>                                      | <b>14,094.86</b>                 | <b>10,362.81</b>                 |
| Other income  | 319.28                           | 54.27                            |
| <b>Total income</b>   | <b>14,414.14</b>                 | <b>10,417.08</b>                 |
| <b>Expenses</b>   |                                  |                                  |
| 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                           |
| <b>Total expenses</b>   | <b>8,432.74</b>                  | <b>5,723.27</b>                  |
| <b>Profit before tax</b>  | <b>5,981.40</b>                  | <b>4,693.81</b>                  |
| <b>Tax expense:</b>   |                                  |                                  |
| Current tax   | 653.54                           | 3.48                             |
| Deferred tax  | 1,960.92                         | 1,602.85                         |
| <b>Income tax expense</b>   | <b>2,614.46</b>                  | <b>1,606.33</b>                  |
| <b>Profit for the year</b>  | <b>3,366.94</b>                  | <b>3,087.48</b>                  |
| <b>Other comprehensive income</b>   |                                  |                                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |                                  |                                  |
| Re-measurement gains/(losses) on defined benefit plans                    | (17.38)                          | (3.07)                           |
| Income tax effect   | 4.37                             | 1.07                             |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |                                  |                                  |
| Fair value gain on loan portfolio   | 12.11                            | 688.80                           |
| Income tax effect   | (3.05)                           | (240.69)                         |
| <b>Total comprehensive income for the year</b>                            | <b>3,362.99</b>                  | <b>3,533.59</b>                  |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |                                  |                                  |
| 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<br>March 31, 2020 | For year ended<br>March 31, 2019 |
|--|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>   |                                  |                                  |
| 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                            |
| <b>Operating profit before working capital changes</b>                                   | <b>8,847.79</b>                  | <b>5,177.42</b>                  |
| 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)                         |
| <b>Cash used in operations</b>   | <b>(417.89)</b>                  | <b>(6,362.14)</b>                |
| Income taxes paid  | (118.77)                         | (135.61)                         |
| <b>Net cash used in operating activities (A)</b>   | <b>(536.66)</b>                  | <b>(6,497.75)</b>                |
| <b>Cash flow from investing activities</b>   |                                  |                                  |
| 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)                         |
| <b>Net cash used in investing activities (B)</b>   | <b>(4,851.89)</b>                | <b>(592.78)</b>                  |
| <b>Cash flow from financing activities</b>   |                                  |                                  |
| 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)                         | -                                |
| <b>Net cash from financing activities (C)</b>  | <b>4,470.68</b>                  | <b>7,519.54</b>                  |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>                | <b>(917.88)</b>                  | <b>429.00</b>                    |
| Cash and cash equivalents at the beginning of the year                                   | 1,454.07                         | 1,025.07                         |
| <b>Cash and cash equivalents at the end of the year</b>                                  | <b>536.19</b>                    | <b>1,454.07</b>                  |



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

(Rupees in millions unless otherwise stated)

|  | As At<br>March 31, 2019 | As At<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                      |                         |                         |
| <b>Financial assets</b>                            |                         |                         |
| 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                  |
| <b>Total financial assets</b>                      | <b>46,836.53</b>        | <b>33,659.72</b>        |
| <b>Non-financial assets</b>                        |                         |                         |
| 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                   |
| <b>Total non-financial assets</b>                  | <b>2,480.54</b>         | <b>3,982.75</b>         |
| <b>Total assets</b>                                | <b>49,317.07</b>        | <b>37,642.47</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |                         |                         |
| <b>LIABILITIES</b>                                 |                         |                         |
| <b>Financial liabilities</b>                       |                         |                         |
| 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                  |
| <b>Total financial liabilities</b>                 | <b>30,122.22</b>        | <b>23,458.90</b>        |
| <b>Non-financial liabilities</b>                   |                         |                         |
| Current tax liabilities (net)                      | 62.83                   | 92.98                   |
| Provisions   | 3.59                    | 3.90                    |
| Other non-financial liabilities                    | 224.85                  | 180.33                  |
| <b>Total non-financial liabilities</b>             | <b>291.27</b>           | <b>277.21</b>           |
| <b>EQUITY</b>                                      |                         |                         |
| 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                    | -                       |
| <b>Total Equity</b>                                | <b>18,903.58</b>        | <b>13,906.36</b>        |
| <b>Total liabilities and equity</b>                | <b>49,317.07</b>        | <b>37,642.47</b>        |



**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<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>Revenue from operations</b>  |                                      |                                      |
| 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                                |
| <b>Total revenue from operations</b>                                      | <b>10,430.96</b>                     | <b>5,873.06</b>                      |
| Other income  | 54.33                                | 2.25                                 |
| <b>Total income</b>   | <b>10,485.29</b>                     | <b>5,875.31</b>                      |
| <b>Expenses</b>   |                                      |                                      |
| 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                               |
| <b>Total expenses</b>   | <b>5,750.57</b>                      | <b>3,048.30</b>                      |
| <b>Profit before tax</b>  | <b>4,734.72</b>                      | <b>2,827.01</b>                      |
| <b>Tax expense:</b>   |                                      |                                      |
| Current tax   | 12.88                                | 573.43                               |
| Deferred tax  | 1,602.84                             | 374.12                               |
| <b>Income tax expense</b>   | <b>1,615.72</b>                      | <b>947.55</b>                        |
| <b>Profit for the year</b>  | <b>3,119.00</b>                      | <b>1,879.46</b>                      |
| <b>Other Comprehensive Income</b>   |                                      |                                      |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |                                      |                                      |
| Re-measurement gains/(losses) on defined benefit plans                    | (2.94)                               | (0.42)                               |
| Income tax effect   | 1.03                                 | 0.14                                 |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |                                      |                                      |
| Fair Value gain on loan portfolio   | 688.80                               | -                                    |
| Income tax effect   | (240.69)                             | -                                    |
| <b>Total other comprehensive income for the year</b>                      | <b>446.20</b>                        | <b>(0.28)</b>                        |
| <b>Total comprehensive income for the year</b>                            | <b>3,565.20</b>                      | <b>1,879.18</b>                      |
| <b>Profit for the year attributable to:</b>                               |                                      |                                      |
| Shareholders of the company   | 3,118.24                             | 1,879.46                             |
| Non-controlling interests   | 0.76                                 | -                                    |
|   | <b>3,119.00</b>                      | <b>1,879.46</b>                      |
| <b>Total comprehensive income for the year attributable to:</b>           |                                      |                                      |
| Shareholders of the company   | 3,564.44                             | 1,879.18                             |
| Non-controlling interests   | 0.76                                 | -                                    |
|   | <b>3,565.20</b>                      | <b>1,879.18</b>                      |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |                                      |                                      |
| 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<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>  |                                      |                                      |
| 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                                |
| <b>Operating profit before working capital changes</b>  | <b>5,219.04</b>                      | <b>2,561.43</b>                      |
| 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                                |
| <b>Cash used in operations</b>  | <b>(5,597.55)</b>                    | <b>(17,815.19)</b>                   |
| Income taxes paid   | (135.88)                             | (735.74)                             |
| <b>Net cash generated/ (used) in operating activities (A)</b>   | <b>(5,733.43)</b>                    | <b>(18,550.93)</b>                   |
| <b>Cash flow from investing activities</b>  |                                      |                                      |
| 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)                             | -                                    |
| <b>Net cash generated/ (used) in investing activities (B)</b>   | <b>(327.80)</b>                      | <b>(35.47)</b>                       |
| <b>Cash flows from financing activities</b>   |                                      |                                      |
| 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                               |
| <b>Net cash generated/ (used) from financing activities (C)</b>   | <b>6,501.99</b>                      | <b>16,730.59</b>                     |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>   | <b>440.76</b>                        | <b>(1,855.81)</b>                    |
| Add: Cash and cash equivalents at the beginning of the year   | 1,045.36                             | 2,901.17                             |
| <b>Cash and cash equivalents at the end of the year (refer note 4)</b>  | <b>1,486.12</b>                      | <b>1,045.36</b>                      |



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

(Rupees in millions unless otherwise stated)

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                      |                         |                         |
| <b>Financial assets</b>                            |                         |                         |
| 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                  |
| <b>Total financial assets</b>                      | <b>46,679.24</b>        | <b>33,659.93</b>        |
| <b>Non-financial assets</b>                        |                         |                         |
| 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                   |
| <b>Total non-financial assets</b>                  | <b>2,301.13</b>         | <b>3,982.74</b>         |
| <b>Total assets</b>                                | <b>48,980.37</b>        | <b>37,642.67</b>        |
| <b>LIABILITIES AND EQUITY</b>                      |                         |                         |
| <b>LIABILITIES</b>                                 |                         |                         |
| <b>Financial liabilities</b>                       |                         |                         |
| 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                  |
| <b>Total financial liabilities</b>                 | <b>29,886.30</b>        | <b>23,458.90</b>        |
| <b>Non-financial liabilities</b>                   |                         |                         |
| Current tax liabilities (net)                      | 3.48                    | 92.96                   |
| Provisions   | 3.42                    | 3.90                    |
| Other non-financial liabilities                    | 223.43                  | 180.31                  |
| <b>Total non-financial liabilities</b>             | <b>230.33</b>           | <b>277.17</b>           |
| <b>EQUITY</b>                                      |                         |                         |
| Equity share capital                               | 596.34                  | 297.56                  |
| Other equity                                       | 18,267.40               | 13,609.04               |
| <b>Total equity</b>                                | <b>18,863.74</b>        | <b>13,906.60</b>        |
| <b>Total liabilities and equity</b>                | <b>48,980.37</b>        | <b>37,642.67</b>        |



**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<br>March 31, 2019 | For year ended<br>March 31, 2018 |
|---|----------------------------------|----------------------------------|
| <b>Revenue from operations</b>  |                                  |                                  |
| 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                            |
| <b>Total revenue from operations</b>                                      | <b>10,362.81</b>                 | <b>5,872.74</b>                  |
| Other income  | 54.27                            | 2.25                             |
| <b>Total income</b>   | <b>10,417.08</b>                 | <b>5,874.99</b>                  |
| <b>Expenses</b>   |                                  |                                  |
| 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                           |
| <b>Total expenses</b>   | <b>5,723.27</b>                  | <b>3,047.78</b>                  |
| <b>Profit before tax</b>  | <b>4,693.81</b>                  | <b>2,827.21</b>                  |
| <b>Tax expense:</b>   |                                  |                                  |
| Current tax   | 3.48                             | 573.37                           |
| Deferred tax  | 1,602.85                         | 374.13                           |
| <b>Income tax expense</b>   | <b>1,606.33</b>                  | <b>947.50</b>                    |
| <b>Profit for the year</b>  | <b>3,087.48</b>                  | <b>1,879.71</b>                  |
| <b>Other comprehensive income</b>   |                                  |                                  |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |                                  |                                  |
| Re-measurement gains/(losses) on defined benefit plans                    | (3.07)                           | (0.42)                           |
| Income tax effect   | 1.07                             | 0.14                             |
| <b>Items that will be reclassified subsequently to profit or loss</b>     |                                  |                                  |
| Fair value gain on loan portfolio   | 688.80                           | -                                |
| Income tax effect   | (240.69)                         | -                                |
| <b>Total comprehensive income for the year</b>                            | <b>3,533.59</b>                  | <b>1,879.43</b>                  |
| <b>Earnings per share (equity share, par value of Rs.10 each)</b>         |                                  |                                  |
| 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<br>March 31, 2019 | For year ended<br>March 31, 2018 |
|--|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>   |                                  |                                  |
| 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                            |
| <b>Operating profit before working capital changes</b>                                   | <b>5,021.29</b>                  | <b>2,561.63</b>                  |
| 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                           | -                                |
| <b>Cash used in operations</b>   | <b>(6,560.11)</b>                | <b>(17,815.70)</b>               |
| Income taxes paid  | (92.53)                          | (735.50)                         |
| <b>Net cash used in operating activities (A)</b>   | <b>(6,652.64)</b>                | <b>(18,551.20)</b>               |
| <b>Cash flow from investing activities</b>   |                                  |                                  |
| 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                            |
| <b>Net cash used in investing activities (B)</b>   | <b>(437.90)</b>                  | <b>(55.48)</b>                   |
| <b>Cash flow from financing activities</b>   |                                  |                                  |
| 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                           |
| <b>Net cash from financing activities (C)</b>  | <b>7,519.54</b>                  | <b>16,730.59</b>                 |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>                | <b>429.00</b>                    | <b>(1,876.09)</b>                |
| Cash and cash equivalents at the beginning of the year                                   | 1,025.07                         | 2,901.17                         |
| <b>Cash and cash equivalents at the end of the year (refer note 4)</b>                   | <b>1,454.07</b>                  | <b>1,025.07</b>                  |



## SPANDANA SPHOORTY FINANCIAL LIMITED

## Balance sheet as at March 31, 2018

|                                       | Notes     | 31-Mar-18<br>(Rupees)  | 31-Mar-17<br>(Rupees)  |
|---------------------------------------|-----------|------------------------|------------------------|
| <b>Equity and liabilities</b>         |           |                        |                        |
| <b>Shareholders' funds</b>            |           |                        |                        |
| 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              | -                      |
|                                       |           | <b>9,84,23,68,882</b>  | <b>5,37,23,55,778</b>  |
| <b>Non-current liabilities</b>        |           |                        |                        |
| 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         |
|                                       |           | <b>13,61,90,69,981</b> | <b>13,84,62,95,582</b> |
| <b>Current liabilities</b>            |           |                        |                        |
| 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           |
|                                       |           | <b>12,31,78,92,770</b> | <b>4,91,31,07,663</b>  |
| <b>TOTAL</b>                          |           | <b>35,77,93,31,633</b> | <b>24,13,17,59,023</b> |
| <b>Assets</b>                         |           |                        |                        |
| <b>Non-current assets</b>             |           |                        |                        |
| <b>Fixed Assets</b>                   |           |                        |                        |
| 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            |
|                                       |           | <b>16,85,12,87,268</b> | <b>11,34,44,69,587</b> |
| <b>Current assets</b>                 |           |                        |                        |
| 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            |
|                                       |           | <b>18,92,80,44,365</b> | <b>12,78,72,89,436</b> |
| <b>TOTAL</b>                          |           | <b>35,77,93,31,633</b> | <b>24,13,17,59,023</b> |



