

Spandana Sphoorty Financial Limited

CIN: L65929TG2003PLC040648

Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,
TSIIC, Raidurg Panmaktha, Hyderabad, Rangareddi, Telangana – 500081

Phone: +9140-45474750 | **Email:** secretarial@spandanaspchoorty.com | **Website:** www.spandanaspchoorty.com

Dear Members,

Invitation to attend the Twentieth Annual General Meeting ("AGM") on Tuesday, August 01, 2023 at 03.30 P.M (IST)

You are cordially invited to attend the AGM of Spandana Sphoorty Financial Limited (the "Company") to be held on Tuesday, August 01, 2023, at 03.30 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM). The notice convening the AGM is attached herewith.

In order to enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference:

S No.	Particulars	Details
1.	Link for live webcast of the AGM and for participation through Video Conferencing (VC / OAVM)	https://emeetings.kfintech.com/
2.	Link for remote e-voting	NSDL: https://eservices.nsdl.com CDSL: https://web.cdslindia.com/myeasi/home/login
3.	Username and password for VC / OAVM	Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/ Kfin Technologies Limited (Kfintech).
4.	Helpline number for VC / OAVM participation and e-voting	Contact KFin Technologies Limited by writing at evoting@kfintech.com ; Tel No.: 1800 309 4001 (Toll free) or Company by writing at secretarial@spandanaspchoorty.com
5.	Cut-off date for e-voting	Tuesday, July 25, 2023
6.	Time period for remote e-voting	Commences on Thursday, July 27, 2023 at 10:00 a.m. (IST) and ends on Monday, July 31, 2023 at 5.00 p.m. (IST)
7.	Last date for publishing results of the e-voting	on or before Thursday, August 03, 2023
8.	Registrar and Share Transfer Agent contact details	Mrs. Shobha Anand, Deputy Vice President KFin Technologies Limited (Unit: Spandana Sphoorty Financial Limited) E-mail: einward.ris@kfintech.com ; Tel No.: 1800 309 4001 (Toll free)
9.	Company's contact details	Mr. Ramesh Periasamy, Company Secretary and Chief Compliance officer E-mail: secretarial@spandanaspchoorty.com Tel No.: +9140-45474750

Yours truly,

Sd/-

Ramesh Periasamy

Company Secretary and Chief Compliance Officer



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Notice

Notice is hereby given that the Twentieth (20th) Annual General Meeting ("AGM") of the Members of Spandana Sphoorty Financial Limited ("Company") will be held on Tuesday, August 01, 2023, at 03.30 p.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements and the Reports of the Board of Directors and Auditors thereon.

To receive, consider and adopt the Audited Financial Statements including the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Board of Directors and the Auditors thereon and in this regard to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Audited Financial Statements including the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, and the Report of the Board of Directors and the Auditors thereon, be and are hereby received, considered and adopted.

2. To appoint a director in place of Mr. Ramchandra Kasargod Kamath (DIN: 01715073), who retires by rotation and being eligible, has offered himself for reappointment.

To consider and, if deem fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") and Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Mr. Ramchandra Kasargod Kamath (DIN: 01715073) who retires by rotation at this Meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

3. To appoint a director in place of Mr. Kartikeya Dhruv Kaji (DIN: 07641723), who retires by rotation and being eligible, has offered himself for reappointment.

To consider and, if deem fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") and Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Mr. Kartikeya Dhruv Kaji (DIN: 07641723) who retires by rotation at this Meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

SPECIAL BUSINESSES:

4. Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis.

To consider and, if deem fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Sections 23, 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and in accordance with Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Guidelines Issued by Reserve Bank of India for Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by Non-Banking Financial Companies and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any Statutory / Regulatory Authority, as may be applicable and the Memorandum and Articles of Association of the Company and subject to the consents, approvals,

permissions and sanctions of the concerned Statutory and Regulatory Authorities, if any and to the extent necessary, approval of the Members be and is hereby accorded to the Board of Directors of the Company (the "Board", which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this Resolution) to create, offer, invite, issue and allot subordinated or unsubordinated, perpetual or non-perpetual, listed or unlisted, secured or unsecured, non-convertible debentures (hereinafter collectively referred as "Securities") on a private placement basis during a period of one year from the date of passing of this Resolution up to an amount not exceeding ₹ 4000,00,00,000/- (Rupees Four Thousand Crore Only) on such terms and conditions, at par or premium or discount, in one or more tranches to such person or persons including but not limited to one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, alternative investment funds, pension/provident funds and individuals as the case may be, as the Board may decide in its absolute discretion.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (including any Committee thereof) be and is hereby authorized to determine and consider the terms that are proper and most beneficial to the Company including, without limitation, the terms of issue including the class of investors to whom the Securities are to be issued, time, securities to be offered, the number of securities, tranches, issue price, tenor, interest rate, premium/ discount, listing, utilization of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard and matters connected therewith or incidental thereto."

5. Appointment of Mr. Vinayak Prasad (DIN:05310658) as an Independent Director of the Company.

To consider and, if deem fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit

taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India and the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. Vinayak Prasad (DIN:05310658), who was appointed as an Additional Director in the capacity of a Non-Executive Independent Director on the Board of the Company with effect from May 02, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) years with effect from May 02, 2023 up to May 01, 2028 (both days inclusive), on such terms and conditions, including a remuneration of ₹ 30,00,000/- (Rupees Thirty Lakh only) per annum AND THAT during the said tenure Mr. Vinayak Prasad shall not be liable to retire by rotation.

