

24/05/23 தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPOORTY FINANCIAL LIMITED

G. Rh
02 178561
G. RAJENDRAN
No. 1, 2nd Floor, 1st Cross Street,
Chokkulambalur, Coimbatore - 632 001.

This Stamp Paper forms an integral part of the
DEBENTURE TRUST DEED

Executed by M/s SPANDANA SPOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 10.04.2023

Red. Khansingh



For Catalyst Trusteeship Limited

Marne S.V.S.
Authorised Signatory

Trusteeship Limited
James E. U.S.
 Authorised Signatory



21/03/23 தமிழ்நாடு தமிழ்நாடு TAMILNADU

SPANDANA SPHOORTY FINANCIAL LIMITED

GRH
CZ 178563
G. ராமச்சந்திரன்
கனம் டீபுட்டி கமிஷனரேயுள்ளர்
தமிழ்நாடு அரசு
செயலகம், சென்னை - 600 007

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DEBENTURE TRUST DEED

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 10.04.2023

Red. Chavara



For Catalyst Trusteeship Limited

[Signature] R. V. S.
Authorised Signatory

Authorised Signatory



21/03/23 தமிழ்நாடு தமிழ்நாடு TAMILNADU

SPANDANA SPOORTY FINANCIAL LIMITED

G.Rb
CZ 178566
G. ராமச்சந்திரன்
மேலாதிபதி, தனது தனியார் அலுவலகம்
No 79, பழையகோட்டை கோவில் தெரு,
குருக்கம்பாளையம், வேலூர் - 632 001.

This Stamp Paper forms an integral part of the
DEBENTURE TRUST DEED

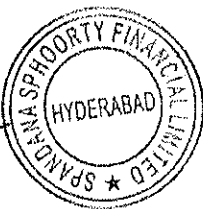
Executed by M/s SPANDANA SPOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

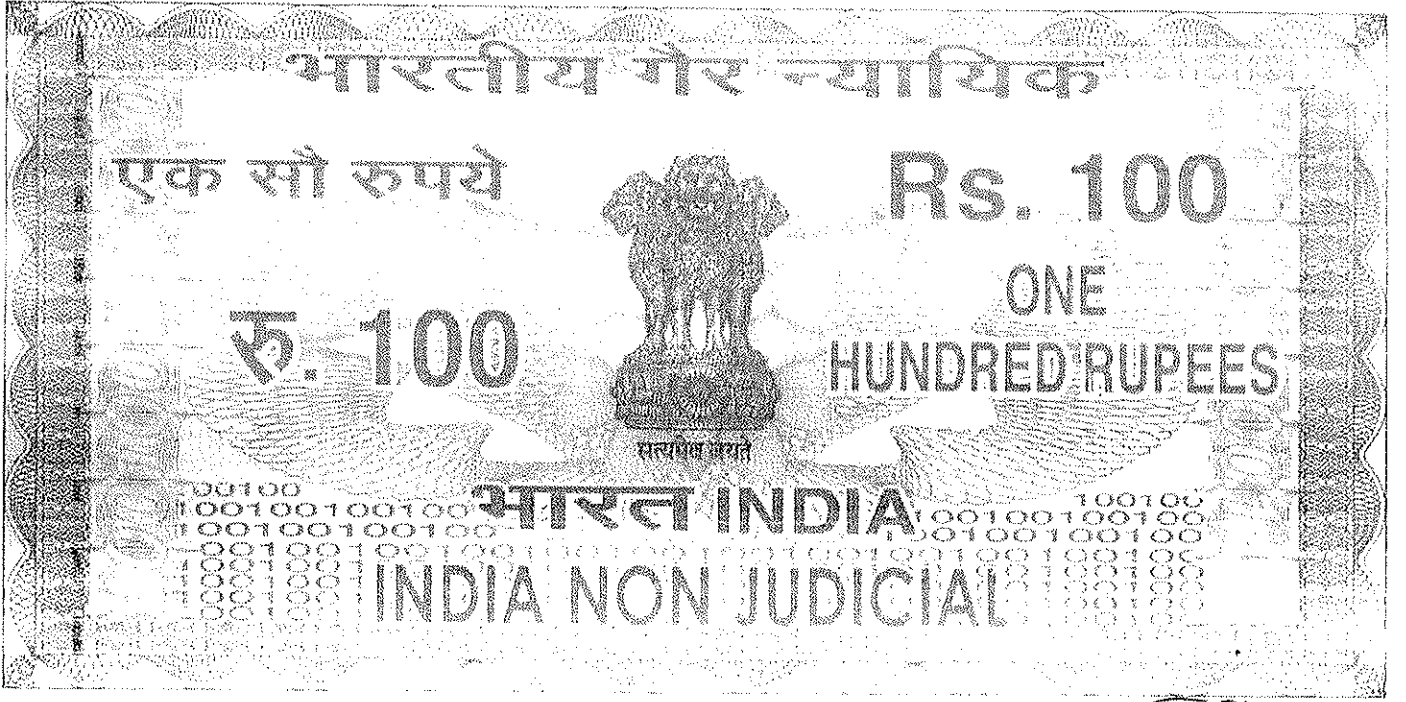
Dated: 10.04.2023

Red. Channay



For Catalyst Trusteeship Limited

Anand R. V.S.
Authorised Signatory



24/03/23 தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPOHOORTY FINANCIAL LIMITED

G.R.
CZ 178568
G. ராமச்சந்திரன்
முத்துலக் கட்டளை நிதியுதவியாளர்
L.No. 77/V. 8/2021
No 79, மாரியம்பட்டி கோவில் தெரு,
அடுக்கம்பாளையம், வேலூர் - 632 001.

This Stamp Paper forms an integral part of the
DEBENTURE TRUST DEED

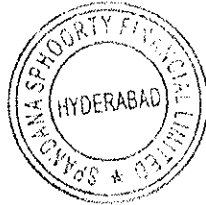
Executed by M/s SPANDANA SPOHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 10.04.2023

Red. Khan



For Catalyst Trusteeship Limited
[Signature] E.V.S.
Authorised Signatory



24/03/23 தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPOORTY FINANCIAL LIMITED

G.Rh
02 178569
G. RAVI KUMAR
குடிநீர் தரவாரிசு கார்ப்பரேஷன்
LTS 714, 2021
No 79, மாரதாபுரம் கோவில் தெரு,
அருகாம்பாளையம், வேலூர் - 632 001.

This Stamp Paper forms an integral part of the
DEBENTURE TRUST DEED

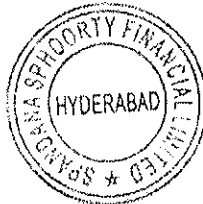
Executed by M/s SPANDANA SPOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 10.04.2023

red. Khan



For Catalyst Trusteeship Limited

Marne E. V.S.
Authorised Signatory

Authorised Signatory



21/05/23 தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPOORTY FINANCIAL LIMITED

G.Rh
CZ 178571
G. ராமசுந்தரன்
குத்திரைத் தாது வீதியை கையாளர்
L.No. 77/M. 10.04.21
No 79 மாரியம்மன் கோவில் தெரு,
அடுக்கம்பாறை, வேலூர் - 632 001.

This Stamp Paper forms an integral part of the
DEBENTURE TRUST DEED

Executed by M/s SPANDANA SPOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 10.04.2023

For Catalyst Trusteeship Limited

Authorised Signatory

red. Chauras

Marne R. V.S.



DEBENTURE TRUST DEED

This **DEBENTURE TRUST DEED** (hereinafter referred to as the "**Deed**") is made at Chennai on this 10th day of April, Two Thousand and Twenty Three, by and between:

SPANDANA SPHOORTY FINANCIAL LIMITED, a public limited company incorporated under the Companies Act, 1956 (1 of 1956) and registered as a Non-Banking Financial Company-microfinance institution with the Reserve Bank of India, having its registered office at Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana and branch office at H.No:31, Ground Floor, Palani Rathana, Velu Street, Sainathapuram, Vellore, Tamil Nadu- 632001 (hereinafter referred to as the "**Company**", which expression shall, unless repugnant to the subject or context thereof, be deemed to mean and include its successors and permitted assigns) of the **ONE PART**;

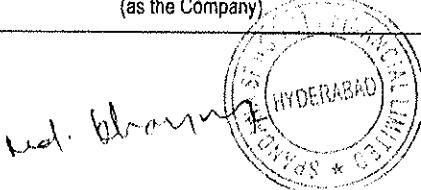
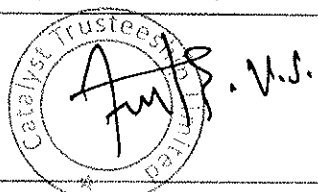
AND

CATALYST TRUSTEESHIP LIMITED, a company incorporated under the Companies Act, 1956 (1 of 1956) and having its registered office at GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune, Maharashtra- 411038, and having its branch office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098 and at 3/360, Rajeshwari Avenue, Madhanagar main road, Madhanandapuram, Chennai-600125 hereinafter called the "**Debenture Trustee**" (which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include its successors and permitted assigns) of **THE OTHER PART**.

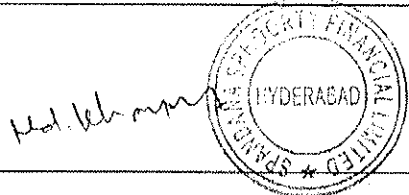
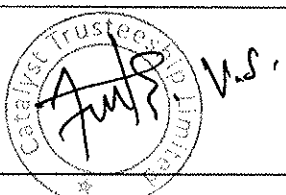
The Company and the Debenture Trustee shall be individually referred to as a "**Party**" and collectively as the "**Parties**".

WHEREAS:

- A. With a view to raising debt, the Company intends to issue upto 2500 (Two Thousand Five Hundred) Senior Secured Rated Listed Redeemable Transferable Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of up to Rs. 25,00,00,000/- (Rupees Twenty-Five Crores only) (hereinafter referred to as the "**Debentures**") for cash, at par, in dematerialized form on a private placement basis to certain identified investors (hereinafter referred to as the "**Issue**").
- B. The Debentures shall be issued on a private placement basis in accordance with the terms and conditions of placement memorandum issued by the Company on April 10, 2023 ("**Placement Memorandum**") setting out the terms and conditions of the Debentures, in accordance with the provisions of the Companies Act, 2013 and the regulations applicable to the issuance of debentures notified by Securities Exchange Board of India (SEBI) and the Reserve Bank of India (RBI), from time to time.

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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- C. The Company shall utilise the monies received from the Issuer in accordance with Clause 1.2.2.
- D. The Company being duly empowered by its memorandum of association and articles of association, shall issue and allot / has issued and allotted the Debentures pursuant to the authority granted by the resolution(s) of the shareholders of the Company in the annual general meeting held on September 21, 2022 and the resolution of the Board of Directors of the Company passed at its meeting held on July 11, 2022 and August 04, 2022 read with the resolution passed by the Management Committee of the Board of Directors dated April 04, 2023.
- E. The Debentures are being issued in dematerialised form and are subject to the provisions of the Depositories Act notified by the Central Depository Services (India) Limited ("CDSL") and the National Securities Depository Limited ("NSDL") from time to time. Therefore, the Company has entered into an agreement with CDSL and NSDL respectively, for issuing the Debentures in dematerialised form.
- F. The Company has obtained credit rating for the Debentures being secured under these presents from the Rating Agency (as defined hereinafter), which has affirmed a rating of "INDRa A" with 'stable' outlook to the Debenture issuance of the Company *vide* its letter dated April 04, 2023.
- G. The Debentures are to be listed on the wholesale debt market of the National Stock Exchange of India Limited ("NSE") or on any other recognised stock exchange in India, which shall be disclosed in the Placement Memorandum.
- H. The Debenture Trustee is registered with the Securities and Exchange Board of India as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and pursuant to the consent letter dated March 31, 2023 (bearing reference number CL/DEB/22-23/1927) addressed by the Debenture Trustee which has been accepted by the Company, the Debenture Trustee has agreed to act as the debenture trustee in trust and on behalf of and for the benefit of the Debenture Holder(s) (as defined hereinafter) and the Debenture Holder(s) from time to time, and each of their successors and assigns.
- I. The Debenture Trustee and the Company have entered into a Debenture Trustee Agreement (as defined hereinafter) whereby the Company has appointed the Debenture Trustee and the Debenture Trustee has agreed to be appointed as the debenture trustee, in trust for, on behalf of, and for the benefit of the Debenture Holder(s) and for purposes related thereto, including for holding the Security (as defined hereinafter) to be created by the Company in favour of the Debenture Trustee to secure Secured Obligations (as defined hereinafter) in respect of the issuance of the Debentures, for the benefit of the Debenture Holder(s).
- J. One of the terms of the Issue of the Debentures is that the redemption of the principal amounts, coupon/interest, the remuneration of the Debenture Trustee, and all costs, charges, expenses and other monies payable by the Company in respect of the Debentures will be *inter alia* secured by way of a first ranking exclusive charge over the Hypothecated Assets (as defined hereinafter).

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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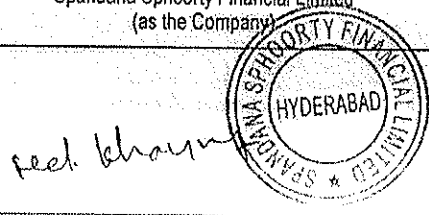
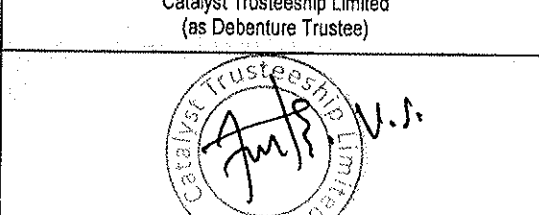
- K. Accordingly, the Debenture Trustee has called upon the Company to execute a deed being these presents with a view to record the various terms, conditions and stipulations of the Debentures, terms and conditions of the appointment of the Debenture Trustee as well as the Company's obligations in respect of the Debentures including, redemption of the Debentures, payment of the Coupon including Default Interest thereon (if applicable), outstanding remuneration of the Debenture Trustee and all costs, charges, expenses and other monies payable in accordance with the terms of the issue of the Debentures and the creation of Security (*as defined hereinafter*), and the Company has agreed to do so in the manner agreed by the Debenture Trustee, as hereinafter provided.
- L. This Deed is split into the following sections: (i) Part A which sets out the terms of Debentures, which are standard in nature or are terms stipulated pursuant to statutory or regulatory requirements; (ii) Part B which sets out the terms of the Debentures which are specific to this issuance of Debentures; (iii) Part C which sets out the meaning of capitalised terms and expressions used in the Deed; and (iv) Part D, which contains the Schedules and Annexures which are cross referred to under this Deed.

NOW THIS DEED WITNESSETH AND IT IS HEREBY MUTUALLY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

1. **PART A: STANDARD TERMS**
- 1.1 **APPOINTMENT OF DEBENTURE TRUSTEE**
- 1.1.1 **Settlement of Trust**

The Company has appointed the Debenture Trustee as trustee for the Debenture Holder(s) pursuant to the Debenture Trustee Agreement. The Company hereby settles in trust with the Debenture Trustee, a sum of Rs. 1,000/- (Rupees One Thousand only). The Debenture Trustee hereby confirms receipt of and accepts the above amount of Rs. 1,000/- (Rupees One Thousand only) in trust hereby declared and hereby agrees to act in a fiduciary capacity as trustee for the sole and exclusive benefit of the Debenture Holder(s) and its/their transferees and assignees from time to time in accordance with the terms and conditions of this Deed. The Debenture Trustee acknowledges that the Debenture Holder(s) have agreed to subscribe to the Debentures *inter alia* on this basis. The Debenture Trustee in such capacity as a trustee agrees:

- (a) to execute and deliver all documents, agreements, Instruments and certificates contemplated by this Deed to be executed and delivered by the Debenture Trustee or as the Debenture Trustee shall deem advisable and in the best interest of the Debenture Holder(s);
- (b) to take whatever action shall be required to be taken by the Debenture Trustee by the terms and provisions of this Deed, to exercise its rights and perform its duties and obligations under such documents;

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- (c) subject to the terms and provisions of this Deed, to take such other action in connection with the foregoing as the Debenture Holder(s) may from time to time direct.

PROVIDED that before initiating any action or exercising any right or performing any duty under this Deed or any of the other Transaction Documents, the Debenture Trustee shall, unless otherwise provided for in the Transaction Documents, seek written instructions from the Majority Debenture Holder(s) and only upon receipt of relevant instructions from the Majority Debenture Holder(s) shall the Debenture Trustee exercise such rights and perform such duties and obligations referred to herein. Notwithstanding such requirement for instructions in writing, the Debenture Trustee shall never knowingly take any action inconsistent with the best interests of the Debenture Holder(s).

1.1.2 Debenture Trustee Remuneration

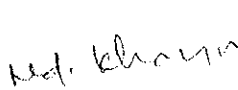
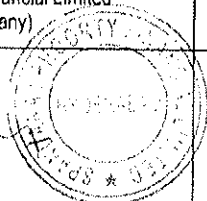

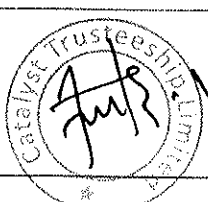
The remuneration of the Debenture Trustee shall be as per the terms of the consent letter executed between the Debenture Trustee and the Company *vide* its letter dated March 31, 2023 (bearing reference number no. CL/DEB/22-23/1927).

1.1.3 Resignation

- (a) The Debenture Trustee may, at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee, provided that it shall have given at least 1 (One) month's prior notice in writing to the Company in that behalf and that it shall continue to act as Debenture Trustee until a successor trustee ("Successor Trustee") is appointed by the Company.
- (b) The Company shall, upon receipt of notice of resignation issued by the Debenture Trustee, take prompt steps to appoint another entity competent to act as trustee for the Debenture Holder(s) in place of the Debenture Trustee. Provided any appointment of a Successor Trustee under this Clause shall only be filled after convening a meeting of the Debenture Holders or obtaining the written consent of the Majority Debenture Holder(s).
- (c) The Successor Trustee to be appointed shall be a body corporate or a company which is registered under the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, as applicable from time to time.

1.1.4 Removal

The Debenture Holder(s) may for sufficient cause, after giving not less than 21 (Twenty One) Business Days' notice in writing to the Company, remove the Debenture Trustee if so approved by the Debenture Holders holding Super Majority and nominate an entity competent to act as their trustee and require the Company to appoint such entity as the Successor Trustee. The

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Company shall within 15 (Fifteen) Business Days of receipt of such decision approved by the Debenture Holder(s) take all the necessary steps to appoint the entity so nominated as the Successor Trustee and complete all necessary formalities to give effect to such appointment; Provided that the Debenture Trustee shall continue to act as Debenture Trustee until the Successor Trustee is appointed by the Company.

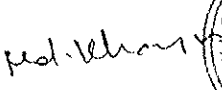



1.1.5 Successor Trustee as the Debenture Trustee

Upon the appointment of the Successor Trustee pursuant to the preceding Clauses 1.1.3 (Resignation) or Clause 1.1.4 (Removal) above, all references in this Deed to the Debenture Trustee shall unless repugnant to the context mean and refer to the Successor Trustee and the Successor Trustee shall without any further act or deed succeed to all the powers and authorities of the Debenture Trustee as if it had been originally appointed as the debenture trustee.

1.2 AMOUNT OF DEBENTURES AND COVENANT TO MAKE PAYMENTS

1.2.1 Issue of Debentures

- (a) The Debentures constituted and proposed to be issued in terms of this Deed and the Placement Memorandum are 2500 (Two Thousand Five Hundred) Senior Secured Rated Listed Redeemable Transferable Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, for an aggregate amount of Rs. 25,00,00,000/- (Rupees Twenty-Five Crores only), which Debentures are proposed to be issued on private placement basis either at par/premium/discount.
- (b) The Company covenants with the Debenture Trustee that it shall pay to the Debenture Holder(s), the applicable coupon/interest/redemption premium (if any), Default Interest and the Redemption Amount in respect of the Debentures on the Due Dates mentioned in the Transaction Documents or earlier (including in the case of any Event of Default/ exercise of Put Option/ exercise of Mandatory Redemption) and shall also pay all other amounts due in respect of the Debentures as stipulated and in accordance with Part B of this Deed. The Company shall make / release all Payments due by the Company in terms of the Transaction Documents to the Debenture Holder(s) in proportion to their dues.
- (c) The obligations of the Debenture Holders to subscribe to the Debentures is conditional upon the fulfilment prior to the Deemed Date of Allotment, to the satisfaction of the Debenture Trustee (or where permissible under Applicable Law, waiver by the Debenture Trustee in writing in their sole discretion), of each of the conditions described under **Part A (Conditions Precedent)** of **Schedule III (Conditions Precedent and Conditions Subsequent)** (the "**Conditions Precedent**") of this Deed. The Company shall be responsible for and use all efforts to ensure the satisfaction of each of the Conditions Precedent required to be fulfilled by it within the time prescribed herein.

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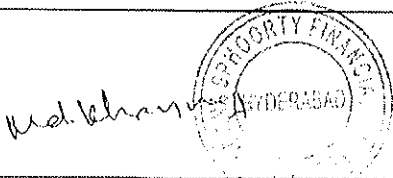
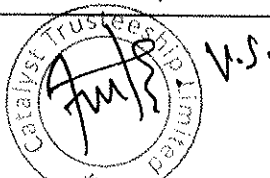
- (d) The Company shall fulfil the conditions subsequent as set out in **Part B (Conditions Subsequent)** of **Schedule III (Conditions Precedent and Conditions Subsequent)** (the "**Conditions Subsequent**") of this Deed within the time period as more particularly set out thereto.
- (e) The Company shall make all Payments due by the Company in terms of the Transaction Documents in accordance with the terms of this Deed, and/or other Transaction Documents and in the event that this Deed, and/or any other Transaction Document does not provide for the same, as per the instructions of the Debenture Trustee.
- (f) On such Payment being made by the Company, the Company will inform the Depository and accordingly, the respective beneficial owner accounts of the Debenture Holder(s) will be adjusted. The Company's liability to the Debenture Holder(s) in respect of all their rights in respect of the Debentures, including for payment of Default Interest or otherwise shall cease and stand extinguished on the Final Settlement Date in accordance with the terms of this Deed and the Security created in relation to the Debentures shall be released by the Debenture Trustee. The Company shall inform the Debenture Trustee whenever any payment to the Debenture Holder(s) is made towards the Redemption Amount outstanding on the Debentures and any coupon/interest accrued thereon, including Default Interest (if any).