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

|  | Notes       | 31-Mar-18<br>(Rupees) | 31-Mar-17<br>(Rupees) |
|--|-------------|-----------------------|-----------------------|
| <b>Revenue</b>   |             |                       |                       |
| 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          |
| <b>Total revenue (I)</b>                                     |             | <b>5,74,05,51,360</b> | <b>4,21,82,39,174</b> |
| <b>Expenses</b>  |             |                       |                       |
| 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          |
| <b>Total expenses (II)</b>                                   |             | <b>3,44,88,02,452</b> | <b>3,47,04,82,996</b> |
| <b>Profit before tax (III) = (I)-(II)</b>                    |             | <b>2,29,17,48,908</b> | <b>74,77,56,178</b>   |
| <b>Tax expenses:</b>   |             |                       |                       |
| Current tax  |             | 57,32,24,277          | 21,82,69,133          |
| Deferred tax   |             | -                     | -                     |
| Adjustment of tax relating to earlier periods                |             | -                     | -                     |
| <b>Profit for the year</b>                                   |             | <b>1,71,85,24,631</b> | <b>52,94,87,045</b>   |
| <b>Earnings per share</b>                                    |             |                       |                       |
| 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 SPHOORTY FINANCIAL LIMITED**  
**Cash flow statement for the year ended March 31, 2018**

|   | 31-Mar-18<br>(Rupees)    | 31-Mar-17<br>(Rupees) |
|---|--------------------------|-----------------------|
| <b>Cash flow from operating activities</b>                                |                          |                       |
| <b>Profit before tax</b>  | <b>2,29,17,48,908</b>    | <b>74,77,56,178</b>   |
| 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           |
| <b>Operating profit before working capital changes</b>                    | <b>2,75,32,80,493</b>    | <b>69,64,91,501</b>   |
| 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                                | <b>(10,10,32,99,509)</b> | <b>(82,20,22,773)</b> |
| (Direct taxes paid) / Refunds   | (73,55,00,428)           | -                     |
| <b>Net cash flow (used in) / from operating activities (A)</b>            | <b>(10,83,87,99,937)</b> | <b>(82,20,22,773)</b> |
| <b>Cash flows from investing activities</b>                               |                          |                       |
| 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           |
| <b>Net cash flow (used in) / from investing activities (B)</b>            | <b>(5,54,90,985)</b>     | <b>(1,21,41,947)</b>  |
| <b>Cash flows from financing activities</b>                               |                          |                       |
| 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           |
| <b>Net cash flow from / (used in) financing activities (C)</b>            | <b>9,01,81,28,678</b>    | <b>3,38,20,69,298</b> |
| <b>Net decrease in cash and cash equivalents (A + B + C)</b>              | <b>(1,87,61,62,244)</b>  | <b>2,54,79,04,578</b> |
| Cash and cash equivalents at the beginning of the year                    | 2,90,11,68,938           | 35,32,64,360          |
| <b>Cash and cash equivalents at the end of the year (refer note 4.15)</b> | <b>1,02,50,06,694</b>    | <b>2,90,11,68,938</b> |



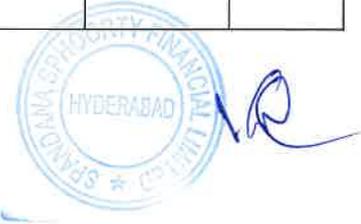
## ANNEXURE V: RELATED PARTY TRANSACTIONS

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

| Related Party                                     | Nature of Transactions                               | Transactions during year ended March 31, 2020 | Transactions 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)  | -                    | -              |
| Kangchenjunga Limited                             | Dividend on CCPS (all class)                         | -   | 0.11  | -                    | -              |
| Mr. Deepak Goswami                                | Remuneration#  | 0.32  | 7.65  | -                    | (2.08)         |
| Mr. Sudhesh Chandrasekar                          | Remuneration#  | 8.24  | 3.83  | (3.45)               | (1.38)         |
|   | Equity shares issued pursuant to stock option scheme | 1.32  | -   | -                    | -              |
|   | Fair value of Stock Options granted                  | 0.68  | -   | -                    | -              |
| Mr. Rakesh Jhinharia                              | 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) |
| Mr. Revan Saahith                    | Remuneration#  | 2.38  | 0.76   | (0.65)  | (0.20) |
|                                      | 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  | -       | -      |



## 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  | -                    |
| 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 Jhinharia                              | 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  | -                    |
|           |   | Sitting fee   | 0.92  | -                    |
| 12        | Ms. Abanti Mitra                                  | Subscription to equity shares of Parent Company                       | -   | -                    |
|           |   | Sitting fee   | 0.01  | -                    |
| 13        | Mr. P. S. Prasad                                  | Sitting fee   | -   | -                    |
| 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#   | -   | -                    |
|           |   | Purchase of CFHL Shares   | -   | -                    |
| 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  | -   | -                    |
| 23        | Spandana Mutual Benefit Trust                     | Interest Expense  | -   | -                    |
|           |   | Unsecured Loan  | -   | -                    |
|           |   | Interest Expense  | -   | -                    |
|           |   | Expense reimbursement   | 0.23  | -                    |

**ANNEXURE VI: COPY OF BOARD RESOLUTIONS**

**[Attached Separately]**



**ANNEXURE VII: COPY OF SHAREHOLDERS' RESOLUTIONS**

**[Attached Separately]**



**ANNEXURE VIII: IN PRINCIPLE LISTING APPROVAL**

**[Attached Separately]**



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020



**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](mailto:secretarial@spandanaindia.com); **Website:** <http://www.spandanaindia.com/>

**Supplemental Disclosure Document dated November 26, 2020 issued 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, as amended from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.**

**ISSUE OF UPTO 300 (THREE HUNDRED) RATED LISTED SECURED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UPTO RS. 30,00,00,000/- (RUPEES THIRTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS ("TRANCHE 1 DEBENTURES") WITH A GREEN SHOE OPTION OF UPTO 300 (THREE HUNDRED) RATED LISTED SECURED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES HAVING FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 30,00,00,000/- (RUPEES THIRTY CRORE ONLY) ISSUED UNDER THE SHELF DISCLOSURE DOCUMENT DATED NOVEMBER 26, 2020 ("SHELF DISCLOSURE DOCUMENT" OR "SHELF DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF SECURED, SENIOR, RATED, LISTED, REDEEMABLE, TRANSFERABLE NON-CONVERTIBLE DEBENTURES, AGGREGATING UPTO RS. 250,00,00,000/- (RUPEES TWO HUNDRED AND FIFTY CRORE ONLY) TO BE ISSUED IN ONE OR MORE SERIES, ON PRIVATE PLACEMENT BASIS**

This supplemental disclosure document ("**Supplemental Disclosure Document/ Supplemental DD**") is issued in terms of and pursuant to the Shelf Disclosure Document dated November 26, 2020. All the terms, conditions, information and stipulations contained in the Shelf Disclosure Document, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Disclosure Document must be read in conjunction with the Shelf Disclosure Document.

This Supplemental DD contains details of this Series/ Tranche 1 Issue and any material changes in the information provided in the Shelf Disclosure Document, as set out herein. Accordingly set out below are the updated particulars / changes in the particulars set out in the Shelf Disclosure Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Disclosure Document. All other particulars appearing in the Shelf Disclosure Document shall remain unchanged. In case of any inconsistency between the terms of this Supplemental DD and the Shelf DD and/or the terms of this Supplemental DD and/or any other Transaction Document, the terms as set out in this



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

Supplemental DD shall prevail.

Capitalised terms used in this Supplemental DD and not defined shall have the meaning as has been assigned to the term in Shelf DD.



A handwritten signature in blue ink, appearing to be "V. B.", located to the right of the circular stamp.



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**PART B: SUMMARY TERM SHEET**

**TRANCHE 1**

|   |   |
|---|---|
| <b>Security Name</b>                              | 12.20% Spandana Sphoorty Financial Limited Tranche 1 NCDs 2022  |
| <b>Series/ Tranche</b>                            | Tranche 1   |
| <b>Issuer</b>                                     | Spandana Sphoorty Financial Limited   |
| <b>Type of Instrument</b>                         | Non-Convertible Debentures  |
| <b>Nature of Instrument</b>                       | Rated, Secured, Redeemable, Listed, Transferable Non-Convertible Debentures.  |
| <b>Seniority</b>                                  | Senior  |
| <b>Mode of Issue</b>                              | Private placement   |
| <b>Eligible Investors</b>                         | Please refer to ' <i>Persons who may apply</i> ' under <b>Section 6</b> of the Shelf Disclosure Document  |
| <b>Listing</b>                                    | <p>The Issuer shall list the Tranche 1 Debentures on NSE within a maximum period of 20 (Twenty) days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the Tranche 1 Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment, the Issuer will make payment to the Debenture Holders of penal interest calculated on the face value of the Tranche 1 Debentures at the rate of 2% (Two Percent) per annum which shall be payable over and above the Coupon rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment until the listing of such Tranche 1 Debentures.</p>  |
| <b>Debenture Trustee for Tranche 1 Debentures</b> | Catalyst Trusteeship Limited  |
| <b>Rating Agency</b>                              | ICRA Limited  |
| <b>Rating of the Instrument</b>                   | 'ICRA A-' (Stable) by the Rating Agency   |
| <b>Issue Size</b>                                 | Up to Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) in one or more Series/ Tranches   |
| <b>Series/Tranche Size</b>                        | The Tranche 1 Debentures being issued in terms of this Supplemental DD read with the Shelf DD are upto 300 (Three Hundred) secured, rated, listed, redeemable, transferable non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. 30,00,00,000/- (Rupees Thirty Crores only) with green shoe option to retain oversubscription of upto 300 (Three Hundred) secured, rated, listed, redeemable, transferable non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto of an amount of up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only). |
| <b>Option to retain oversubscription (Amount)</b> | Green shoe option to retain oversubscription of an amount of up to Rs. 30,00,00,000/- (Rupees Thirty Crores only)   |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|  |  |
|--|--|
| <b>Objects of the Issue</b>  | The objects of the Issue are as set out in the section " <b>Objects of the Issue</b> " stipulated in <b>Section 4.21</b> of the Shelf Disclosure Document.   |
| <b>Details of the utilization of the Proceeds/ End Use</b>   | The issue proceeds will be utilized to meet funding requirements of the Issuer for on lending to its microfinance portfolio (JLG) as per RBI guidelines.   |
| <b>Due Date</b>  | Any date on which the holders of the Tranche 1 Debentures are entitled to any payments, including on the Coupon Payment Dates / Redemption Dates or upon acceleration pursuant to occurrence of any Event of Default or Prepayment.  |
| <b>Coupon rate</b>   | 12.20% (Twelve Decimal Point Two Zero Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates.  |
| <b>Step Up Coupon Rate</b>   | <p>In the event that the current rating of the Tranche 1 Debentures is downgraded, the applicable Coupon Rate shall stand increased by 0.25% for each notch of downgrade ("<b>Step-Up Coupon</b>"). The Step-Up Coupon shall be payable on each Coupon Payment Dates during the period starting from the date of downgrade in rating until the same is cured.</p> <p>If the Issuer of the Debentures is rated by more than one rating agency, then the lowest of the ratings shall be considered</p>   |
| <b>Coupon Payment Frequency/ Coupon Period</b>   | Quarterly, on the Coupon Payment Dates. The " <b>Coupon Period</b> " 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 the second Coupon Payment Date, the period between the first Coupon Payment Date and the Maturity Date.  |
| <b>Coupon Payment Dates</b>  | As out in <b>Appendix I</b> of this Supplemental DD  |
| <b>Coupon Type</b>   | Fixed  |
| <b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).</b> | N.A  |
| <b>Day Count Basis</b>   | Actual/ Actual   |
| <b>Interest on Application Money</b>   | 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 such rate of 12.20% (Twelve Decimal Point Two Zero Percent), applicable for the Tranche 1 Debentures issued on the Application Monies, for the period commencing from the date on which the said Debenture Holder has made payment of the Application Monies in respect of the Tranche 1 Debentures and ending on the day prior to the relevant Deemed Date of Allotment. The interest on the Application Monies shall be paid by the Issuer to the Debenture Holders within 5 (Five) Business Days from the relevant Deemed Date of Allotment. |