6. Appointment of Mrs. Dipali Hemant Sheth (DIN:07556685) as an Independent Director of the Company.

To consider and, if deem fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India and the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mrs. Dipali Hemant Sheth (DIN:07556685), who was appointed as an Additional Director in the capacity of a Non-Executive Independent Director on the Board of the Company with effect from May 02, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of five (5) years with effect from May 02, 2023 up to May 01, 2028 (both days inclusive), on such terms and conditions, including a remuneration of ₹ 30,00,000/- (Rupees Thirty Lakh only) per annum AND THAT during the said tenure Mrs. Dipali Hemant Sheth shall not be liable to retire by rotation.



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7. Re-appointment of Mr. Deepak Calian Vaidya (DIN: 00337276) as an Independent Director of the Company.

To consider and, if deem fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India and the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. Deepak Calian Vaidya (DIN: 00337276), who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations, be and is hereby re-appointed as the Non-Executive Independent Director of the Company for the second term of 3 (three) years with effect from June 06, 2023 up to June 05, 2026 (both days inclusive), on such terms and conditions, including a remuneration of ₹ 30,00,000/- (Rupees Thirty Lakh only) per annum AND THAT during the said tenure Mr. Deepak Calian Vaidya shall not be liable to retire by rotation.

8. To approve payment of remuneration to Non-executive Directors (including Independent Directors) of the Company.

To consider and, if deem fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company at their 16th Annual General Meeting held on July 11, 2019, pursuant

to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, Regulation 17(6) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company, and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for the Non-executive Directors (including Independent Directors) of the Company, including both present and future, be paid annually, a remuneration (including any fee) as the Board of Directors ('the Board', which term shall also include any committee thereof) may determine based on performance and guidelines framed by the Board for this purpose, which will be inclusive of the sitting fees for attending the meetings of the Board or any Committee thereof, subject to a limit of ₹ 30,00,000/- per annum, for each Non-executive Directors (including Independent Directors), effective April 01, 2023, which may exceed 1% or 3% of the net profits of the Company computed as per Section 198 of the Act, payable in such form and manner as the Board of Directors of the Company may from time to time determine.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits / losses in any financial year, the Board may pay the above remuneration to its Non-Executive Directors (including Independent Directors) as minimum remuneration, for a period not exceeding three years or such other period as may be statutorily permitted.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and/or the Board be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.

**By Order of the Board of Directors
For Spandana Sphoorty Financial Limited**

Sd/-

**Ramesh Periasamy
Company Secretary and Chief Compliance Officer**

Date: June 05, 2023

Place: Hyderabad

Registered and Corporate Office:

Spandana Sphoorty Financial Limited

CIN: L65929TG2003PLC040648

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E-mail: secretarial@spandanasphoorty.com |Website: www.spandanasphoorty.com

Phone: +9140-45474750

Notes:

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 20/2021 dated December 08, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 and 11/2022 dated December 28, 2022, (collectively referred as "MCA circulars") issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, (collectively referred as "SEBI circulars") issued by Securities Exchange Board of India from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM) until September 30, 2023. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Deemed venue for the 20th AGM shall be the registered office of the Company.
- As the AGM is being held through VC / OAVM, the route map is not annexed to this Notice.
- Pursuant to the MCA Circulars and SEBI Circulars, the facility to appoint proxy to attend and cast vote for the Members is not available for the AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- Pursuant to the MCA Circulars and SEBI Circulars, dispatching physical copies of the Annual Reports (financial statements, Board's report, Auditor's report or other documents) to the shareholders is dispensed with.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 2000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM.
- In line with the MCA circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.spandanaspooorty.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively.
- AGM shall be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars.
- The Company has appointed Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary (Membership No. FCS 5783) (PCS No.5360), Hyderabad, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
- Explanatory Statement pursuant to Section 102(1) of the Act relating to the Special Businesses to be transacted at the AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to secretarial@spandanaspooorty.com.

Brief profile of the Directors proposed to be appointed / re-appointed is given towards the end of this Notice pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India. The Company has received the requisite consents/ declarations for the appointment/ re-appointment of the Directors mentioned in the Notice of the AGM as stipulated under the Act and the rules made thereunder.
- Item No. 2 and 3, In terms of the provisions of Section 152 of the Act, Mr. Ramchandra Kasargod Kamath (DIN: 01715073) and Mr. Kartikeya Dhruv Kaji (DIN: 07641723) Directors of the Company, retire by rotation at this Meeting. The Board of Directors of the Company recommends the re-appointment of Mr. Ramchandra Kasargod Kamath (DIN: 01715073) and Mr. Kartikeya Dhruv Kaji (DIN: 07641723) as Directors of the Company who retires by rotation at this Meeting.

Mr. Ramchandra Kasargod Kamath (DIN: 01715073) and Mr. Kartikeya Dhruv Kaji (DIN: 07641723) are interested in the resolutions set out in Item No 2 and 3. Save and except the above, none of the other Directors

/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Business set out under Item Nos. 2 and 3 of the Notice.