1.2.2 End- Use/ Purpose

- (a) The Company shall utilise the monies received towards (i) general corporate purposes, and (ii) ordinary course of business of the Company including repayment or refinancing of existing debt of the Company.
- (b) The Company undertakes that no part of the proceeds of the Debentures received from the Debenture Holder(s) shall be utilized by the Company directly or indirectly towards business activities of Restricted Party, capital markets including equity and equity linked instruments or any other capital market related activities, any speculative purposes or any investment in the real estate sector, land acquisition or usages that are restricted for bank financing.

Provided that the Company shall not use the proceeds from the subscription of any Debentures until:

- (i) the issue and allotment of the Debentures has been completed;
- (ii) the Company has filed a return of allotment with the relevant Registrar of Companies in Form PAS-3 in accordance with the Act and the relevant rules thereunder.

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1.2.3 Form of the Debentures


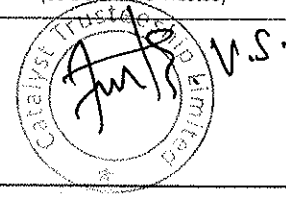
- (a) The Debentures are proposed to be issued and allotted in dematerialised form and the Company has entered into depository arrangements with Depository for issue of Debentures in dematerialised form.
- (b) As the Debentures (or any part thereof) when issued in a dematerialised form, which are subject to the provisions of the Depositories Act, 1996 and the rules notified by the Depository from time to time, the Company and the Debenture Holder(s) are required to observe and follow the same. Further, the guidelines issued by the Depository shall be followed by the Company, the Debenture Holder(s) and the Debenture Trustee.

1.2.4 Listing of the Debentures

- (a) The Company shall ensure the listing of the Debentures on the wholesale debt market of the NSE within 3 (Three) Business Days from the date of closing of the Issue and do all necessary compliances to get the Debentures listed on the stock exchanges.
- (b) The Company shall at all times comply with all applicable RBI regulations, SEBI regulations and other Applicable Laws in relation to the issuance of the Debentures and the listing of the Debentures on the wholesale debt market of NSE and shall further ensure that all government approvals and resolutions required to issue or list the Debentures are in place. The Company does hereby agree and undertake that it shall (if the same has not already been completed) execute the applicable listing agreements and other agreements, documents and other writings as may be stipulated by the concerned stock exchange for listing of the Debentures on such stock exchange and further agrees and undertakes that it shall furnish all such information and documents as may be required by a stock exchange for the continuous listing of the Debentures. In case of delay in listing of Debentures beyond 3 (Three) Business Days from the Issue Closing Date, the Company will pay penal interest of 1% p.a. over the Coupon rate from the Deemed Date of Allotment and till the listing of the Debentures, to the Debenture Holders.

1.2.5 Debentures to rank *pari passu*

- (a) The applicable coupon/interest/redemption premium, the Redemption Amount(s) and all other monies payable in respect of the Debentures and secured in terms of the Transaction Documents shall, between the Debenture Holder(s), inter-se rank *pari passu* without any preference or priority whatsoever on account of date of issue or allotment or otherwise.
- (b) The Debentures shall, between the Debenture Holders, inter-se rank *pari passu* without any preference or priority whatsoever. The rights or interest pertaining to security interest created/ to be created on the Hypothecated Assets in terms of the Deed of Hypothecation

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between the Debenture Holders shall rank *pari passu* without any preference or priority to any category of the Debentures.

1.2.6 Repayment/ Redemption

The Debentures shall be taken as fully redeemed on payment of the Outstanding Amounts by the Company on the Final Settlement Date (including upon the occurrence of an Event of Default or subject to the exercise of Put Option or exercise of Mandatory Redemption) and such payment shall be confirmed by the Debenture Trustee in writing. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holder(s). The Redemption Amount for each Debenture shall be equal to the face value of the said Debentures plus the accrued Coupon and Default Interest and other charges.

1.2.7 Interest

(a) Interest on Application Money

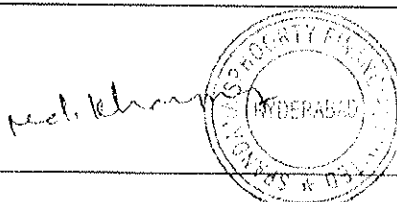

The Issuer shall be liable to pay to each Debenture Holder, interest on the Application Monies (subject to any tax deductible at source under Applicable Law) paid by the said Debenture Holder in the event that the Debenture Holder has remitted the Application Monies prior to the relevant Deemed Date of Allotment, for which interest shall be calculated at the Coupon Rate applicable for the Debentures issued on the Application Monies, for the period commencing from the date on which the said Debenture Holder has made payment of the Application Monies in respect of the Debentures and ending on the day prior to the relevant Deemed Date of Allotment. The interest on the Application Monies shall be paid by the Issuer to the Debenture Holders within 7 (Seven) Business Days from the relevant Deemed Date of Allotment. Where pay-in date for the Debentures and Deemed Date of Allotment for the Debentures are the same, no interest on Application Money is to be paid.

(b) Coupon

The Company shall be liable to pay the Debenture Holders interest/ return on Debentures/ coupon on the Debentures which shall subject to Clause 2.3 be calculated at the Coupon Rate.

(c) Coupon Payment Date(s):

The Coupon shall be payable half-yearly on each Coupon Payment Date. The illustration of cashflows is provided under **Schedule I** of this Deed.

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(d) **Computation of Coupon:**

All Coupon accruing on the face value of the Debentures shall accrue from day to day and be calculated on an actual/actual day count basis, at the Coupon Rate and rounded to the nearest Rupee. The Coupon shall be computed on the principal outstanding on the Debentures and shall be payable on each Coupon Payment Date.

(e) **Default Interest**

Without prejudice to the remedies available to the Debenture Trustee under the Transaction Documents or under the Applicable Law, on occurrence of the following events:

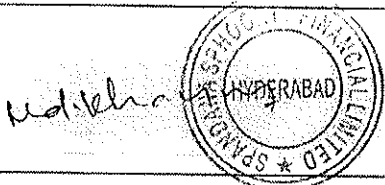

- (i) Failure by the Company in the performance of its payment obligations under the Debentures on the relevant Due Dates, the Company shall be liable to pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon Rate, computed on the entire outstanding amounts of the Debentures, for the period commencing from the date of the occurrence of the default and expiring on the date on which the default ceases or has been remedied or waived. The default interest under the terms of this Clause 1.2.7 may be waived by the Majority Debenture Holder(s) in the event of failure by the Company in the performance of its payment obligations is for the following technical reasons as set out below and does not exceed 2 (Two) Business Days from the date of such failure to pay:

(A) The Due Date for such payment falls on a day which is not a Business Day.

(B) In the opinion of the Debenture Trustee, the payment infrastructure, i.e. RTGS transfers, was experiencing any downtime.

- (ii) Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, on the Event of Default or in case of default by the Company in the performance of any other covenants, including but not limited to Financial Covenants, Management and Reporting Covenants, breach of Security Cover as provided for in this Deed, the Company shall be liable to pay default interest which shall be calculated at 2% (Two Percent) per annum over the Coupon Rate computed on the entire outstanding amount of the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived.

- (iii) In case of delay in listing beyond 3 (Three) Business Days from Issue Closing Date the Company shall pay default interest at the rate of 1% (One Percent) per

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annum over and above the Coupon Rate, from the Deemed Date of Allotment till the listing of Debentures; and

- (iv) In case of any delay in execution of this Deed and/or in case of any delay in execution of the Deed of Hypothecation within the timelines prescribed under this Deed, the Company will refund the subscription monies with agreed rate of interest or shall pay interest of 2% (Two percent) per annum over and above the Coupon Rate till these conditions are complied with at the option of the Debenture Holder.

The default or penal interest payable in terms of this Clause is hereinafter collectively referred to as the "**Default Interest**" which Default Interest shall be levied on the Debenture Outstandings from the date of occurrence of such default. The Default Interest rates mentioned in Clause 1.2.7(e) above are independent of each other.

1.2.8 Business Day Convention

"**Business Day**" mean any day when commercial banks are open for business in Mumbai.

For the purpose of the definition of Business Day, in respect of:

The time period between the Issue Closing Date and the listing of the Debentures on the Stock Exchanges: 'Business Day' means all trading days of the Stock Exchanges for Debentures as specified by the SEBI, excluding Saturdays, Sundays and bank holidays, as specified by the RBI.

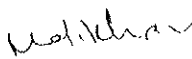



In the event that the date for performance of any event or any of the Coupon Payment Dates or any Record Date falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination or the date for performance of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

In the event that the Principal Payment Date(s) / Maturity Date of the Debentures falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment.

The above definition of 'Business Day' is as per the SEBI circular bearing reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by SEBI, as modified, amended or supplemented from time to time, in relation to the day count convention.

1.2.9 Principal Payment Date(s)

The principal amount due on the Debentures shall be payable by the Company on the Principal Payment Dates (as identified in **Schedule I**) or earlier (including upon the occurrence of an Event

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of Default or subject to the exercise of Put Option or subject to the exercise of Mandatory Redemption) subject to adjustments on account of business day convention, in the manner set out in **Schedule I** of this Deed.

1.2.10 Payments

Payment of the Redemption Amount will be made on the Due Date(s) to the Debenture Holders, whose names appear on the list of Beneficial Owner(s) given by Depository to the Company as on the Record Date and in case of joint holders of Debentures to the one whose name stands first in the Register of Debenture Holder(s). Such Payments shall be made by cheque or warrant / demand draft / credit through the NEFT/RTGS system.

1.2.11 Tax Deducted at Source ('TDS')

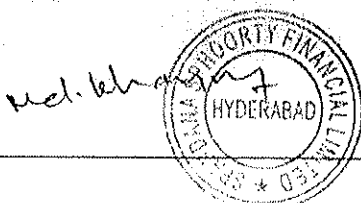

- (a) Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holders at the office of the Registrar and Transfer Agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due.
- (b) All monies payable by the Company to the Debenture Holders under the Transaction Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim, other than in respect of any Tax in respect of income of the Debenture Holders which, as per Applicable Law, has to be deducted at source. All Taxes in respect of the income of the Debenture Holders, if any, which is required by Applicable Law to be deducted by the Company from any part of the Coupon, any other interest or fees paid or payable under this Deed shall be paid by the Company to the appropriate authorities when due, and the Company shall within the statutory limits prescribed under Applicable Law, deliver to the Debenture Holders, a certificate of tax deduction at source issued in the name of the Debenture Holders.

1.2.12 Pre-authorisation:

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

Bank Account Details:

Bank Name : Kotak Mahindra Bank

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Branch Address : 1-118 Survey No. 64, National Institute Of Fashion Technology
Campus, Opp Hitech City, Hitech City Road, Silicon Valley, Madhapur,
Hyderabad, Telangana 500081.
Account Name : Spandana Sphoorty Financial Limited
Account No. : 8846160117
IFSC Code : KKBK0007494

- (b) The Company further undertakes that it shall obtain an acknowledgment (in the form and manner acceptable to the Debenture Trustee) from the bank where the Company holds the abovementioned bank account, in terms of which acknowledgment the bank shall agree to provide the information pertaining to payment with respect to redemption of Debentures, as and when required by the Debenture Trustee.

1.3 MISCELLANEOUS PROVISIONS IN RELATION TO THE DEBENTURES

1.3.1 Receipt of Debenture Holder

The receipt given by each Debenture Holder or if there be joint holders, then the receipt given by any one of such joint Debenture Holder(s) or given by the survivors or survivor of the Debenture Holder(s) of the Redemption Amount payable in respect of each of such Debenture and the coupon/interest/premium payable (including the Default Interest, where applicable) shall be a good discharge to the Debenture Trustee and the Company.

1.3.2 Trusts of Debentures not Recognised

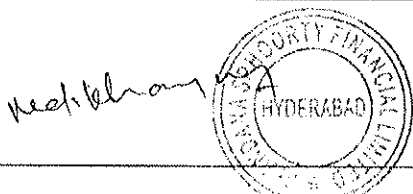
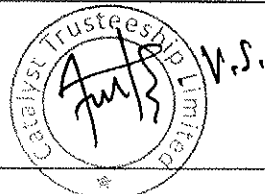
The Debenture Trustee shall not be affected by any notice, express or implied of the right, title or claim of any person to such monies due in respect of the Debentures, other than the Debenture Holder(s).

1.3.3 Transfer of Debentures

- (a) The Debentures shall be freely transferable and transmittable by the Debenture Holder(s) in whole or in part without the prior consent of the Company. The Debenture Holder(s) shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures.
- (b) It is clarified that the Company shall not assign any of the rights, duties or obligations under this Deed or in relation to the Debentures without the prior written consent of the Debenture Trustee (acting on the instructions of all the Debenture Holder(s)).

1.3.4 Debenture Holder not entitled to shareholders' rights

The Debenture Holder(s) shall not be entitled to any of the rights and privileges available to the

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shareholders of the Company including right to receive notices of or to attend and vote at general meetings.

1.3.5 Variation of Debenture Holder(s)' rights

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated with the consent in writing of the Majority Debenture Holder(s).

1.3.6 Power of The Debenture Trustee to Invest Unclaimed Amount

After provision for the payment and satisfaction of the Debentures is made by the deposit in a scheduled commercial bank as aforesaid, the Debenture Trustee may invest the same in any of the investments herein authorised.

1.3.7 Debentures Free from Equities

Each Debenture Holder will be entitled to its Debentures free from equities or cross claims by the Company against the original or any intermediate holders thereof.

1.3.8 Authorised Investments

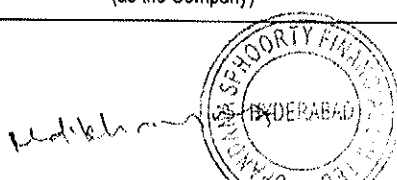

Any monies which under the trust or powers herein contained ought to be invested by the Debenture Trustee may be invested in the name of the Debenture Trustee or under the legal control of the Debenture Trustee in any of investments authorised by Applicable Law for the investment of trust monies with power to vary and transpose such investments and in so far as the same shall not be invested, shall be placed on deposit in the name of the Debenture Trustee in a scheduled commercial bank or banks.

1.3.9 Meetings of Debenture Holders

In the event that any meeting of the Debenture Holders is to be held, the provisions set out in **Schedule II** hereto shall be followed with respect to such meeting.

1.3.10 Register of Debenture Holder

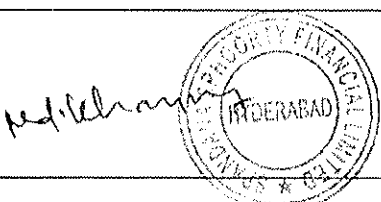
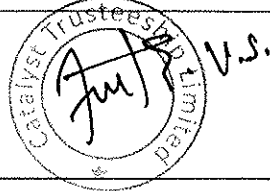
The Company shall, as required by the Act, keep at its registered office a Register of the Debenture Holder(s) which shall include the addresses of the Debenture Holder(s), record of the subsequent transfers and changes in ownership. For the above purpose, the Company shall request the registrar and transfer agent of the Issue to provide a list of Debenture Holder(s) by the Record Date. The Debenture Trustee and/or the Debenture Holder(s) or any of them or any other person shall, as provided in the Act, be entitled to inspect the said Register of Debenture Holder(s) and to take copies of or extracts from the same or any part thereof during the usual business hours of the Company. Further a copy of this Deed shall be forwarded to any Debenture

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Holder or member of the Company at his request within, 7 (seven) days of making such request, on payment of the fees prescribed.

1.3.11 Nominee Director

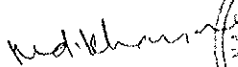
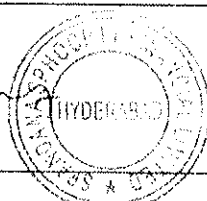

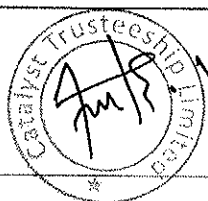
- (a) The Debenture Trustee has the right to appoint a Nominee Director or an observer on the board of the Company in accordance with the Companies Act and the SEBI (Debenture Trustee) Regulations, 1993 ("**Nominee Director**") and such Nominee Director shall be appointed at the earliest and not later than 7 (Seven) days from the date of receipt of intimation by the Company. The Nominee Director or an observer shall be entitled to receive all notices, agenda, etc and attend all general meetings and board meetings of the Company (including meetings of the committees of the board).
- (b) The Nominee Director or the observer shall:
 - (i) Not be liable to retire by rotation nor required to hold any qualification shares; and
 - (ii) Be appointed on all key committees of the board of the Company.
- (c) The Nominee Director or the observer shall furnish to the Debenture Trustee reports of proceedings of such meetings and the Company shall not have any objection to the same.
- (d) The presence of the Nominee Director or the observer in the meetings of the board and every committee of the board shall be essential to constitute quorum for such meetings.
- (e) The Company shall appoint the Nominee Director or the observer on the board forthwith on receiving a nomination notice from the Debenture Trustee and in any case within 7 (seven) days from the receipt of such nomination notice from the Debenture Trustee.
- (f) The Company undertakes to take all corporate actions as may be necessary to effectuate the appointment of the Nominee Director or the observer on the board (including amendment of its Constitutional Documents).
- (g) The Company shall be required to send copies of any notices of the meetings of the board and any notices related to the meetings of the shareholders to such Nominee Director or the observer in advance of such meetings along with the agenda and other necessary information in relation to each such meeting.
- (h) In the event the Nominee Director or the observer is unable to attend any meeting of the board, it shall be entitled to appoint a proxy to attend the meeting and all costs associated with the appointment of such proxy by the Nominee Director or the observer shall be borne by the Company.

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- (i) Any costs and expenses incurred by the Nominee Director or the observer by virtue of his position shall be borne solely by the Company.
- (j) The Nominee Director or the observer shall be entitled to same rights and privileges as any other director on the board including the benefit of any applicable director's and officers' liability insurance. It is clarified that the Nominee Director or the observer shall not be entitled to receive any remuneration.

1.4 SECURITY

- 1.4.1 The security to be provided by the Company as security for the discharge of the Secured Obligations shall consist of a first ranking exclusive and continuing charge created by way of hypothecation over the Hypothecated Assets, both present and future, in favour of the Debenture Trustee, under or pursuant to the Deed of Hypothecation to be executed no later than the Deemed Date of Allotment.
- 1.4.2 The Company shall perfect the charge over the Hypothecated Assets in relation to the Debentures within 30 (Thirty) calendar days from the Deemed Date of Allotment. The security created over the Hypothecated Assets in terms of the Deed of Hypothecation shall continue to remain in force until released (whether partially or fully) in accordance with the terms of the Deed of Hypothecation.
- 1.4.3 The Company undertakes and confirms that all Security is created and shall be created in compliance with all Applicable Laws.
- 1.4.4 The Company shall ensure that the Identified Loans on which the Security by way of hypothecation is created shall (a) not be overdue for more than 30 (Thirty) days; (b) not restructured and rescheduled; (c) in compliance with all "Know Your Customer" norms prescribed by the RBI; and (d) not terminated or pre-paid; (e) be fully disbursed; (g) be free from any encumbrances and not charged as security in favour of any other lender; (f) not have an outstanding amount exceeding Rs. 1,00,000/- (Rupees One Lakh only); and (g) be existing at the time of selection for creation of Security; ("**Eligibility Criteria**"), and as further detailed and provided under the Deed of Hypothecation;
- 1.4.5 In the event the Debenture Trustee (acting on the instruction of the Majority Debenture Holders) requires the additional security created pursuant to Clause 1.4.8(d) below to be the perfected then the Company shall ensure that such additional security shall be perfected by filing the relevant form with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of such security being created.
- 1.4.6 The Company shall not, until all payments have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full, create any further charge or encumbrance over the Hypothecated Assets, except as created in favour of the Debenture

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Trustee for the benefit of the Debenture Holders, under the terms of this Deed and the Deed of Hypothecation.

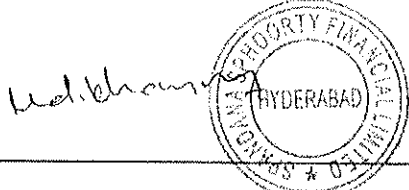

- 1.4.7 The charge created by Company under the terms of the Deed of Hypothecation shall be registered with Sub-registrar, Registrar of Companies, CERSAI, Depository etc., as applicable, within the timelines set out in this Deed. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants or terms of the Issue by the Company.