5

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

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| <b>Default Interest Rate</b>  | <p>Without prejudice to the remedies available to the Debenture Trustee under the Transaction Documents or under the Applicable Law, on occurrence of the following events:</p> <ol style="list-style-type: none"><li>1. Payment default in respect of any interest and principal due and payable in connection with the Tranche 1 Debentures on the respective Due Dates;</li><li>2. In case of delay in listing beyond 20 (Twenty) days from Deemed Date of Allotment;</li><li>3. Delay in creation and perfection of security for Tranche 1 Debentures within a period of 30 (Thirty) calendar days from the Deemed Date of Allotment of Tranche 1 Debentures;</li></ol> <p>the Company shall pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon rate, 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> |
| <b>Tenor</b>  | 24 (Twenty Four) months from the Deemed Date of Allotment, subject to Prepayment or acceleration pursuant to Event of Default.  |
| <b>Principal Payment Date(s)</b>  | The principal amount of the Tranche 1 Debentures shall be redeemed by way of a bullet repayment on the date as set out in Appendix I (Illustration of Bond Cash Flows) hereto (subject to adjustments for Business Day Convention).   |
| <b>Redemption Date</b>  | Subject to exercise of acceleration pursuant to Event of Default, the Tranche 1 Debentures shall be redeemed on November 27, 2022.  |
| <b>Redemption Amount</b>  | Tranche 1 Debentures shall be redeemed in the manner set out in Appendix I (Illustration of Bond Cash Flows) hereto.  |
| <b>Issue Price</b>  | Rs. 10,00,000/- (Rupees Ten Lakh only) per Tranche 1 Debenture.   |
| <b>Redemption Premium / Discount</b>  | N.A.  |
| <b>Discount at which security is issued and the effective yield as a result of such discount.</b> | N.A.  |
| <b>Prepayment</b>   | If the Issuer redeems the Tranche 1 Debentures at any time, other than on the scheduled Due Dates or pursuant to the exercise of the acceleration on occurrence of Event of Default (" <b>Prepayment</b> "), the Issuer shall be liable to a prepayment penalty of 2% (Two Percent) on the principal amount of such Tranche 1 Debentures being redeemed.  |
| <b>Put Option Date</b>  | N.A   |
| <b>Put Option Price</b>   | N.A   |
| <b>Call Option Date</b>   | N.A   |
| <b>Call Option Price</b>  | N.A.  |
| <b>Put Option/Put Notification Time</b>   | N.A   |
| <b>Call Option/Call Notification</b>  | N.A   |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|   |  |
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| <b>Time</b>   |  |
| <b>Face Value</b>   | Rs. 10,00,000/- (Rs. Ten Lakh only) per Tranche 1 Debenture  |
| <b>Minimum Application and in multiples of ___ Debt securities thereafter</b> | 1 (One) Tranche 1 Debenture and in multiples of 1 (One) Tranche 1 Debenture thereafter   |
| <b>Tranche 1 Issue Timing</b>   |  |
| 1. Issue Opening Date   | November 26, 2020  |
| 2. Issue Closing Date   | November 26, 2020  |
| 3. Pay-in Date  | November 27, 2020  |
| 4. Deemed Date of Allotment   | November 27, 2020  |
| <b>Issuance mode of the Instrument</b>  | Demat only   |
| <b>Trading mode of the Instrument</b>   | Demat only   |
| <b>Settlement mode of the Instrument</b>                                      | RTGS or such other mode as may be determined by the Issuer   |
| <b>Depository(ies)</b>  | NSDL and CDSL  |
| <b>Business Day Convention</b>  | <p>As per 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><b>"Business Day"</b> means any day of the week (excluding Saturday, Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai.</p> <p>In the event that the date for performance of any event or any of the Coupon Payment Dates or any Record Date falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination or the date for performance of such event, as the case may be.</p> <p>In the event that the Redemption Date of the Tranche 1 Debentures falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment.</p> |
| <b>Record Date</b>  | As stipulated in the Shelf DD.   |



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| <p><b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</b></p> | <p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being a first ranking exclusive charge by way of hypothecation over specific loan receivables / book debts, present and future, representing amounts due from the various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue ("<b>Hypothecated Asset</b>") such that the value of security shall be equal to 1.1 (One Decimal point One) time of the aggregate amount of principal outstanding of the Tranche 1 Debentures ("<b>Asset Cover</b>"). The Issuer undertake:</p> <ul style="list-style-type: none"><li>(a) to maintain the value of the Asset Cover at all times till the obligations under the Issue are discharged;</li><li>(b) to execute a duly stamped deed of hypothecation ("<b>Deed of Hypothecation</b>") on prior to the Deemed Date of Allotment for the Tranche 1 Debentures;</li><li>(c) To perfect the security created over the Hypothecated Asset by filing the relevant form with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of creation of such security;</li><li>(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;</li><li>(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) and in the event any eligible loans forming part of the Hypothecated Assets turn into overdue loans, the Company shall replace all such overdue loans within 30 (Thirty) calendar days; and</li><li>(f) The additional security created pursuant paragraph (d) and (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.</li><li>(g) In case of delay in creation and perfection of security created over the Hypothecated Asset for Tranche 1 Debentures within the time period set out above, the Company shall pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon rate, from the date of the occurrence of the default until the default is cured or the Tranche 1 Debentures are redeemed pursuant to such default, as applicable.</li></ul> <p>To provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Asset Cover ("<b>Monthly Hypothecated Asset Report</b>") along with certificate from a practising Chartered Accountant certifying the</p> |
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Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
DATE: November 26, 2020

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|   | loan receivables/identified book debts.  |
| <b>Transaction Documents</b>                | <ul style="list-style-type: none"><li>(a) Debenture Trustee Agreement;</li><li>(b) Information Memorandum;</li><li>(c) Debenture Trust Deed;</li><li>(d) Deed of Hypothecation;</li><li>(e) Consent letter from Debenture Trustee;</li><li>(f) Board resolutions approving Issue;</li><li>(g) Shareholder resolution approving issuance of Debentures;</li><li>(h) Issuer's confirmation of allotment of the Tranche 1 Debentures; and</li><li>(i) Any other document that may be designated as a transaction document by the Debenture Trustee.</li></ul>   |
| <b>Conditions Precedent to Disbursement</b> | <p>The Company shall have fulfilled each of the following conditions precedent prior to issuance of the Tranche 1 Debentures (subject to any waiver by the Debenture Trustee), including providing the documents referred to herein below, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee:</p> <ul style="list-style-type: none"><li>(a) A certified true copy of the constitutional documents of the Issuer (being its memorandum and articles of association and certificate of incorporation) should have been submitted to the Debenture Trustee;</li><li>(b) A copy of a resolution of the shareholders of the Company should have been submitted to the Debenture Trustee in relation to approval under Section 180(1)(a), Section 180(1)(c), Section 42 of the Companies Act, 2013 read with the applicable rules in relation to the private placement;</li><li>(c) A copy of a resolution of the board of directors of the Company or any committee thereof should have been submitted to the Debenture Trustee:<ul style="list-style-type: none"><li>(i) Authorising the Company to issue Tranche 1 Debentures;</li><li>(ii) Authorising the Company, for creation/declaration of trust, appointment of the Debenture Trustee and issue of Debentures in accordance with the terms hereof;</li><li>(iii) Authorising the creation of the security interest;</li><li>(iv) Authorising a specified person, on its behalf, to sign and/or execute and/or stamp and/or get registered and/or despatch all documents and/or notices required so to be done, under or in relation to the issuance of the Tranche 1 Debentures;</li></ul></li><li>(d) Letter of consent for appointment of Debenture Trustee as debenture trustee in relation to the Debenture Trustee;</li><li>(e) The Company shall have executed the Debenture Trustee Agreement, the Debenture Trust Deed, the Deed of Hypothecation and have issued the Supplemental DD (including Form PAS-4) prior to the Deemed Date of</li></ul> |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|   |  |
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|   | <p>Allotment.</p> <p>(f) Receipt of the rating letter and rating rationale from the Rating Agency;</p> <p>(g) Receipt by the Debenture Trustee of copy of in-principle approval obtained by the Company from the NSE, for listing the Debentures on the Wholesale Debt Market ("WDM") segment of the NSE; and</p> <p>(h) Receipt by the Debenture Trustee of Certified copy of the depository arrangements made by Company with NSDL and CDSL for issue of Debentures in dematerialized form.</p>  |
| <b>Condition Subsequent to Disbursement</b>   | <p>The Company shall have fulfilled each of the following conditions after Deemed Date of Allotment (subject to any waiver by the Debenture Trustee), including providing the documents referred to herein below, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee:</p> <p>(a) Credit of 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>(b) Filing of the relevant forms with the Registrar of Companies ("ROC") for the perfection of charge over the Hypothecated Asset within and no later 30 (Thirty) calendar days from the date of creation of security;</p> <p>(c) Filing of the return of allotment (Form PAS-3) with the relevant Registrar of Companies within 15 (Fifteen) days from the Deemed Date of Allotment.</p> <p>(d) Complete the listing of Debentures on the NSE within 20 (Twenty) days from the relevant Deemed Date of Allotment.</p> <p>(e) Submit the End Use certificate within a period of 90 (Ninety) days from the Deemed Date of Allotment of Tranche 1 Debentures.</p> <p>(f) Submit the list of initial Hypothecated Assets in order to create/ perfect the security as required under the Deed of Hypothecation within a period of 30 (Thirty) days from the Deemed Date of Allotment of Tranche 1 Debentures.</p> <p>(g) Execution of any other documents as customary for transaction or required as per SEBI guidelines.</p> |
| <b>Representations and Warranties</b>   | As mentioned under <b>Annexure II</b> of this Supplemental DD  |
| <b>Event(s) of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</b> | As mentioned under <b>Annexure II</b> of this Supplemental DD  |
| <b>Creation of recovery expense fund</b>  | 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   |



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|  | 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.   |
| <b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b> | As mentioned in paragraph 3.1, paragraph 3.8(c), paragraph 3.8(d), paragraph 3.11(a) and paragraph 3.17 under <b>Annexure II</b> of this Supplemental DD  |
| <b>Consequences of Events of Default</b>   | As mentioned under <b>Annexure II</b> of this Supplemental DD   |
| <b>Provisions related to Cross Default Clause</b>                                | Any Financial Indebtedness of the Company is not paid when due nor within any originally applicable grace period;<br><br>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).  |
| <b>Role and Responsibilities of Debenture Trustee</b>                            | Following are <i>inter alia</i> the roles and responsibilities of the of the Debenture Trustee: <ol style="list-style-type: none"> <li>1. Call for periodical reports from the Issuer;</li> <li>2. To enforce Security in the interest of the Debenture Holders;</li> <li>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.</li> <li>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.</li> <li>5. To ascertain that the Debentures have been redeemed in accordance with the provisions of the Debenture Trust Deed or Supplemental DD.</li> <li>6. To inform SEBI immediately of any breach of Debenture Trust Deed or provision and law.</li> <li>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</li> <li>8. The Debenture Trustee may take all steps as he may deem fit –             <ol style="list-style-type: none"> <li>(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.</li> <li>(b) To ensure that the Company does not commit any breach of covenants of the Debenture Trust Deed;</li> <li>(c) To take steps to call a meeting of holders of Debentures as and when such meeting is required to</li> </ol> </li> </ol> |



*[Handwritten Signature]*

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

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|   | be held.  |
| <b>Risk factors pertaining to the Issue</b> | As specified under Part B of Section 3 ( <i>Risk Factors</i> ) of the Shelf DD.   |
| <b>Illustration of Bond Cashflows</b>       | As per <b>Appendix I</b> to this Supplemental DD.   |
| <b>Governing Law and Jurisdiction</b>       | The Tranche 1 Debentures and documentation will be governed by and construed in accordance with the laws of India and the courts in Hyderabad shall have the exclusive jurisdiction to determine any dispute arising in relation to the Tranche 1 Debentures. |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**PART C: DISCLOSURES UNDER THE COMPANIES ACT  
FORM NO. PAS – 4  
PRIVATE PLACEMENT OFFER LETTER**

(Pursuant to Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**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.spandanindia.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:**

For the details of the business carried out by the Company and the details of branches or units, please refer to **Section 4.4** of the Shelf Disclosure Document.

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,



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

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 <sup>th</sup> 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 |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

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| Mr. Ramesh Periasamy | Company Secretary and Compliance Officer | AOYPR6663N | Service | 211 Journalist Colony, Phase 3, Ghachibowli Hyderabad 50032 TGIN |
|----------------------|--|------------|---------|--|

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 the Shelf Disclosure Document.

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            |

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|    |  |     |
|----|--|-----|
| 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 – NIL

2. Particulars of the Offer:

|   |   |
|---|---|
| Financial position of the Company for the last 3 financial years  | Please refer to <b>Annexure IV</b> of the Shelf Disclosure Document.  |
| Date of passing of Board Resolution   | Resolution passed by the Board of Directors of the Issuer on May 17, 2019 and June 02, 2020 read with the resolution passed by the management committee of the Board of Directors of the Issuer on November 25, 2020.<br><br>A copy of the said management committee resolution is annexed at <b>Annexure I</b> of this Supplemental Disclosure Document. |
| Date of passing of resolution in general meeting, authorizing the offer of securities   | The shareholders resolution under Section 42 of the Act is dated July 17, 2020 and the resolution under Section 180(1)(c) of the Act is dated June 14, 2018.<br><br>A copy of the said shareholders' resolutions (under both Section 42 and Section 180 of the Act) is collectively annexed at <b>Annexure IV</b> of the Shelf Disclosure Document.       |
| 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 Non-Convertible Debentures   |
| Price at which the security is being offered, including premium, if any, along with justification of the price                                    | The Tranche 1 Debentures are being issued at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each at par.   |
| Name and address of the valuer who performed valuation of the security offered, and basis on which the price has                                  | Not applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.  |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|  |   |  |
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| been arrived at along with report of the registered valuer   |   |  |
| Relevant date with reference to which the price has been arrived at  | Not applicable.   |  |
| The class or classes of persons to whom the allotment is proposed to be made   | Please refer to 'Persons who may apply' under Section 6 of the Shelf Disclosure Document  |  |
| Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)                                       | Not applicable.   |  |
| The proposed time within which the allotment shall be completed  | As indicated in Part B of this Supplemental DD  |  |
| The names of the proposed allottees and the percentage of post private placement capital that may be held by them  | Not applicable.   |  |
| The change in control, if any, in the company that would occur consequent to the private placement   | No change in control would occur consequent to this private placement.  |  |
| 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 | For details on allotments made by the Company during the year, please refer to <b>Section 4.10</b> of the Shelf DD.   |  |
| The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.                                       | Not applicable.   |  |
| Amount, which the Company intends to raise by way of proposed offer of securities  | Up to Rs. 30,00,00,000/- (Rupees Thirty Crore only) with green shoe option to retain oversubscription of an amount of up to Rs. 30,00,00,000/- (Rupees Thirty Crore only) aggregating up to Rs. 60,00,00,000/- (Rupees Sixty Crore only). |  |
| Terms of raising securities  | Duration, if applicable:  | 24 (Twenty Four) months from the Deemed Date of Allotment of Tranche 1 Debentures, subject to the exercise of acceleration pursuant to Event of Default or Prepayment.   |
|  | Coupon  | 12.20% (Twelve Decimal Point Two Zero Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates |
|  | Mode of Payment   | RTGS, electronic fund transfer or other permitted mode   |

