



Ref: SSFL/Stock Exchange/2022-23/011

Date: May 05, 2022

To
BSE Limited,
Department of Corporate Services
P. J. Towers, 25th 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/2021-22/100 dated March 18, 2022

Further to our letter dated March 18, 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 April 30, 2022 along with explanatory statement seeking approval of the Members through electronic voting (remote e-voting) for following items:

- a. To approve the appointment of Mr. Shalabh Saxena (DIN:08908237) as a Director of the Company.
- b. To approve the appointment and remuneration of Mr. Shalabh Saxena (DIN:08908237) as the Managing Director and Chief Executive Officer 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.spandanaspchoorty.com. The Notice is being sent to the Member whose name appears on the register of Members/list of beneficial owners maintained by Depositories as on cut-off date being Friday, April 29, 2022.

In this connection the Company has engaged the services of KFin Technologies Limited for providing e-voting facility to all members. The e-voting period will commence from Friday, May 06, 2022 at 10:00 a.m. (IST) and will end on Saturday, June 04, 2022 at 05:00 p.m. (IST).

The results of remote e-voting will be declared on or before Monday, June 06, 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.spandanaspchoorty.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.

Your Sincerely,
For Spandana Sphoorty Financial Limited

Ramesh Periasamy
Company Secretary and Compliance officer

Encl.: As Above



SPANDANA

SPANDANA SPHOORTY FINANCIAL LIMITED

CIN: L65929TG2003PLC040648

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

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

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 pursuant to other applicable laws and regulations, that the Resolution(s) appended below are proposed to be passed by way of Postal Ballot only through electronic means ('e-voting'). The proposed Resolution(s) together with the explanatory statement setting out the material facts and reasons for the passing of the Resolution(s) are being sent to you for your consideration.

In accordance with the MCA 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 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 Kfintech 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 Chairperson for declaration of the result of the remote e-voting on or before Monday, June 6, 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.spandanaspooorty.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: APPROVE THE APPOINTMENT OF MR. SHALABH SAXENA (DIN:08908237) AS A DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions, if any, and relevant circulars issued by the Reserve Bank of India ("RBI"), from time to time,

applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), the Articles of Association of the Company, and further to the recommendation of the Nomination and Remuneration Committee and the Board of Directors (“Board”), approval of the Members be and is hereby accorded to appoint Mr. Shalabh Saxena (DIN:08908237) as a Director of the Company to hold the office for the period co-terminus with his tenure as the Managing Director and Chief Executive Officer of the Company AND THAT he shall not be liable to retire by rotation in terms of the relevant provisions of the Act and the Articles of Association of the Company.

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

ITEM NO.2: TO APPROVE THE APPOINTMENT AND REMUNERATION OF MR. SHALABH SAXENA (DIN:08908237) AS THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY:

To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution:** “**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relevant circulars issued by the Reserve Bank of India (“RBI”), from time to time, applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), the Articles of Association of the Company, and further to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors (“Board”), the approval of the Members be and is hereby accorded to appoint Mr. Shalabh Saxena (DIN:08908237) as the Managing Director and Chief Executive Officer of the Company for a period of five (5) years with effect from March 19, 2022 AND THAT he shall not be liable to retire by rotation, in terms of the relevant provisions of the Act and the Articles of Association of the Company and upon the following terms and conditions mentioned in Point I to III below which includes remuneration, and with further liberty to the Board to alter the said terms and conditions of appointment and remuneration of Mr. Shalabh Saxena from time to time in the best interests and in accordance with the policy of the Company and as may be permissible by law:

- I. Period: The period of appointment is five (5) years with effect from March 19, 2022 up to March 18, 2027 with the liberty to either party to terminate the appointment on three months’ notice in writing to the other;
- II. Fixed Remuneration of ₹4,50,00,000/- (Indian Rupees Four Crore Fifty lakhs Only);
- III. Variable Remuneration of ₹1,50,00,000/- (Indian Rupees One Crore Fifty lakhs Only), will be payable annually on pro-rata basis at the end of the year, subject to review & recommendation of the Nomination and Remuneration Committee/Board in line with the performance of Mr. Saxena and the Company;
- IV. Entitled for stock based compensation of 9,80,000 Stock Options, as per the terms and conditions of the Company’s ESOP Plan(s)/Scheme(s) vested over a period of 4 (four) years at a grant price equivalent to the two-week volume-weighted average stock price of the Company, as on the date of grant;
- V. Any other allowance, benefit and perquisites as per the Rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisite as the Board may from time to time determine.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and/or the Board be and are hereby authorized to alter and vary the terms and conditions of the said appointment and/or remuneration including revision in remuneration and in accordance with and subject to the provisions of applicable laws for the time being in force.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and/or the Board be and are hereby authorized to determine the annual salary increments/ revision in the remuneration, perquisites and all other benefits as part of the annual salary review exercise as per the Company's policy applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and/or the Board be and are hereby authorized to determine the performance bonus/variable remuneration as per the Company's Policy.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits/ losses in any financial year, the fixed pay and perquisites (subject to annual review from time to time) as approved by the Nomination and Remuneration Committee, the Board, shall be the minimum remuneration payable to Mr. Shalabh Saxena.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may necessary for obtaining any approvals-statutory, contractual or otherwise, in relation to the above, and to do all such acts, deeds, matters and things as may be necessary, proper 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: April 30, 2022**

NOTES:

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 (the "Act") in respect of the resolution contained in the above Notice is appended 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, April 29, 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 Saturday, June 4, 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 log on to <https://ris.kfintech.com/clientservices/postalballot/> to provide their e-mail ID and they would get an e-mail with the link 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 ("Listing Regulations") read with General Circular no. 20/2021 dated December 8, 2021 issued by Ministry of Corporate Affairs and the Listing Regulations, 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, April 29, 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 KFin Technologies Limited (“KFintech”).

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

Step 1: Access to Depositories e-Voting system in case of individual shareholders.

Step 2: Access to KFintech e-Voting system in case of non-individual shareholders.

Details on Step 1 are mentioned below:

Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> i. Visit URL: https://eservices.nsdl.com ii. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. iii. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> i. To register click on link : https://eservices.nsdl.com ii. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed with completing the required fields. iv. Follow steps given in points 1. <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> i. Open URL: https://www.evoting.nsdl.com/ ii. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iv. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e., KFintech. v. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1. Existing user who have opted for Easi/ Easiest</p> <ol style="list-style-type: none"> i. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii. Click on New System Myeasi iii. Login with your registered user id and password. iv. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. v. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1 <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> i. Visit URL: www.cdslindia.com ii. Provide your demat Account Number and PAN No.

	<p>iii. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the demat Account.</p> <p>iv. After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e- Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>2. Once logged-in, 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.</p> <p>3. Click on options available against company name or e-Voting service provider - Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</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 Shareholders 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

Login method for e-voting for Members other than Individual Shareholders.

- A. Members whose e-mail IDs are registered with the Company/ Depository Participants (s), will receive an e-mail from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:**
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 6567, followed by folio number.-In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of 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.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., '6567-Postal Ballot" and click on "Submit".
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either

“FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

- viii. Members holding multiple demat accounts shall choose the voting process separately for each demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative on its behalf to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id rprassociateshyd@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Spandana Sphoorty Financial Limited_6567.”
- B.** Members whose e-mail IDs are not registered with the Company/Depository Participant(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 KFintech, 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.
 - ii. Alternatively, member may send an e-mail request at the e-mail id 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.

The Scrutinizer will submit his report after completion of the scrutiny and results of the Postal Ballot would be announced on or before Monday, June 6, 2022 through e-mail and the Resolution(s) will be taken as passed, if the results of e-voting indicate that the requisite majority of the Members had assented to the Resolution(s).

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.spandanasphoorty.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 KFintech, <https://evoting.kfintech.com>.