1.4.8 **Security Cover**

- (a) The charge over the Hypothecated Assets shall at all times be at least 1.1 (One Decimal Point One) time of the outstanding principal amounts in relation to the Debentures and shall be maintained at all times until the Final Settlement Date. The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the principal amount reflected in the books of accounts of the Company.
- (b) The Company shall ensure at all times until the Final Settlement Date, that the value of the Hypothecated Assets is sufficient to maintain the Security Cover.
- (c) The Company shall on a monthly basis, provide a list within 25 (Twenty-Five) calendar days from the end of each month, to the Debenture Trustee and the Debenture Holders, of Identified Loans, Receivables thereto / identified book debt over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("**Monthly Hypothecated Asset Report**").
- (d) The Company undertakes that at any time the Hypothecated Assets or any part thereof becomes overdue (i.e, such Identified Loans in respect of which any amount is overdue for more than 30 (Thirty) days) or fails to meet the Eligibility Criteria specified in the Deed of Hypothecation, the Company shall replace the Hypothecated Assets or part thereof with an alternate assets, meeting the Eligibility Criteria specified in the Deed of Hypothecation or such other assets as acceptable to the Debenture Trustee (acting on the instructions of the Debenture Holders), within 15 (Fifteen) Business Days of occurrence of such event, so as to ensure that the aggregate principal value of the Hypothecated Assets and the alternate assets, so provided, is sufficient to meet the Security Cover in the manner set out in the Deed of Hypothecation.

1.4.9 **Trust of the Security**

The Security shall be and remain security to the Debenture Holders and shall be held by the Debenture Trustee for the benefit of the Debenture Holders for the due discharge of the Secured Obligations and the Debenture Trustee shall permit the Company, until the occurrence of an Event of Default, upon the happening of which, the Security hereby constituted shall become

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enforceable, to hold and enjoy the assets over which the Security has been created and upon the Company defaulting in making any Payments, the Security shall become enforceable in the manner provided in this Deed and the other Transaction Documents.

1.4.10 Release of Security

No later than 30 (Thirty) days from the Final Settlement Date, the Debenture Trustee shall at the expense of the Company (i) release the Security created hereunder, and take all such actions or do all such acts as may be necessary to release the Hypothecated Assets (including completing adequate filings for satisfaction of charge as may be necessary to duly release Security created hereunder); and (ii) issue a no-dues letter to the Company.

1.4.11 Trust of proceeds of Sale/Realisation out of the Security

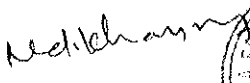
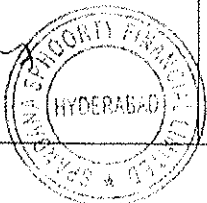

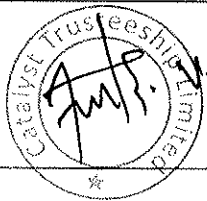
The Debenture Trustee shall hold UPON TRUST the monies, received by it or by the receiver so appointed by it, in respect of the Hypothecated Assets or any part thereof arising out of: -

- (a) any sale, calling in, collection or conversion under the powers contained herein in that behalf;
- (b) income from the Hypothecated Assets;
- (c) any compensation money in respect of any acquisition and requisition or nationalization or takeover of the Company or any other Person, or its management by any person / authority; and
- (d) any other realisation whatsoever;

and it shall, in the first place, by and out of the said monies reimburse itself and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including its remuneration as herein provided, and shall utilise the balance monies towards payment of monies due to the Debenture Holder(s). Any monies remaining after making payments of all amounts due to the Debenture Holder(s) shall be returned to the Company.

1.4.12 Binding Effect

Any sale or other conveyance of the right, title and interest in any part of the Security made in accordance with the provisions of this Deed or other Transaction Documents shall bind the Company and shall be effective, to the extent of any such sale or conveyance or assignment, to transfer and convey all rights, title and interest of the Debenture Trustee acting for and on behalf of the Debenture Holder(s), in and to such part of the Security that is the subject of any such sale or conveyance.

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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1.4.13 Purchasers and Persons Dealing with the Debenture Trustee not put on Enquiry

No purchaser or other person dealing with the Debenture Trustee or any receiver appointed by them or their attorneys or agents shall be concerned to inquire whether the power exercised or purported to be exercised by the Debenture Trustee has become exercisable or whether any money remains due under this Deed and/or the other Transaction Documents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of any invocation, sale, calling in, collection or conversion or to see to the application of any money paid to the Debenture Trustee and in the absence of mala fides on the part of such purchaser or other Person to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or their respective assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages only.

1.4.14 Receipt of the Debenture Trustee to be Effectual Discharge

Upon any such sale, calling in, collection or conversion as aforesaid and upon any other dealing or transaction under the provisions herein contained, the receipt of the Debenture Trustee for the purchase money realised upon enforcement of Security, shall effectually discharge the purchaser or purchasers or person paying the same therefrom and from being concerned to see to the application or being answerable for the loss or misapplication or non-application thereof.

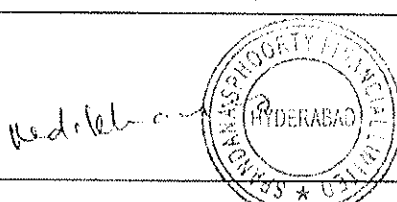
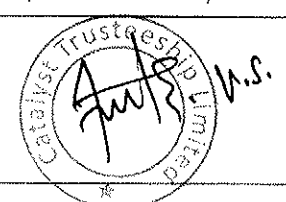
1.4.15 Continuing Nature of Security Interest

The Security, except as otherwise provided in the Transaction Documents, is continuing security and shall remain in full force and effect until the Final Settlement Date.

Notwithstanding that the Company may have paid all amounts due to the Debenture Trustee under the Transaction Documents, the Company shall remain liable to the Debenture Trustee if, as a result of applicability of provisions of Applicable Law, any amounts are still owing to the Debenture Trustee or the Debenture Holder(s) under the Transaction Documents and such obligations have occurred or accrued prior to the Final Settlement Date.

1.4.16 First Recourse Enforcement

The Security or any part thereof may be enforced without the Debenture Trustee first being obligated or having to take recourse to any other security or right or taking any other steps or proceedings against the Company, or any other Person, or may be enforced for any balance due after resorting to any one or more means of obtaining payment or discharge of the obligations owed under the Transaction Documents.

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1.5 DEBENTURE REDEMPTION RESERVE AND RECOVERY EXPENSE FUND

1.5.1 Debenture Redemption Reserve

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

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

1.5.2 Recovery Expense Fund

The Company shall create and maintain a reserve to be called the "Recovery Expense Fund" as per the provisions of and in the manner provided in the SEBI Debt Listing Regulations, the SEBI (Debenture Trustee) Amendment Regulations, 2020 and the circular bearing reference number SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023, issued by SEBI and any guidelines and regulations issued by SEBI, as applicable. Any balance in the Recovery Expense Fund, on the Final Settlement Date, shall be refunded to the Company for which a 'no-objection certificate (NOC)' shall be issued by the Debenture Trustee to the designated stock exchange. The Debenture Trustee shall satisfy that there is no 'default' on any other listed debt securities of the Company before issuing the no-objection certificate under the terms of this paragraph.

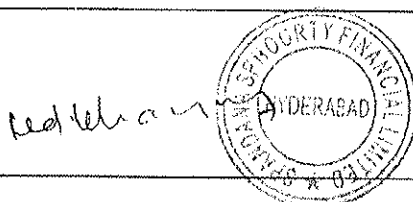
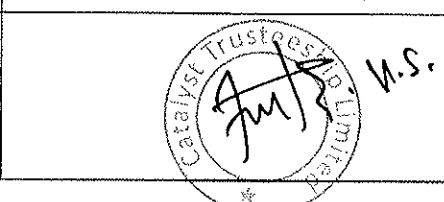
1.6 REPRESENTATIONS AND WARRANTIES

1.6.1 Representations and Warranties of the Company

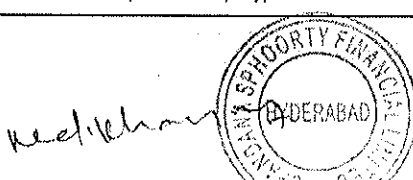
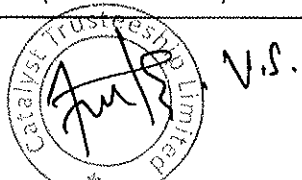
The Company hereby, in addition to the representation and warranties made by the Company as set out in Clause 2.5 herein, makes the following representations and warranties with reference to the facts and circumstances as on the date hereof:

(a) Authority and Capacity

- (i) The Company has been duly incorporated, organized and is validly existing, under Applicable Law;
- (ii) As on date, the Company is registered with the Reserve Bank of India as a non-banking financial company;

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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- (iii) The Company has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted;
 - (iv) The Company is in compliance with all Applicable Law for the performance of its obligations with respect to this Issue.
 - (v) All consents, and actions of, filings with and notices to any Governmental Authority as may be required to be obtained by the Company in connection with the Issue has been obtained and is in full force and effect.
- (b) **Validity and admissibility in evidence:**
- (i) All acts, conditions and things required to be done, fulfilled or performed, and all authorisations required or essential, for the purpose of the entry and delivery of the Debenture Documents or for the performance of the Issuer's obligations in terms of and under the Debenture Documents have been done, fulfilled, obtained, effected and performed and are in full force and effect and no such authorisation has been, revoked or cancelled and the Issuer has not received any notice in relation to such revocation or cancellation.
 - (ii) The Company has the power and authority to execute and deliver the Debenture Documents and perform its obligations under the Debenture Documents, to transact the business in which it is engaged or proposes to be engaged and to do all things necessary and to consummate the transactions contemplated by this agreement and the other Debenture Documents to which it is a Party.
- (c) **Compliance**
- (i) The Company is in compliance with the Applicable Law for the performance of its obligations with respect to this Issue.
 - (ii) The Company represents that all consents, and actions of, filings with and notices to any Governmental Authority as may be required to be obtained by the Company in connection with the Issue has been obtained and is in full force and effect.
- (d) **Corporate Matters**
- (i) All the legal and procedural requirements specified in the constitutional documents of the Company have been duly complied with in all respects in relation to the Issue.

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(ii) The registers, and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Company under Applicable Law:

- (I) are up-to-date and have been maintained in accordance with Applicable Law;
- (II) comprise complete and accurate records of all information required to be recorded in such books and records; and
- (III) no notice or allegation that any of them are incorrect and / or should be rectified has been received.

(e) **Non-conflict with other obligations**

The Issue (or any of the obligations undertaken by the Company in relation thereto) does not and will not conflict with the objects of its constitutional documents or any Applicable Law to which the Company is subject, including but not limited to any laws and regulations regarding anti-money laundering/ terrorism financing and similar financial Sanctions as well as any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing Financial Indebtedness of the Company.

(f) **Binding Obligation**

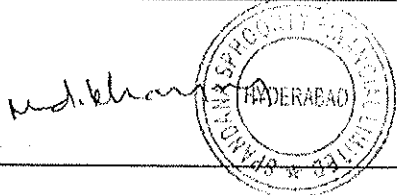
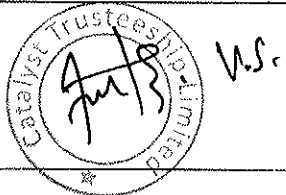
This Deed has been duly and validly executed by the Company, and upon the execution and delivery by the Company of Transaction Documents, each such documents will constitute, legal, valid and binding obligations of the Company, enforceable against it in accordance with their respective terms.

(g) **Accounts and Records**

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

(h) **Taxation Matters**

- (i) The Company has complied with all the requirements as specified under the respective Tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Company to any tax authority for taxation and for any other Tax or duty purposes, have been made and are correct.

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- (ii) The Company has not received any written notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Company.

(i) **Other Payments**

The Company certifies that all registrations, recordings, filings and notarisations of any of the Transaction Documents that have been executed and all payments of any tax or duty, including without limitation, stamp duty, registration charges or similar amounts which are required to be effected or made by the Issuer which is necessary to ensure the legality, validity, enforceability or admissibility in evidence of such Transaction Documents have been made as required under Applicable Law.


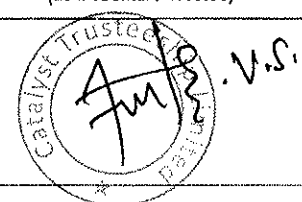
(i) **Security**

Save and except the charge created to secure the Debentures (and any other charges disclosed to the Debenture Trustee) herein before expressed to be granted, conveyed, assigned, transferred and assured unto the Debenture Trustee is the sole and absolute property of the Company and has a good and marketable title and is free from any other charge or encumbrance and is not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority and that the Company has a clear and marketable title to the Secured Property. The Company further confirms that the Security created or expressed to be created by this Deed is, or when the Deed is executed shall be, valid and enforceable for such time period as specifically granted under this Deed, when executed.

1.6.2 Representations and Warranties of the Debenture Trustee

The Debenture Trustee hereby represents, warrants and covenants in favour of the Company and the Debenture Holder(s) that as on the date hereof:

- (a) The Debenture Trustee is a company duly incorporated and validly existing under Applicable Law and the Debenture Trustee is duly qualified and authorised to enter into the Transaction Documents in accordance with the Applicable Law.
- (b) This Deed has been duly and validly executed and delivered by the Debenture Trustee and constitutes a legal and binding obligation of the Debenture Trustee enforceable against the Debenture Trustee in accordance with its terms.
- (c) The execution, delivery and performance by the Debenture Trustee of this Deed does not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent or result in a breach of or default under:

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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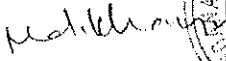
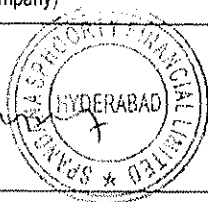


- (i) any Applicable Law to which the Debenture Trustee is subject; or
 - (ii) any order, judgment or decree applicable to the Debenture Trustee; or
 - (iii) any term, condition, covenant, undertaking, agreement or other instrument to which the Debenture Trustee is a party or by which the Debenture Trustee is bound.
- (d) The Debenture Trustee is in a position to observe, comply with and carry out all its obligations hereunder to be performed and complied with by it.
- (e) The Debenture Trustee is registered as a debenture trustee with the Securities and Exchange Board of India under the SEBI (Debenture Trustees) Regulations, 1993 (as amended from time to time).
- (f) The Debenture Trustee shall not have, claim or exercise any right of deduction, lien or set-off on, over or in respect of any of the amounts, writings or things held by it or continued to be held by it or coming within its power or possession pursuant to or in connection with these presents.
- (g) All information set forth in this Deed, and all information furnished and/or to be furnished by the Debenture Trustee to the Debenture Holder/s is true and correct and was/is not misleading whether by reason of omission to state a material fact or otherwise.
- (h) The Debenture Trustee is eligible to act as a debenture trustee for the Issue under the Act and the rules made thereunder including without limitation under the Companies (Share Capital and Debenture) Rules, 2014 and under the SEBI (Debenture Trustees) Regulations, 1993 (as amended from time to time).
- (i) It is clarified that the Debenture Trustee is neither a principal debtor nor a guarantor in respect of the Debentures and has not made any representations, warranties or provided any investment advice or recommendation to subscribe to the Debentures to the Debenture Holder(s) who have subscribed to the Debentures of their own accord and after obtaining separate independent advice.

1.7 COVENANTS AND UNDERTAKINGS

1.7.1 Reporting Covenants

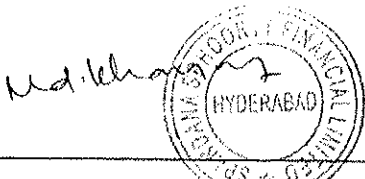
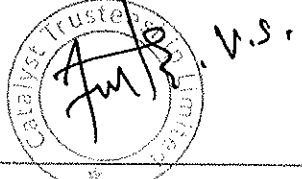
The Company hereby, in addition to the covenants made by the Company as set out in Clause 2.6.2 herein, undertakes to:

- (a) To furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Debenture Trustee (and to

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the Debenture Holders), containing the following particulars.

- (I) Periodical status/performance reports from the Company within 7 (Seven) days of the relevant board meeting or within 45 (Forty-Five) days of the respective quarter, whichever is earlier;
- (II) Unaudited or limited-review financial statements of the Company within 45 (Forty-Five) days of the end of the respective quarter;
- (III) Details of the shareholding pattern/ structure and the composition of the board of directors of the Company within 30 (Thirty) days of the end of the respective quarter;
- (IV) Updated list of the names and addresses of the Debenture Holder(s);
- (V) Details of the Coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof in relation to the Debentures;
- (VI) The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company, and those grievances not yet solved and the reason to the satisfaction of the Debenture Holder(s);
- (VII) Certificate from the Director/ Managing Director of the Company, certifying the value of the book debts/receivables underlying the Hypothecated Assets and stating that those assets of the Company which are available by way of security are sufficient to discharge the claims of the Debenture Holders as and when they become due;
- (VIII) Certificate from its statutory auditor, certifying the value of book debts/receivables underlying the Hypothecated Assets;
- (IX) Certificate from the Director or Chief Financial Officer of the Company, certifying that the Company is in compliance with all the financial covenants provided by the Company as specified in Clause 2.6.4 herein along with the summary details in the format acceptable to the Debenture Trustee within 30 (Thirty) days of the end of the respective quarter;
- (X) The Company shall immediately and in any case no later than 1 (One) calendar day from the date on which such application is filed, provide the Debenture Trustee and the Debenture Holder(s) notice of any application filed against the Company under the IBC;
- (XI) Any other information as may be required by the Debenture Trustee in relation

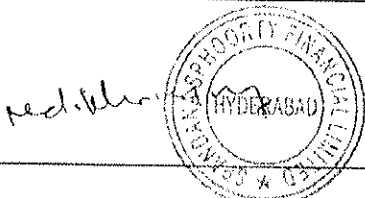
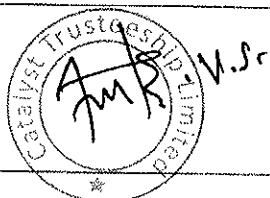
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to the Debentures.

- (b) To submit such other disclosure to the Debenture Trustee as may be required under the SEBI Debt Listing Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable Laws.
- (c) The Company shall, while submitting quarterly/ annual financial results to the NSE disclose *inter alia* the following line items along with the financial results and the same shall be communicated to the Debenture Holder(s) on a half-yearly basis:
- (I) debt-equity ratio;
 - (II) outstanding redeemable preference shares (quantity and value);
 - (III) capital redemption reserve/debenture redemption reserve;
 - (IV) net worth;
 - (V) net profit after tax;
 - (VI) earnings per share;
 - (VII) current ratio;
 - (VIII) long term debt to working capital;
 - (IX) bad debts to Account receivable ratio;
 - (X) current liability ratio;
 - (XI) total debts to total assets;
 - (XII) debtors turnover;
 - (XIII) inventory turnover;
 - (XIV) operating margin (%);
 - (XV) net profit margin (%);
 - (XVI) sector specific equivalent ratios, as applicable

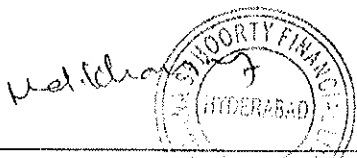
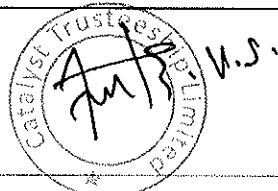
(d) **Financial Statements**

- (i) The Company shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its duly audited annual accounts, within 120 (One Hundred and Twenty) days from the close of its accounting year.
- (ii) The Company shall furnish to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its provisional quarterly financials, within 45 (Forty-Five) days from the close of each of its accounting quarters.
- (e) The Company shall within 75 (Seventy Five) calendar days from the end of each financial quarter (save and except the last quarter) of a Financial Year and for the last quarter of a Financial Year, within 90 (Ninety) days from the end of such Financial Year, submit to the Debenture Trustee, a security cover certificate in respect of the Secured Property in

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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the applicable format prescribed under Annex-VA of the SEBI circular dated March 31, 2023 (bearing reference number: SEBI/HO/DDHS/P/CIR/2023/50) to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines stipulated under Applicable Law.