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|  |   |  |
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|  | Mode of Repayment                               | RTGS, electronic fund transfer or other permitted mode |
| <b>Proposed time schedule for which the offer letter is valid</b>  | As indicated in Part B of this Supplemental DD. |  |
| <b>Purpose and objects of the Issue</b>  | As indicated in Part B of this Supplemental DD. |  |
| <b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</b>  | Not applicable                                  |  |
| <b>Principal terms of assets charged as security, if applicable</b>  | As indicated in Part B of this Supplemental DD. |  |
| <b>The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations</b> | NIL   |  |

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

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:

1. Pre-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                    |                           | -                          | -                             | -                          |
|         | 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                      | -                             | -                          |
|         | <b>Grand Total</b>                             | <b>6,43,15,483</b>        | <b>100</b>                 | <b>-</b>                      | <b>-</b>                   |

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

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                    |                           | -                          | -                             | -                          |
|         | 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                      | -                             | -                          |
|         | <b>Grand Total</b>                             | <b>6,43,15,483</b>        | <b>100</b>                 | <b>-</b>                      | <b>-</b>                   |

3. Mode of payment for subscription:

- o Cheque
- o Demand draft
- o Other banking channels, such as RTGS

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 | 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 Supplemental DD. |



| <p>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</p>   |   |                      |                    |                  |                  |                  |                    |       |       |       |       |
|---|---|----------------------|--------------------|------------------|------------------|------------------|--------------------|-------|-------|-------|-------|
| <p>Remuneration of directors (during the current year and last three financial years)</p>   | <p style="text-align: right;">(Rs. In Lakhs)</p> <table border="1" data-bbox="730 725 1337 880"> <thead> <tr> <th>Name of the Director</th> <th>Current Year (Rs.)</th> <th>FY 2019-20 (Rs.)</th> <th>FY 2018-19 (Rs.)</th> <th>FY 2017-18 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Padmaja Gangireddy</td> <td>13.80</td> <td>53.75</td> <td>53.75</td> <td>30.00</td> </tr> </tbody> </table>                       | 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 |
| 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            |                  |                  |                    |       |       |       |       |
| <p>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</p>   | <p>Please refer to <b>Annexure V</b> of the Shelf Disclosure Document for the related party transactions for the financial years 2018, 2019 and 2020.</p>   |                      |                    |                  |                  |                  |                    |       |       |       |       |
| <p>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</p> | <p>NIL</p>  |                      |                    |                  |                  |                  |                    |       |       |       |       |
| <p>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</p>   | <p>No inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter. The details of Compounding of Offences made during last three immediately preceding financial year are given herein:</p> <p><b>2018-19</b></p> <p><u>Compounding of Offences by Company:</u></p> |                      |                    |                  |                  |                  |                    |       |       |       |       |

Serial No.: 1  
Tranche 1

**Addressed to: Incred Capital Inclusion Advisory Services Private Limited**  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE**  
**OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
**DATE: November 26, 2020**

|  |                                     |   |
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| <b>(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 subsidiaries</b> | Section:                            | Section 203 of the Companies Act, 2013  |
|  | Brief Description:                  | <p>During the financial year 2018-19, the Company and its KMPs, filed an Application before the compounding authority under Section 441 of the Companies Act, 2013 for Compounding of offence u/s 203 of the Companies Act, 2013 for non-appointment of Chief Financial Officer during the period 13.03.2016 to 30.01.2018. The said application was forwarded to Regional Director (RD), South East Region for consideration.</p> <p>Regional Director vide its order no.'F.NO:9/80/TELANGANA/RD(SER)/203 OF 2013/2018, dated 27<sup>th</sup> March, 2019 has compounded the aforesaid offence, on payment of the relevant fee by the Company.</p> |
|  | <u>Details of Compounding Fees:</u> | <p>1. Company - Rs.1,00,000/-,<br/>2. Mrs. Padmaja Gangireddy (Managing Director)-Rs.1,87,000/-<br/>3. Mr. Santosh Kumar Jha (Past Company Secretary)-Rs. 85,600/-<br/>Mr. Rakesh Jhinharia (Past Company Secretary)-Rs.96000/-</p>   |
| <b>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</b>  | NIL                                 |   |

**5. Financial Position of the Company:**

|   |   |
|---|---|
| <b>The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)</b> | For details in this regard, please refer to <b>Section 4.6 (A)</b> of the Shelf Disclosure Document.  |
| <b>Size of the Present Issue</b>  | The Tranche 1 Debentures being issued in terms of this Supplemental DD read with the Shelf DD are upto 300 (Three Hundred) secured, rated, listed, redeemable, non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. 30,00,00,000/- (Rupees Thirty Crores only) with green shoe option to retain oversubscription of upto 300 (Three Hundred) secured, rated, listed, redeemable, non-convertible debentures bearing face value of Rs. |

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|   |   |
|---|---|
|   | 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. 30,00,00,000/- (Rupees Thirty Crore only) aggregating up to Rs. 60,00,00,000/- (Rupees Sixty Crore only). |
| <b>Paid-up Capital:</b><br><b>a. After the offer:</b><br><br><b>b. After the conversion of convertible instruments (if applicable):</b> | This issuance of Tranche 1 Debentures will not alter the paid-up capital of the Issuer.   |
| <b>Share Premium Account:</b><br><b>a. Before the offer:</b><br><br><b>b. After the offer:</b>  | This issuance of Tranche 1 Debentures will not alter the share premium account of the Issuer.   |

**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                  |

**2. Preference share capital**



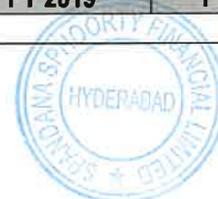
Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

| 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 |
|-----------------------|-----------------------------------|-------------------------------------|--|--------------------------------|-----------------------|
| <b>CCPS</b>           |                                   |                                     |  |                                |                       |
| August 3, 2007        | 33,516,041                        | 10                                  | 10.00  | 335,160,410                    | Cash                  |
| <b>OCCRPS</b>         |                                   |                                     |  |                                |                       |
| September 26, 2011    | 943,700,000                       | 10                                  | -  | -                              | Other than cash       |
| <b>Promoter OCRPS</b> |                                   |                                     |  |                                |                       |
| March 31, 2017        | 2,270,169                         | 10                                  | 235.48   | 534,579,396                    | Cash                  |
| <b>Class A CCPS</b>   |                                   |                                     |  |                                |                       |
| 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                  |
| <b>ClassA1 CCPS</b>   |                                   |                                     |  |                                |                       |
| March 8, 2018         | 119,212,760                       | 10                                  | 10.00  | 1,192,127,600                  | Cash                  |

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

|   |                                   |                |                |                |
|---|-----------------------------------|----------------|----------------|----------------|
| <b>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 and the details of the consideration in each case</b> | NIL                               |                |                |                |
| <b>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</b>   | <i>(Rs. in Millions)</i>          |                |                |                |
|   | <b>Particulars (Consolidated)</b> | <b>FY 2020</b> | <b>FY 2019</b> | <b>FY 2018</b> |
|   | Profit before Tax                 | 6,184.54       | 4,734.72       | 2,827.01       |
|   | Profit after Tax                  | 3,518.29       | 3,119.00       | 1,879.46       |
| <b>Dividends declared by the Company in respect of the said three financial years;</b>  | <i>(Rs. In Millions)</i>          |                |                |                |
|   | <b>Particulars</b>                | <b>Rs.</b>     | <b>Rs.</b>     | <b>Rs.</b>     |
|   |                                   | <b>FY 2020</b> | <b>FY 2019</b> | <b>FY 2018</b> |



23

Serial No.: 1  
Tranche 1

**Addressed to: Incred Capital Inclusion Advisory Services Private Limited**  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE**  
**OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
**DATE: November 26, 2020**

|   |   |      |      |      |
|---|---|------|------|------|
| interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)   | 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 <b>Annexure IV</b> of the Shelf Disclosure Document   |      |      |      |
| Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter   | Please refer to <b>Annexure IV</b> of the Shelf Disclosure Document   |      |      |      |
| Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company   | Our Company has adopted the Indian Accounting Standards (" <b>IndAS</b> ") 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. |      |      |      |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**PART D: 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

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

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Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**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 Tranche 1 Debentures;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Tranche 1 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 Shelf Disclosure Document (offer letter);

I am authorised by the Board of Directors of the Company *vide* the management committee resolution number B-6 dated November 25, 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 Information Memorandum 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**

Mr. Madhusudhan Kesiraju  
Designation: Senior Vice President  
Date: November 26, 2020  
Place: Hyderabad, Telangana

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**Appendix I: Indicative Cashflow Schedule**

|                           |   |
|---------------------------|---|
| Issuer                    | Spandana Sphoorty Financial Limited   |
| Series/Tranche            | Tranche 1   |
| Face Value (per security) | Rs. 10,00,000/- (Rupees Ten Lakh only)  |
| Deemed Date of Allotment  | November 27, 2020   |
| Coupon Rate               | 12.20% (Twelve Decimal Point Two Percent) p.a.  |
| Redemption Date           | November 27, 2022 subject to the exercise acceleration pursuant to Event of Default or Prepayment |
| Day Count Convention      | Actual/ Actual  |

| Illustrative Cashflows* |                                  |                          |                |                       |             |               |
|-------------------------|----------------------------------|--------------------------|----------------|-----------------------|-------------|---------------|
| Period                  | Interest/Principal Payment Dates | No. Of Days for Interest | O/S Principal  | Principal (Tranche 1) | Interest    | Cash Outflow  |
| 0                       | 27 November 2020                 |                          |                | (60,00,00,000)        |             | -60,00,00,000 |
| 1                       | 27 February 2021                 | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 2                       | 27 May 2021                      | 89.00                    | (60,00,00,000) | -                     | 1,78,48,767 | 1,78,48,767   |
| 3                       | 27 August 2021                   | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 4                       | 27 November 2021                 | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 5                       | 27 February 2022                 | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 6                       | 27 May 2022                      | 89.00                    | (60,00,00,000) | -                     | 1,78,48,767 | 1,78,48,767   |
| 7                       | 27 August 2022                   | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 8                       | 27 November 2022                 | 92.00                    | (60,00,00,000) | 60,00,00,000          | 1,84,50,411 | 61,84,50,411  |

\*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.

# The cashflow scheduled provided is tentative and calculated basis that issuance would be of an aggregate of Rs. 60,00,00,000/- (Rupees Sixty Crores only) under that is aggregate of Rs. 30,00,00,000/- (Rupees Thirty Crores only) with a green shoe option of up to Rs. 30,00,00,000/- (Rupees Thirty Crores only). In case of change of the issuance amount under Tranche 1 Debentures on account of non receipt of full oversubscription monies under green shoe option, the cashflow scheduled will stand modified accordingly.



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

Appendix II: Application Form

**SPANDANA SPHOORTY FINANCIAL LIMITED**

A public company with limited liability incorporated on march 10, 2023 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 APPLICATION FORM SERIAL NO. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
|---------------------------------------|---|---|---|---|---|---|---|---|---|

Addressed to: [●]

ISSUE OF UPTO 300 (THREE HUNDRED) RATED LISTED SECURED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UPTO RS. 30,00,00,000/- (RUPEES THIRTY CRORES ONLY) WITH A GREEN SHOE OPTION OF UPTO 300 (THREE HUNDRED) RATED, LISTED, SECURED, REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES HAVING FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 30,00,00,000/- (RUPEES THIRTY CRORE ONLY) ON A PRIVATE PLACEMENT BASIS ("TRANCHE 1 DEBENTURES") ISSUED UNDER THE SHELF DISCLOSURE DOCUMENT DATED NOVEMBER [-], 2020 ("SHELF DISCLOSURE DOCUMENT" OR "SHELF DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF SECURED, SENIOR, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, AGGREGATING UPTO RS. 250,00,00,000/- (TWO HUNDRED AND FIFTY CRORE ONLY) TO BE ISSUED IN ONE OR MORE SERIES, ON PRIVATE PLACEMENT BASIS

**DEBENTURE APPLIED FOR:**

Series/ Tranche \_\_\_\_\_

Number of Tranche 1 Debentures \_\_\_\_\_ in words \_\_\_\_\_

Amount Rs. \_\_\_\_\_ /- in words Rupees \_\_\_\_\_ Crore Only

**DETAILS OF PAYMENT:**

Cheque / Demand Draft / RTGS

No. \_\_\_\_\_ Drawn on \_\_\_\_\_

Funds transferred to Spandana Sphoorty Financial Limited

Dated \_\_\_\_\_

Total Amount Enclosed

(In Figures) Rs. \_\_\_\_\_ /- (In words) \_\_\_\_\_ Only

APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE





Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

We understand and confirm that the information provided in this 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 Tranche 1 Debentures carried out our own due diligence and made our own decisions with respect to investment in these Tranche 1 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 Tranche 1 Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche 1 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 Tranche 1 Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application or issue the Tranche 1 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 Tranche 1 Debentures.

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**

|                   |   |   |   |   |   |   |   |   |   |
|-------------------|---|---|---|---|---|---|---|---|---|
| <b>SERIAL NO.</b> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
|-------------------|---|---|---|---|---|---|---|---|---|

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

|   |
|---|
| Address _____   |
| UTR # _____ Drawn on _____ for Rs. _____ on account of application of _____ Debenture |



Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**ANNEXURE I: COPY OF THE BOARD RESOLUTION**

**[Attached separately]**



**ANNEXURE II:**  
**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 material 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.

