



Ref: SSFL/Stock Exchange/2021-22/081  
Date: February 04, 2022

To  
BSE Limited,  
Department of Corporate Services  
P. J. Towers, 25<sup>th</sup> Floor,  
Dalal Street,  
Mumbai - 400001

To  
National Stock Exchange of India Limited,  
Listing Department  
Exchange Plaza, C-1, Block G  
BandraKurla Complex, Bandra (E)  
Mumbai - 400051

Scrip Code: 542759

Symbol: SPANDANA

Dear Sir,

**Sub: Notice under Section 110 of the Companies Act, 2013 to Members.**

**Ref: Our letter no. SSFL/Stock Exchange/2021-22/078 dated January 29, 2022**

Further to our letter dated January 29, 2022, submitted in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Postal Ballot Notice dated January 29, 2022 along with explanatory statement, seeking approval of the Members through electronic voting (remote e-voting) for appointment of Walker Chandiook & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company. The Notice is being sent to the Members in electronic mode and is also being placed on the website of the Company [www.spandanasphoorty.com](http://www.spandanasphoorty.com).

The Notice is being sent to the Member whose name appears on the register of Members/list of beneficial owners maintained by Depositories/Registrar and Share Transfer Agenda of the Company, as on cut-off date being Friday, January 28, 2022.

In this connection the Company has engaged the services of National Securities Depository Limited for providing e-voting facility to all the Members. The e-voting period will commence from **Monday, February 7, 2022 at 10:00 a.m. (IST)** and will end on **Tuesday, March 8, 2022 at 05:00 p.m. (IST)**.

The results of remote e-voting will be declared on or before **Wednesday, March 9, 2022** at the Registered office of the Company. In case of lock-down, the results of remote e-voting and the Scrutinizer's report will be placed on the website of the Company [www.spandanasphoorty.com](http://www.spandanasphoorty.com) being communicated to the Stock Exchanges where the Company's shares are listed.

We request you to kindly take note of the same.

Thanking you

**For Spandana Sphoorty Financial Limited**

**Ramesh Periasamy**  
**Company Secretary and Compliance officer**

*Encl.: As Above*



**SPANDANA**

**SPANDANA SPOHOORTY FINANCIAL LIMITED**

**CIN: L65929TG2003PLC040648**

**Regd. Office:** Plot No: - 31 & 32, Ramky Selenium, Tower A, Ground Floor, Financial District, Nanakramguda, Hyderabad-500032 (TS)

**Website:** www.spandanaspohoorty.com | **Phone No.:** 040-45474750 | **E-mail:** secretarial@spandanaspohoorty.com

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### **NOTICE OF POSTAL BALLOT**

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars (as defined below)

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Secretarial Standards issued by the Institute of Company Secretaries of India on General Meeting ('SS-2') and the relaxations and clarifications issued by Ministry of Corporate Affairs ('MCA') vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No.20/2021 dated December 8, 2021 ('MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ('SEBI Circulars') (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), and pursuant to other applicable laws and regulations, that the Resolution appended below is proposed to be passed by way of Postal Ballot only through electronic means ('e-voting'). The proposed Resolution together with the explanatory statement setting out the material facts and reasons for the passing of the Resolution are being sent to you for your consideration.

In accordance with the MCA Circulars and SEBI Circulars, this Postal Ballot Notice ('Notice') is being sent by e-mail to all the Members whose e-mail addresses are available in the beneficial ownership data of National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the record of the KFin Technologies Private Limited ('Kfintech'), Registrar and Share Transfer Agent of the Company and hard copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the Members for this Postal Ballot. The Members are required to communicate their assent or dissent through the e-voting facility only. The Company has engaged National Securities Depository Limited ('NSDL') for facilitating e-voting in a secure manner. For more details in this regard, your attention is invited to the Notes to this Notice.

The Company has appointed Mr. Y Ravi Prasada Reddy (Membership No. FCS 5783), Proprietor, RPR & Associates, Practicing Company Secretaries (CP No. 5360), Hyderabad as Scrutinizer for conducting process of e-voting in accordance with the provisions of the Act read with Rules and the MCA Circulars in a fair and transparent manner.

The Members are requested to carefully read and follow the instructions on e-voting provided in Notes to this Notice.

The Scrutinizer will submit his report to the Authorized Director or any Authorized Person appointed by the Chairman for declaration of the result of the remote e-voting on Wednesday, March 9, 2022 at the Registered Office of the Company. The results of the e-voting and the Scrutinizer's report will be placed on the Company's website www.spandanaspohoorty.com and will be communicated to the National Stock Exchange of India Limited and BSE Limited, where the equity shares / securities of the Company are listed.