- (f) The Company shall submit a certificate from its statutory auditor to the Debenture Trustee on a quarterly basis within 75 (Seventy Five) days of the end of each quarterly or any other period as may be specified by SEBI, giving the value of receivables / book debts comprising the Secured Property including compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time and certifying maintenance of hundred percent security cover or a higher security cover (in this case being the Security Cover) as per the terms of the Placement Memorandum and/or the Debenture Trust Deed along with the financial results of the Company in the manner and format as specified by SEBI.
- (g) The Company undertakes to provide all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence and also provide necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website in terms of SEBI circular dated March 31, 2023 and bearing number SEBI/HO/DDHS/P/CIR/2023/50, as amended, replaced or modified from time to time.
- (h) The Company hereby, in addition to the reporting covenants set out in Clause 2.6.2(a) herein, undertakes to provide / cause to be provided information in writing in respect of the following promptly and no later than 15 (Fifteen) Business Days from the occurrence of such event (unless otherwise specifically provided):
 - (i) notify the Debenture Trustee in writing if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any material respect.
 - (ii) provide to the Debenture Trustee such information regarding details of any change in shareholding pattern/ capital structure of the Company;
 - (iii) promptly notify the Debenture Trustee of any changes in the composition of its board of directors of the Issuer;
 - (iv) promptly notify the Debenture Trustee of any change in statutory auditor of the Company;
 - (v) provide to the Debenture Trustee such information regarding the details of any change in the senior management officers of the Company i.e. any chief financial

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officer, chief executive officer, officer, chief operating officer, chief risk officer or any other officer of the Company holding such equivalent post;

- (vi) inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets;
- (vii) inform the Debenture Trustee before declaring or distributing any dividend, unless the Company has paid the amounts then due and payable on the Debentures;
- (viii) notify the Debenture Trustee in writing of any change to the constitutional documents of the Company; and
- (i) Furnish a valuation report (if applicable) for the Secured Property once in three years within 75 (Seventy Five) days from the end of the financial year.
- (j) Furnish any documents/information/reports/certification to the Debenture Trustee as maybe required by the Debenture Trustee in order to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines specified by SEBI in the SEBI circular dated March 31, 2023 bearing reference no. SEBI/HO/DDHS/P/CIR/2023/50 to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines stipulated under Applicable Law

1.7.2 Affirmative Covenant

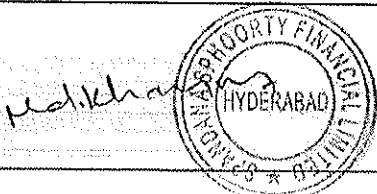
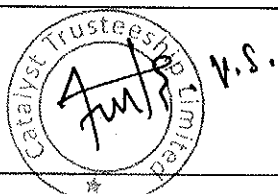
The Company undertakes and covenants that, in addition to the affirmative covenants set out in Clause 2.6.1 herein, the Company shall (except as may otherwise be previously agreed in writing by the Debenture Trustee) until the Final Settlement Date:

(a) Validity of Transaction Documents

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

(b) Preserve Corporate Status

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

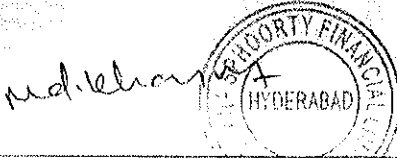

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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(c) **Inspection**

- (i) The Company shall make available to the Debenture Trustee, the loan agreements or such other documents as required by the Debenture Trustee in order to carry out the necessary due diligence and monitor the Security Cover in the manner as may be specified by SEBI from time to time.
 - (ii) The Company shall at their sole cost and expense permit the Debenture Trustee, as the representative of the Debenture Holders, to enter into its premises and inspect and make copies of the books of record and accounts of the Company.
 - (iii) The Company shall at their sole cost and expense permit the Debenture Trustee or such other person as the Debenture Trustee shall appoint in writing, to inspect the Hypothecated Assets and if the Trustee shall, for any reason, decide that it is necessary to employ an expert, such expert shall also be appointed at the cost and expenses of the Company.
- (d) The Company shall carry out subsequent valuation of the Secured Property, at the request of the Debenture Trustee;
- (e) The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993, as amended from time to time, this Deed has to contain the matters specified in Section 71 of the Act and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable to it as if they are actually and physically incorporated herein in the Deed;
- (f) Within 15 (Fifteen) Business Days of receipt of a request from the Debenture Trustee, the Company shall authenticate any information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility.
- (g) The Company shall comply with the requirements of the SEBI circular dated March 31, 2023 (bearing reference number: SEBI/HO/DDHS/P/CIR/2023/50), as amended, replaced or modified from time to time.

1.8 EVENT OF DEFAULT

If one or more of the events specified herein below and as specified in Clause 2.7.1 (hereinafter each an '**Event of Default**' and collectively, '**Events of Default**') happen(s), the Debenture Trustee (acting on the instructions of any one or more Debenture Holder) shall be entitled to exercise any and all rights hereunder as contained in this Deed:

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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1.8.1 Payments

The failure to pay any amount payable in relation to the Debentures, including without limitation failure to make payment of the principal amount of the Debentures and/or the Coupon and/or any other amounts due in respect of the Debentures including the Payments in respect of the Debentures on the Due Date(s) at the place at which and in the currency in which it is expressed to be payable unless its failure to pay is caused by technical error and payment is made within 2 (Two) Business Days of its Due Date.

1.8.2 Representation and Warranty

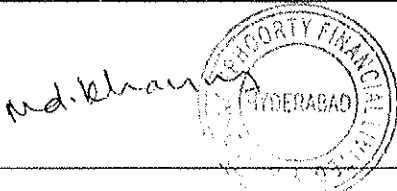

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company is incorrect, false or misleading in any material respect when made or deemed made and such misrepresentation adversely affects the interest of the Debenture Holders in the reasonable opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holder(s)) and such misrepresentation is not cured with 15 (Fifteen) calendar days.

1.8.3 Security

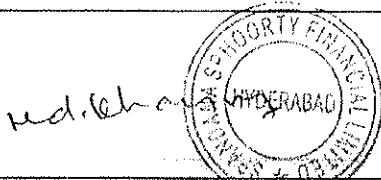

- (a) Failure of the Company to register and perfect the charge created over the Hypothecated Assets within the timelines stipulated herein or any other Transaction Documents;
- (b) If, in the opinion of the Debenture Trustee, the value of the Hypothecated Assets is insufficient to maintain the Security Cover and/or top-up of the Receivables is not completed within the timelines stipulated under the Deed of Hypothecation; and
- (c) When the Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof without the prior approval of the Debenture Trustee / Debenture Holders.

1.8.4 Insolvency

- (a) The Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, insolvency resolution professional, assignee (or similar official) for all or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution without the prior written consent of the Debenture Trustee;

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- (b) An order is made or an effective resolution passed for the winding-up or dissolution, liquidation, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by the Debenture Trustee;
- (c) An expropriation, distress, attachment, sequestration, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets (including the Hypothecated Assets) or revenues of the Company or the Company itself, which is not dismissed or quashed within 5 (Five) Business Days;
- (d) The Company is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or stops or suspends payment of all its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or any application has been filed or proceedings have been initiated against the Company under the Insolvency and Bankruptcy Code, 2016 or a moratorium is agreed or declared in respect of or affecting all the debts of the Company, and the same is not dismissed / quashed within 5 (Five) calendar days from the date of filing such application / petition.
- (e) The Company by reason of actual financial difficulties, proposes or commences negotiations with 1 (one) or more of its creditors with a view to rescheduling, deferral or other readjustment of a material part of its debts or any restructuring has been initiated by or in relation to the Company under the Prudential Framework Circular.
- (f) Any corporate action, legal proceedings or other procedure or step is taken (including the making of an application, the presentation of a petition, the filing of a notice or the passing of a resolution), in relation to:
- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, insolvency, dissolution, liquidation, administration or reorganisation of the Company with an intention of winding up or liquidating or declaring insolvent the Company (by way of voluntary arrangement, scheme of arrangement or otherwise); or
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Company; or
 - (iii) enforcement of assets of the Company; or
 - (iv) the appointment of a resolution professional, liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar

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officer in respect of the Company or any of its assets, and such appointment has not been vacated or has not been challenged by the Company; or

(v) any analogous procedure or step taken in any other jurisdiction.

(g) In the event a financial creditor of the Company files an application under the IBC and the same is not dismissed or if a reference has been made to the relevant bench of the National Company Law Tribunal, by a financial creditor under the IBC and the Company has not resolved the complaint or is nationalized or is under the management of the Central Government or the Company takes advantage of any law for the relief of insolvent debtors.

(h) In the event an operational creditor file an application under the IBC and the same is not dismissed within 30 (Thirty) calendar days or if a reference has been made to the relevant bench of the National Company Law Tribunal, by an operational creditor under the IBC and the Company has not resolved the complaint or is nationalized or is under the management of the Central Government or the Company takes advantage of any law for the relief of insolvent debtors.

1.8.5 Cessation of business

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

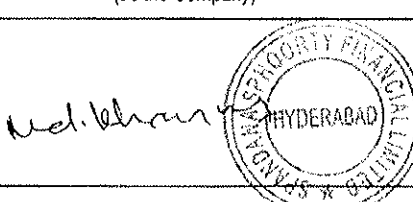
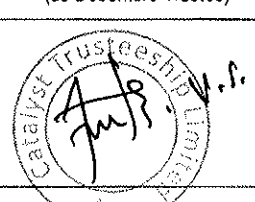
1.8.6 Governmental Intervention

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

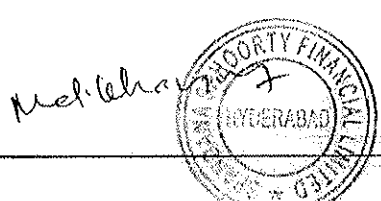
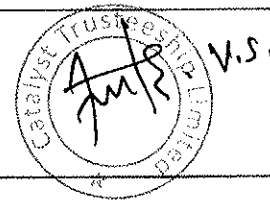
(b) One or more legal proceedings or proceedings by an Governmental Authority, have been instituted against the Company, which has resulted in a Materials Adverse Effect, in the opinion of the Debenture Trustee.

1.9 CONSEQUENCES OF AN EVENT OF DEFAULT

On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Company is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders) shall:

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- 1.9.1 declare that all or part of the Secured Obligations be immediately due and payable, whereupon they shall become immediately due and payable and accelerate the redemption of the Debentures together with any Payments in respect of the Debentures;
- 1.9.2 enforce the charge over the Hypothecated Assets in accordance with the terms of the Deed of Hypothecation in such manner as the Debenture Trustee and/or the Majority Debenture Holder(s) may deem fit;
- 1.9.3 exercise all the rights and remedies available to the Debenture Holder(s) in such manner as Debenture Holder(s) may deem fit without intervention of any court and without having to obtain the consent of the Company;
- 1.9.4 on and from the occurrence of an Event of Default, any Receivables and any amount collected by the Company from the underlying Identified Loan forming a part of the Hypothecated Assets shall be held by the Company for the benefit and trust of the Debenture Holder(s) and shall not be utilised for any purpose other than paying all or part of the Secured Obligations due and payable to the Debenture Holder(s);
- 1.9.5 without prejudice to any other right, the Debenture Trustee and /or Debenture Holder(s) may have under this Deed, under IBC or any other Applicable Law, the Debenture Holder(s) and/or the Debenture Trustee shall in its sole discretion exercise all the rights, powers and remedies vested in it for the protection, perfection and enforcement of its rights in respect of the Security herein;
- 1.9.6 subject to Applicable Laws, require the Company to assign the Hypothecated Assets to a trust and appoint a servicer to such trust for undertaking collections. The Company hereby undertakes and confirms that, subject to Applicable Laws, it shall provide all the required support for assigning the Hypothecated Assets to the trust including but not limited to entering into the assignment agreement and other transaction documents in relation thereto. The Company hereby undertakes and confirms that it shall provide all the support required to the servicer appointed for such trust;
- 1.9.7 appoint a Nominee Director or an observer on the board of directors of the Company in the manner set out in this Deed;
- 1.9.8 take any action with respect of SEBI Defaults (Procedure) Circular in accordance with the provisions of this Deed;
- 1.9.9 disclose the details of the Company to TransUnion CIBIL Limited ("CIBIL") or RBI or Central Repository of Information of Large Credits ("CRILC") and publish the name of the Company and each of their directors as a defaulter through print and electronic media or in any other form and manner as the Debenture Trustee may deem fit, at their absolute discretion and also notify other

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creditors of the Company, and the Stock Exchange where the Company's securities are listed, of such default;

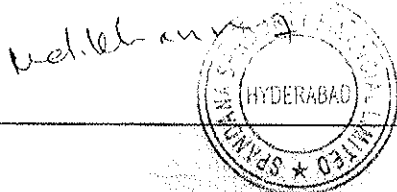
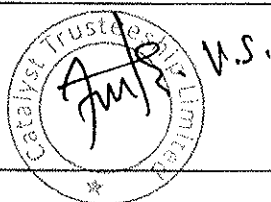
- 1.9.10 at the cost of the Company, appoint a receiver in respect of the Secured Property;
- 1.9.11 at the cost of the Company, appoint additional auditors or other consultants or professional advisors in relation to the Secured Property;
- 1.9.12 exercise any other right that the Debenture Trustee and /or Debenture Holder(s) may have under the Transaction Documents or under Applicable law including in relation to the enforcement of security / entering into the inter-creditor agreement with the creditors of the Company and in relation to Recovery Expense Fund pursuant to the SEBI circular dated March 31, 2023 (bearing reference number: SEBI/HO/DDHS/P/CIR/2023/50), as amended, modified or replaced from time to time. Subject to Applicable Law and the Transaction Documents, the Recovery Expense Fund shall be utilised in accordance with the instructions of the Majority Debenture Holders;
- 1.9.13 Until the happening of any of the Event(s) of Default set out in Clause 1.8 and Clause 2.7.1 the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management of the affairs of the Company or its business thereof. The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event(s) of Default set out in Clause 1.8 and Clause 2.7.1 or upon the happening of any of such Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

1.10 POWER OF DEBENTURE TRUSTEE TO DELEGATE

The Debenture Trustee hereof being a company may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by these presents act by an officer or officers for the time being of the Debenture Trustee and the Debenture Trustee may also, whenever it thinks expedient, delegate by power of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in it by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Debenture Trustee may think fit and the Debenture Trustee shall be bound to supervise the proceedings and shall be responsible for any loss incurred by reason of any misconduct or default or any mistake, oversight, wilful default, error of judgment, forgetfulness or want of prudence on the part of any such delegate or sub-delegate.

1.11 POWER OF DEBENTURE TRUSTEE TO EMPLOY AGENTS

The Debenture Trustee may, in carrying out the trust business employ and pay any person or concur in transacting any business and do or concur in doing all acts required to be done by the Debenture Trustee including the receipt and payment of moneys and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trusts hereof and also their reasonable charges in addition to the

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expenses incurred by them in connection with matters arising out of or in connection with these presents.

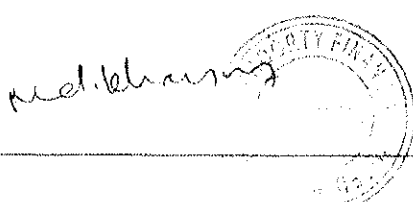
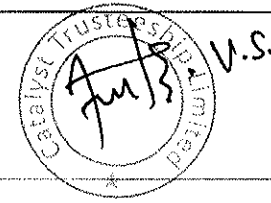
1.12 DEBENTURE TRUSTEE MAY CONTRACT WITH COMPANY

Neither the Debenture Trustee nor any agent of the Debenture Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company or with itself in the ordinary course of business of the Debenture Trustee or from undertaking any banking, financial or agency services for the Company or for itself or from underwriting or guaranteeing the subscription of or placing or subscribing for or otherwise acquiring, holding or dealing with any of the stocks or shares or debentures or debenture stocks or any other securities whatsoever of the Company or in which the Company may be interested either with or without a commission or other remuneration or otherwise at any time entering into any contract of loan or deposit or any other contract or arrangement or transaction with the Company or being concerned or interested in any such contract or arrangement or transaction which any other company or person not being the Debenture Trustee of these presents would be entitled to enter into with the Company and they shall not be in any way liable to account either to the Company or to the Debenture Holder(s) for any profits made by them thereby or in connection therewith and the Debenture Trustee or any agent of the Debenture Trustee shall also be allowed to retain for their or his own benefit any customary share of brokerage, fee, commission, interest, discount or other compensation or remuneration allowed to them or him.

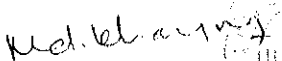



1.13 ROLE AND RESPONSIBILITY OF THE DEBENTURE TRUSTEE

In addition to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything contained in these presents or of any statute limiting the liability of the Debenture Trustee, IT IS EXPRESSLY DECLARED as follows:

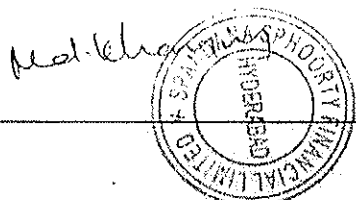
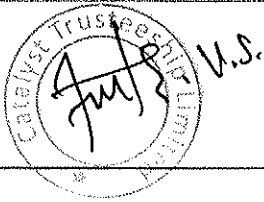
- 1.13.1 The Debenture Trustee shall hold and accept the Security for and on behalf of the Debenture Holder(s);
- 1.13.2 The Debenture Trustee shall take the possession of the trust property in accordance with the provisions of this Deed and enforce the Security in the interest of the Debenture Holder(s);
- 1.13.3 The Debenture Trustee shall perform all such acts and duties as are set out in the other Transaction Documents;
- 1.13.4 The Debenture Trustee shall ensure that the Company does not commit any breach of covenants of this Deed or terms of issue of Debentures;
- 1.13.5 The Debenture Trustee shall on a quarterly basis, carry out the necessary diligence and monitor the Security Cover in the manner as may be specified by SEBI from time to time;

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- 1.13.6 The Debenture Trustee shall on a quarterly basis, obtain a certificate from the statutory auditor of the Company giving the value of receivables / book debts comprising the Secured Property including compliance with the covenants this Deed and other Transaction Documents in the manner as may be specified by SEBI from time to time and certifying maintenance of hundred percent security cover or a higher asset cover (in this case being the Security Cover) as per the terms of this Deed along with the financial results and other reporting covenants of the Company in the manner and format as specified by SEBI and as further enumerated under this Deed and other Transaction Documents;
- 1.13.7 The Debenture Trustee shall exercise due diligence to the extent required under Applicable Law, to ensure compliance by the Company, with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, SEBI (Debenture Trustees) Regulations, 1993 this Deed or any other regulations issued by SEBI in relation to the issue and allotment of the Debentures and credit of the Debentures in the demat accounts of the Debenture Holder(s);
- 1.13.8 The Debenture Trustee shall exercise due diligence to ensure compliance by the Company with the provisions of the Act, the listing agreement of the stock exchange or this Deed;
- 1.13.9 The Debenture Trustee shall ascertain and satisfy itself that: (i) the Coupon due on the Debentures have been paid to the Debenture Holder(s) on or before the Due Dates; and (ii) the Debenture Holder(s) have been paid the monies due to them on or before the Maturity Date;
- 1.13.10 The Debenture Trustee shall exercise independent due diligence to ensure that the Security is free from any encumbrances and that Company has obtained all the necessary consent from other charge-holders if the Security has an existing charge, prior to creation of the Security pursuant to this Deed;
- 1.13.11 The Debenture Trustee shall enter into any agreements with the Company or any other entity identified by the Company (and consented to by the Debenture Trustee) for the creation, perfection of the Security or any other agreements for and on behalf of and for the benefit of the Debenture Holder(s);
- 1.13.12 The Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise. Any such advice, opinion or information and any communication passing between the Debenture Trustee and their representative or attorney or a receiver appointed by them may be obtained or sent by letter, telegram, cablegram, telex or telephonic message;
- 1.13.13 The Debenture Trustee shall act only on the instructions of the Majority Debenture Holder(s) and in accordance with this Deed and the other Transaction Documents;

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- 1.13.14 The Debenture Trustee shall take all steps to call a meeting of the holders of Debenture(s) as and when such meeting is required to be called/held;
- 1.13.15 The Debenture Trustee shall be at liberty to accept a certificate signed by any one of the directors of the Company as to any act or matter prima facie within the knowledge of the Company as sufficient evidence thereof;
- 1.13.16 The Debenture Trustee may accept, without inspection, inquiry or requisition, such title as the Company may have to the Hypothecated Assets;
- 1.13.17 The Debenture Trustee shall be at liberty to keep these presents and all deeds and other documents of title relating to the Hypothecated Assets charged/to be charged to the Debenture Trustee at their registered office or elsewhere or if the Debenture Trustee so decides with any banker or a company whose business includes undertaking the safe custody of documents or with an advocate or firm of solicitors and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;
- 1.13.18 Other than as expressly set out in the Transaction Documents, the Debenture Trustee shall not be bound to take any steps to ascertain whether any Event of Default has happened upon the happening of which the rights in respect of the Debentures becomes enforceable;
- 1.13.19 The Debenture Trustee to take such reasonable steps to remedy any breach of the covenants of this Deed;
- 1.13.20 With a view to facilitating any dealing under any provisions of these presents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions;
- 1.13.21 The Debenture Trustee shall have full power, in consultation with the Debenture Holder(s), to determine all questions and doubts arising in relation to any of the provisions of these presents and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all persons interested under these presents;
- 1.13.22 The Debenture Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts expressed in these presents or contained or in enforcing the covenants contained therein or in giving notice to any person or persons of the execution thereof or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the Majority Debenture Holders;

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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1.13.23 The Debenture Trustee shall perform all such duties and undertake such obligations as stipulated under the SEBI (Debenture Trustees) Regulations, 1993 (as amended from time to time) and shall promptly intimate to SEBI of any breach under this Deed or provision and law.

1.13.24 The Debenture Trustee shall take all such actions and/or exercise any rights, required under the SEBI regulations including in terms of the operational circular for issue and listing of non-convertible securities, securities debt instruments, security receipts, municipal debt securities and commercial paper dated August 10, 2021 issued by SEBI as updated vide the SEBI circular dated December 01, 2022 (bearing reference number: SEBI/HO/DDHS/P/CIR/2021/613), each as amended from time to time.

1.13.25 The Debenture Trustee shall, before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders under any Debenture Document, obtain the consent of the Debenture Holders in accordance with the terms of this Deed.

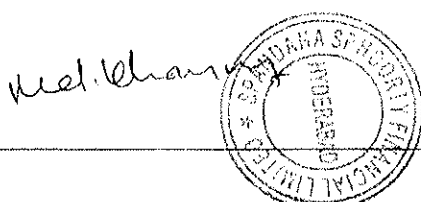
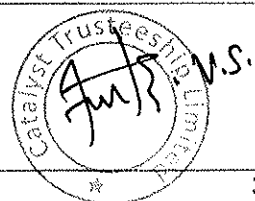
PROVIDED NEVERTHELESS that nothing contained in this Clause 1.13 shall exempt the Debenture Trustee from or indemnify it against any liability for negligence, breach of trust or wilful default as determined by a court of competent jurisdiction nor any liability which by virtue of any rule or law would otherwise attach to it in respect of any negligence, wilful default or breach of trust which they may be guilty in relation to their duties thereunder.

1.14 MODIFICATIONS TO THESE PRESENTS

The Company shall concur with the Debenture Trustee in making any modifications in these presents which in the opinion of the Debenture Trustee shall be expedient to make provided that once a modification has been approved by consent in writing of the Majority Debenture Holder(s), the Debenture Trustee shall give effect to the same by executing the necessary deed(s) supplemental to these presents, provided however that no modification would be more onerous on the Company than contained in these presents.