13. Item No. 5 and 6, In terms of the applicable provisions of the Companies Act, 2013, Mr. Vinayak Prasad (DIN:05310658) and Mrs. Dipali Hemant Sheth (DIN:07556685), were appointed as Additional Directors in the capacity of an Non-Executive Independent Directors of the Company on May 02, 2023. The Board of Directors of the Company recommends their appointment for the approval of the Members at this Meeting.

Mr. Vinayak Prasad (DIN:05310658) and Mrs. Dipali Hemant Sheth (DIN:07556685) are interested in the resolutions set out in Item No 5 and 6. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Business set out under Item Nos. 5 and 6 of the Notice.

14. Item No. 7, In terms of the applicable provisions of the Companies Act, 2013, Mr. Deepak Calian Vaidya (DIN: 00337276), who was appointed as an Independent Director of the Company on June 06, 2018 and whose re-appointment as Independent Director for a further period of three years was recommended by the Board of Directors for the approval of the Members at this Meeting.

Mr. Deepak Calian Vaidya (DIN: 00337276) is interested in the resolution set out in Item No 7. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / his relatives are, in any way, concerned or interested, financially or otherwise, in the Business set out under Item No 7 of the Notice.

15. The Chairperson shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow conducting of voting using electronic system for all those Members who are participating in the AGM and who have not cast their votes by availing the remote e-voting facility.
16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast at the AGM and through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairperson or Managing Director or any other person authorized in writing, who shall countersign the same.
17. The results shall be declared within 48 hours of the conclusion of the AGM and shall be deemed to be passed on the date of the AGM. The Results, along with the Scrutinizer's Report, shall be placed on the website of the Company at www.spandanaspooorty.com and shall be communicated to BSE and NSE

where the equity shares of the Company are listed. The Results shall also be displayed on the Notice Board at the Registered Office of the Company.

18. As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited have been continuously developing new applications. Below is a list of applications that have been developed for the Members.

Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms. URL: <https://ris.kfintech.com/clientservices/isc/default.aspx>

eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link <https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d>

KYC Status: Members can access the KYC status of their folio. The webpage has been created to ensure that Members have the requisite information regarding their folios. URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services. URL: <https://kprism.kfintech.com/signin.aspx>

**By Order of the Board of Directors
For Spandana Sphoorty Financial Limited**

Sd/-
Ramesh Periasamy
Company Secretary and Chief Compliance Officer
Date: June 05, 2023
Place: Hyderabad

Registered and Corporate Office:

Spandana Sphoorty Financial Limited

CIN: L65929TG2003PLC040648

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Procedure For Remote E-Voting

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Kfintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences on Thursday, July 27, 2023 at 10:00 a.m. (IST) and ends on Monday, July 31, 2023 at 5.00 p.m. (IST).
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Members holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual Members holding securities in demat mode."
- viii. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, July 25, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member, as on the cut-off date should treat this Notice for information purpose only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

Procedure for Login for E-voting and Attending AGM through VC/OAVM for Individual Members holding securities in Demat mode.

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual Members holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their Demat accounts to access e-Voting facility.

Login method for Individual Members holding securities in Demat mode is given below:

<p>Individual Members holding securities in Demat mode with National Securities Depository Limited ("NSDL")</p>	<p>A. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> 1. Open https://eservices.nsdl.com 2. Click on the "Beneficial Owner" icon under 'IDeAS' section. 3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" 4. Click on Bank Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period. <p>B. User not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> 1. To register, open https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Select "Register Online for IDeAS "Portal or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Proceed with completing the required fields <p>C. By visiting the e-Voting website of NSDL:</p> <ol style="list-style-type: none"> 1. Open https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Click on the icon "Login" which is available under 'Shareholder/Member' section 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 5. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
<p>Individual Members holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")</p>	<p>A. Existing user who has opted for Easi/Easiest</p> <ol style="list-style-type: none"> 1. Click at https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com 2. Click on New System Myeasi. 3. Login with user ID and Password 4. After successful login of Easi / Easiest, Option will be made available to reach e-voting page 5. Click on e-voting service provider name to cast your vote <p>B. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> 1. Option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration. 2. Proceed with completing the required fields. <p>C. By visiting the e-Voting website of CDSL:</p> <ol style="list-style-type: none"> 1. Visit at www.cdslindia.com 2. Provide Demat Account Number and PAN No. 3. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. 4. After successful authentication, user will be provided links for the respective e-voting service provider where the e-voting is in progress.

Individual Members (holding securities in Demat mode) login through their depository participants	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

I) Login method for remote e-voting for Members other than individual Members holding securities in demat mode and Members holding securities in physical mode.

- i. Initial password is provided in the body of the e-mail.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. **7362**.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at rprassociateshyd@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BFL_EVENT No.'
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

A. Voting at e-AGM by the Members

- i. Only those Members/Members, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

B. Instructions for the Members for attending the e-AGM

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in Members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.
- iii. Further, Members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.
- v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from Thursday, July 27, 2023 (10.00 a.m.) up to Saturday, July 29, 2023 (05.00 p.m.). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time

for the e-AGM. Only questions of the Members holding shares as on the cut-off date will be considered.

- vii. A video guide assisting the Members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the "How It Works" tab placed on top of the page.
- viii. Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

Procedure for Registration of email and Mobile: securities in physical mode

Physical Members are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

Explanatory Statement in respect of Special Businesses pursuant to the provisions of Section 102 of the Companies Act, 2013.