**(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 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 Tranche 1 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 Tranche 1 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 U65929TG2003PLC040648 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 Tranche 1 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 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 Tranche 1 Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Tranche 1 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 Tranche 1 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 material fact or otherwise.



(p) **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 Tranche 1 Debentures.

- (q) 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 Tranche 1 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 Tranche 1 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 Deed Trust Deed and the Tranche 1 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and (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 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.

(f) **End- Use**

The Company shall utilise the monies received towards subscription of the Tranche 1 Debentures for meeting its funding requirements of the Company for on lending to its microfinance portfolio (JLG) as per RBI guidelines. The Company shall also furnish to the Debenture Trustee a certificate from the statutory auditor of the Company in respect of the utilisation of funds raised by the issue of the Tranche 1 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:

- i. The Tranche 1 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;
- ii. It shall perfect the security over the Hypothecated Assets by filing Form CHG-9 with the Registrar of Companies and Form I with CERSAI reporting the charge created to the CERSAI in relation thereto within the timeline stipulated under the Applicable Law, without payment of penalty and shall deliver a copy thereof to the Debenture Trustee;

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 Tranche 1 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 Tranche 1 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 Tranche 1 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**

- (i) 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.
- (ii) 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**

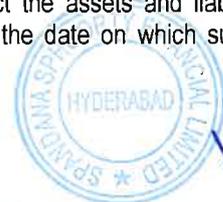
The Issuer shall create a recovery expense fund in the manner as maybe specified by the SEBI from time to time and inform the Debenture Trustee about the same.

(m) **Terms and Conditions of the Tranche 1 Supplemental DD**

The Company shall at all times during the term of these presents comply with any other covenant or undertaking set out in the Shelf DD r/w this Supplemental DD.

**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 material respect.
  - D. notify the Debenture Trustee promptly in writing, of 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.



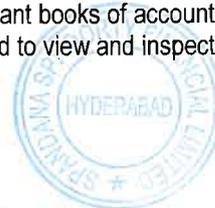
- F. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee may reasonably request in relation to the Payments due to be made on the Tranche 1 Debentures;
- G. provide to the Debenture Trustee such information 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 the approval of the Board of Directors of the annual business plan of the Company;
- K. provide to the Debenture Trustee such information regarding details of any change in the accounting policy of the Company, which have a material impact, and excluding changes required due to compliance with statutory requirements;
- L. inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- M. inform the Debenture Trustee promptly about any failure to create security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets.
- N. Inform the Debenture Trustee before declaring or distributing any dividend, unless the Company has paid the amounts then due and payable on the Tranche 1 Debentures under the Debenture Trust Deed.
- O. 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.
- P. 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;
- Q. notify the Debenture Trustee in writing of any change to the constitutional documents of the Company;
- R. promptly notify the Debenture Trustee of any changes in the composition of its board of directors of the Issuer;
- S. 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.
- (n) 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: -
- A. 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;
  - B. Unaudited or limited-review financial statements of the Company within 30 (Thirty Five) days of the end of the respective quarter;
  - C. 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;
  - D. Updated list of the names and addresses of the Debenture Holder(s);
  - E. Details of the coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof in relation to the Tranche 1 Debentures;
  - F. 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);
  - G. 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;
  - H. 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;
  - I. 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 30 (Thirty) days of the end of the respective quarter;
  - J. provide to the Debenture Trustee such information regarding details of any change in the accounting policy of the Company, within 30 (Thirty) days of the end of the respective quarter; and



- K. submitting such information, as required by the Debenture Trustee.
- (b) **Monthly Report to the Debenture Trustee**
- Submit to the Debenture Trustee, details in relation to the asset liability management report in the format as acceptable to the Debenture Trustee, on a monthly basis, within 15 (Fifteen) days from the end of the month.
- (c) **Half-yearly Certificate**
- 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 Supplemental DD; (ii) compliance with all the covenants, in respect of Tranche 1 Debentures along with the half-yearly financial results.
- (d) **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 120 (One Hundred and Twenty) 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 90 (Ninety) days from the close of each of its accounting quarters.
- (e) 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):
- (i) 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.
  - (ii) 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.
  - (iii) 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.
  - (iv) 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.

- (v) 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.
- (vi) The Company shall provide / submit such information, as may be required by the Debenture Trustee from time to time.
- (vii) 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 shall provide report to the Debenture Trustee periodically of its compliance.

### 2.3 Negative Covenants

The Company hereby covenants with the Debenture Trustee that the Company shall not undertake the following without providing a prior written intimation of atleast 15 (Fifteen) calendar days to the Debenture Trustee and the Majority 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. Provided however, there will be no consent requirement if such requirement leads to the Issuer making default of its payment obligations in relation to the Tranche 1 Debentures.

#### (c) Constitutional Documents

The Company shall not make any amendments to its constitutional documents would prejudicially affect the interests of the Debenture Holder(s).

#### (d) Arrangement

- (i) 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);
- (ii) 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 Tranche 1 Debentures. In all other cases, the Company shall seek the prior written consent of the Debenture Trustee before declaring dividends.

(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 Tranche 1 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**

- (i) 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.
- (ii) 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, without the prior intimation of the Debenture Trustee (acting on behalf of the Debenture Holders).

(j) **Immunity**

The Company shall not claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(k) **Change in provisioning policy**

The Company shall not effect any change in the provisioning policy of the Company other than as required by any relevant regulator.



(l) **Related Party Transaction**

The Company shall not enter into any transaction(s) (except paying the salaries and rent) with a related party during the tenor of the Tranche 1 Debentures where the value in aggregate exceeds 15% of the Tangible Net Worth of the Company during a financial year in respect of each of such related parties. **Tangible Net Worth** for the purposes of this Clause shall mean the net worth of the Company as per its latest audited financial statement as reduced by aggregate value of all intangible assets of the Company.

(m) **Subsidiary**

The Company shall not, dispose of, acquire or incorporate any subsidiary.

**2.4 Financial Covenants**

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

- (i) It shall maintain Capital Adequacy Ratio (Tier 1 and Tier 2) of at least 17% (Seventeen Percent); and
- (ii) Net NPA as a percentage of the average portfolio of the Company shall not increase beyond 5%.

For the purposes of the aforesaid covenants:

**"Net NPA"** shall mean the difference between (i) the outstanding principal value of the portfolio of the Company that has one or more instalments of payments (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.

**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 Date(s) in full or in part. Provided however, in case of delay in payments/ repayments due to any technical reasons a cure period of 3 (Three) calendar days shall be available to the Company.

**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 material respect when made or deemed made and such misrepresentation adversely affects the interest of the Debenture Holders in the reasonable opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holder(s)).



**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 the Shelf DD r/w this Supplemental DD.

**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 Shelf DD read with this Supplemental Disclosure Document(s).

**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, 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 and is not discharged or stayed within 45 (Forty Five) Business Days;
- (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 Insolvency and Bankruptcy Code, 2016 or a moratorium is agreed or declared in respect of or affecting all the debts of the Company, and the same is not dismissed / quashed within 5 (Five) calendar days from the date of filing such application / petition.

### 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) and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days; 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.

**3.13 Cross default**

- (a) Any Financial Indebtedness of the Company 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 Shelf DD and the Tranche 1 Supplemental DD or any other Transaction Documents.

**3.16 Delisting of Tranche 1 Debentures**

The Tranche 1 Debentures cease to be listed on the wholesale 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 Net Worth**

If Company's net worth as per its latest audited financing statements erodes by 50% or more when compared with its net worth as per audited financing statements of the immediately preceding financial year and the same has not been remedied within 30 (Thirty) Business Days.

**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



 47

Serial No.: 1  
Tranche 1

Addressed to: Incred Capital Inclusion Advisory Services Private Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

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 Tranche 1 Debentures;
- (b) declare that all or part of the Tranche 1 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) 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.



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020



**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](mailto:secretarial@spandanaindia.com); **Website:** <http://www.spandanaindia.com/>

**Supplemental Disclosure Document dated November 26, 2020 issued 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, as amended from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.**

**ISSUE OF UPTO 300 (THREE HUNDRED) RATED LISTED SECURED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UPTO RS. 30,00,00,000/- (RUPEES THIRTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS ("TRANCHE 1 DEBENTURES") WITH A GREEN SHOE OPTION OF UPTO 300 (THREE HUNDRED) RATED LISTED SECURED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES HAVING FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 30,00,00,000/- (RUPEES THIRTY CRORE ONLY) ISSUED UNDER THE SHELF DISCLOSURE DOCUMENT DATED NOVEMBER 26, 2020 ("SHELF DISCLOSURE DOCUMENT" OR "SHELF DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF SECURED, SENIOR, RATED, LISTED, REDEEMABLE, TRANSFERABLE NON-CONVERTIBLE DEBENTURES, AGGREGATING UPTO RS. 250,00,00,000/- (RUPEES TWO HUNDRED AND FIFTY CRORE ONLY) TO BE ISSUED IN ONE OR MORE SERIES, ON PRIVATE PLACEMENT BASIS**

This supplemental disclosure document ("**Supplemental Disclosure Document/ Supplemental DD**") is issued in terms of and pursuant to the Shelf Disclosure Document dated November 26, 2020. All the terms, conditions, information and stipulations contained in the Shelf Disclosure Document, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Disclosure Document must be read in conjunction with the Shelf Disclosure Document.

This Supplemental DD contains details of this Series/ Tranche 1 Issue and any material changes in the information provided in the Shelf Disclosure Document, as set out herein. Accordingly set out below are the updated particulars / changes in the particulars set out in the Shelf Disclosure Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Disclosure Document. All other particulars appearing in the Shelf Disclosure Document shall remain unchanged. In case of any inconsistency between the terms of this Supplemental DD and the Shelf DD and/or the terms of this Supplemental DD and/or any other Transaction Document, the terms as set out in this



**Serial No.: 1**  
**Tranche 1**

**Addressed to: Incred Financial Services Limited**  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE**  
**OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
**DATE: November 26, 2020**

Supplemental DD shall prevail.

Capitalised terms used in this Supplemental DD and not defined shall have the meaning as has been assigned to the term in Shelf DD.



A handwritten signature in blue ink, appearing to be "V. M.", written over the right side of the stamp.

Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**PART A: NOTICE TO THE INVESTORS AND DISCLAIMER**

**SECURITY MAY BE INSUFFICIENT TO REDEEM THE TRANCHE 1 DEBENTURES**

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Tranche 1 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 Tranche 1 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 Tranche 1 Debentures.



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**PART B: SUMMARY TERM SHEET**

**TRANCHE 1**

|   |   |
|---|---|
| <b>Security Name</b>                              | 12.20% Spandana Sphoorty Financial Limited Tranche 1 NCDs 2022  |
| <b>Series/ Tranche</b>                            | Tranche 1   |
| <b>Issuer</b>                                     | Spandana Sphoorty Financial Limited   |
| <b>Type of Instrument</b>                         | Non-Convertible Debentures  |
| <b>Nature of Instrument</b>                       | Rated, Secured, Redeemable, Listed, Transferable Non-Convertible Debentures.  |
| <b>Seniority</b>                                  | Senior  |
| <b>Mode of Issue</b>                              | Private placement   |
| <b>Eligible Investors</b>                         | Please refer to ' <i>Persons who may apply</i> ' under <b>Section 6</b> of the Shelf Disclosure Document  |
| <b>Listing</b>                                    | <p>The Issuer shall list the Tranche 1 Debentures on NSE within a maximum period of 20 (Twenty) days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the Tranche 1 Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment, the Issuer will make payment to the Debenture Holders of penal interest calculated on the face value of the Tranche 1 Debentures at the rate of 2% (Two Percent) per annum which shall be payable over and above the Coupon rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment until the listing of such Tranche 1 Debentures.</p>  |
| <b>Debenture Trustee for Tranche 1 Debentures</b> | Catalyst Trusteeship Limited  |
| <b>Rating Agency</b>                              | ICRA Limited  |
| <b>Rating of the Instrument</b>                   | 'ICRA A-' (Stable) by the Rating Agency   |
| <b>Issue Size</b>                                 | Up to Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) in one or more Series/ Tranches   |
| <b>Series/Tranche Size</b>                        | The Tranche 1 Debentures being issued in terms of this Supplemental DD read with the Shelf DD are upto 300 (Three Hundred) secured, rated, listed, redeemable, transferable non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. 30,00,00,000/- (Rupees Thirty Crores only) with green shoe option to retain oversubscription of upto 300 (Three Hundred) secured, rated, listed, redeemable, transferable non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto of an amount of up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only). |
| <b>Option to retain oversubscription (Amount)</b> | Green shoe option to retain oversubscription of an amount of up to Rs. 30,00,00,000/- (Rupees Thirty Crores only)   |