1.15 APPOINTMENT OF DEBENTURE TRUSTEE AS ATTORNEYS OF THE COMPANY

The Company hereby irrevocably appoints the Debenture Trustee to be the attorney of the Company in the name and on behalf of the Company to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Debenture Trustee be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts or obligations declared or imposed upon the Company by these presents or given to the Debenture Holder(s) or to the Debenture Trustee on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Debenture Trustee or any person appointed by it.

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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1.16 NOTICES

1.16.1 Any notice, demand, communication or other request (individually, a "Notice") to be given or made under this Deed shall be in writing. Such Notice shall be delivered by hand, registered mail/speed post (postage prepaid) or recognized overnight courier service or e-mail or facsimile to the Party to which it is addressed at such Party's address specified below or at such other address as such Party shall from time to time have designated by 5 (Five) Business Days' prior written Notice and shall be deemed to be effective (a) if delivered personally, when delivered; (b) if delivered by facsimile, when sent (i) before 10 a.m. on a Business Day, on the immediately preceding Business Day, (ii) before 5 p.m. on a Business Day in the place which it is sent, when sent, or, (iii) at any other time, at 9 a.m., on the next Business Day in that place, provided, in each case, each person sending the fax shall have received a transmission receipt; (c) if sent by courier or registered post acknowledgement due, 5 (Five) Business Days after deposit with a courier or post office; and (d) if sent by electronic mail, forthwith in case no delivery failure is received

(a) **The Company**

SPANDANA SPOORTY FINANCIAL LIMITED

Address: Galaxy, Wing B, 16th Floor, Plot No.1, forming part of Sy No 83/1, Hyderabad Knowledge City, TSIC, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad- 500081, Telangana.

Attention: Mr. Satish Kottakota

Phone: 040 – 48126666

Email: secretarial@spandanindia.com

(b) **Debenture Trustee**

CATALYST TRUSTEESHIP LIMITED

Address: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098

Attention: Mr. Umesh Salvi, Managing Director


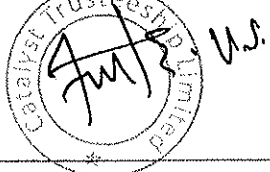
Phone: 022-49220555

Email: ComplianceCTL-Mumbai@ctltrustee.com

1.16.2 Any notice given under or in connection with this Deed must be in English.

1.16.3 All other documents provided under or in connection with this Deed must be in English; if not in English, and if so required by the Debenture Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

1.16.4 This Clause 1.16 (Notices) shall survive the termination or expiry of this Deed.

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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1.17 WAIVER

(a) No Implied Waiver or Impairment

No delay or omission of the Debenture Trustee in exercising any right, power or remedy accruing of the Debenture Trustee upon any default hereunder shall impair any such right, power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Debenture Trustee in respect of any default or any acquiescence by it in any default affect or impair any right power or remedy of the Debenture Trustee in respect of any other defaults nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies of the Debenture Trustee herein provided are cumulative and not exclusive of any rights or remedies provided by law or equity.

(b) Express Waiver

A waiver or consent granted by the Debenture Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

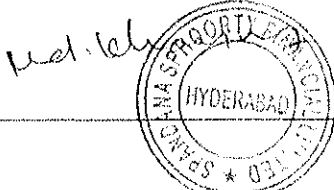

1.18 MISCELLANEOUS

1.18.1 Discharges and Releases

Notwithstanding any discharge, release or settlement from time to time between the Debenture Trustee and the Company, if any discharge or payment in respect of the obligations of the Company under this Deed is avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any provision of law or enactment relating to bankruptcy, insolvency, liquidation, winding up, composition or arrangement for the time being in force or for any other reason resulting in the above, the Debenture Trustee shall be entitled hereafter to enforce this Deed as if no such discharge, release or settlement had occurred.

1.18.2 Limitation on Rights of Others

Nothing in this Deed, whether express or implied, shall be construed to give to any Person other than the Debenture Trustee and the Debenture Holder any legal or equitable right, remedy or claim under or in respect of this Deed, except as expressly provided in this Deed, any covenants, conditions or provisions contained herein all of which are, and shall be construed to be, for the sole and exclusive benefit of the Debenture Trustee and the Debenture Holder.

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1.18.3 Other Remedies

The rights and remedies conferred upon the Debenture Trustee under this Deed:

- (a) shall not prejudice any other rights or remedies to which the Debenture Trustee may, independently of this Deed, whether by statute or otherwise, be entitled and in particular, the Debenture Trustee and/or the Debenture Holders shall retain all rights and remedies available to it under the Placement Memorandum and this Deed; and
- (b) shall not be prejudiced by any other rights or remedies to which the Debenture Trustee may, independently of this Deed, be entitled to, or any collateral or other security now or hereinafter held by the Debenture Trustee.

1.19 SEVERABILITY

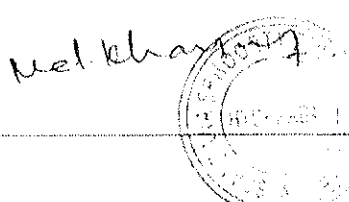

Every provision contained in this Deed shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

1.20 EFFECTIVE DATE

The provisions of this Deed shall become effective on the Deemed Date of Allotment.

1.21 DISPUTES AND GOVERNING LAW

- 1.21.1 The Debentures and this Deed are governed by and shall be construed in accordance with the Applicable Laws of India.
- 1.21.2 The Parties agree that the courts and tribunals in Mumbai shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed and that accordingly, any suit action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with this Deed may be brought in such courts or tribunals and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals.
- 1.21.3 The Company irrevocably waives any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals at Mumbai and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the courts and tribunals at Mumbai shall be conclusive and binding upon them and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.

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- 1.21.4 Provided that the Debenture Trustee, may, however, in its absolute discretion commence any Proceedings arising out of this Deed in any other court, tribunal in India or other appropriate forum, and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.
- 1.21.5 The Company further agrees not to claim, and to hereby irrevocably waive any claim of, immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process for itself or its assets, to the extent that it may in any jurisdiction be entitled to claim such immunity or to the extent such immunity may be attributed to itself or its assets.
- 1.21.6 This Deed shall be specifically enforceable at the instance of any Party. The Parties agree that a non-defaulting Party will suffer immediate, material, immeasurable, continuing and irreparable damage and harm in the event of any material breach of this Deed and the remedies at law in respect of such breach will be inadequate (each Party hereby waives the claim or defence that an adequate remedy at law is available) and that such non-defaulting Party shall be entitled to seek specific performance against the defaulting Party for performance of its obligations under this Deed in addition to any and all other legal or equitable remedies available to it.
- 1.21.7 This Clause 1.21 (*Disputes and Governing Law*) shall survive the termination of this Deed.

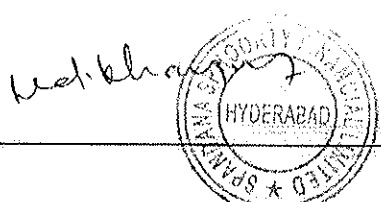
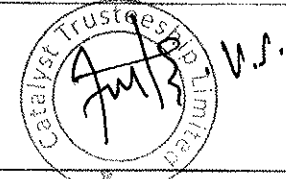
1.22 COUNTERPARTS

This Deed may be executed in any number of counterparts and all counterparts together shall constitute one and the same instrument.

1.23 APPROPRIATION OF PAYMENTS

Unless otherwise agreed to by the Debenture Holder(s), any Payments due and payable to the Debenture Holder(s) and made by the Company shall be appropriated towards such dues in the following order (unless otherwise agreed by the Majority Debenture Holders):

- (a) Firstly, towards costs, charges and expenses incurred by the Debenture Trustee in accordance with the terms of this Deed;
- (b) Secondly, reimbursement of all costs and expenses paid by the Debenture Holder(s) as provided under Clause 1.24 (*Costs and Expenses*) below;
- (c) Thirdly, Default Interest payable under Clause 1.2.7(e);
- (d) Fourthly, towards interest at the Coupon Rate; and
- (e) Lastly, towards the redemption of the Debentures due and payable under this Deed.

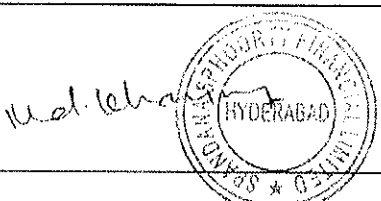
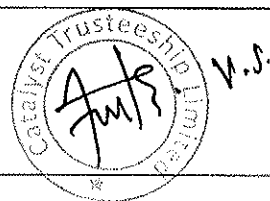
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1.24 COSTS AND EXPENSES

All costs and expenses arising out of the issuance of the Debentures (including but not limited to any amounts payable under Applicable Law as stamp duty on the issuance of the Debentures or any amounts payable to the rating agency towards their fees for rating of the Debentures or in relation to the due diligence) or creation of the Security (including but not limited to any amounts payable under Applicable Law such as stamp duty and registration charges in relation thereto) as well as all costs and expenses arising out of the negotiation, preparation and execution of this Deed or any other agreement, document or other writings executed pursuant to the provisions of this Deed shall be solely borne by the Company and the Company shall reimburse to the Debenture Trustee (upon a demand being made in this regard) any amounts expended by the Debenture Trustee in this behalf.

1.25 INDEMNITY

- 1.25.1 The Company hereby covenants and represents that it shall be responsible to comply with its covenants and obligations contained in this Deed and the Transaction Documents. The Company shall indemnify and keep indemnified, the Debenture Holders and Debenture Trustee and its respective representatives, respective officers, directors, employees, or any of them (each an "**Indemnified Party**") against any and all loss(es) incurred by any Indemnified Party in the execution or performance of the terms and conditions hereof or which may be incurred, sustained or which may arise in/ from: (a) the occurrence of an Event of Default; (b) the enforcement of any of the terms of or the preservation of any right hereunder or pursuant hereto; (c) any failure to pay applicable stamp duty (including any additional stamp duty if required) on the Transaction Documents or on the Debentures; or (d) the fraud, gross negligence or wilful misconduct or wilful misrepresentation of the Company; or (e) any actual or alleged breach of any environmental law.
- 1.25.2 For the removal of doubts, all sums necessary to effect the indemnity contained under this clause shall form part of the Secured Obligations and shall be secured by the Security and the Company shall be liable to pay such sums on demand by the Indemnified Party.
- 1.25.3 Any indemnity payment made pursuant to this Clause shall be made gross and without any deduction or withholding for or on account of any Taxes, charges, fees, costs, expenses or duties, except as may be required by any Applicable Law. If any Taxes, charges, fees, costs, expenses or duties must be deducted or withheld from any indemnity payment required to be made pursuant to this in order to comply with Applicable Law, or any other Taxes are payable on the indemnity amounts paid or received pursuant to this, the indemnity payment required to be made pursuant to this Clause and Clause 1.24 (*Cost and Expenses*) shall be grossed up with such additional amounts by the Company, as may be necessary to ensure that the Indemnified Parties receive a net amount equal to the full amount of the loss as determined in accordance with this Deed.

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1.25.4 Notwithstanding anything to the contrary in this Deed or in any other Transaction Documents, the Debenture Trustee shall not be required to expend or risk its own funds or otherwise incur any personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Deed or any other Transaction Documents to which it is a party.

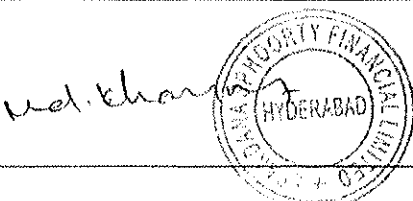
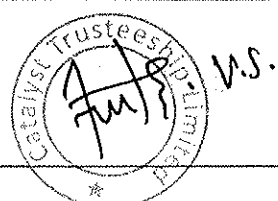
1.25.5 This Clause 1.25 (*Indemnity*) shall survive the termination of this Deed.

1.26 DISCLOSURE OF INFORMATION

1.26.1 Without prejudice to the rights of the Debenture Trustee to disclose information relating to the Company under the Applicable Laws and regulations, the Company hereby agrees and gives its consent for the disclosure by the Debenture Trustee of all or any of the following information and data relating to the Company and/or the obligations assumed/to be assumed by it in relation to the Debentures as the Debenture Trustee may deem appropriate and necessary to disclose and furnish to:

- (a) the Debenture Trustee's agents, contractors or third party service providers or professional advisers who are under a duty of confidentiality to the Debenture Trustee as the case may be;
- (b) the Debenture Trustee's head office, branches, representative offices, subsidiaries, related corporations or affiliates, for any database or data processing purposes or any other purposes whatsoever;
- (c) Reserve Bank of India ("RBI") or Central Repository of Information of Large Credits ("CRILC") or the TransUnion CIBIL Limited ("CIBIL") and/ or any other agency authorized in this behalf by RBI or any regulatory, supervisory or other authority, court of law, tribunal or person, in India or any other jurisdiction, where such disclosure is required by law, regulation, judgment or order of court or order of any tribunal;
- (d) any actual or potential assignee(s) or novatee(s) or transferee(s) of any rights and obligations of the Debenture Holders; or
- (e) any insurer (whether of the Debenture Trustee or the Company or otherwise), or provider of Security Interest.

1.26.2 The Company hereby agrees and undertakes that the RBI or the CRILC or the CIBIL and any other agency so authorized may use, process the said information and data disclosed by the Debenture Trustee in the manner as deemed fit by them and furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf.

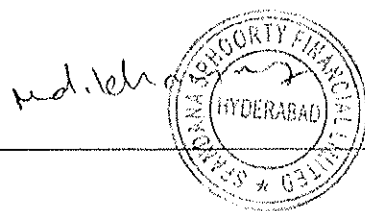
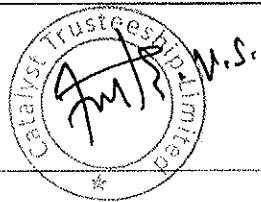
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1.27 **THIS DEED TO PREVAIL**

Notwithstanding anything contrary contained in this Deed and the other Transaction Documents, the Parties hereby agree, confirm and undertake that in case there is any repugnancy, inconsistency or conflict between the terms and conditions mentioned in the Transaction Documents and the provisions of the Placement Memorandum in relation to and as applicable to the transactions proposed in terms of the Transaction Documents, the provisions as contained in the Transaction Documents shall prevail and override the provisions of the Placement Memorandum. Further, in case of any conflict between the terms of this Deed and the Placement Memorandum, the provisions of this Deed shall prevail.

1.28 **ASSIGNMENT AND NOVATION**

The Company shall have no right of assignment under this Deed without the prior written approval of the Debenture Holders. The Company hereby agrees that the Debenture Holders, at their own cost, may without the consent of or notice to the Company novate all or part of its rights, benefits and obligations hereunder. The Company hereby agrees that the Debenture Holders may, in accordance with this Deed, at its sole discretion, transfer or assign its right, benefits and obligations hereunder in any other manner as they deems fit without the consent of the Company.

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2. PART B: DETAILS SPECIFIC TO ISSUE

2.1 TENURE OF THE DEBENTURES

The Debenture being issued pursuant to the terms of this Deed are issued for a tenor of 37 (Thirty-Seven) months and 15 (Fifteen) days may be redeemed by the Company on the Final Settlement Date (which may mean the Maturity Date or earlier pursuant to the occurrence of Event of Default or pursuant to exercise of Put Option or exercise of Mandatory Redemption).

2.2 STEP- UP COUPON/ STEP DOWN COUPON

In the event that the credit rating assigned to the Company and the Debentures by any credit rating agency is downgraded below "A-", the Coupon Rate shall increase by 50 (Fifty) basis points for each notch of rating downgrade ("**Step-Up Coupon**"), over and above the prevailing Coupon Rate.

Subsequent to any downgrade in rating leading to Step -Up Coupon, there will be decrease by 50 (Fifty) basis points for each notch of rating upgrade in rating of Debentures and/or the Issuer ("**Step-Down Coupon**") from the date on which the relevant rating is upgraded, provided however any Step-Down Coupon will be subject to the floor of Coupon Rate set out in Clause 1.2.7(b) to this Deed.

The Step-Up Coupon/ Step-Down Coupon shall be payable on each Coupon Payment Dates during the period starting from the date of downgrade/upgrade in rating, on the outstanding principal amount of the Debentures.

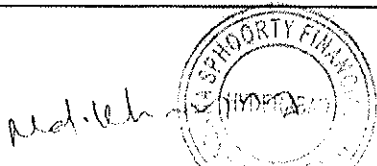

It is hereby clarified that for the purpose of any increase or decrease in the Coupon Rate upon the occurrence of any downgrade or upgrade in rating, respectively, in accordance with the terms stated above, if the Company is rated by more than 1 (One) credit rating agency duly licensed by SEBI, then the lowest of the ratings shall be considered.

2.3 MANDATORY REDEMPTION

In the event that the Debentures are not listed on the wholesale debt market of NSE within a maximum period of 3 (Three) Business Days from the date of closing of the Issue, the Issuer shall mandatorily redeem all the outstanding Debentures in full together with accrued Coupon, and all other amounts accrued thereto without any prepayment penalty within 30 (Thirty) from the expiry of 3 (Three) Business Days from the Deemed Date of Allotment.

2.4 PUT OPTION

- 2.4.1 The Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be entitled to redeem the Debentures (in full or part) by providing a written notice to the Company

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of at least 30 (Thirty) calendar days prior to the Put Option Date ("Put Option Notice"). Upon receipt of the Put Option Notice, the Company shall on the Put Option Date, redeem the Debentures by crediting to the beneficiary account of the Debenture Holder(s), the Redemption Amount for the Debentures in respect of which Put Option has been exercised by the Debenture Trustee (acting on the instructions of Majority Debenture Holders).

- 2.4.2 The Company upon the exercise of Put Option by the Debenture Holders under this Clause 2.4, shall pay YTM adjustment of Rs. 3490/- (Rupees Three Thousand Four Hundred Ninety Only) per Debenture.
- 2.4.3 The Company shall send notice to all the Debenture Holders and the Debenture Trustee at least 31 (Thirty-One) days before the date from which the Debenture Holders can exercise the Put Option.
- 2.4.4 The Company shall comply with the provisions of SEBI Debt Listing Regulations with respect to exercise of Put Option by the Debenture Trustee (acting on the instructions of Majority Debenture Holders).

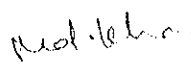


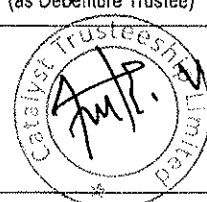
2.5 ADDITIONAL REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby, in addition to the representation and warranties made by the Company as set out in Clause 1.6 herein, makes the following representations and warranties with reference to the facts and circumstances as on the date hereof:

2.5.1 Legal / Litigation Matters

Other than as disclosed to the Debenture Trustee:

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

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or other similar officer for it or in respect of its assets.

- (d) There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened against the Company that questions the validity of the Transaction Documents, or the right of the Company to execute the Transaction Documents or the right of the Company to issue the Debentures or that could reasonably be expected to result in any Event of Default.

2.5.2 Assets

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U65929TG2003PLC040648 on the website <http://www.mca.gov.in/mcafoportal/showIndexOfCharges.do> under the heading Index of Charges), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

2.5.3 Employees

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

2.5.4 Event of Default

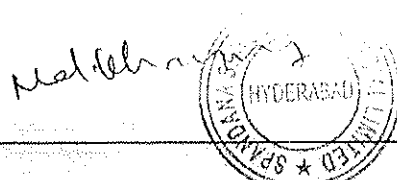
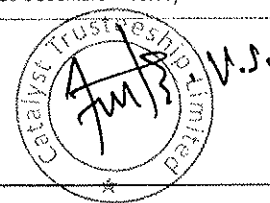
There is no Event of Default that has currently occurred or is continuing as on the date hereof.

2.5.5 Material Adverse Effect

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

2.5.6 No Immunity

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

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2.5.7 Illegality

It is not unlawful or illegal for the Company to perform any of its obligations under the terms of the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document have not ceased to be valid, binding or enforceable.

2.5.8 Information

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

2.5.9 Nature of Representations and Warranties

Each of the representations and warranties set out above shall be true and accurate as on the effective date of this Deed and shall continue to remain true and accurate each day until the Final Settlement Date.

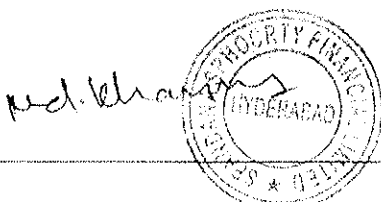

2.6 ADDITIONAL COMPANY'S COVENANTS

2.6.1 Affirmative Covenants

The Company shall, in addition to the covenant set out in Clause 1.7.2 herein, makes the following covenants:

(a) Further documents and acts

- (i) The Company shall execute all such deeds, documents, instruments and assurances and do all such acts and things the Debenture Trustee may reasonably require for exercising the rights under this Deed and the Debentures and for perfecting this Deed or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Hypothecated Assets and in particular the Company shall execute all transfers, assignments and assurance of the Hypothecated Assets whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.
- (ii) The Company shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee

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periodically of its compliance.

- (iii) Comply with any monitoring and/or servicing requests from the Debenture Holder(s) and the Debenture Trustee.
- (iv) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all licenses or authorisations necessary to enable it lawfully to enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed and the other Transaction Documents.
- (v) Within 15 (Fifteen) Business Days of receipt of a request from the Debenture Trustee, the Company shall authenticate any information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility.
- (vi) The Company shall seek/obtain no-objection certificate ("NOC") for sale of its stake in the subsidiary companies and associate companies.

(b) Make the Relevant filings

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


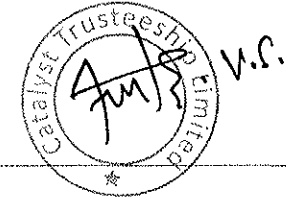
(c) Security Cover

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

(d) End- Use

The Company shall utilise the monies received towards (i) general corporate purposes, and (ii) ordinary course of business of the Company including repayment or refinancing of existing debt of the Company.