The following statement sets out all material facts relating to the Special Businesses specified at Item Nos. 4 to 8 of the Notice of 20th AGM.

Item No. 4

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

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

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

Accordingly, the approval of the Members is sought by way of special resolution to create, offer(s) or invitation(s) to subscribe to, issue and allot subordinated or unsubordinated, perpetual or non-perpetual listed or unlisted, secured or unsecured, non-convertible debentures under private placement, in one or more tranches, for an amount not

exceeding ₹ 4000,00,00,000/- (Rupees Four Thousand Crore Only), and as per the terms to be decided by the Board and/or the Committee, during the period of one year from the date of passing of the Special Resolution set out in Item no. 4 of this Notice.

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

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

Item No. 5

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at its meeting held on May 02, 2023, has appointed Mr. Vinayak Prasad (DIN:05310658) as an Additional Director in the capacity of Independent Director of the Company for a term of five (5) years with effect from May 02, 2023 to May 01, 2028 (both days inclusive) subject to the approval of the Members through special resolution.

The Company has received:

- (i) consent in writing from Mr. Prasad to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),
- (ii) intimation in Form DIR 8 in terms of the Appointment Rules from Mr. Prasad to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Listing Regulations.
- (iv) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

The Nomination and Remuneration Committee ("NRC") had previously finalized the desired attributes for the selection of the Independent Director(s). Based on those attributes, the NRC recommended the candidature of Mr. Prasad. In the opinion of the Board, Mr. Vinayak Prasad fulfils the fit and proper criteria as specified in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India ("RBI Directions") and conditions for independence specified in the Act, the Rules made thereunder and the Listing Regulations and such other laws / regulations

for the time being in force, to the extent applicable to the Company. The Board noted that Mr. Prasad's skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mr. Prasad is eligible for appointment as an Independent Director. The Board was satisfied that the appointment of Mr. Prasad is justified due to the following reasons:

- Mr. Prasad is a distinguished leader in the fintech and financial services industry, with over 28 years of global experience.
- Has deep knowledge and expertise in payments businesses, strategic advice in digital payments and self-service automation and payment fintech-based solutions.
- Has experience of serving on the Boards of various Organizations.
- Held pivotal positions at ICICI Bank, Capital One and Verifone.

Further, Mr. Prasad has confirmed that (i) he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company; (ii) he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs and (iii) he has not been a partner of a firm that had transactions during last three financial years with Company or its subsidiaries amounting to ten percent or more of its gross turnover.

Based on the recommendation received from NRC and in view of his knowledge, skills and invaluable expertise related to the industry of the Company, it is proposed to appoint Mr. Vinayak Prasad as an Independent Director of the Company in term of Section 149 and 152 of the Companies Act, 2013 read with Schedule IV to the Act for a term of five (5) years with effect from May 02, 2023 to May 01, 2028 (both days inclusive).

In the opinion of the Board, Mr. Prasad is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act, the Listing Regulations and RBI Directions for appointment as an Independent Director and he is independent of the management of the Company.

As an Independent Director, Mr. Prasad shall be entitled to remuneration as detailed in the resolution, to be paid in terms of the provisions of the Act.

A copy of letter of appointment of Mr. Prasad setting out the terms and conditions of appointment is available for inspection by the Members through electronic mode/ at the registered office of the Company during normal business hours up to Tuesday, August 01, 2023.

Pursuant to Secretarial Standard-2 specified by the ICSI and Regulation 36(3) of the Listing Regulations, detailed profile of Mr. Prasad is given in Annexure A.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in item no.5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution, except the appointee.

Item No. 6

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at its meeting held on May 02, 2023, has appointed Mrs. Dipali Hemant Sheth (DIN:07556685) as an Additional Director in the capacity of Independent Director of the Company for a term of five (5) years with effect from May 02, 2023 to May 01, 2028 (both days inclusive) subject to the approval of the Members through special resolution.

The Company has received:

- (i) consent in writing from Mrs. Sheth to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),
- (ii) intimation in Form DIR 8 in terms of the Appointment Rules from Mrs. Sheth to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Listing Regulations.
- (iv) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

NRC had previously finalized the desired attributes for the selection of the Independent Director(s). Based on those attributes, the NRC recommended the candidature of Mr. Prasad. In the opinion of the Board, Mrs. Dipali Hemant Sheth fulfils the fit and proper criteria as specified in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India ("RBI Directions") and conditions for independence specified in the Act, the Rules made thereunder and the Listing Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that Mrs. Sheth's skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mrs. Sheth is eligible for appointment as an Independent Director. The Board was satisfied that the appointment of Mrs. Sheth is justified due to the following reasons:

- Mrs. Sheth has extensive experience in human resource function across all businesses and locations in India.

- Has knowledge and expertise in Strategy, Mergers & Acquisitions, Sales/Distribution, Human Resources areas, and international growth and expansion.
- Has experience of serving on the Boards and Committees of various reputed Organizations.

Further, Mrs. Sheth has confirmed that (i) she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge her duties as an Independent Director of the Company; (ii) she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs and (iii) she has not been a partner of a firm that had transactions during last three financial years with Company or its subsidiaries amounting to ten percent or more of its gross turnover.

Based on the recommendation received from NRC and in view of her knowledge, skills and invaluable expertise related to the industry of the Company, it is proposed to appoint Mrs. Sheth as an Independent Director of the Company in term of Section 149 and 152 of the Companies Act, 2013 read with Schedule IV to the Act for a term of five (5) years with effect from May 02, 2023 to May 01, 2028 (both days inclusive).