Serial No.: 1  
Tranche 1

**Addressed to: Incred Financial Services Limited**  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE**  
**OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
**DATE: November 26, 2020**

|  |  |
|--|--|
| <b>Objects of the Issue</b>  | The objects of the Issue are as set out in the section " <b>Objects of the Issue</b> " stipulated in <b>Section 4.21</b> of the Shelf Disclosure Document.   |
| <b>Details of the utilization of the Proceeds/ End Use</b>   | The issue proceeds will be utilized to meet funding requirements of the Issuer for on lending to its microfinance portfolio (JLG) as per RBI guidelines.   |
| <b>Due Date</b>  | Any date on which the holders of the Tranche 1 Debentures are entitled to any payments, including on the Coupon Payment Dates / Redemption Dates or upon acceleration pursuant to occurrence of any Event of Default or Prepayment.  |
| <b>Coupon rate</b>   | 12.20% (Twelve Decimal Point Two Zero Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates.  |
| <b>Step Up Coupon Rate</b>   | In the event that the current rating of the Tranche 1 Debentures is downgraded, the applicable Coupon Rate shall stand increased by 0.25% for each notch of downgrade (" <b>Step-Up Coupon</b> "). The Step-Up Coupon shall be payable on each Coupon Payment Dates during the period starting from the date of downgrade in rating until the same is cured.<br><br>If the Issuer of the Debentures is rated by more than one rating agency, then the lowest of the ratings shall be considered  |
| <b>Coupon Payment Frequency/ Coupon Period</b>   | Quarterly, on the Coupon Payment Dates. The " <b>Coupon Period</b> " 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 the second Coupon Payment Date, the period between the first Coupon Payment Date and the Maturity Date.  |
| <b>Coupon Payment Dates</b>  | As out in <b>Appendix I</b> of this Supplemental DD  |
| <b>Coupon Type</b>   | Fixed  |
| <b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).</b> | N.A  |
| <b>Day Count Basis</b>   | Actual/ Actual   |
| <b>Interest on Application Money</b>   | 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 such rate of 12.20% (Twelve Decimal Point Two Zero Percent), applicable for the Tranche 1 Debentures issued on the Application Monies, for the period commencing from the date on which the said Debenture Holder has made payment of the Application Monies in respect of the Tranche 1 Debentures and ending on the day prior to the relevant Deemed Date of Allotment. The interest on the Application Monies shall be paid by the Issuer to the Debenture Holders within 5 (Five) Business Days from the relevant Deemed Date of Allotment. |



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

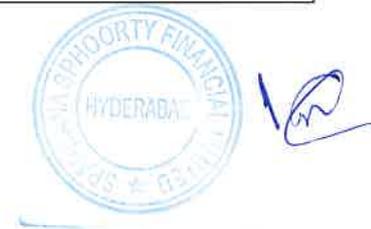
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| <b>Default Interest Rate</b>  | <p>Without prejudice to the remedies available to the Debenture Trustee under the Transaction Documents or under the Applicable Law, on occurrence of the following events:</p> <ol style="list-style-type: none"><li>1. Payment default in respect of any interest and principal due and payable in connection with the Tranche 1 Debentures on the respective Due Dates;</li><li>2. In case of delay in listing beyond 20 (Twenty) days from Deemed Date of Allotment;</li><li>3. Delay in creation and perfection of security for Tranche 1 Debentures within a period of 30 (Thirty) calendar days from the Deemed Date of Allotment of Tranche 1 Debentures;</li></ol> <p>the Company shall pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon rate, 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> |
| <b>Tenor</b>  | 24 (Twenty Four) months from the Deemed Date of Allotment, subject to Prepayment or acceleration pursuant to Event of Default.  |
| <b>Principal Payment Date(s)</b>  | The principal amount of the Tranche 1 Debentures shall be redeemed by way of a bullet repayment on the date as set out in Appendix I (Illustration of Bond Cash Flows) hereto (subject to adjustments for Business Day Convention).   |
| <b>Redemption Date</b>  | Subject to exercise of acceleration pursuant to Event of Default, the Tranche 1 Debentures shall be redeemed on November 27, 2022.  |
| <b>Redemption Amount</b>  | Tranche 1 Debentures shall be redeemed in the manner set out in Appendix I (Illustration of Bond Cash Flows) hereto.  |
| <b>Issue Price</b>  | Rs. 10,00,000/- (Rupees Ten Lakh only) per Tranche 1 Debenture.   |
| <b>Redemption Premium / Discount</b>  | N.A.  |
| <b>Discount at which security is issued and the effective yield as a result of such discount.</b> | N.A.  |
| <b>Prepayment</b>   | If the Issuer redeems the Tranche 1 Debentures at any time, other than on the scheduled Due Dates or pursuant to the exercise of the acceleration on occurrence of Event of Default ("Prepayment"), the Issuer shall be liable to a prepayment penalty of 2% (Two Percent) on the principal amount of such Tranche 1 Debentures being redeemed.   |
| <b>Put Option Date</b>  | N.A.  |
| <b>Put Option Price</b>   | N.A.  |
| <b>Call Option Date</b>   | N.A.  |
| <b>Call Option Price</b>  | N.A.  |
| <b>Put Option/Put Notification Time</b>   | N.A.  |
| <b>Call Option/Call Notification</b>  | N.A.  |



Serial No.: 1  
Tranche 1

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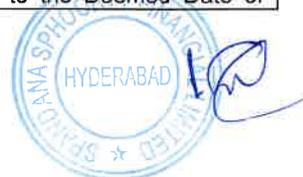
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| <b>Time</b>   |  |
| <b>Face Value</b>   | Rs. 10,00,000/- (Rs. Ten Lakh only) per Tranche 1 Debenture  |
| <b>Minimum Application and in multiples of ___ Debt securities thereafter</b> | 1 (One) Tranche 1 Debenture and in multiples of 1 (One) Tranche 1 Debenture thereafter   |
| <b>Tranche 1 Issue Timing</b>   |  |
| <b>1. Issue Opening Date</b>  | November 26, 2020  |
| <b>2. Issue Closing Date</b>  | November 26, 2020  |
| <b>3. Pay-in Date</b>   | November 27, 2020  |
| <b>4. Deemed Date of Allotment</b>  | November 27, 2020  |
| <b>Issuance mode of the Instrument</b>  | Demat only   |
| <b>Trading mode of the Instrument</b>   | Demat only   |
| <b>Settlement mode of the Instrument</b>                                      | RTGS or such other mode as may be determined by the Issuer   |
| <b>Depository(ies)</b>  | NSDL and CDSL  |
| <b>Business Day Convention</b>  | <p>As per 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><b>"Business Day"</b> means any day of the week (excluding Saturday, Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai.</p> <p>In the event that the date for performance of any event or any of the Coupon Payment Dates or any Record Date falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination or the date for performance of such event, as the case may be.</p> <p>In the event that the Redemption Date of the Tranche 1 Debentures falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment.</p> |
| <b>Record Date</b>  | As stipulated in the Shelf DD.   |



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| <p><b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</b></p> | <p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being a first ranking exclusive charge by way of hypothecation over specific loan receivables / book debts, present and future, representing amounts due from the various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue ("<b>Hypothecated Asset</b>") such that the value of security shall be equal to 1.1 (One Decimal point One) time of the aggregate amount of principal outstanding of the Tranche 1 Debentures ("<b>Asset Cover</b>"). The Issuer undertake:</p> <ul style="list-style-type: none"><li>(a) to maintain the value of the Asset Cover at all times till the obligations under the Issue are discharged;</li><li>(b) to execute a duly stamped deed of hypothecation ("<b>Deed of Hypothecation</b>") on prior to the Deemed Date of Allotment for the Tranche 1 Debentures;</li><li>(c) To perfect the security created over the Hypothecated Asset by filing the relevant form with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of creation of such security;</li><li>(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;</li><li>(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) and in the event any eligible loans forming part of the Hypothecated Assets turn into overdue loans, the Company shall replace all such overdue loans within 30 (Thirty) calendar days; and</li><li>(f) The additional security created pursuant paragraph (d) and (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.</li><li>(g) In case of delay in creation and perfection of security created over the Hypothecated Asset for Tranche 1 Debentures within the time period set out above, the Company shall pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon rate, from the date of the occurrence of the default until the default is cured or the Tranche 1 Debentures are redeemed pursuant to such default, as applicable.</li></ul> <p>To provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Asset Cover ("<b>Monthly Hypothecated Asset Report</b>") along with certificate from a practising Chartered Accountant certifying the</p> |
|--|---|



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|   | loan receivables/identified book debts.   |
| <b>Transaction Documents</b>                | <ul style="list-style-type: none"> <li>(a) Debenture Trustee Agreement;</li> <li>(b) Information Memorandum;</li> <li>(c) Debenture Trust Deed;</li> <li>(d) Deed of Hypothecation;</li> <li>(e) Consent letter from Debenture Trustee;</li> <li>(f) Board resolutions approving Issue;</li> <li>(g) Shareholder resolution approving issuance of Debentures;</li> <li>(h) Issuer's confirmation of allotment of the Tranche 1 Debentures; and</li> <li>(i) Any other document that may be designated as a transaction document by the Debenture Trustee.</li> </ul>  |
| <b>Conditions Precedent to Disbursement</b> | <p>The Company shall have fulfilled each of the following conditions precedent prior to issuance of the Tranche 1 Debentures (subject to any waiver by the Debenture Trustee), including providing the documents referred to herein below, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee:</p> <ul style="list-style-type: none"> <li>(a) A certified true copy of the constitutional documents of the Issuer (being its memorandum and articles of association and certificate of incorporation) should have been submitted to the Debenture Trustee;</li> <li>(b) A copy of a resolution of the shareholders of the Company should have been submitted to the Debenture Trustee in relation to approval under Section 180(1)(a), Section 180(1)(c), Section 42 of the Companies Act, 2013 read with the applicable rules in relation to the private placement;</li> <li>(c) A copy of a resolution of the board of directors of the Company or any committee thereof should have been submitted to the Debenture Trustee: <ul style="list-style-type: none"> <li>(i) Authorising the Company to issue Tranche 1 Debentures;</li> <li>(ii) Authorising the Company, for creation/declaration of trust, appointment of the Debenture Trustee and issue of Debentures in accordance with the terms hereof;</li> <li>(iii) Authorising the creation of the security interest;</li> <li>(iv) Authorising a specified person, on its behalf, to sign and/or execute and/or stamp and/or get registered and/or despatch all documents and/or notices required so to be done, under or in relation to the issuance of the Tranche 1 Debentures;</li> </ul> </li> <li>(d) Letter of consent for appointment of Debenture Trustee as debenture trustee in relation to the Debenture Trustee;</li> <li>(e) The Company shall have executed the Debenture Trustee Agreement, the Debenture Trust Deed, the Deed of Hypothecation and have issued the Supplemental DD (including Form PAS-4) prior to the Deemed Date of</li> </ul> |



|   |  |
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|   | <p>Allotment.</p> <p>(f) Receipt of the rating letter and rating rationale from the Rating Agency;</p> <p>(g) Receipt by the Debenture Trustee of copy of in-principle approval obtained by the Company from the NSE, for listing the Debentures on the Wholesale Debt Market ("WDM") segment of the NSE; and</p> <p>(h) Receipt by the Debenture Trustee of Certified copy of the depository arrangements made by Company with NSDL and CDSL for issue of Debentures in dematerialized form.</p>  |
| <b>Condition Subsequent to Disbursement</b>   | <p>The Company shall have fulfilled each of the following conditions after Deemed Date of Allotment (subject to any waiver by the Debenture Trustee), including providing the documents referred to herein below, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee:</p> <p>(a) Credit of 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>(b) Filing of the relevant forms with the Registrar of Companies ("ROC") for the perfection of charge over the Hypothecated Asset within and no later 30 (Thirty) calendar days from the date of creation of security;</p> <p>(c) Filing of the return of allotment (Form PAS-3) with the relevant Registrar of Companies within 15 (Fifteen) days from the Deemed Date of Allotment.</p> <p>(d) Complete the listing of Debentures on the NSE within 20 (Twenty) days from the relevant Deemed Date of Allotment.</p> <p>(e) Submit the End Use certificate within a period of 90 (Ninety) days from the Deemed Date of Allotment of Tranche 1 Debentures.</p> <p>(f) Submit the list of initial Hypothecated Assets in order to create/ perfect the security as required under the Deed of Hypothecation within a period of 30 (Thirty) days from the Deemed Date of Allotment of Tranche 1 Debentures.</p> <p>(g) Execution of any other documents as customary for transaction or required as per SEBI guidelines.</p> |
| <b>Representations and Warranties</b>   | As mentioned under <b>Annexure II</b> of this Supplemental DD  |
| <b>Event(s) of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</b> | As mentioned under <b>Annexure II</b> of this Supplemental DD  |
| <b>Creation of recovery expense fund</b>  | 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   |



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|  | 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.   |
| <b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b> | As mentioned in paragraph 3.1, paragraph 3.8(c), paragraph 3.8(d), paragraph 3.11(a) and paragraph 3.17 under <b>Annexure II</b> of this Supplemental DD  |
| <b>Consequences of Events of Default</b>   | As mentioned under <b>Annexure II</b> of this Supplemental DD   |
| <b>Provisions related to Cross Default Clause</b>                                | Any Financial Indebtedness of the Company is not paid when due nor within any originally applicable grace period;<br><br>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).  |
| <b>Role and Responsibilities of Debenture Trustee</b>                            | Following are <i>inter alia</i> the roles and responsibilities of the of the Debenture Trustee: <ol style="list-style-type: none"> <li>1. Call for periodical reports from the Issuer;</li> <li>2. To enforce Security in the interest of the Debenture Holders;</li> <li>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.</li> <li>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.</li> <li>5. To ascertain that the Debentures have been redeemed in accordance with the provisions of the Debenture Trust Deed or Supplemental DD.</li> <li>6. To inform SEBI immediately of any breach of Debenture Trust Deed or provision and law.</li> <li>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</li> <li>8. The Debenture Trustee may take all steps as he may deem fit – <ol style="list-style-type: none"> <li>(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.</li> <li>(b) To ensure that the Company does not commit any breach of covenants of the Debenture Trust Deed;</li> <li>(c) To take steps to call a meeting of holders of Debentures as and when such meeting is required to</li> </ol> </li> </ol> |



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

|   |   |
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|   | be held.  |
| <b>Risk factors pertaining to the Issue</b> | As specified under Part B of Section 3 ( <i>Risk Factors</i> ) of the Shelf DD.   |
| <b>Illustration of Bond Cashflows</b>       | As per <b>Appendix I</b> to this Supplemental DD.   |
| <b>Governing Law and Jurisdiction</b>       | The Tranche 1 Debentures and documentation will be governed by and construed in accordance with the laws of India and the courts in Hyderabad shall have the exclusive jurisdiction to determine any dispute arising in relation to the Tranche 1 Debentures. |



Serial No.: 1  
Tranche 1

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**PART C: DISCLOSURES UNDER THE COMPANIES ACT  
FORM NO. PAS – 4  
PRIVATE PLACEMENT OFFER LETTER**

(Pursuant to Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**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.spandanindia.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:**

For the details of the business carried out by the Company and the details of branches or units, please refer to **Section 4.4** of the Shelf Disclosure Document.