C. General Instructions

- i. **In case Members of the Company have not registered their e-mail address:**

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circular mentioned hereinabove, the Company will send Postal Ballot Notice in Electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the Members would take place through the e-voting system only. Therefore, those Members who have not yet registered their e-mail address are requested to get their e-mail addresses temporarily registered by visiting <https://ris.kfintech.com/clientservices/postalballot/>. Post successful registration of e-mail, the Member would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable remote e-voting for this Postal Ballot. In case of any queries, member may write to evoting@Kfintech.com
- ii. The Remote E-voting period commences from 10.00 a.m. (IST) on Friday, May 6, 2022 and ends at 5.00 p.m.

(IST) on Saturday, June 4, 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, April 29, 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.

- iii. The Scrutinizer shall, unlock the votes in the presence of at least two (2) 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.
- iv. Subject to the receipt of sufficient votes, the Resolutions shall be deemed to be passed on the last date of voting i.e., Saturday, June 4, 2022. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.spandanaspooorty.com and also on the notice board placed at the Registered Office of the Company and on the website of KFintech.
- v. To receive communication through electronic means, including annual reports and notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with KFintech on <https://ris.kfintech.com/clientservices/postalballot/or> contact Mrs. C Shobha Anand, Toll Free No. 1800 309 4001, at [Unit: Spandana Spooorty Financial Limited] KFin Technologies Limited, Selenium Building B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana State, India.

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

ITEM NO.1 AND 2:

TO APPROVE THE APPOINTMENT OF MR. SHALABH SAXENA (DIN:08908237) AS A DIRECTOR OF THE COMPANY AND APPROVE THE APPOINTMENT AND REMUNERATION OF MR. SHALABH SAXENA (DIN:08908237) AS THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY

Background

In order to fill the vacancy caused by the resignation of former Managing Director of the Company, the Board of Directors ("Board") based on the recommendation of the Nomination and Remuneration Committee, at its meetings held on November 22, 2021, approved the appointment of Mr. Shalabh Saxena (DIN:08908237) as the Managing Director and Chief Executive Officer ("MD & CEO") for a period of 5 (five) years with effect from the date of joining.

Subsequently, the Board at its meeting held on March 18, 2022 based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Shalabh Saxena (DIN:08908237) as a Director for the period co-terminus with his tenure as the MD & CEO of the Company for a period of 5 years with effect from March 19, 2022. He has also been appointed as a Key Managerial Personnel in terms of Section 203 of the Companies Act, 2013 (the "Act").

Reference to the provision of section 196, 197, 198 and 203 of the Act, read with schedule V to the Act as amended from time to time, provides for payment of managerial remuneration by Companies, requires Members approval for payment of managerial remuneration to the managerial person for period of not exceeding 3 years by way of Special Resolution. Hence the Board recommends the resolution for Member approval by way of Special Resolution, provided that such variation or increase in remuneration may be beyond the specified limit as specified under the relevant provisions of Section 196, 197, 198 and Schedule V to the Act and in case of inadequacy of profits.

Rationale for Appointment

Mr. Shalabh Saxena has over 26 years of strong retail finance experience and his expertise lies in consumer banking and life insurance industry. Throughout his career, he has run large profit centres and SBUs across various business lines in Life Insurance and Consumer Banking. Core competence and exposure revolves around distribution and handling sales in large business environments, Marketing, Strategy, Information Technology, Planning, Alliances and Acquisitions.

In his long tenure, Mr. Saxena was the Managing Director and Chief Executive Officer of Bharat Financial Inclusion Limited, Director - Marketing & Customer Retention, Canara HSBC Oriental Bank of Commerce Life Insurance and among others in his previous organisations viz., HSBC Life Insurance, ING Life Insurance and Standard Chartered Bank. Mr. Saxena is a Post Graduate in Masters Business Administration from B K School of Management, Ahmedabad.

Considering his expertise in Banking, Strategic Planning, Finance and prior association with the NBFCs/Banks, it would be in the best interest of the Company to appoint him as the MD & CEO of the Company.