In the opinion of the Board, Mrs. Sheth is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act, the Listing Regulations and RBI Directions for appointment as an Independent Director and he is independent of the management of the Company.

As an Independent Director, Mrs. Sheth shall be entitled to remuneration as detailed in the resolution, to be paid in terms of the provisions of the Act.

A copy of letter of appointment of Mrs. Sheth setting out the terms and conditions of appointment is available for inspection by the Members through electronic mode/ at the registered office of the Company during normal business hours up to Tuesday, August 01, 2023.

Pursuant to Secretarial Standard-2 specified by the ICSI and Regulation 36(3) of the Listing Regulations, detailed profile of Mrs. Sheth is given in Annexure A.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in item no.6 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution, except the appointee.

Item No. 7

Mr. Deepak Calian Vaidya (DIN: 00337276) was appointed as an Independent Director of the Company by the Members at the Annual General Meeting of the Company held on June 14, 2018 for a period of 5 (five) consecutive years commencing from June 06, 2018 up to June 05, 2023 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company.

Pursuant to the performance evaluation of Mr. Vaidya and considering his knowledge, acumen, expertise and experience in respective fields and the substantial contribution made, continued association as a Member of the Board would be beneficial to the Company, based on recommendation of the NRC, the Board of Directors, subject to approval of the Members, re-appointed him as a Non-Executive Independent Director, not liable to retire by rotation, for the second term of 3 (three) years, with effect from June 06, 2023 up to June 05, 2026 (both days inclusive).

The Company has received:

- (i) consent in writing from Mr. Vaidya to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),
- (ii) intimation in Form DIR 8 in terms of the Appointment Rules from Mr. Vaidya to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Listing Regulations.
- (iv) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Further, Mr. Vaidya has confirmed that (i) he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company; (ii) he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs and (iii) he has not been a partner of a firm that had transactions during last three financial years with Company or its subsidiaries amounting to ten percent or more of its gross turnover.

Based on the recommendation received from NRC and in view of his knowledge, skills and invaluable expertise related to the industry of the Company, it is proposed to appoint Mr. Deepak Calian Vaidya as an Independent Director of the Company in term of Section 149 and 152 of the Companies Act, 2013 read with Schedule IV to the Act for a term of three (3) years with effect from June 06, 2023 up to June 05, 2026 (both days inclusive).

In the opinion of the Board, Mr. Vaidya is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act, the Listing Regulations and RBI Directions for appointment as an Independent Director and he is independent of the management of the Company.

As an Independent Director, Mr. Vaidya shall be entitled to remuneration as detailed in the resolution, to be paid in terms of the provisions of the Act.

A copy of letter of appointment of Mr. Vaidya setting out the terms and conditions of appointment is available for inspection by the Members through electronic mode/ at the registered office of the Company during normal business hours up to Tuesday, August 01, 2023.

Pursuant to Secretarial Standard-2 specified by the ICSI and Regulation 36(3) of the Listing Regulations, detailed profile of Mr. Vaidya is given in Annexure A.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in item no.7 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution, except the appointee.

Item No. 8

Section 197 of the Companies Act, 2013 ("Act"), as amended, permits payment of remuneration to Directors who are neither Managing Director nor Whole-time Directors, in excess of 1% or 3% of the net profits of a company by obtaining approval of the Members in general meeting by special resolution. Further, the Companies (Amendment) Act 2020 effective 18th March, 2021 inter alia provides that if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its Non-Executive Directors including an Independent Director, any remuneration except in accordance with the provisions of Schedule V of the Act. The remuneration thresholds as prescribed in Schedule V of the Act can be exceeded by passing of special resolution by the Members of the Company. Regulation 17(6) of the Listing Regulations, inter alia provides that the Board shall recommend to the Members for their approval all fees or compensation, if any, paid to Non-Executive Directors including Independent Directors.

The Members of the Company at their 14th Annual General Meeting held on August 24, 2017, had approved the payment of remuneration to the Non-Executive Directors (including the Independent Directors) of the Company, both present and future, up to a maximum limit of ₹ 20,00,000/- (Rupees Twenty Lakh only) each per annum or as the Board may determine based on performance and guidelines framed by the Board for this purpose, which was inclusive of the sitting fees for attending the meetings of the Board or any Committee thereof, to commensurate with the time devoted and the contribution made by them for each of the financial years.

The Directors of the Company play an important role in overseeing the governance, performance and sustainable growth of the Company. The Non-Executive Directors including Independent Directors contribute their wealth of knowledge, skills, expertise, independent perspective, strategies and experience to the business of the Company and provide required diversity in Board's decision-making

process. With the enhanced corporate governance requirements, increased responsibilities and duties of the Directors under the Act and the Listing Regulations and the competitive business environment, the role of the Board, particularly the Independent Directors, has become more onerous, requiring enhanced level of decision-making ability, greater time commitments with high level of oversight.