The Company shall within 45 (Forty-Five) calendar days from the end of every quarter submit to NSE, a statement indicating the utilization of Issue proceeds, which shall be continued to be given till such time the Issue proceeds have been fully utilised or the purpose for which these proceeds of Issue were raised has been achieved in the manner as provided in SEBI circular dated July 29, 2022 (bearing reference number: SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103).

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(e) **Compliance with laws**


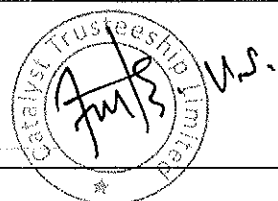
The Company shall comply with:

- (i) all laws, rules, regulations and guidelines (including the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the SEBI Debt Listing Regulations, as may be in force from time to time during the currency of the Debentures; (ii) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (iii) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act, each as amended, modified or supplemented from time to time;
- (ii) comply with all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI Debt Listing Regulations, RBI Master Direction dated September 1, 2016 bearing reference no. DNBR.PD.007/03.10.119/2016-17 on 'Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the Act and/or any other notification, circular, press release issued by the SEBI/RBI, each as amended, modified or supplemented from time to time.
- (iii) comply with all the applicable provisions as mentioned in the RBI Master Direction dated September 1, 2016 bearing reference no. DNBR.PD.007/03.10.119/2016-17 on 'Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the Act, corporate governance, fair practices code prescribed by RBI and/or any other notification, circular, press release issued by the SEBI/RBI, each as amended, modified or supplemented from time to time;

(f) **Security**

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

- (i) The Debentures shall be secured by way of a first ranking and exclusive charge on the Hypothecated Assets and such Hypothecated Assets are free from any encumbrances and, if required the Issuer has obtained consents/ permission from the earlier creditors for creating the aforesaid charge over the Hypothecated Assets;

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- (ii) It shall perfect the security over the Hypothecated Assets by filing Form CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the Deemed Date of Allotment and Form I with CERSAI reporting the charge created to the CERSAI in relation thereto within the timeline stipulated under the Applicable Law, without payment of penalty and shall deliver a copy thereof to the Debenture Trustee;
- (iii) The Company shall keep the Secured Property adequately insured, in a proper condition and shall pay all taxes, cesses, insurance premium with the Secured Property within the time permissible under Applicable Laws;
- (iv) Notwithstanding the above, the Company shall from time to time take all the necessary and requisite actions, including the making of all filings with the relevant authorities, such as the Registrar of Companies, in order to perfect the security over the Hypothecated Assets created or modified (by way of addition or substitution or replacement of receivables, as provided for in the Deed of Hypothecation) by the Company and/or pursuant to the execution of any Supplemental Deed of Hypothecation, within the time period stipulated in the Deed of Hypothecation or acceptable to the Debenture Trustee. The Company shall submit the requisite proof of such perfection of security to the Debenture Trustee.

(g) Fraud and Money Laundering

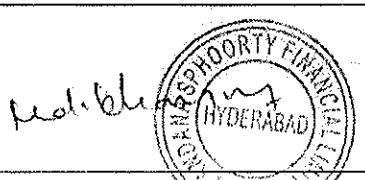
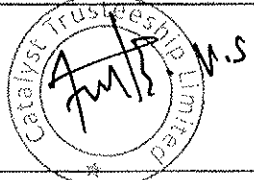
The Company shall ensure that it maintains internal control for the purpose of (i) preventing fraud of monies lent by the Company; and (ii) preventing its money being used for money laundering or any illegal purposes.

(h) Anti-Terrorism Laws

The Company (including its brokers or other agents acting or benefiting in any capacity in connection with the Debentures) are not: (a) dealing in, or otherwise engaged in any transaction relating to, any property or interest in property blocked pursuant to any Anti-Terrorism Laws; (b) engaged in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any Anti-Terrorism Laws; or (c) engaging or has engaged in any transaction that violates any of the applicable prohibitions set forth in any Anti-Money Laundering Law applicable to such Person.

(i) Anti-Corruption Laws

- (a) The Company and each of its officers, directors, employees and agents is in compliance with applicable Anti-Corruption Laws;

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(b) The Company has instituted and maintain policies and procedures designed to promote and achieve compliance with Anti-Corruption Laws.

(j) **Corporate Governance**

The Company shall confirm to and comply with the corporate governance and fair practices code as prescribed by the RBI.

(k) The Company shall promptly provide to the Debenture Trustee, after the Company knew or received, notice of any dispute, litigation, arbitration or other proceeding affecting the Company or its property or operations which, if adversely determined, would result in a liability exceeding 1% (One Percent) of the asset under of management of the Company.

(l) The Company shall promptly notify the Debenture Trustee of any potential Event of Default or occurrence of Event of Default.

2.6.2 **Reporting Covenants**

(a) The Company shall provide / cause to be provided information in writing in respect of the following promptly and no later than 15 (Fifteen) Business Days from the occurrence of such event (unless otherwise specifically provided):

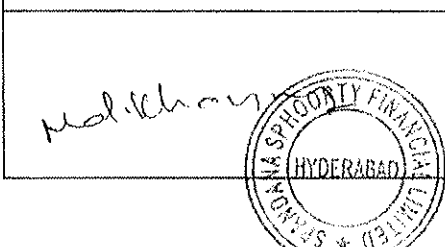
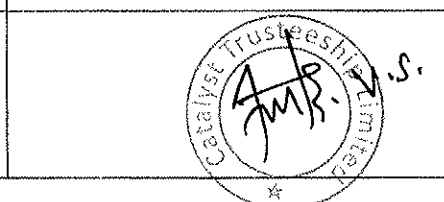
(i) notify the Debenture Trustee in writing of any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other Applicable Law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Company;

(ii) provide/ submit information in relation to litigation, arbitration, investigation or administrative proceedings which could result in a Material Adverse Effect;

(iii) notify the Debenture Trustee promptly in writing, of any event which constitutes an Event of Default or a potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same.

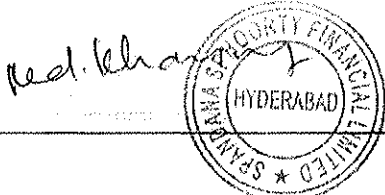
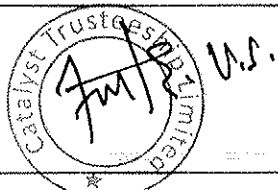
(iv) notify the Debenture Trustee in writing, of any proposed change in the nature or scope or the business or operations of the Company or the entering into any agreement or arrangement by any person that may materially affect the assets and liabilities of the Company;

(v) provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee

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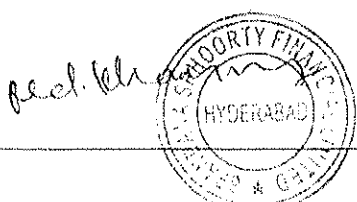

may reasonably request in relation to the payments due to be made on the Debentures;

- (vi) notify the Debenture Trustee promptly of any revision in the rating provided by the rating agency in the Issue;
- (vii) provide to the Debenture Trustee such information regarding details of any change in the accounting policy of the Company, which have a material impact, and excluding changes required due to compliance with statutory requirements;
- (viii) notify the Debenture Trustee in writing of any one or more events, conditions or circumstances that exist or have occurred that has, had or could reasonably be expected to have a Material Adverse Effect;
- (ix) notify the Debenture Trustee in writing of any fraud being committed with respect to the loans and advances or in respect of the Issuer (including its management), amounting to more than 1% (One Percent) of the gross loan portfolio of the Issuer;
- (x) notify the Debenture Trustee in writing of any fraud being committed with respect to Identified Loans;
- (xi) The Company agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:
 - I. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - II. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and
 - III. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.
- (b) The Company shall provide / cause to be provided to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following within a maximum of 15 (Fifteen) calendar days from the date of request made by the Debenture Trustee (unless otherwise specifically provided):
 - (i) Submit to the Debenture Holder (*in a format which shall be provided by the Debenture Holder from time to time*) such other information relevant to the Issue that the Debenture Holder may reasonably request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder, subject

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to such information being available with the Company.

- (ii) Submit to the Debenture Trustee, if so requested, a statement that the assets of the Company which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.
 - (iii) As soon as practicable, and in any event within 1 (One) Business Day, upon the Company having knowledge of any winding up proceeding including filing of any application under the IBC or initiation of any insolvency resolution process against the Company under the IBC.
 - (iv) Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Company that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Assets, together with all records, registers in relation to the Hypothecated Assets as required by the Debenture Trustee.
 - (v) The Company shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any Governmental Authority under Applicable Law.
 - (vi) The Company shall provide / submit such information, as may be required by the Debenture Trustee from time to time.
 - (vii) The Company shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s) and promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and provide report to the Debenture Trustee periodically of its compliance.
- (c) The Company shall promptly and expeditiously provide the details of top 15 (Fifteen) exposures of the Company in each segment in the format as prescribed by the Debenture Trustee.
- (d) The Company shall in the event of initiating or implementing any change which requires approval of the board of directors and such change may have an impact on the Debentures or the Debenture Holders, notify the Debenture Trustee within 5 (Five) from the approval received from the board of directors.

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

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

(f) **Quarterly Reports**

Submit to the Debenture Trustee within 45 (Forty Five) calendar days after the end of each quarter, containing the following particulars: -

- (i) the information on financials of the Company in the formats acceptable to the Debenture Holder(s);
- (ii) the shareholding structure of the Company;
- (iii) the asset liability management statement of the Company for the relevant quarter;
- (iv) the liquidity position of the Company at the end of such quarter, in a format acceptable to the Debenture Holders;
- (v) the restructuring data of the Company;
- (vi) static pool data of the Company; and
- (vii) the portfolio cuts data of the Company.

(g) **Half-yearly certificate**

The Issuer shall submit a certificate from its statutory auditor to the Debenture Trustee on half-yearly basis confirming compliance with all the covenants, in respect of the Debentures along with the half-yearly financial results.

2.6.3 Negative Covenants


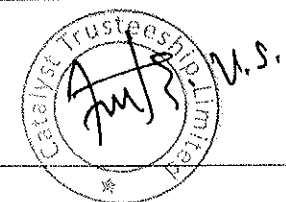
- (a) The Company hereby covenants with the Debenture Trustee that the Company shall not undertake the following without obtaining a prior written consent of the Majority Debenture Holders:

A. Purchase, Redemption of Share Capital and Buyback

The Company shall not purchase, redeem or reduce any of its issued share capital or buy back any equity shareholding held by any of the present or future shareholders of the Company.

B. Payment of dividend

The Company shall not declare or pay any dividend to its shareholders during any financial year unless it has paid the amounts then due and payable on the

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Debentures or has made provisions satisfactory to the Debenture Trustee for making such payment and so long as no Event of Default has occurred and is then continuing or subsisting.

C. Merger, Consolidation, etc.

The Company shall not enter into any agreement to effectuate transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction, acquisition, restructuring. Provided however, there will be no consent requirement if such requirement leads to the Issuer making default of its payment obligations in relation to the Debentures.

D. Constitutional Documents

The Company shall not make any amendments or modifications to the Memorandum of Association or to the Articles of Association of the Company in any manner, which would have a Material Adverse Effect.

E. Disposal of Assets

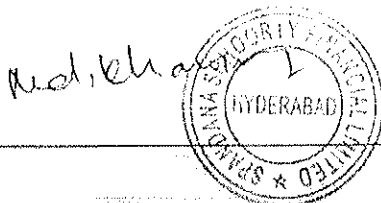
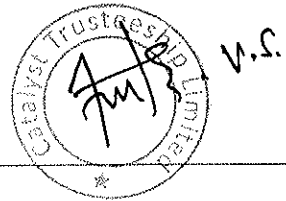
The Company shall not sell, transfer, or otherwise dispose of in any manner whatsoever any material assets of the Company, other than in ordinary course of business including any securitization / portfolio sale of assets undertaken by the Company in its ordinary course of business.

F. No Encumbrance Over Hypothecated Assets

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

G. Proceedings

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

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H. Diversification

- (i) The Company shall not alter its principal nature of business or shall not undertake any material diversification of any existing business.
- (ii) The Company shall not undertake any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business.

I. Investments in Group Company

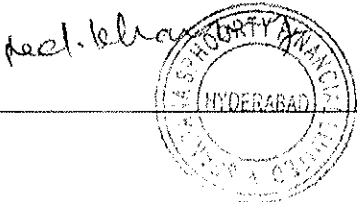
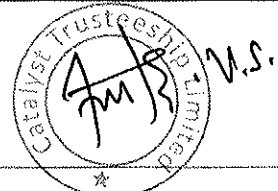
The Company shall not give any loans or place any inter-corporate deposits or invest in any manner in any of the Group Company. For the purposes of this sub-clause (I), the term "Group Company" shall include: (i) entities wherein the promoters of the Company are the majority shareholders of such entities; and/ or (ii) entities where the promoters of the Company are on the board of directors; and/or (iii) any subsidiary or associate company of the Issuer.

- J. The Company shall not change the Financial Year unless required by Applicable Law.

2.6.4 Financial Covenants

The Issuer covenants with the Debenture Trustee that the Company shall comply with the following financial covenants:

- (a) The Company shall ensure that the maximum consolidated Net Leverage remains below 3.5 times;
- (b) The Company shall maintain Tier 1 Capital Adequacy Ratio of at least 20% (Twenty Percent) or as prescribed by the applicable regulations of the RBI from time to time, whichever is higher;
- (c) The Company shall ensure that the Gross NPA (as reported to RBI) shall not exceed 8% (Eight Percent) till June, 2023 and 5% (Five Percent) post June, 2023.
- (d) The Company shall maintain the Non-Performing Loans at below 6% (Six Percent).
- (e) The Company shall not have any mismatches on a cumulative basis in any of the standard buckets up to the next 12 (Twelve) months on all standard liquidity buckets, as prescribed by RBI. In order to calculate the same on the inflow side, only the contractual collection of the Company shall be considered and on the outflow side, all the put options or open-ended interest reset options without any linkage to benchmark for a capital market debt instrument shall be considered as maturity.

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- (f) The Company shall have a minimum consolidated Net Worth of Rs. 2800,00,00,000/- (Two Thousand Eight Hundred Crores Only) at all times.
- (g) The Company shall maintain a minimum Liquidity at 5% (Five Percent) of the Asset Under Management of the Company.
- (h) The Company shall ensure that the exposure to one State shall not exceed 20% (Twenty Percent) of the Asset Under Management of the Company.

For the purpose of this Clause 2.6.4 (Financial Covenants) of this Deed, the following terms shall have the meaning ascribed to them as provided below:

"Non Performing Loans" is calculated as loans overdue for more than 90 day plus restructured loans (excluding loans restructured prior to March 31, 2023) plus security receipts of assets sold down to ARCs plus loss of on sale of assets to ARCs plus loans written off during last 12 months (excluding write off done till March 31, 2023) from testing date divide by the on balance sheet loan book. The book, 90 DPD portfolio, write off etc for portfolio sourced prior to April 1, 2021 shall not be considered for above working.

"Assets Under Management" / "AUM" shall mean the aggregate of loan receivable portfolio as reported by the Company on the balance sheet of the Issuer.

"Gross NPA" shall have the meaning assigned in the RBI regulations.

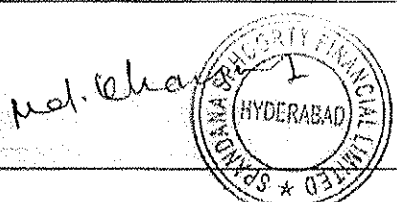
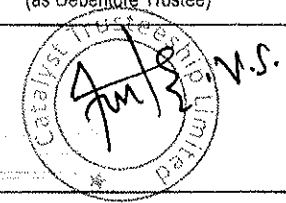
"Liquidity" shall include cash and cash equivalents, Fixed Deposit, investment in Liquid Mutual fund schemes, not lien marked to anyone and free from any encumbrances.

"Net Leverage" shall mean (consolidated Financial Indebtedness (including receivables sold via direct assignment route on no recourse basis) – consolidated Liquidity) / consolidated Tangible Net Worth.

"Tangible Net Worth" shall mean, at any time, the aggregate amount of equity capital, equity share premium and reserves (excluding revaluation reserves), as reduced by the aggregate amount of goodwill, DTA, investment in security receipts and other intangible assets.

"Net Worth" shall mean, at any time, the aggregate amount of equity capital, equity share premium and reserves (excluding revaluation reserves).

The Debenture Trustee shall monitor the compliance with the above covenants, as on the last date of every financial quarter, i.e. on March 31, June 30, September 30 or on December 31 until the Final Settlement Date.

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The Company shall, within 60 (Sixty) calendar days of the expiry of each financial quarter, issue in favour of the Debenture Trustee and the Debenture Holder(s), a certificate issued by the Management of the Company certifying the compliance by the Company of each of the financial covenants provided for in this Clause 2.6.4, which certificate shall be delivered to the Debenture Trustee and the Debenture Holder(s).

2.6.5 Management and Rating Covenant

The Issuer covenants with the Debenture Trustee that the Company shall comply with the following management and reporting covenant:

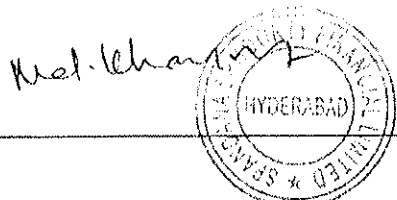
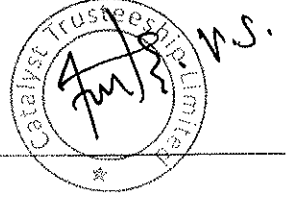
- (a) The Company shall ensure that Kedaara Private Equity Group shall hold and continue to hold at least 26% (Twenty Six Percent) of the total shareholding of the Company on a fully diluted basis;
- (b) The Company shall ensure that Kedaara Private Equity Group shall continue to remain as the promoter of the Company and shall continue to have management control;
- (c) The Company shall ensure that Mr. Shalabh Saxena shall continue to remain as the Managing Director and Chief Executive Officer of the Company and shall continue to be in the Board of Directors of the Company;
- (d) The Company shall ensure that Mr. Ashish Damani shall continue to remain as the Chief Financial Officer of the Company; and
- (e) The long-term credit rating of the Company shall not be downgraded and/or assigned to below "A-" by any credit rating agency and remarks such as "Issuer not cooperating" / "suspends" shall not be provided or affixed to the existing credit rating of the Company.

2.7 BREACH OF COVENANT BY THE COMPANY MAY BE WAIVED

The Debenture Trustee may, at any time, waive such terms and conditions as shall seem expedient to it, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Provided however, that the prior consent of Majority Debenture Holders has been obtained by the Debenture Trustee for any such waiver.

2.7.1 EVENTS OF DEFAULT

In addition to the Events of Default sets out in Clause 1.8 herein, the following event shall constitute an Event of Default:

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(a) **Breach of covenants / obligations**

If the Company fails to comply with any covenant (including but not limited to Financial Covenants, Management and Rating Covenants, Negative Covenants or Affirmative Covenants) or undertaking provided by it in the Debenture Trust Deed or any other Transaction Documents including any covenants stipulated in the Placement Memorandum.

(b) **Inability to pay Debts**

The Company admits in writing its inability to pay its debts as they mature or suspends making payments on any of its debts and as a result of which event of default is declared by such financial creditor of the Company.

(c) **Transaction Documents**

- (i) In the opinion of the Debenture Trustee, any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable;
- (ii) Any of the Transaction Documents are claimed by the Company, or any of the security providers, not to be in full force and effect.

(d) **End Use**

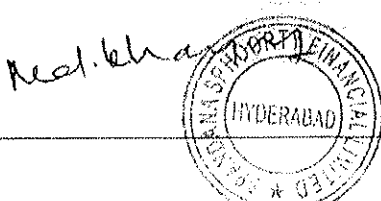
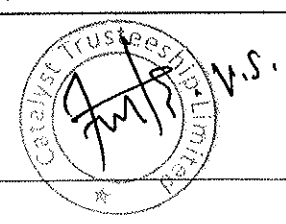
All or any part of the proceeds of the Issue is not utilized or is not being utilized for the intended end use stipulated in this Deed and/or the Placement Memorandum.

(e) **Applicable Law**

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

(f) **Material Adverse Effect**

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

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(g) **Unlawfulness and Invalidity**

- (i) It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- (ii) The Company repudiates a Transaction Document to which it is a party or evidences an intention to repudiate Transaction Documents to which it is a party.

(h) **Cross default**

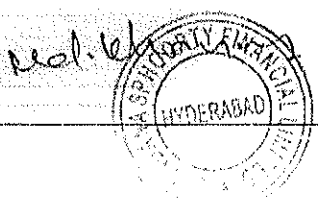
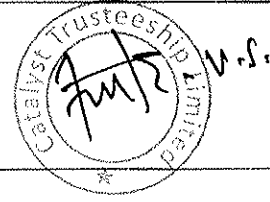
- (i) If the Company or any subsidiary company (present or future), in regards to any Financial Indebtedness availed by it: (A) defaults in any payment of any Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or (B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or under any security document executed in relation to such Financial Indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or (C) any Financial Indebtedness of the Company is declared to be or otherwise becomes due and payable, or required to be prepaid other than by a regularly scheduled required prepayment prior to the stated maturity thereof;
- (ii) If the Company is declared to be in default by any creditor or trustee in writing in relation to the servicing obligations undertaken by it with respect to direct assignment transactions and/or securitization transactions wherein the Company is the originator or the loans assigned / securitized and such default is not resolved within 30 (Thirty) calendar days from such default;

(i) **Security Cover**

If, in the opinion of the Debenture Trustee, the value of the Hypothecated Assets is insufficient to maintain the Security Cover and/or top-up of the Receivables is not completed within the timelines under the Deed of Hypothecation.