#### **SPECIAL BUSINESS:**

#### **ITEM NO.1: APPOINTMENT OF WALKER CHANDIOK & CO. LLP, CHARTERED ACCOUNTANTS AS THE STATUTORY AUDITORS OF THE COMPANY:**

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

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**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCS (including Housing Finance Companies) issued by the Reserve Bank of India (“RBI”) vide its Notification Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 and Frequently Asked Questions dated June 11, 2021 (“RBI Guidelines”), including any amendment, modification, variation or re-enactment thereof, subject to necessary compliances, Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) issued by (The Institute of Chartered Accountants of India) be and are hereby appointed as the Statutory Auditors of the Company with effect from January 29, 2022 until the conclusion of the Nineteenth Annual General Meeting of the Company to be held in the calendar year 2022, subject to their continuity of fulfilment of the applicable eligibility norms.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 142, 149 and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company (including any committee thereof) be and are hereby authorised to fix the remuneration payable to the Statutory Auditors of the Company, from time to time including the actual travelling and out of pocket expenses incurred in connection with the audit, in addition to taxes as applicable, during the appointed period.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**By the Order of the Board of Directors  
For Spandana Sphoorty Financial Limited  
Sd/-  
Ramesh Periasamy  
Company Secretary & Compliance Officer**

**Place: Hyderabad  
Date: January 29, 2022**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 and Section 110 of the Companies Act, 2013 (the “Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 in respect to the special business is annexed herewith and forms part of the Notice.
2. The Company has appointed Mr. Y Ravi Prasada Reddy (Membership No. FCS 5783), Proprietor, RPR & Associates, Company Secretaries (CP No. 5360), Hyderabad as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.
3. In view of the threat of Covid-19 the Company is unable to get the Postal Ballot Notice and Postal Ballot Form printed and dispatched. The approval of Members is being sought through remote e-voting only.
4. The Postal Ballot Notice is being sent to all the Members whose names appear in the Register of Members/ Record of Depositories as at the close of business hours on Friday, January 28, 2022 (“Cut-Off Date”). Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on Cut-Off Date.
5. You are requested to read carefully the instructions before exercising the vote and complete the e-voting on or before 5.00 p.m. on Tuesday, March 8, 2022.
6. **The Company is offering only remote e-voting facility to its Members to enable them cast their vote.** A Member has to carefully follow the instructions as given for e-voting. He/ She can use the facility and log in any number of times till he/she has voted on the Resolution or till the end of the voting period, whichever is earlier. Members who have not registered their e-mail ID for receipt of documents in electronic mode under the green initiative of Ministry of Corporate Affairs need to follow the process for those Members whose email ids are not registered to participate in remote e-voting.
7. **Voting through electronic means:**  
In terms of the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and

Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular no. 02/2021 dated January 13, 2021 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (“SEBI”), the Company is providing facility to exercise votes on the item of business given in the Notice through electronic voting system only, to Members holding shares as on Friday, January 28, 2022 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by National Securities Depository Limited (“NSDL”).

**8. The instructions for E-voting are as under:**

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual Members holding securities in demat mode**

In terms of SEBI circular dated December 9, 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 in order to access e-Voting facility.

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

Type of Members	Login Method
<p><b>Individual Members holding securities in demat mode with NSDL</b></p>	<p>i. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>ii. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Members/Member</b>’ section. 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. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>iv. Members/Member can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p>

	<p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <p style="text-align: center;">  App Store      Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p><b>Individual Members holding securities in demat mode with CDSL</b></p>	<ol style="list-style-type: none"> <li>i. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>ii. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>iii. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>iv. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<p><b>Individual Members login through their demat accounts / Website of Depository Participant</b></p>	<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. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Members/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	Eight Character DP ID followed by Eight Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	Sixteen Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Members other than Individual Members are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your eight-digit client ID for NSDL account, last eight digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those **Members whose email ids are not registered**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Members whose e-mail IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM, Postal Ballot Notice and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM, Postal Ballot Notice and e-voting instructions cannot be serviced, may temporarily get their e-mail address and mobile number provided with Kfin Technologies Private Limited (“Kfintech”) Registrar and Share Transfer Agent of the Company, by accessing the link: <https://ris.kfintech.com/clientservices/postalballot/>. Members are requested to follow the process as guided to capture the e-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- ii. Alternatively, member may send an e-mail request at the e-mail id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the postal ballot notice and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