In view of the above, the time devoted and the contribution made and continue to be made to the Company by the Directors, the Board, basis recommendation of the NRC, at its meeting held on June 05, 2023, has approved and recommended an increase in the current limit of remuneration to the Non-Executive Directors including Independent Directors, both present and future, subject to maximum of ₹ 30,00,000/- (Rupees Thirty Lakh only) per Director, per annum which is inclusive of the sitting fees for attending the meetings of the Board or any Committee thereof, effective from April 01, 2023 considering the earlier remuneration was fixed by the Board 6 years ago and before the listing of equity shares of the Company. The NRC and the Board would determine the annual remuneration payable to the each Director taking into consideration various factors such as Director's participation in Board and Committee meetings and association with the Company during the year and contributions therein, other responsibilities undertaken, time devoted in carrying out their duties, role and functions as envisaged in Act and such other factors as the NRC may consider fit within the overall limit approved by the Members of the Company.

The remuneration (including sitting fees) to the Non-Executive Directors including Independent Directors of the Company in past three financial years is as under:

	FY 2022-23	FY 2021-22	FY 2020-21
No. of Non-Executive Directors including Independent Directors associated in the financial year	10	9	8
Total remuneration paid to the Non-Executive Directors (including Independent Directors) (₹ in million)	12.67	10.00	10.00
Net profits of the Company (on a standalone basis) as per Section 198 of the Act (₹ in million)	182.47	645.86	1,776.34

As given above, no commission other than the annual remuneration (including sitting fee) was paid to the Non-Executive Directors. Considering the unprecedented changes in the economy coupled with competitive and uncertain business environment, an enabling approval of the Members is being requested so as to be able to appropriately remunerate the Non-Executive Directors and Independent Directors of the Company. The remuneration may exceed the limit prescribed under Section 197 and

Schedule V of the Act but shall be subject to a maximum limit of ₹ 30,00,000/- (Rupees Thirty Lakh only), per Director, per annum. Further, in case of loss or inadequacy of profits, the said amount would be paid as minimum remuneration in accordance with Schedule V of the Act for a period not exceeding three years or such other period as may be statutorily permitted. The Company has issued non-convertible debentures. The Company has not defaulted on payment of dues to any bank or public financial institution or any other secured creditors.

The proposed remuneration would be inclusive of the sitting fees for attending meetings of the Board of Directors or any Committee thereof, as approved by the Board from time to time.

Statement pursuant to Part II of Section II of Schedule V of the Act is given below:

1. General Information

Nature of industry	Microfinance			
Date or expected date of commencement of commercial production	March 10, 2003 (commencement of business operation)			
Financial performance based on given indicators (₹ in Million)	Particulars	FY23	FY22	FY21
	Total Income	13,944.53	13,916.00	14,647.46
	PBT	182.47	645.86	1,776.34
	PAT	123.37	466.38	1,289.82
Foreign investments or collaborations, if any.	There is no direct foreign investment in the Company except to the extent Equity Shares are held. There is no foreign collaboration in the Company.			

2. Information about the appointee

Background details	Detailed profile of the Non-Executive Directors and Independent Directors given in the Annual Report. The same should be read as part of this explanatory statement. The details of the remuneration paid also form part of the Annual Report. The Directors of the Company play an important role in sustainable growth, attaining the overall strategic goals of the Company and ensuring adoption of good governance practices. The Non-Executive Directors and Independent Directors of the Company bring with them significant professional expertise and rich experience and knowledge across a wide spectrum of functional areas such as business strategy, finance and corporate governance. They actively engage with the Management for fostering the effectiveness of the Company's performance and setting high quality governance standards and norms for the Company.
Past remuneration	₹ 20 Lakh per annum, per Director
Recognition or awards	N.A.
Job profile and suitability	Details have been mentioned in background details
Remuneration proposed	Remuneration details have been provided in the resolution of Item no. 8.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Details have been mentioned in background details
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any.	None

3. Other Information

Reasons of loss or inadequate profits	N.A.
Steps taken or proposed to be taken for improvement	N.A.
Expected increase in productivity and profits in measurable terms	N.A.

4. Disclosures

Nature of industry	Microfinance
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of the Director;	Disclosures in detail are stated in the resolution at Item no. 8 of this Notice and this explanatory statement. Non-Executive Directors and Independent Directors have not been paid any severance fees, not been granted any stock options nor received any performance linked pay or incentives. The appointment of Non-Executive Directors and Independent Directors on the Board of the Company is a contract for service and not a contract for employment. The terms and conditions of appointment of Independent Directors are uploaded on the website of the Company and can be accessed from the weblink: www.spandanaspooorty.com .
Details of fixed component, and performance linked incentives along with the performance criteria;	
Service contracts, notice period, severance fees; and	

All relevant documents relating to Item No. 8 and referred to in this Notice and Explanatory Statement, are available for inspection by the Members through electronic mode/ at the registered office of the Company during normal business hours up to Tuesday, August 01, 2023.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in item no.8 of the Notice.

Save and except for Non-Executive Directors including Independent Directors of the Company, and their respective relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item no. 8 of the Notice.