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 <sup>th</sup> 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 |



Serial No.: 1  
Tranche 1

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SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
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DATE: November 26, 2020

|                      |  |            |         |  |
|----------------------|--|------------|---------|--|
| Mr. Ramesh Periasamy | Company Secretary and Compliance Officer | AOYPR6663N | Service | 211 Journalist Colony, Phase 3, Ghachibowli Hyderabad 50032 TGIN |
|----------------------|--|------------|---------|--|

**E. Name, address, DIN and occupations of the directors:**

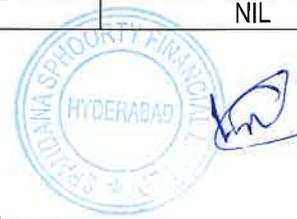
| Name,                       | Designation                       | DIN      | Occupation | Residential Address   |
|-----------------------------|-----------------------------------|----------|------------|---|
| Deepak Calian Vaidya        | Chairman and Independent Director | 00337276 | Consultant | 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 the Shelf Disclosure Document.

**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            |



Serial No.: 1  
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**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
DATE: November 26, 2020

|    |  |     |
|----|--|-----|
| 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 – NIL

2. Particulars of the Offer:

|  |   |
|--|---|
| <b>Financial position of the Company for the last 3 financial years</b>  | Please refer to <b>Annexure IV</b> of the Shelf Disclosure Document.  |
| <b>Date of passing of Board Resolution</b>   | Resolution passed by the Board of Directors of the Issuer on May 17, 2019 and June 02, 2020 read with the resolution passed by the management committee of the Board of Directors of the Issuer on November 25, 2020.<br><br>A copy of the said management committee resolution is annexed at <b>Annexure I</b> of this Supplemental Disclosure Document. |
| <b>Date of passing of resolution in general meeting, authorizing the offer of securities</b>   | The shareholders resolution under Section 42 of the Act is dated July 17, 2020 and the resolution under Section 180(1)(c) of the Act is dated June 14, 2018.<br><br>A copy of the said shareholders' resolutions (under both Section 42 and Section 180 of the Act) is collectively annexed at <b>Annexure IV</b> of the Shelf Disclosure Document.       |
| <b>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</b> | Rated, Redeemable, Listed, Secured, Transferable Non-Convertible Debentures   |
| <b>Price at which the security is being offered, including premium, if any, along with justification of the price</b>                                    | The Tranche 1 Debentures are being issued at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each at par.   |
| <b>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has</b>                                  | Not applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.  |

Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
DATE: November 26, 2020

|   |  |                          |  |        |  |                 |  |
|---|--|--------------------------|--|--------|--|-----------------|--|
| <b>been arrived at along with report of the registered valuer</b>   |  |                          |  |        |  |                 |  |
| <b>Relevant date with reference to which the price has been arrived at</b>  | Not applicable.  |                          |  |        |  |                 |  |
| <b>The class or classes of persons to whom the allotment is proposed to be made</b>   | Please refer to 'Persons who may apply' under Section 6 of the Shelf Disclosure Document   |                          |  |        |  |                 |  |
| <b>Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)</b>                                       | Not applicable.  |                          |  |        |  |                 |  |
| <b>The proposed time within which the allotment shall be completed</b>  | As indicated in Part B of this Supplemental DD   |                          |  |        |  |                 |  |
| <b>The names of the proposed allottees and the percentage of post private placement capital that may be held by them</b>  | Not applicable.  |                          |  |        |  |                 |  |
| <b>The change in control, if any, in the company that would occur consequent to the private placement</b>   | No change in control would occur consequent to this private placement.   |                          |  |        |  |                 |  |
| <b>The number of persons to whom allotment on preferential basis/ private placement / rights issue has already been made during the year, in terms of number of securities as well as price</b> | For details on allotments made by the Company during the year, please refer to <b>Section 4.10</b> of the Shelf DD.  |                          |  |        |  |                 |  |
| <b>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.</b>                                       | Not applicable.  |                          |  |        |  |                 |  |
| <b>Amount, which the Company intends to raise by way of proposed offer of securities</b>  | Up to Rs. 30,00,00,000/- (Rupees Thirty Crore only) with green shoe option to retain oversubscription of an amount of up to Rs. 30,00,00,000/- (Rupees Thirty Crore only) aggregating up to Rs. 60,00,00,000/- (Rupees Sixty Crore only).  |                          |  |        |  |                 |  |
| <b>Terms of raising securities</b>  | <table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">Duration, if applicable:</td> <td>24 (Twenty Four) months from the Deemed Date of Allotment of Tranche 1 Debentures, subject to the exercise of acceleration pursuant to Event of Default or Prepayment.</td> </tr> <tr> <td>Coupon</td> <td>12.20% (Twelve Decimal Point Two Zero Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates</td> </tr> <tr> <td>Mode of Payment</td> <td>RTGS, electronic fund transfer or other permitted mode</td> </tr> </table> | Duration, if applicable: | 24 (Twenty Four) months from the Deemed Date of Allotment of Tranche 1 Debentures, subject to the exercise of acceleration pursuant to Event of Default or Prepayment. | Coupon | 12.20% (Twelve Decimal Point Two Zero Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates | Mode of Payment | RTGS, electronic fund transfer or other permitted mode |
| Duration, if applicable:  | 24 (Twenty Four) months from the Deemed Date of Allotment of Tranche 1 Debentures, subject to the exercise of acceleration pursuant to Event of Default or Prepayment.   |                          |  |        |  |                 |  |
| Coupon  | 12.20% (Twelve Decimal Point Two Zero Percent) per annum payable on a quarterly basis, which shall be calculated on the Principal Amount for the relevant Coupon Period and shall be payable on each of the Coupon Payment Dates   |                          |  |        |  |                 |  |
| Mode of Payment   | RTGS, electronic fund transfer or other permitted mode   |                          |  |        |  |                 |  |



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
DATE: November 26, 2020

|  |   |  |
|--|---|--|
|  | Mode of Repayment                               | RTGS, electronic fund transfer or other permitted mode |
| <b>Proposed time schedule for which the offer letter is valid</b>  | As indicated in Part B of this Supplemental DD. |  |
| <b>Purpose and objects of the Issue</b>  | As indicated in Part B of this Supplemental DD. |  |
| <b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</b>  | Not applicable                                  |  |
| <b>Principal terms of assets charged as security, if applicable</b>  | As indicated in Part B of this Supplemental DD. |  |
| <b>The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations</b> | NIL   |  |

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

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:

1. *Pre-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                    |                           |                            |                               |                            |
|         | 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                      | -                             | -                          |
|         | <b>Grand Total</b>                             | <b>6,43,15,483</b>        | <b>100</b>                 | <b>-</b>                      | <b>-</b>                   |

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                    |                           | -                          | -                             | -                          |
|         | 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                      | -                             | -                          |
|         | <b>Grand Total</b>                             | <b>6,43,15,483</b>        | <b>100</b>                 | <b>-</b>                      | <b>-</b>                   |

3. Mode of payment for subscription:

- o Cheque
- o Demand draft
- o Other banking channels, such as RTGS

4. Disclosure with regard to interest of directors, litigation, etc.:

|  |  |
|--|--|
| <b>Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons</b>          | The directors, promoters or key managerial personnel do not have any financial or other material interest in the offer/ Issue.   |
| <b>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately</b> | There is no such litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (Three) years immediately preceding the year of the circulation of this Supplemental DD. |

| <p>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</p>   |   |                      |                    |                  |                  |                  |                    |       |       |       |       |
|---|---|----------------------|--------------------|------------------|------------------|------------------|--------------------|-------|-------|-------|-------|
| <p>Remuneration of directors (during the current year and last three financial years)</p>   | <p style="text-align: right;">(Rs. In Lakhs)</p> <table border="1" data-bbox="740 723 1342 869"> <thead> <tr> <th>Name of the Director</th> <th>Current Year (Rs.)</th> <th>FY 2019-20 (Rs.)</th> <th>FY 2018-19 (Rs.)</th> <th>FY 2017-18 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Padmaja Gangireddy</td> <td>13.80</td> <td>53.75</td> <td>53.75</td> <td>30.00</td> </tr> </tbody> </table>                       | 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 |
| 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            |                  |                  |                    |       |       |       |       |
| <p>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</p>   | <p>Please refer to <b>Annexure V</b> of the Shelf Disclosure Document for the related party transactions for the financial years 2018, 2019 and 2020.</p>   |                      |                    |                  |                  |                  |                    |       |       |       |       |
| <p>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</p> | <p>NIL</p>  |                      |                    |                  |                  |                  |                    |       |       |       |       |
| <p>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</p>   | <p>No inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter. The details of Compounding of Offences made during last three immediately preceding financial year are given herein:</p> <p><b>2018-19</b></p> <p><u>Compounding of Offences by Company:</u></p> |                      |                    |                  |                  |                  |                    |       |       |       |       |



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020**

|  |                                     |   |
|--|-------------------------------------|---|
| <b>(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 subsidiaries</b> | Section:                            | Section 203 of the Companies Act, 2013  |
|  | Brief Description:                  | <p>During the financial year 2018-19, the Company and its KMPs, filed an Application before the compounding authority under Section 441 of the Companies Act, 2013 for Compounding of offence u/s 203 of the Companies Act, 2013 for non-appointment of Chief Financial Officer during the period 13.03.2016 to 30.01.2018. The said application was forwarded to Regional Director (RD), South East Region for consideration.</p> <p>Regional Director vide its order no.'F.NO:9/80/TELANGANA/RD(SER)/203 OF 2013/2018, dated 27<sup>th</sup> March, 2019 has compounded the aforesaid offence, on payment of the relevant fee by the Company.</p> |
|  | <u>Details of Compounding Fees:</u> | <p>1. Company - Rs.1,00,000/-,<br/>2. Mrs. Padmaja Gangireddy (Managing Director)-Rs.1,87,000/-<br/>3. Mr. Santosh Kumar Jha (Past Company Secretary)-Rs. 85,600/-<br/>Mr. Rakesh Jhinharia (Past Company Secretary)-Rs.96000/-</p>   |
| <b>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</b>  | NIL                                 |   |

**5. Financial Position of the Company:**

|   |   |
|---|---|
| <b>The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)</b> | For details in this regard, please refer to <b>Section 4.6 (A)</b> of the Shelf Disclosure Document.  |
| <b>Size of the Present Issue</b>  | The Tranche 1 Debentures being issued in terms of this Supplemental DD read with the Shelf DD are upto 300 (Three Hundred) secured, rated, listed, redeemable, non-convertible debentures bearing face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. 30,00,00,000/- (Rupees Thirty Crores only) with green shoe option to retain oversubscription of upto 300 (Three Hundred) secured, rated, listed, redeemable, non-convertible debentures bearing face value of Rs. |



|  |   |
|--|---|
|  | 10,00,000/- (Rupees Ten Lakhs only) each and aggregating upto Rs. 30,00,00,000/- (Rupees Thirty Crore only) aggregating up to Rs. 60,00,00,000/- (Rupees Sixty Crore only). |
| <b>Paid-up Capital:</b>  | This issuance of Tranche 1 Debentures will not alter the paid-up capital of the Issuer.   |
| <b>a. After the offer:</b>   |   |
| <b>b. After the conversion of convertible instruments (if applicable):</b> |   |
| <b>Share Premium Account:</b>  | This issuance of Tranche 1 Debentures will not alter the share premium account of the Issuer.   |
| <b>a. Before the offer:</b>  |   |
| <b>b. After the offer:</b>   |   |

**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                  |

**2. Preference share capital**



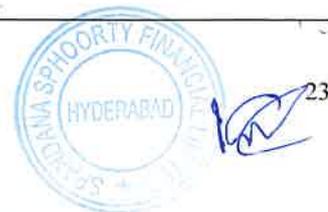
Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

| 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 |
|-----------------------|-----------------------------------|-------------------------------------|--|--------------------------------|-----------------------|
| <b>CCPS</b>           |                                   |                                     |  |                                |                       |
| August 3, 2007        | 33,516,041                        | 10                                  | 10.00  | 335,160,410                    | Cash                  |
| <b>OCCRPS</b>         |                                   |                                     |  |                                |                       |
| September 26, 2011    | 943,700,000                       | 10                                  | -^   | -                              | Other than cash       |
| <b>Promoter OCRPS</b> |                                   |                                     |  |                                |                       |
| March 31, 2017        | 2,270,169                         | 10                                  | 235.48   | 534,579,396                    | Cash                  |
| <b>Class A CCPS</b>   |                                   |                                     |  |                                |                       |
| 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                  |
| <b>Class A1 CCPS</b>  |                                   |                                     |  |                                |                       |
| March 8, 2018         | 119,212,760                       | 10                                  | 10.00  | 1,192,127,600                  | Cash                  |

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

|   |                                   |                |                |                |
|---|-----------------------------------|----------------|----------------|----------------|
| <b>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 and the details of the consideration in each case</b> | NIL                               |                |                |                |
| <b>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</b>   | <i>(Rs. in Millions)</i>          |                |                |                |
|   | <b>Particulars (Consolidated)</b> | <b>FY 2020</b> | <b>FY 2019</b> | <b>FY 2018</b> |
|   | Profit before Tax                 | 6,184.54       | 4,734.72       | 2,827.01       |
|   | Profit after Tax                  | 3,518.29       | 3,119.00       | 1,879.46       |
| <b>Dividends declared by the Company in respect of the said three financial years;</b>  | <i>(Rs. In Millions)</i>          |                |                |                |
|   | <b>Particulars</b>                | <b>Rs.</b>     | <b>Rs.</b>     | <b>Rs.</b>     |
|   |                                   | <b>FY 2020</b> | <b>FY 2019</b> | <b>FY 2018</b> |
|   |                                   |                |                |                |