(j) **This Deed**

Occurrence of any other Event of Default set out in this Deed or any other Transaction Documents.

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(k) **Delisting of the Debentures**

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

(l) **Fraud and Embezzlement**

Any material act of fraud, embezzlement, misstatement, misappropriation, or siphoning off of the funds or revenues of the Company or the Promoter or any other act having a similar effect being committed by the management or an officer, and/or employee of the Company or the Promoter.

(m) **Material Litigation**

Any litigation, arbitration, investigative or administrative proceeding is current, pending or threatened by issuance of a written notice against the Company, which could have a Material Adverse Effect on the Company.

(n) **Merger, Re-arrangement etc.**

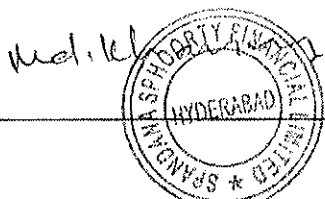
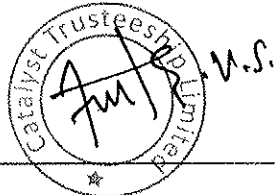
The Company has taken or suffered to be taken any action for re-organization of its capital or any rearrangement, merger, demerger, amalgamation, scheme of arrangement or slump sale transaction, without the prior written consent of the Debenture Trustee in terms hereof.

(o) **Suspension or Revocation**

The operating licenses of the Company upon being revoked, suspended, or surrendered including the certificate of registration of the Company as a non-banking financial company being revoked, suspended, or surrendered by RBI.

(p) **Change of Control**

In event the Company takes any action without prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) which would result in change in Control of the Company. For the purposes of this sub-clause the term "Control" shall have the meaning assigned to such term under the Act.

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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(q) **Wilful Default**

Any promoter(s) of the Company being declared as a 'wilful defaulter' under the applicable RBI regulations and/or by any competent authority.

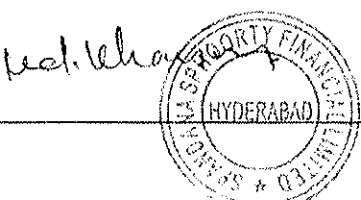

- (r) If the Company fails to comply with any of the covenants set out in the financing documents which gives the respective lender under such financing documents the right to call an event of default or accelerate payment/redemption of the Company's financial obligation under such financing documents and such financial obligations individually or cumulatively is more than 5% (Five Percent) of the asset under management of the Company.

(s) **Execution**

Any execution of any decree that may affect any assets of the Company, which in the opinion of the debenture trustee shall have a material adverse effect;

(t) **Failure to Credit**

In the event the Company fails to credit the Debentures to the dematerialized account of the Debenture Holders with the Depositories within 2 (Two) Business Days from the Deemed Date of Allotment.

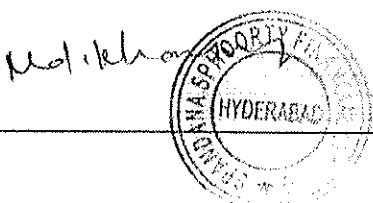
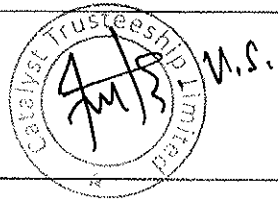
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3. PART C: DEFINITIONS AND CONSTRUCTION

3.1 Definitions

In these presents unless there is anything in the subject or context inconsistent therewith, the expressions listed below shall have the following meanings:

- 3.1.1 **"Act"** shall mean the Companies Act, 1956, or where applicable the notified provisions of the Companies Act, 2013 ("**2013 Act**"), as may be amended from time to time;
- 3.1.2 **"Affirmative Covenants"** shall mean the affirmative covenants as set out under Clause 1.7.2 of Part A and Clause 2.6.1 of Part B of this Deed;
- 3.1.3 **"Anti-Corruption Laws"** means all Applicable Laws, subordinate legislation, rules, regulations or other legally binding measures related to bribery and corruption in any jurisdiction applicable to the Company, including the (Indian) Prevention of Corruption Act, 1988, the United Kingdom Bribery Act of 2010 and the United States Foreign Corrupt Practices Act of 1977;
- 3.1.4 **"Anti-Money Laundering Law(s)"** means all applicable financial record keeping and reporting requirements and money laundering statutes applicable to the Company including the (Indian) Prevention of Money Laundering Act, 2002, the (United States) Currency and Foreign Transaction Reporting Act of 1970, the (United Kingdom) Proceeds of Crime Act 2002, the (United Kingdom) Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the (United Kingdom) Terrorism Act 2000 and any similar laws, rules and or regulations issued, administered or enforced by a Governmental Authority in any applicable jurisdiction;
- 3.1.5 **"Anti-Terrorism Law"** means any anti-terrorism law or regulation in India or any other jurisdiction in which the Company is incorporated or conducts its business;
- 3.1.6 **"Applicable Law"** shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof;
- 3.1.7 **"Applicants"** shall mean the recipients of the Placement Memorandum (including the Private Placement Offer cum Application Letter);
- 3.1.8 **"Application Money"** means the subscription monies paid by the Applicants at the time of submitting the Application Form, for the subscription of the Debentures;
- 3.1.9 **"Beneficial Owner(s)"** shall mean the Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository;

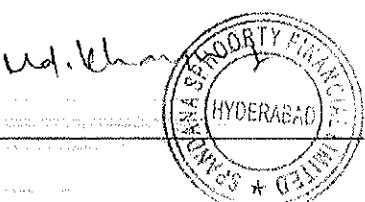
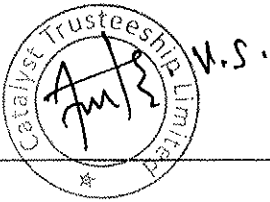
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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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- 3.1.10 **"Business Day"** shall mean all the days on which commercial banks are open for business in Mumbai

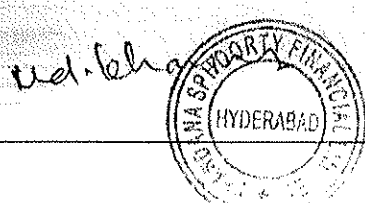
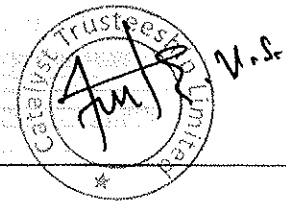
Explanation: For the purposes of this definition of Business Day, in respect of:

The time period between the Issue Closing Date and the listing of the Debentures on the Stock Exchanges: 'Business Day' means all trading days of the Stock Exchanges for Debentures as specified by the SEBI, excluding Saturdays, Sundays and bank holidays, as specified by the RBI

- 3.1.11 **"CDSL"** shall have the meaning assigned to such term in Recital E above;
- 3.1.12 **"Conditions Precedent"** means the actions/conditions to be completed/ performed by the Company prior to issuance of the Debentures as set out in the Part A Schedule III;
- 3.1.13 **"Conditions Subsequent"** means the actions/conditions to be completed/ performed by the Company post the issuance of the Debentures as set out in the Part B Schedule III;
- 3.1.14 **"Control"** shall have the meaning assigned to the term under Section 2(27) of the Act;
- 3.1.15 **"Coupon"** shall mean the coupon payable on the Debentures on the Coupon Payment Date(s) or such other date on which the payment of the principal amount of the Debentures is made whether at stated Maturity Date, by declaration of acceleration, or otherwise, at the Coupon Rate;
- 3.1.16 **"Coupon Payment Date(s)"** shall mean the payment dates as specified in Clause 1.2.7 (c) to this Deed;
- 3.1.17 **"Coupon Rate"** shall subject to Step-up Coupon set out in Clause 2.2, mean 10.25% (Ten Decimal Point Two Five Percent) per annum payable half-yearly on each Coupon Payment Dates or such other date on which the payment of the principal amount of the Debentures is made whether at stated maturity date, by declaration of acceleration, or otherwise;
- 3.1.18 **"Debentures"** shall have the meaning assigned to the term in Recital A above;
- 3.1.19 **"Debenture Holder(s)"** shall initially mean, the persons to whom the Placement Memorandum has been issued to and who have subscribed the Debentures in the primary market and thereafter shall mean and include any Person to whom the Debentures are transferred to, each who fulfils the following requirements: (a) Persons who are registered as such as the Beneficial Owners; and (b) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s). In the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail;

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- 3.1.20 **"Debenture Trustee Agreement"** shall mean the trustee agreement entered into by and between the Company and the Debenture Trustee dated April 04, 2023;
- 3.1.21 **"Deed(s) of Hypothecation"** shall mean the unattested deed of hypothecation executed on April 10, 2023 by the Company in favour of the Debenture Trustee, to evidence creation of first ranking exclusive charge by the Company in favour of the Debenture Trustee for the benefit of the Debenture Holder(s) over the Hypothecated Assets, both present and future;
- 3.1.22 **"Deemed Date of Allotment"** shall mean the date on which the Debentures are deemed to be allotted to the Debenture Holder(s), being April 10, 2023;
- 3.1.23 **"Default Interest"** shall have the meaning assigned to the term in Clause 1.2.7(e) to this Deed;
- 3.1.24 **"Depositories Act"** shall mean the Depositories Act, 1996, and rules thereunder as amended from time to time;
- 3.1.25 **"Depository"** shall mean the depository(ies) with whom the Company has made arrangements for dematerialising the Debentures, being CDSL and NSDL respectively;
- 3.1.26 **"Due Date(s)"** shall mean any date on which the Debenture Holder(s) are entitled to any Payments in relation to the Debentures, whether for redemption on maturity or towards coupon/interest/premium or due to exercise of Mandatory Redemption or exercise of Put Option;
- 3.1.27 **"Event(s) of Default"** shall mean the events of default as set out in Clause 1.8 and Clause 2.7.1 hereof and shall, in relation to the Debenture Holders of Debentures;
- 3.1.28 **"Financial Covenants"** shall mean the financial covenants as set out under Clause 2.6.4 of Part B of this Deed;
- 3.1.29 **"Financial Indebtedness"** shall mean any indebtedness for or in respect of:
- monies borrowed;
 - any amount availed of by acceptance of any credit facility, bill acceptance or bill endorsement facility or dematerialized equivalent;
 - any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments;
 - the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease;
 - receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis);
 - any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

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- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance;
- (j) any put option, Guarantees, keep fit letter(s), letter of comfort, etc by whatever name called, which gives or may give rise to any financial obligation(s);
- (k) any preference shares (excluding any compulsorily convertible preference shares);
- (l) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above;
- (m) Notwithstanding the items in paragraphs (a) to (l) above, all obligations of any person from time to time (whether present or future, actual or contingent, as principal or surety or otherwise) for the payment or repayment of money.

3.1.30 **"Final Settlement Date"** shall mean the date on which the Payments have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents as confirmed by the Debenture Trustee in writing and could mean the Maturity Date or the Put Option Date or such other date on which the Mandatory Redemption is exercised, whichever is earlier;

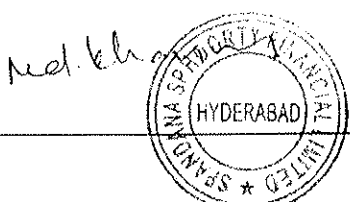
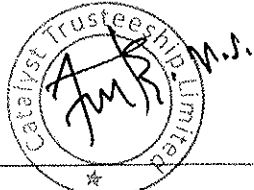
3.1.31 **"Financial Year"** shall mean the financial year of the Company used for the purposes of accounting;

3.1.32 **"Governmental Authority"** shall mean the President of India, the Government of India, the Governor and the Government of any State in India, any ministry or department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body, and shall include, without limitation, a stock exchange and any regulatory body;

3.1.33 **"Guarantee"** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any Person or to make an investment in or loan to any Person or to purchase assets of any Person where, in each case, such obligation is assumed in order to maintain or assist the ability of such Person to meet its indebtedness.

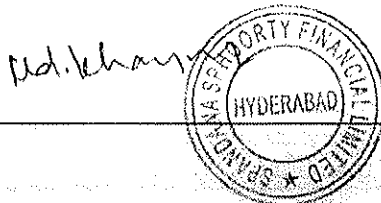
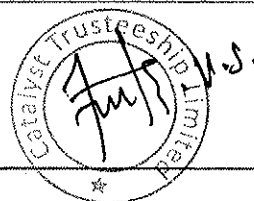
3.1.34 **"Hypothecated Assets"** shall have the meaning assigned to the term in the Deed of Hypothecation;

3.1.35 **"IBC"** shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment

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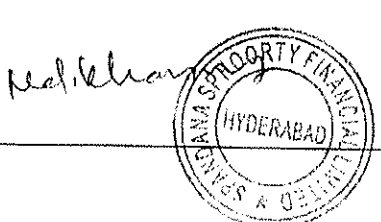
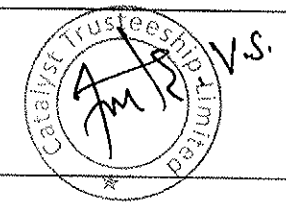
or re-enactment thereof;

- 3.1.36 **"Identified Loans"** shall mean the loans provided as Security as more particularly stipulated under Schedule II of the Deed of Hypothecation and any other loans replaced/ substituted from time to time by way of (a) the Supplemental Deed of Hypothecation (if any), and/or (b) Monthly Hypothecated Assets Report provided to the Debenture Trustee pursuant to the Deed of Hypothecation;
- 3.1.37 **"Information Utility"** means the National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 or any other entity which has been designated and recognised by the Insolvency and Bankruptcy Board of India as an information utility under the provisions of the Insolvency and Bankruptcy Code, 2016 and all the rules and regulations thereunder;
- 3.1.38 **"Issue"** shall have the meaning assigned to the term in Recital A above;
- 3.1.39 **"Issue Closing Date"** shall mean April 10, 2023;
- 3.1.40 **"Kedaara Private Equity Group"** shall mean all the entities/funds managed by Kedaara private Equity including but not limited to Kahgchenjunga Limited and Kedaara Capital Fund III LLP.
- 3.1.41 **"Majority Debenture Holder(s)"** shall mean Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the outstanding principal amount of the Debentures;
- 3.1.42 **"Management and Reporting Covenants"** shall mean the management and reporting covenants as set out under Clause 2.6.5 of Part B of this Deed;
- 3.1.43 **"Material Adverse Effect"** shall mean, with respect to the Company and at the sole discretion of the Debenture Trustee, the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could in the opinion of the Debenture Trustee cause a material and adverse effect on:
- (i) the business activities, operations, financial condition and credit standing of the Company; or
 - (ii) the Hypothecated Property and the ability of the Company to perform its obligations under the Transaction Documents; or
 - (iii) the legality, validity or enforceability of, or the effectiveness of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
- 3.1.44 **"Maturity Date"** shall mean the date falling at the end of 37 (Thirty-Seven) months and 15 (Fifteen) days from the Deemed Date of Allotment being May 25, 2026 subject to exercise of Put

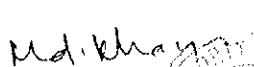
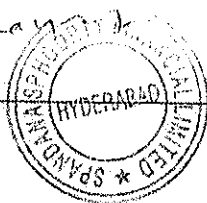

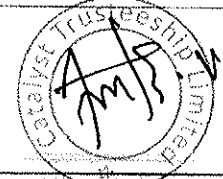
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Option or exercise of Mandatory Redemption, such other date on which the final payment of the principal amount along with Coupon and other charges payable on the principal amount of the Debentures becomes due and payable whether at such stated maturity date or either by declaration of acceleration, or otherwise;

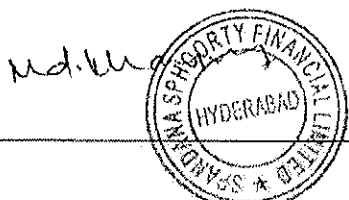
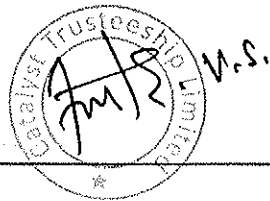
- 3.1.45 **"Meeting of Debenture Holders"** shall mean meeting of Debenture Holders conducted in accordance with provisions set out in **Schedule II** to this Deed;
- 3.1.46 **"Monthly Hypothecated Asset Report"** shall have the meaning assigned to the term in Clause 1.4.9(c) of this Deed;
- 3.1.47 **"NBFC"** shall mean Non-Banking Financial Company registered under the Companies Act, 1956 or Companies Act, 2013 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property;
- 3.1.48 **"Negative Covenants"** shall mean the negative covenants as set out under Clause 2.6.3 of Part B of this Deed;
- 3.1.49 **"Nominee Director"** shall have the meaning assigned to the term in Clause 1.3.11 to this Deed;
- 3.1.50 **"NSDL"** shall have the meaning assigned to the term in Recital E above;
- 3.1.51 **"NSE"** shall have the meaning assigned to such term in Recital G above;
- 3.1.52 **"Outstanding Amounts"** means, at any date, the outstanding principal amounts together with any Coupon (including any accrued but unpaid/uncrystallised Coupon), additional interest, , costs, fees, charges, reimbursements, Default Interest and other amounts payable by the Company in respect of the Debentures.
- 3.1.53 **"Payments"** shall mean all payments to be made by the Company in relation to the Debentures to be calculated in the manner set out in this Deed and shall include principal amounts, Coupon Rates, redemption premium (as may be applicable), interest, Default Interest and other amounts, if any, in respect of the Debentures as per this Deed;
- 3.1.54 **"Placement Memorandum"** shall have the meaning assigned to the term in Recital B above;
- 3.1.55 **"Power of Attorney"** shall mean the irrevocable and unconditional power of attorney to be executed by the Company in favour of the Debenture Trustee pursuant to the Deed of Hypothecation;

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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- 3.1.56 **"Principal Payment Date(s)"** shall mean the payment date(s) as specified in Clause 1.2.9 and **Schedule I** to this Deed;
- 3.1.57 **"Proceedings"** shall have the meaning assigned to the term in 1.21 (*Disputes and Governing Law*) of this Deed;
- 3.1.58 **"Promoter"** shall mean Kedaara Private Equity Group;
- 3.1.59 **"Prudential Framework Circular"** shall mean Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 bearing reference number RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19
- 3.1.60 **"Purpose" / "End-Use"** means the purpose for which the Company is issuing the Debentures assigned to the term in Clause 1.2.2 of this Deed;
- 3.1.61 **"Put Option"** shall mean early redemption of the Debentures pursuant to exercise of right stipulated in Clause 2.4 to this Deed;
- 3.1.62 **"Put Option Date"** shall mean date falling on the expiry of 24 months from the Deemed Date of Allotment being April 10, 2025;
- 3.1.63 **"Put Option Notice"** shall have the meaning assigned to the term as specified in Clause 2.4 to this Deed;
- 3.1.64 **"Put Option Price"** shall mean amount equivalent to the face value of the Debentures and accrued Coupon due and payable, adjusted for YTM adjustment (absolute amount) of Rs 3,490 per Debenture as on the Put Option Date and as identified in **Schedule I** of this Deed;
- 3.1.65 **"RBI"** shall mean the Reserve Bank of India;
- 3.1.66 **"Rating Agency"** shall mean India Ratings and Research Private Limited, a company existing under the Companies Act, 2013 and having its registered office at Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051;
- 3.1.67 **"Receivables"** shall have the meaning assigned to it in the Deed of Hypothecation;
- 3.1.68 **"Record Date"** shall mean in relation to any Due Date, the day falling 15 (Fifteen) Calendar Days prior to such Due Date;
- 3.1.69 **"Recovery Expense Fund"** shall have the meaning assigned to the term in Clause 1.5.2 of this Deed;

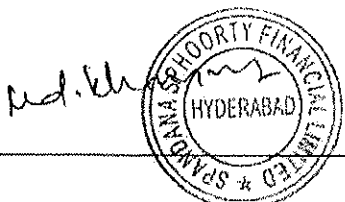

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- 3.1.70 **"Redemption Amount"** shall mean in respect of each Debenture, means the amount to be paid by the Company to the Debenture Holder(s) at the time of redemption of the Debentures (including any amount payable on account of any Mandatory Redemption or exercise of Put Option) to be calculated in the manner set out in this Deed and shall include principal amounts, accrued Coupon, accrued Default Coupon, any fees, costs, indemnity payments, expenses and any other amounts payable by the Company to the Debenture Holders under the Issue, if any, and any other outstanding Secured Obligations payable by the Company and other amounts, if any, in respect of the Debentures as per this Deed and the other Transaction Documents;
- 3.1.71 **"Register of Debenture Holder(s)"** shall mean the register maintained by the Company containing the name(s) of the Debenture Holder(s), which register shall be maintained at the registered office of the Company;
- 3.1.72 **"Registrar and Transfer Agent"** shall mean KFin Technologies Limited, a company existing under the Companies Act, 2013 and having its registered office at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi, Telangana – 500032;
- 3.1.73 **"Repay"** shall include **"Redemption"** and vice-versa and **"repaid"**, **"repayable"**, **"repayment"**, **"redeemed"**, **"redeemable"** and **"redemption"** shall be construed accordingly;
- 3.1.74 **"Reporting Covenants"** shall mean the reporting covenants as set out under Clause 1.7.1 of Part A and Clause 2.6.2 of Part B of this Deed;
- 3.1.75 **"Restricted Party"** means a person that is: (i) listed on, or owned or Controlled by a person listed on, or acting on behalf of a Person listed on, any Sanctions List; (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) Controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or (iii) otherwise a target of Sanctions (**"target of Sanctions"**) signifies a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities);
- 3.1.76 **"ROC"** means jurisdictional Registrar of Companies;
- 3.1.77 **"Rs."** or **"Rupees"** shall mean Indian Rupee, the lawful currency of India;
- 3.1.78 **"RTGS"** shall mean Real Time Gross Settlement;
- 3.1.79 **"Sanctions"** shall mean the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (i) the United States government; (ii) the United Nations; (iii) the European Union; (iv) the United Kingdom; (v) Financial Action Task Force (**"FATF"**) or (vi) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the OFAC, the United States Department of State, and His Majesty's