### **General Instructions**

- i. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rprassociateshyd@gmail.com](mailto:rprassociateshyd@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep

your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Swapneel Puppala, Assistant Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- iv. **In case Members of the Company have not registered their e-mail address:**
  - 1. Please provide DPID-CLID (sixteen digit DPID + CLID or sixteen-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [secretarial@spandanaphoorty.com](mailto:secretarial@spandanaphoorty.com). Individual Members are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual Members holding securities in demat mode.
  - 2. Alternatively Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- v. The Remote E-voting period commences from 10.00 a.m. (IST) on Monday, February 7, 2022 and ends at 5.00 p.m. (IST) on Tuesday, March 8, 2022. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of Friday, January 28, 2022, may cast their vote electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- vi. The Scrutinizer shall, unlock the votes in the presence of at least 2 (two) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Company Secretary of the Company.
- vii. Subject to the receipt of sufficient votes, the Resolutions shall be deemed to be passed on the last date of voting i.e., Tuesday, March 8, 2022. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.spandanaphoorty.com](http://www.spandanaphoorty.com) and also on the notice board placed at the Registered Office of the Company.
- viii. The Scrutinizer will submit his report after completion of the scrutiny and results of the Postal Ballot would be announced by Wednesday, March 9, 2022 through e-mail and the Resolution will be taken as passed, if the results of e-voting indicate that the requisite majority of the Members had assented to the Resolution.
- ix. The Scrutinizer's decision on the validity of E-voting shall be final. As indicated earlier, the results will be published on the website of the Company [www.spandanaphoorty.com](http://www.spandanaphoorty.com) besides being notified to BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed. Results will also be posted on the Website of NSDL, [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



## EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO.1:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, S. R. Batliboi & Co. LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company by the Members for a period of 5 (five) years at their Fifteenth Annual General Meeting ("AGM") held on August 3, 2018, to hold office from the conclusion of the Fifteenth AGM until the conclusion of the Twentieth AGM. Accordingly, S. R. Batliboi & Co. LLP, Chartered Accountants have completed 3 (three) years out of their existing term.

The Reserve Bank of India ("RBI") vide its circular Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 had issued Guidelines for Appointment of Statutory Central Auditors/Statutory Auditors of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) ("RBI Notification"). Subsequently, the RBI had also released Frequently Asked Questions ("FAQs") dated June 11, 2021, inter alia clarifying that the existing Statutory Auditors who have completed 3 (three) years with an entity would not be able to continue as Auditors with effect from second half of the Financial Year 2021-22. Paragraph 8 of the RBI Notification prescribes the tenure of a statutory auditor and imposes a ceiling on the number of NBFCs for which it can act as an auditor.

S. R. Batliboi & Co. LLP, ("S.R. Batliboi") have audited the Company for a continuous period of 8 (eight) years, which exceeds the tenure of 3 (three) years prescribed by paragraph 8.1 and 8.2 of the RBI Notification. Also, S.R. Batliboi is already a statutory auditor for eight NBFCs which is the ceiling imposed by paragraph 8.3 of the RBI Notification. In accordance with the conditions prescribed under the RBI Notification, S.R. Batliboi is ineligible to continue as the statutory auditor of the Company.

Consequently, in terms of the RBI Notification and related FAQs, S.R. Batliboi has tendered their resignation with effect from January 28, 2022 after furnishing all requisite certifications, reports and any other required documents for the relevant period. The Audit Committee and the Board of Directors have taken note of the said resignation by way of resolution dated January 29, 2022 and also noted the fact that there were no other reasons specified by them for the resignation apart from the eligibility requirements as prescribed under the RBI Notification.

In accordance with the requirement of the RBI Notification, Statutory Audit Policy and Appointment Procedure of Statutory Auditors as approved by the Board of Directors at their meeting held on May 22, 2021 and Section 139(8) of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company, based on the recommendation of the Audit Committee, have appointed Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), to act as the Statutory Auditors of the Company with effect from the date of passing of Resolution by the Board of Directors, i.e., January 29, 2022 until the conclusion of the Nineteenth Annual General Meeting of the Company to be held in the calendar year 2022.

The appointment will be for a term of 3 (three) years subject to the said firm continuing to fulfil the applicable eligibility norms as prescribed under the RBI Notification, as follows:

- i. Pursuant to Section 139 (8)(i) of the Companies Act, 2013, Walker Chandiok & Co. LLP, Chartered Accounts shall hold office as the Statutory Auditors of the Company commencing from January 29, 2022 up to the conclusion of the Nineteenth Annual General Meeting to be held in the calendar year 2022.
- ii. At the Nineteenth Annual General Meeting, approval of the Members will be taken to appoint Walker Chandiok & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of 2 (two) consecutive years to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty-first Annual General Meeting of the Company to be held in the calendar year 2024.