Serial No.: 1  
Tranche 1

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OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**  
DATE: November 26, 2020

|   |   |      |      |      |
|---|---|------|------|------|
| interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)   | 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 <b>Annexure IV</b> of the Shelf Disclosure Document   |      |      |      |
| Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter   | Please refer to <b>Annexure IV</b> of the Shelf Disclosure Document   |      |      |      |
| Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company   | Our Company has adopted the Indian Accounting Standards (" <b>IndAS</b> ") 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. |      |      |      |



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**PART D: 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

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

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Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**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 Tranche 1 Debentures;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Tranche 1 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 Shelf Disclosure Document (offer letter);

I am authorised by the Board of Directors of the Company *vide* the management committee resolution number B-6 dated November 25, 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 Information Memorandum 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**



Mr. Madhusudhan Kesiraju  
Designation: Senior Vice President  
Date: November 26, 2020  
Place: Hyderabad, Telangana

Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

### Appendix I: Indicative Cashflow Schedule

|                           |   |
|---------------------------|---|
| Issuer                    | Spandana Sphoorty Financial Limited   |
| Series/Tranche            | Tranche 1   |
| Face Value (per security) | Rs. 10,00,000/- (Rupees Ten Lakh only)  |
| Deemed Date of Allotment  | November 27, 2020   |
| Coupon Rate               | 12.20% (Twelve Decimal Point Two Percent) p.a.  |
| Redemption Date           | November 27, 2022 subject to the exercise acceleration pursuant to Event of Default or Prepayment |
| Day Count Convention      | Actual/ Actual  |

| Illustrative Cashflows* |                                  |                          |                |                       |             |               |
|-------------------------|----------------------------------|--------------------------|----------------|-----------------------|-------------|---------------|
| Period                  | Interest/Principal Payment Dates | No. Of Days for Interest | O/S Principal  | Principal (Tranche 1) | Interest    | Cash Outflow  |
| 0                       | 27 November 2020                 |                          |                | (60,00,00,000)        |             | -60,00,00,000 |
| 1                       | 27 February 2021                 | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 2                       | 27 May 2021                      | 89.00                    | (60,00,00,000) | -                     | 1,78,48,767 | 1,78,48,767   |
| 3                       | 27 August 2021                   | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 4                       | 27 November 2021                 | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 5                       | 27 February 2022                 | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 6                       | 27 May 2022                      | 89.00                    | (60,00,00,000) | -                     | 1,78,48,767 | 1,78,48,767   |
| 7                       | 27 August 2022                   | 92.00                    | (60,00,00,000) | -                     | 1,84,50,411 | 1,84,50,411   |
| 8                       | 27 November 2022                 | 92.00                    | (60,00,00,000) | 60,00,00,000          | 1,84,50,411 | 61,84,50,411  |

\*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.

# The cashflow scheduled provided is tentative and calculated basis that issuance would be of an aggregate of Rs. 60,00,00,000/- (Rupees Sixty Crores only) under that is aggregate of Rs. 30,00,00,000/- (Rupees Thirty Crores only) with a green shoe option of up to Rs. 30,00,00,000/- (Rupees Thirty Crores only). In case of change of the issuance amount under Tranche 1 Debentures on account of non receipt of full oversubscription monies under green shoe option, the cashflow scheduled will stand modified accordingly.



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

Appendix II: Application Form

**SPANDANA SPHOORTY FINANCIAL LIMITED**

A public company with limited liability incorporated on march 10, 2023 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 APPLICATION FORM SERIAL NO. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
|---------------------------------------|---|---|---|---|---|---|---|---|---|

Addressed to: [●]

ISSUE OF UPTO 300 (THREE HUNDRED) RATED LISTED SECURED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UPTO RS. 30,00,00,000/- (RUPEES THIRTY CRORES ONLY) WITH A GREEN SHOE OPTION OF UPTO 300 (THREE HUNDRED) RATED, LISTED, SECURED, REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES HAVING FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 30,00,00,000/- (RUPEES THIRTY CRORE ONLY) ON A PRIVATE PLACEMENT BASIS ("TRANCHE 1 DEBENTURES") ISSUED UNDER THE SHELF DISCLOSURE DOCUMENT DATED NOVEMBER [-], 2020 ("SHELF DISCLOSURE DOCUMENT" OR "SHELF DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF SECURED, SENIOR, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, AGGREGATING UPTO RS. 250,00,00,000/- (TWO HUNDRED AND FIFTY CRORE ONLY) TO BE ISSUED IN ONE OR MORE SERIES, ON PRIVATE PLACEMENT BASIS

**DEBENTURE APPLIED FOR:**

Series/ Tranche \_\_\_\_\_

Number of Tranche 1 Debentures \_\_\_\_\_ in words \_\_\_\_\_

Amount Rs. \_\_\_\_\_ /- in words Rupees \_\_\_\_\_ Crore Only

**DETAILS OF PAYMENT:**

Cheque / Demand Draft / RTGS

No. \_\_\_\_\_ Drawn on \_\_\_\_\_

Funds transferred to Spandana Sphoorty Financial Limited

Dated \_\_\_\_\_

Total Amount Enclosed

(In Figures) Rs. \_\_\_\_\_ /- (In words) \_\_\_\_\_ Only

APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE





Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

We understand and confirm that the information provided in this 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 Tranche 1 Debentures carried out our own due diligence and made our own decisions with respect to investment in these Tranche 1 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 Tranche 1 Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche 1 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 Tranche 1 Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application or issue the Tranche 1 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 Tranche 1 Debentures.

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**

|                   |   |   |   |   |   |   |   |   |   |   |
|-------------------|---|---|---|---|---|---|---|---|---|---|
| <b>SERIAL NO.</b> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
|-------------------|---|---|---|---|---|---|---|---|---|---|

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

|               |   |
|---------------|---|
| Address _____ |   |
| UTR # _____   | Drawn on _____ for Rs. _____ on account of application of _____ Debenture |



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

**ANNEXURE I: COPY OF THE BOARD RESOLUTION**

[Attached separately]



**ANNEXURE II:**  
**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 material 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.

**(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 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 Tranche 1 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 Tranche 1 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 U65929TG2003PLC040648 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 Tranche 1 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 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 Tranche 1 Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Tranche 1 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 Tranche 1 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 material fact or otherwise.



(p) **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 Tranche 1 Debentures.

- (q) 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 Tranche 1 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 Tranche 1 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 Deed Trust Deed and the Tranche 1 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and (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 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.

(f) **End- Use**

The Company shall utilise the monies received towards subscription of the Tranche 1 Debentures for meeting its funding requirements of the Company for on lending to its microfinance portfolio (JLG) as per RBI guidelines. The Company shall also furnish to the Debenture Trustee a certificate from the statutory auditor of the Company in respect of the utilisation of funds raised by the issue of the Tranche 1 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:

- i. The Tranche 1 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;
- ii. It shall perfect the security over the Hypothecated Assets by filing Form CHG-9 with the Registrar of Companies and Form I with CERSAI reporting the charge created to the CERSAI in relation thereto within the timeline stipulated under the Applicable Law, without payment of penalty and shall deliver a copy thereof to the Debenture Trustee;

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 Tranche 1 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 Tranche 1 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 Tranche 1 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**

- (i) 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.
- (ii) 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) **Terms and Conditions of the Tranche 1 Supplemental DD**

The Company shall at all times during the term of these presents comply with any other covenant or undertaking set out in the Shelf DD r/w this Supplemental DD.

**2.2 Information Covenants**

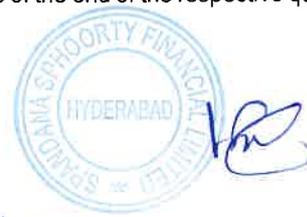
- (a) Without prejudice to the quarterly report or any other report to the submitted by the Company to the Debenture Trustee, the Company shall provide/ cause to be provided information/ report in respect of the following promptly and no later than 10 (Ten) Business Days from the occurrence of such event (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 material respect.
  - D. notify the Debenture Trustee promptly in writing, of 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 Tranche 1 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 the approval of the Board of Directors of the annual business plan of the Company;
- K. provide to the Debenture Trustee such information regarding details of any change in the accounting policy of the Company, which have a material impact, and excluding changes required due to compliance with statutory requirements;
- L. inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- M. inform the Debenture Trustee promptly about any failure to create security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets.
- N. Inform the Debenture Trustee before declaring or distributing any dividend, unless the Company has paid the amounts then due and payable on the Tranche 1 Debentures under the Debenture Trust Deed.
- O. 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.
- P. 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;
- Q. notify the Debenture Trustee in writing of any change to the constitutional documents of the Company;
- R. promptly notify the Debenture Trustee of any changes in the composition of its board of directors of the Issuer;
- S. 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.
- (n) 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: -
- A. 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;
  - B. Unaudited or limited-review financial statements of the Company within 30 (Thirty Five) days of the end of the respective quarter;
  - C. 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;
  - D. Updated list of the names and addresses of the Debenture Holder(s);
  - E. Details of the coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof in relation to the Tranche 1 Debentures;
  - F. 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);
  - G. 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;
  - H. 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;
  - I. 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 30 (Thirty) days of the end of the respective quarter;
  - J. provide to the Debenture Trustee such information regarding details of any change in the accounting policy of the Company, within 30 (Thirty) days of the end of the respective quarter; and



K. submitting such information, as required by the Debenture Trustee.

(b) **Monthly Report to the Debenture Trustee**

Submit to the Debenture Trustee, details in relation to the asset liability management report in the format as acceptable to the Debenture Trustee, on a monthly basis, within 15 (Fifteen) days from the end of the month.

(c) **Half-yearly Certificate**

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 Supplemental DD; (ii) compliance with all the covenants, in respect of Tranche 1 Debentures along with the half-yearly financial results.

(d) **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 120 (One Hundred and Twenty) 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 90 (Ninety) days from the close of each of its accounting quarters.

(e) 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):

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.

- (v) 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.
- (vi) The Company shall provide / submit such information, as may be required by the Debenture Trustee from time to time.
- (vii) 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 shall provide report to the Debenture Trustee periodically of its compliance.

### 2.3 Negative Covenants

The Company hereby covenants with the Debenture Trustee that the Company shall not undertake the following without providing a prior written intimation of atleast 15 (Fifteen) calendar days to the Debenture Trustee and the Majority 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. Provided however, there will be no consent requirement if such requirement leads to the Issuer making default of its payment obligations in relation to the Tranche 1 Debentures.

(c) **Constitutional Documents**

The Company shall not make any amendments to its constitutional documents would prejudicially affect the interests of the Debenture Holder(s).

(d) **Arrangement**

- (i) 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);
- (ii) 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 Tranche 1 Debentures. In all other cases, the Company shall seek the prior written consent of the Debenture Trustee before declaring dividends.

(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 Tranche 1 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**

- (i) 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.
- (ii) 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, without the prior intimation of the Debenture Trustee (acting on behalf of the Debenture Holders).

(j) **Immunity**

The Company shall not claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(k) **Change in provisioning policy**

The Company shall not effect any change in the provisioning policy of the Company other than as required by any relevant regulator.



(l) **Related Party Transaction**

The Company shall not enter into any transaction(s) (except paying the salaries and rent) with a related party during the tenor of the Tranche 1 Debentures where the value in aggregate exceeds 15% of the Tangible Net Worth of the Company during a financial year in respect of each of such related parties. **Tangible Net Worth** for the purposes of this Clause shall mean the net worth of the Company as per its latest audited financial statement as reduced by aggregate value of all intangible assets of the Company.

(m) **Subsidiary**

The Company shall not, dispose of, acquire or incorporate any subsidiary.

**2.4 Financial Covenants**

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

- (i) It shall maintain Capital Adequacy Ratio (Tier 1 and Tier 2) of at least 17% (Seventeen Percent); and
- (ii) Net NPA as a percentage of the average portfolio of the Company shall not increase beyond 5%.

For the purposes of the aforesaid covenants:

**"Net NPA"** shall mean the difference between (i) the outstanding principal value of the portfolio of the Company that has one or more instalments of payments (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.

**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 Date(s) in full or in part. Provided however, in case of delay in payments/ repayments due to any technical reasons a cure period of 3 (Three) calendar days shall be available to the Company.

**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 material respect when made or deemed made and such misrepresentation adversely affects the interest of the Debenture Holders in the reasonable opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holder(s)).

**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 the Shelf DD r/w this Supplemental DD.

**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 Shelf DD read with this Supplemental Disclosure Document(s).

**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, liquidation or dissolution without the prior written intimation of the Debenture Trustee (acting on behalf of the Debenture Holders);



*[Handwritten signature]*

- (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 and is not discharged or stayed within 45 (Forty Five) Business Days;
- (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 Insolvency and Bankruptcy Code, 2016 or a moratorium is agreed or declared in respect of or affecting all the debts of the Company, and the same is not dismissed / quashed within 5 (Five) calendar days from the date of filing such application / petition.

**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) and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days; 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.

**3.13 Cross default**

- (a) Any Financial Indebtedness of the Company 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 Shelf DD and the Tranche 1 Supplemental DD or any other Transaction Documents.

**3.16 Delisting of Tranche 1 Debentures**

The Tranche 1 Debentures cease to be listed on the wholesale 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 Net Worth**

If Company's net worth as per its latest audited financing statements erodes by 50% or more when compared with its net worth as per audited financing statements of the immediately preceding financial year and the same has not been remedied within 30 (Thirty) Business Days.

**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



Serial No.: 1  
Tranche 1

Addressed to: Incred Financial Services Limited  
SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE  
OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS  
DATE: November 26, 2020

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 Tranche 1 Debentures;
- (b) declare that all or part of the Tranche 1 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) 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.