By Order of the Board of Directors
For Spandana Sphoorty Financial Limited

Sd/-
Ramesh Periasamy
Company Secretary and Chief Compliance Officer
Date: June 05, 2023
Place: Hyderabad

Registered and Corporate Office:

Spandana Sphoorty Financial Limited

CIN: L65929TG2003PLC040648

Registered Office: Galaxy, Wing B, 16th Floor, Plot No.1,

Sy No 83/1, Hyderabad Knowledge City, TSIC,

Raidurg Panmaktha, Hyderabad,

Rangareddi, Telangana – 500081

E-mail: secretarial@spandanaspooorty.com | Website: www.spandanaspooorty.com

Phone: +9140-45474750

ANNEXURE TO NOTICE

Annexure-A

Information as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and SS-2 - Secretarial Standard on General Meetings with respect to Director's appointment:

1. Mr. Ramchandra Kasargod Kamath.

Date of Birth and Age	19-11-1955 and 67 years
DIN	01715073
Date of first appointment on the Board	04-05-2017
Nationality	Indian
Brief Resume and Experience	Mr. Ramachandra Kasargod Kamath holds a bachelor's degree in commerce from University of Mysore. He is an honorary fellow of the Indian Institute of Banking & Finance since 2009. He was certified as an associate of the Indian Institute of Bankers in 1994. He has previously worked with Corporation Bank for 28 years, where his last held position was general manager. He has worked as chairman and managing director with Punjab National Bank for five years. He was an executive director at Bank of India and also the chairman and Managing Director at Allahabad Bank. He held the post of chairman of the Indian Banks Association. He also serves as a director on the board of directors of Aavas Financiers Limited, Ashimara Housing Private Limited, Centrum Capital Limited, Manipal Technologies Limited, Conatus Finserve Private Limited and New Opportunity Consultancy Private Limited.
Terms and Conditions of Appointment	Appointed as Non-Executive Director liable to retire by rotation, as a Nominee Director of Kedaara Capital I Limited.
Remuneration to be paid and received from the Company in the Financial Year (2022-23)	₹ 20 Lakh
Number of Meetings of the Board attended during the Financial Year (2022-23)	5
Membership/ Chairmanship of the Committees of the Company	Member of Stakeholder Relationship Committee Chairman of Risk Management Committee and Corporate Social Responsibility Committee
Directorship held in other Listed Companies in India	2
Committee Chairmanship / Membership in other public companies*	1. Aavas Financiers Limited - Member of Audit Committee 2. Manipal Technologies Ltd - Chairman of Audit Committee
Shareholdings in the Company	Nil
Relationship between Directors & Key Managerial Personnel	Mr. Kamath is not related to any Director or Key Managerial Personnel of the Company.

2. Mr. Kartikeya Dhruv Kaji.

Date of Birth and Age	22-03-1983 and 40 years
DIN	07641723
Date of first appointment on the Board	31-03-2017
Nationality	Indian
Brief Resume and Experience	Mr. Kartikeya Dhruv Kaji holds a bachelors' degree in arts (economics) from the Dartmouth College, New Hampshire, and a master's degree in business administration (finance and entrepreneurial management) from the Wharton School of the University of Pennsylvania. Kartikeya Dhruv Kaji currently serves as a Principal at Kedaara Capital Advisors LLP. He has previously worked with Perella Weinberg Partners and Merrill Lynch in New York, and with Temasek Holdings Advisors India Private Limited. He also serves as a director on the board of directors of Aavas Financiers Limited, Criss Financial Limited, Caspian Financial Services Limited and Care Health Insurance Limited.
Terms and Conditions of Appointment	Appointed as Non-Executive Director liable to retire by rotation, as a Nominee Director of Kedaara Capital I Limited.
Remuneration to be paid and received from the Company in the Financial Year (2022-23)	Nil
Number of Meetings of the Board attended during the Financial Year (2022-23)	5
Membership/ Chairmanship of the Committees of the Company	Member of Audit Committee, Stakeholder Committee, Nomination and Remuneration Committee, Risk Management Committee, and Asset-Liability Management Committee Chairman of IT Strategy Committee
Directorship held in other Listed Companies (along with listed entities from which resigned in the past three years)	1
Committee Chairmanship / Membership in other public companies*	1. Aavas Financiers Limited - Member of Stakeholder Relationship Committee 2. Care Health Insurance Limited - Member of Audit Committee - Member of Stakeholder Relationship Committee
Shareholdings in the Company	Nil
Relationship between Directors & Key Managerial Personnel	Mr. Kartikeya is not related to any Director or Key Managerial Personnel of the Company.

3. Mr. Vinayak Prasad.

Date of Birth and Age	25-03-1968 and 55 years
DIN	05310658
Date of first appointment on the Board	02-05-2023
Nationality	Indian
Brief Resume and Experience	Mr. Vinayak Prasad holds an MBA degree from the Wharton School of the University of Pennsylvania. He is a distinguished leader in the fintech and financial services industry, with over 28 years of global experience. His notable roles include pivotal positions at ICICI Bank, Capital One, and Verifone where he led payments businesses. Mr. Prasad has also served as a strategic advisor for Meta and WhatsApp in digital payments and has held the position of CEO and MD at Forbes Technosys, a leading provider of self-service automation and payment fintech-based solutions. He serves on the boards of the Self-service Automation Division of Technocrafts Switchgears Private limited and the payment company Frog 8 Technology Services Private Limited.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The role and capabilities required in the case of an independent director are well defined in the Nomination and Remuneration Policy. Further, the Board has a defined list of core skills/expertise/competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Prasad concluded that he possesses the relevant skill and capabilities to discharge the role of Independent Director.
Nature of expertise in specific functional areas	Fintech, digital payments and IT automation.
Terms and Conditions of Appointment	Appointed as Non-Executive Independent Director for a period of 5 years from May 02, 2023 not liable to retire by rotation.
Remuneration to be paid and received from the Company in the Financial Year (2022-23)	NA
Number of Meetings of the Board attended during the Financial Year (2022-23)	NA
Membership/ Chairmanship of the Committees of the Company	Nil
Directorship held in other Listed Companies in India	Nil
Committee Chairmanship / Membership in other public companies*	Nil
Shareholdings in the Company	Nil
Relationship between Directors & Key Managerial Personnel	Mr. Vinayak Prasad is not related to any Director or Key Managerial Personnel of the Company.