Walker Chandiok & Co. LLP, Chartered Accountants, is a partnership firm established in 1935. With 13 offices across the country, 53 partners and a team of over 1,500 people, Walker Chandiok & Co. LLP provides audit, tax and advisory services in India. The firm has experience across a range of industries, market segments, and geographical corridors. Walker Chandiok & Co. LLP has a significant experience of auditing companies in the financial services sector including banks, NBFCs, insurance and assets management companies.

Walker Chandiook & Co. LLP, have consented to the appointment and issued a certificate along with relevant information as mentioned in the RBI Notification, to the effect that the appointment, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and the RBI Notification.

In accordance with the requirement of the aforesaid RBI Notification, the Board of Directors have appointed Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), to act as the Statutory Auditors of the Company with effect from the date of passing of Resolution by the Board of Directors viz. January 29, 2022 until the conclusion of the Nineteenth Annual General Meeting of the Company to be held in the calendar year 2022, subject to their continuity of fulfilment of the applicable eligibility norms.

The Board of Directors of the Company (including any committee thereof) may be authorised to fix the remuneration payable to the statutory auditors of the Company, from time to time including the actual travelling and out of pocket expenses incurred in connection with the audit, in addition to taxes as applicable, during the appointed period.

The Board of Directors, accordingly, recommends the appointment of Walker Chandiook & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company as set out at Resolution no. 1 of this Notice for the approval of the Members.

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 aforesaid resolution.

**Disclosure under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:**

<b>Proposed statutory audit fees payable to the auditors</b>	The fees proposed to be paid to Walker Chandiook & Co. LLP, Chartered Accountants, towards statutory audit, limited review and consolidation of accounts for the Financial Year 2021-22 shall be ₹91,00,000 (Indian Rupees Ninety-one Lakhs only). The said fees shall excluding certification fees, applicable taxes, reimbursements and other outlays.
<b>Terms of appointments</b>	Walker Chandiook & Co. LLP, Chartered Accountants, to act as the Statutory Auditors of the Company with effect from the date of passing of Resolution by the Board of Directors viz., January 29, 2022 until the conclusion of the Nineteenth Annual General Meeting of the Company to be held in the calendar year 2022.  The term of appointment will be for a period of 3 (three) years subject to the said firm continuing to fulfil the applicable eligibility norms as prescribed under the RBI Notification, as follows: (i) Pursuant to Section 139 (8)(i) of the Companies Act, 2013, Walker Chandiook & Co. LLP, shall hold office as the Statutory Auditors of the Company commencing from January 29, 2022 up to the conclusion of the Nineteenth Annual General Meeting to be held in the calendar year 2022. (ii) At the Nineteenth Annual General Meeting, approval of the Members will be taken to appoint Walker Chandiook & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of 2 (two) consecutive years to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty-first Annual General Meeting of the Company to be held in the calendar year 2024.
<b>Material change in the fees payable to the new auditor</b>	There is no material change in the fees payable to the proposed auditor. The outgoing auditors were paid the fees of ₹85,00,000 (Indian Rupees Eighty-five Lakhs

	only) excluding certification fees, applicable taxes, reimbursements and other outlays, for the Financial Year 2020-21.
<b>Basis of recommendation and auditor credentials</b>	<p>The recommendations are based on the fulfilment of the eligibility criteria prescribed by RBI Notification, the Statutory Audit Policy and Appointment Procedure of Statutory Auditors of the Company and the Companies Act, 2013.</p> <p>Auditor’s credentials: Walker Chandiok &amp; Co. LLP, Chartered Accountants, is a partnership firm established in 1935, with registration number 001076N/N500013, having office at 11th Floor, Tower II, One International Center, S B Marg, Prabhadevi (W), Mumbai - 400013 Maharashtra. With 13 offices across the country, 53 partners and a team of over 1,500 people, Walker Chandiok &amp; Co. LLP provides audit, tax and advisory services in India. The firm has experience across a range of industries, market segments, and geographical corridors. Walker Chandiok &amp; Co. LLP has a significant experience of auditing companies in the financial services sector including banks, NBFCs, insurance and assets management companies.</p>

**By the Order of the Board of Directors**  
**For Spandana Sphoorty Financial Limited**  
Sd/-  
**Ramesh Periasamy**  
**Company Secretary & Compliance Officer**

**Place: Hyderabad**  
**Date: January 29, 2022**