Eligibility and Disclosures

Mr. Shalabh Saxena is not disqualified from being appointed as a Managing Director and Chief Executive Officer in terms of Section 164 and Schedule V of the Act and other applicable laws. Mr. Saxena satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under Section 196(3) of the Act for being eligible for this appointment.

Further, Mr. Saxena is not debarred from holding the office of director by virtue of any SEBI order or of any other such authority. The Company has received all the necessary disclosures from him in terms of the Act and rules made thereunder, RBI guidelines, Listing Regulations and Code of Conduct of the Company. The Nomination and Remuneration Committee and the Board has reviewed his profile and found him 'fit and proper' in terms of RBI's Circular on 'Fit and proper' criteria for directors of NBFCs.

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

The information as required under Schedule V of the Companies Act, 2013 with reference to the Special Resolution is set out in Annexure B.

The Board of the Company recommends the passing of the Resolution at Item No. 1 as an Ordinary Resolution and Item No. 2 as a Special Resolution.

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

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

**Place: Hyderabad
Date: April 30, 2022**

Annexure A: Statement pursuant to Secretarial Standard-2 specified by the ICSI and Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Mr. Shalabh Saxena
DIN	08908237
Date of Birth	May 26, 1971
Date of First Appointment on the Board	March 19, 2022
Brief resume including experience	Mr. Shalabh Saxena has over 26 years of strong retail finance experience and his expertise lies in consumer banking and life insurance industry. Throughout his career, he has run large profit centres and SBUs across various business lines in Life Insurance and Consumer Banking.
Expertise in specific functional areas	Distribution and handling sales in large business environments, Marketing, Strategy, Information Technology, Planning, Alliances and Acquisitions.
No. of Board Meetings attended during the year as a Director	Not Applicable
Directorships currently held in other Listed Companies and Listed Companies from which the person has resigned in past 3 years	Nil
Memberships / Chairmanships of Committees in other Companies	Nil
Remuneration last drawn	Nil
Shareholding in the Company	Nil
Relationship with other Directors and Key Managerial Personnel of the Company	Nil
Terms and conditions of appointment	Appointment as Director (Executive) for the period co-terminus with his tenure as Managing Director and Chief Executive Officer of the Company subject to approval of Members for a period of 5 (five) years.
Remuneration Sought to be paid	Remuneration details have been provided in the resolution of Item No. 2.

Annexure B: Statement pursuant to Part II of Section II of Schedule V of the Companies Act, 2013 in respect of the appointment of Mr. Shalabh Saxena as the Managing Director and Chief Executive Officer of the Company (Refer Item No. 2 of the Postal Ballot Notice)

1. General Information				
Nature of industry	Microfinance			
Date or expected date of commencement of commercial production	March 10, 2003			
Financial performance based on given indicators (₹ in Crores)	Particulars	FY21	FY20	FY19
	Total Income	1,505.61	1,469.50	1,048.53
	PBT	200.45	618.45	473.47
	PAT	145.46	351.83	311.90
Foreign investments or collaborations, if any.	There is no direct foreign investment in the Company except to the extent Equity Shares held. There is no foreign collaboration in the Company.			
2. Information about the appointee				
Background details	Mr. Shalabh Saxena has over 26 years of strong retail finance experience and his expertise lies in consumer banking and life insurance industry. Throughout his career, he has run large profit centres and SBUs across various business lines in Life Insurance and Consumer Banking.			
Past remuneration	₹4.5 crore.			
Recognition or awards	-			
Job profile and his suitability	<p>Details have been mentioned in background details above.</p> <p>Further, considering his expertise in Microfinance, Strategic Planning, Marketing, Strategy, Information Technology and prior association with one of the largest Microfinance Company in India, it would be in the interest of the Company to appoint him as the Managing Director and Chief Executive Officer.</p>			
Remuneration proposed	Remuneration details have been provided in the resolution of Item No. 2.			
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)	Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies in the industry.			
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.			