4. Mrs. Dipali Hemant Sheth.

Date of Birth and Age	04-07-1965 and 57 years
DIN	07556685
Date of first appointment on the Board	02-05-2023
Nationality	Indian
Brief Resume and Experience	Mrs. Dipali Hemant Sheth holds a bachelor's degree in arts (Honors) from the University of Delhi. She serves as an Independent Director on the Boards of UTI AMC, Latent View Analytics Limited, Bharat Foxconn India Holdings, Advent International (a US-based private Equity firm) acquired DFM Foods Limited, Adani Wilmar Limited, and an Additional Director with UTI Retirement Solutions Limited. She advises on Strategy, Mergers & Acquisitions, Sales/Distribution, Human Resources areas, and international growth and expansion. She served as country head of Human Resources at the Royal Bank of Scotland, India (RBS) from 2008-2017. She also led the Human Resource function across all businesses and locations in India and led a team of 230 HR professionals and 15,000 employees. Prior to RBS, she was with Standard Chartered Bank, for 12 years when the Bank witnessed its most significant expansion and growth. Her last role was Head HR South Asia, where she supervised HR across South Asia, supported the growth of the Wholesale Bank, and has valuable strategy and change experience in several acquisitions, namely the Standard Chartered acquisition of Grindlays, and the American Express acquisition.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The role and capabilities required in the case of an independent director are well defined in the Nomination and Remuneration Policy. Further, the Board has a defined list of core skills/expertise/competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mrs. Sheth concluded that she possesses the relevant skill and capabilities to discharge the role of Independent Director.
Nature of expertise in specific functional areas	Strategy, Mergers & Acquisitions, Sales/Distribution, and Human Resources
Terms and Conditions of Appointment	Appointed as Non-Executive Independent Director for a period of 5 years from May 02, 2023 not liable to retire by rotation.
Remuneration to be paid and received from the Company in the Financial Year (2022-23)	NA
Number of Meetings of the Board attended during the Financial Year (2022-23)	NA
Membership/ Chairmanship of the Committees of the Company	Nil
Directorship held in other Listed Companies in India	4
Committee Chairmanship / Membership in other public companies*	1. DFM Foods Limited - Member in Audit Committee 2. Adani Wilmar Limited - Member in Audit Committee
Shareholdings in the Company	Nil
Relationship between Directors & Key Managerial Personnel	Mrs. Dipali Hemant Sheth is not related to any Director or Key Managerial Personnel of the Company.

5. Mr. Deepak Calian Vaidya.

Date of Birth and Age	09-01-1945 and 78 years
DIN	00337276
Date of first appointment	06-06-2018
Nationality	Indian
Brief Resume and Experience	Mr. Deepak Calian Vaidya is a fellow of the Institute of Chartered Accountants in England and Wales since 1979 and has a bachelor's degree in commerce from Bombay University. He was the Country Head of Schroder Ventures' activity in India from March 1995 to March 2008 and served on the Board of each Schroder Ventures investee company in India. Prior to joining Schroder Ventures, he spent much of his career in Industry holding a variety of positions in Singapore, Indonesia and India. He also served on the International Advisory Board of NASDAQ for eight years. He serves as a director on the board of directors of Marudhar Hotels Private Limited, UTI Capital Private Limited, Indraprastha Medical Corporation Limited, Apollo Multispeciality Hospitals Limited (Formerly known as Apollo Gleneagles Hospital Limited), Criss Financial Limited, API Holdings Limited and Spiracca Ventures LLP.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The role and capabilities required in the case of an independent director are well defined in the Nomination and Remuneration Policy. Further, the Board has a defined list of core skills/expertise/competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Vaidya concluded that he possesses the relevant skill and capabilities to discharge the role of Independent Director.
Nature of expertise in specific functional areas	Strategy, Finance, Investment & Financial services and Corporate Governance
Terms and Conditions of Appointment	Re-appointed as Non-Executive Independent Director for a period of 3 years from June 06, 2023 not liable to retire by rotation.
Remuneration to be paid and received from the Company in the Financial Year (2022-23)	₹ 20 Lakh
Number of Meetings of the Board attended during the Financial Year (2022-23)	5
Membership/ Chairmanship of the Committees of the Company	Member of Audit Committee, Stakeholder Relationship Committee and Corporate Responsibility Committee
Directorship held in other Listed Companies in India	1
Committee Chairmanship / Membership in other public companies*	1. Indraprastha Medical Corporation Limited - Member of Audit Committee 2. Criss Financial Holdings Ltd - Member of Audit Committee
Shareholdings in the Company	Nil
Relationship between Directors & Key Managerial Personnel	Mr. Deepak Calian Vaidya is not related to any Director or Key Managerial Personnel of the Company.

* For the Committee Chairmanship / Membership in other companies, number of memberships in Audit/Stakeholder Committee(s) held in Public Companies alone are considered.