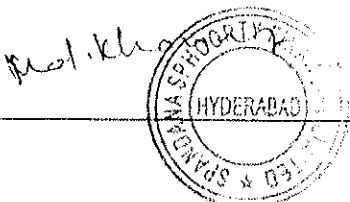
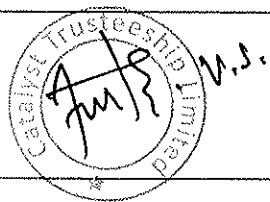
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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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Treasury ("HMT") (together the "Sanctions Authorities");

- 3.1.80 **"Sanctions List"** means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities;
- 3.1.81 **"SEBI"** shall mean the Securities and Exchange Board of India;
- 3.1.82 **"SEBI Debt Listing Regulations"** shall mean the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI read with the operational circular for issue and listing of non-convertible securities, securities debt instruments, security receipts, municipal debt securities and commercial paper dated August 10, 2021 issued by SEBI as updated vide the SEBI circular dated December 01, 2022 (bearing reference number: SEBI/HO/DDHS/P/CIR/2021/613), each as amended from time to time;
- 3.1.83 **"Secured Obligations"** shall mean all obligations at any time, all the present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever), owing or incurred by the Company to the Debenture Trustee and the Debenture Holder(s) in respect of the Debentures and shall include the obligation to redeem the Debentures in terms thereof together with the coupon/interest/premium accrued thereon, Default Interest, if any, accrued thereon, any outstanding remuneration of the Debenture Trustee, any amounts payable pursuant to indemnity obligations of the Company under any of the Transaction Documents, any and all sums expended by the Debenture Trustee or any of the Debenture Holders or other Person in order to preserve, enforce and realize the Security and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Company in respect of the Debentures under the Transaction Documents;
- 3.1.84 **"Secured Property"** shall mean all the right, title, interest, benefit, claims and demands of the Issuer, both present and future, in, to, or in respect of the identified receivables including balance principal repayments, overdue interest, overdue principal amount, charges, default or additional interest, accrued interest, premia on prepayment, liquidated damages, insurance proceeds and all other costs etc. arising out of rupee loan facilities advanced / to be advanced by the Issuer to any person and charged under the terms of this Issue under the terms of the Deed of Hypothecation.
- 3.1.85 **"Security"** shall mean the security created in favour of the Debenture Trustee for the purpose of the issuance of Debentures which shall mean the Hypothecated Assets;
- 3.1.86 **"Security Cover"** shall mean the aggregate value of all the Receivables which is to be maintained by the Company under the terms of the Deed of Hypothecation, of at least 1.10 (One Decimal Point One Zero) times of the aggregate of the principal amounts outstanding in respect of the Debentures issued / to be issued by the Company;

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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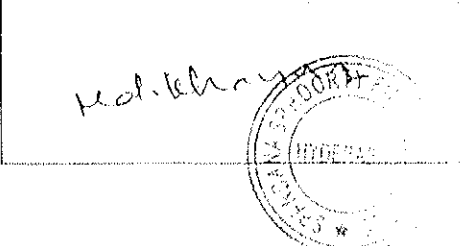
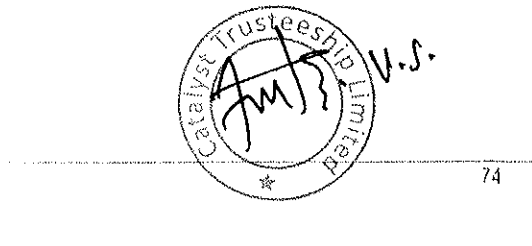
- 3.1.87 **"Step- Up Coupon" / "Step Down Coupon"** shall have the meaning assigned to the term in Clause 2.2 of this Deed;
- 3.1.88 **"Successor Trustee"** shall have the meaning assigned to the term in Clause 1.1.5 (*Successor Trustee as the Debenture Trustee*) of this Deed;
- 3.1.89 **"Super Majority"** shall mean Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the outstanding principal amount of the Debentures;
- 3.1.90 **"Supplemental Deed of Hypothecation"** shall mean an unattested deed of hypothecation supplemental to the Deed of Hypothecation, creating charge by way of hypothecation over such additional or substituted Identified Loan as are required to ensure and maintain the Security Cover, executed in favour of the Debenture Trustee and stamped broadly in a form set out in Schedule III of the Deed of Hypothecation;
- 3.1.91 **"Taxes" or "Tax"** shall mean any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however, imposed, withheld, levied, or assessed by any Government; and
- 3.1.92 **"Transaction Documents"** shall mean the documents executed in relation to the issue of the Debentures and the creation of the Security and shall include the Placement Memorandum (including Form PAS-4), the Debenture Trustee Agreement, the Deed of Hypothecation along with the Power of Attorney and Supplemental Deed of Hypothecation, each tripartite agreement between the Company, the Registrar and Transfer Agent and any Depository, letter appointing Debenture Trustee, rating letter issued by the Rating Agency in respect of the Debentures, board resolutions approving issue of Debentures, shareholder resolution approving issuance of Debentures for the Issue of Debentures in dematerialized form, confirmation of allotment of Debentures and this Deed and any other document that may be designated by the Debenture Trustee as a Transaction Document;
- 3.1.93 **"Upfront Fees"** shall mean an upfront fees payable to the Debenture Holders which shall be mutually agreed between the Issuer and the Debenture Holders;
- 3.1.94 **"Wilful Defaulter"** shall mean a Person who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(ss) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time;

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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3.1.95 "YTM Adjustment" shall mean adjustment made in the cash flow on Put Option Date to arrive at Put Option Price in the event the Debenture Holders exercise Put Option.

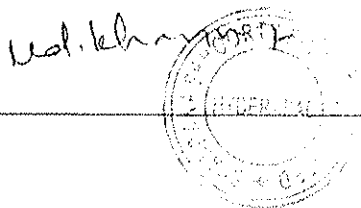
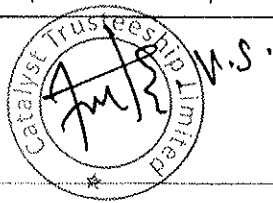
3.2 Construction

- 3.2.1 Words denoting singular number only shall include plural number and vice-versa;
- 3.2.2 Words denoting one gender only shall include the other gender;
- 3.2.3 headings and bold typeface are inserted/ used for convenience only and shall not affect the construction of this Deed;
- 3.2.4 references to the word "include" or "including" shall be construed without limitation;
- 3.2.5 unless the context otherwise requires, all references in this Deed, to the Debenture Trustee shall be deemed to refer to the Debenture Trustee (acting on behalf of, for the benefit of and in trust for the Debenture Holder(s));
- 3.2.6 All references in this Deed to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment;
- 3.2.7 any reference to acts, deeds and things done or to be done by the Debenture Trustee shall be deemed to mean that such acts, deeds and things done or to be done by the Debenture Trustee shall, unless otherwise provided for in the Transaction Documents, be carried out by the Debenture Trustee only with the consent or approval of the Majority Debenture Holders or in accordance with any general directions issued by the Majority Debenture Holders in this regard;
- 3.2.8 All references in this Deed to Schedules, Clauses, Sub-Clauses, Paragraphs or Sub-paragraphs shall be construed as reference respectively to the Schedules, Clauses, Sub-clauses, Paragraphs and Sub-paragraphs of these presents;
- 3.2.9 The provisions contained in the Schedules hereunder written shall have effect in the manner as if they were specifically herein set forth and in the event of any inconsistency between the provisions contained in the Schedules and the operative part of this Deed, the provisions contained in the Schedules shall prevail;
- 3.2.10 "Person" shall include an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Governmental Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual, shall include his/her respective legal representative, administrators,

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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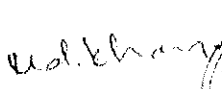


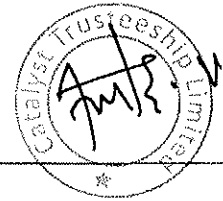
executors and heirs and in case of a trust, shall include the trustee(s) for the time being and from time to time. The term "Persons" or words denoting persons shall be construed accordingly;

- 3.2.11 In case of any conflict between the provisions of this Deed and any other Transaction Document, the provisions of this Deed shall prevail and override the provisions of that Transaction Document and the said Transaction Document shall forthwith be amended to make it consistent with the terms of this Deed;
- 3.2.12 "materiality" of a particular event or occurrence shall be determined by the Debenture Trustee acting in accordance with the instructions of the Majority Debenture Holder(s); and
- 3.2.13 Capitalised terms and expressions used herein but not defined herein will have the meanings attributable to them in any other Transaction Document.
- 3.2.14 All references to the consent or discretion or agreement or waivers or any actions of the Debenture Trustee under the Transaction Documents shall mean the Debenture Trustee acting in accordance with the consent of the Majority Debenture Holders by way of a Meeting of the Debenture Holders.

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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4. **PART D: SCHEDULES AND ANNEXURES TO THE DEED**

The schedules and annexures to this Deed, follow from the next page

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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SCHEDULE I
CASHFLOW SCHEDULE

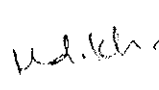

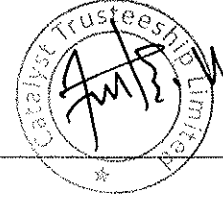

Redemption Schedule

IF PUT OPTION IS NOT EXERCISED

| Period (Months) | Interest/Principal Payment Dates | No. Of Days for Interest | Outstanding Principal | Principal (Tranche 1) | Interest | Cash Outflow |
|-----------------|----------------------------------|--------------------------|-----------------------|-----------------------|------------|--------------|
| 6 | 10 October 2023 | 183.00 | (250,000,000) | | 12,847,603 | 12,847,603 |
| 12 | 10 April 2024 | 183.00 | (250,000,000) | | 12,812,500 | 12,812,500 |
| 18 | 10 October 2024 | 183.00 | (250,000,000) | | 12,812,500 | 12,812,500 |
| 24 | 10 April 2025 | 182.00 | (250,000,000) | | 12,777,397 | 12,777,397 |
| 30 | 10 October 2025 | 183.00 | (250,000,000) | | 12,847,603 | 12,847,603 |
| 36 | 10 April 2026 | 182.00 | (250,000,000) | | 12,777,397 | 12,777,397 |
| 38 | 25-May-26 | 45.00 | (250,000,000) | 250,000,000 | 3,159,247 | 253,159,247 |

IF PUT OPTION IS EXERCISED

| Period (Months) | Interest/Principal Payment Dates | No. Of Days for Interest | Outstanding Principal | Principal (Tranche 1) | Interest | YTM Adjustment | Cash Outflow |
|-----------------|----------------------------------|--------------------------|-----------------------|-----------------------|------------|----------------|--------------|
| 6 | 10 October 2023 | 183.00 | (250,000,000) | | 12,847,603 | | 12,847,603 |
| 12 | 10 April 2024 | 183.00 | (250,000,000) | | 12,812,500 | | 12,812,500 |
| 18 | 10 October 2024 | 183.00 | (250,000,000) | | 12,812,500 | | 12,812,500 |
| 24 | 10 April 2025 | 182.00 | (250,000,000) | 250,000,000 | 12,777,397 | 8,725,000.00 | 254,052,397 |

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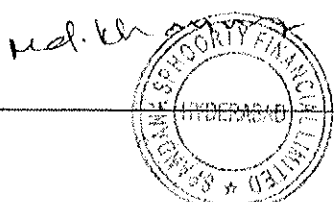
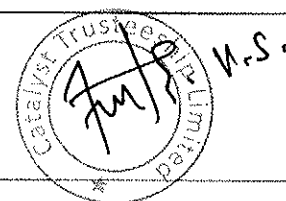
SCHEDULE II

PROVISIONS FOR THE MEETINGS OF THE DEBENTURE HOLDER(S)

The following provisions shall apply to the meetings of the Debenture Holder(s):-

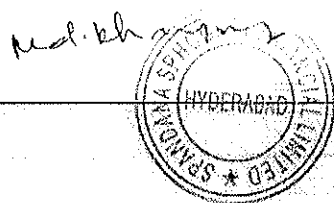
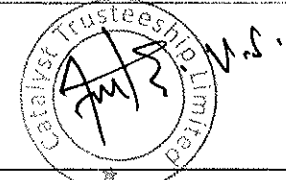
1. Meeting of the Debentures Holders can be call in the following manner:
 - (i) The Debenture Trustee shall at (a) the request in writing of the Debenture Holder(s) representing not less than 1/10th (one-tenth) in value of the nominal amount of the Debentures for the time being outstanding or (b) upon the happening of any event, which constitutes a breach or an Event of Default or breach of covenants as specified in the Placement Memorandum and/or this Deed or which in the opinion of the Debenture Trustee affects the interests of the Debenture Holder(s), convene a meeting of the holders of Debentures.
 - (ii) When the rights of the Debenture Holder(s) of is proposed to be modified or varied, the Debenture Trustee or the Company may, at any time, and the Debenture Trustee shall: (a) at the request in writing of the Debenture Holder(s) representing not less than 1/10th (One-Tenth) in value of the nominal amount of the Debentures for the time being outstanding; or (b) on the happening of any event, which constitutes a breach, default or which in the opinion of the Debenture Trustee affects the interest of the Debenture Holder(s), convene a meeting of all the Debenture Holder(s).

Any such meeting as per paragraph 1(i) or paragraph 1(ii) shall be held at such place in the city where the registered office of the Company is situated or at such other place as the Debenture Trustee shall determine.
2.
 - (i) A meeting of the Debenture Holder(s) may be called by giving not less than 21 (twenty-one) days' notice in writing.
 - (ii) A meeting may be called after giving shorter notice than that specified in sub-clause (i), if consent is accorded thereto by Debenture Holders representing not less than 95% (ninety-five per cent) of the Debentures for the time being outstanding.
3.
 - (i) Every notice of a meeting shall specify the place and day and hour of the meeting and shall contain a statement of the business to be transacted in such meeting which shall contain facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every director of the Company, if any, and where any item of business relates to the approval of any document by the Debenture Holders, such documents shall be annexed to the statement. In the event of a circular resolution, the draft of the circular resolution sent to the Debenture Holders shall also

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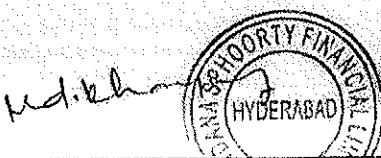

satisfy the requirements set out herein.

- (ii) Notice of every meeting shall be given in the manner as authorised by Section 20 of the 2013 Act as pertaining to the service of documents on the members of the Company to the following persons: -
- (a) every Debenture Holder;
- (b) the persons entitled to Debentures in consequence of death or insolvency of any of the Debenture Holder(s), by sending it through post in a prepaid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred.
- (iii) Notice of every meeting shall be given to the Debenture Trustee, when such meeting is convened by the Company or the Debenture Holders.
4. The accidental omission to give notice to, or the non- receipt of notice by, any Debenture Holder(s) or other person to whom it should be given shall not invalidate the proceedings at the meeting.
5. Where any item of business relates to the approval of any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
6. (i) The Debenture Holder(s) representing not less than 1/4th (one-fourth) of the aggregate nominal value of the Debentures for the time being outstanding, present either in person, through an authorised representative or a proxy shall be the quorum for the meeting of the Debenture Holders and the provisions of this Clause 6(i) shall apply with respect thereto.
- (ii) If, within half an hour from the time appointed for holding a meeting of the Debenture Holder(s) a quorum is not present, the meeting, if called upon the requisition of the Debenture Holder(s) shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Debenture Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Debenture Holder(s) present shall be the quorum.
7. (i) The nominee of the Debenture Trustee shall be the chairman of the meeting and in his absence the Debenture Holders personally present at the meeting shall elect 1 (one) of

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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themselves to be the chairman thereof on a show of hands (the Chairman) as given in Clause 9 below.

- (ii) If a poll is demanded on the election of the chairman, it shall be taken forthwith in accordance with the provisions of the Act.
 - (iii) If some other person is elected chairman as a result of the poll, he shall be chairman for the rest of the meeting.
8. The Debenture Trustee and the directors of the Company and their respective representatives may attend any meeting but shall not be entitled as such to vote thereat.
9. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the chairman that on a show of hands the resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
10. Before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by Debenture Holder(s) representing not less than 10% of those present and voting where the resolution is with respect to the Debentures.
11. (i) A poll demanded on a question of adjournment shall be taken forthwith.
- (ii) A poll demanded on any other question (not being a question relating to the election of a chairman) shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the chairman may direct.
12. At every such meeting, each Debenture Holder(s) shall, on a show of hands, be entitled to 1 (one) vote only, but on a poll he shall be entitled to 1 (one) vote in respect of every Tranche Debentures of which he is a holder in respect of which he is entitled to vote.
13. (i) Any Debenture Holder(s) entitled to attend and vote at the meeting shall be entitled to appoint another person (whether any of the Debenture Holder(s) or not) as his proxy to attend and vote instead of himself.
- (ii) In every notice calling the meeting there shall appear with reasonable prominence a statement that any of the Debenture Holder(s) entitled to attend and vote is entitled to appoint one or more proxies, to attend and vote instead of himself, and that a proxy need

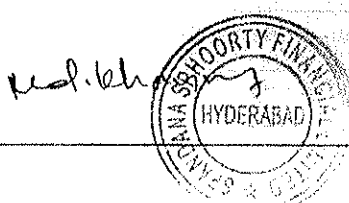
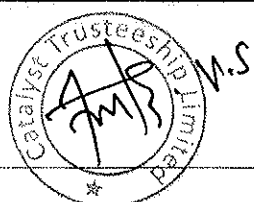
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not be one such Debenture Holder(s).

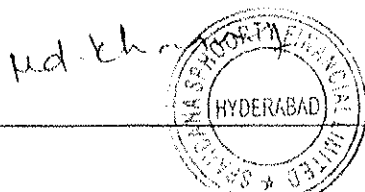
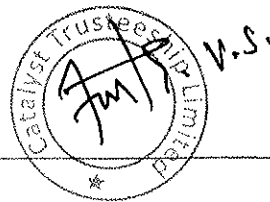
- (iii) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarial certified copy of the power of attorney shall be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 24 (twenty-four) hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
- (iv) The instrument appointing a proxy shall:-
 - (a) be in writing; and
 - (b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (v) The instrument appointing a proxy shall be in any of the forms set out at the foot of Annexure "D" to the Companies (Central Government's) General Rules and Forms, 1956, or under the analogous rules provided for under the 2013 Act and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the Articles of Association of the Company.
- (vi) All Debenture Holder(s) are entitled to vote at a meeting of the Debenture Holder(s) of the Company on any resolution to be moved thereat shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Debentures in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

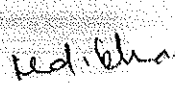

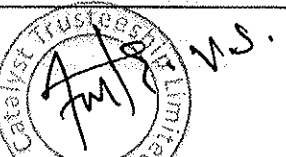
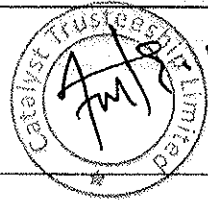
15. On a poll taken at any meeting of the Debenture Holder(s), any of the Debenture Holder(s) entitled to more than 1 (one) vote or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.

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16. (i) When a poll is to be taken, the chairman of the meeting shall appoint 2 (two) scrutineers to scrutinise the votes given on the poll and to report thereon to him.
(ii) The chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
(iii) Of the two scrutineers appointed under this Clause, one shall always be a Debenture Holder (not being an officer or employee of the Company) present at the meeting, provided such a Debenture Holder is available and willing to be appointed.
17. (i) Subject to the provisions of the said Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
(ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
18. In the case of joint Debenture Holder(s), the vote of the person whose name appears first in the Register of Debenture Holder(s) shall be accepted to the exclusion of the other joint-holder or holders.
19. The chairman of a meeting of the Debenture Holder(s) may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
20. In the case of equality of votes, whether on a show of hands, or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Debenture Holder(s).
21. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
22. The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
23. A meeting of the Debenture Holder(s) shall, *inter alia*, have the following powers exercisable in by the consent of the Majority Debenture Holders:
 - (i) Power to sanction any compromise or arrangement proposed to be made between the Company and the Debenture Holder(s).
 - (ii) Power to sanction any modification, alteration or abrogation of any of the rights of the

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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- Debenture Holder(s) against the Company.
- (iii) Power to assent to any modification of the provisions contained in the Debenture Trust Deed and to authorise the Debenture Trustee to concur in and execute any supplemental deed embodying any such modification.
 - (iv) Power to give any direction, sanction, request or approval which under any provision of the Deed is required to be given by Majority Debenture Holders.
24. A meeting of the Debenture Holder(s) shall have the power to remove the existing Debenture Trustee by the consent of the Super Majority of the Debenture Holder(s).
25. A resolution, passed at a general meeting of the Debenture Holder(s) duly convened and held in accordance with these presents shall be binding upon all of the Debenture Holder(s), whether present or not at such meeting, and each of the Debenture Holder(s) shall be bound to give effect thereto accordingly, and the passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.
26. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from time to time provided for the purpose by the Debenture Trustee at the expenses of the Company and any such minutes as aforesaid, if purported to be signed by the chairman of the meeting at which such resolutions were passed or proceeding held or by the chairman of the adjourned meeting shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken. In the event that the chairman shall expire or otherwise be unable to sign the minutes in accordance with the above, the second nominee of the Debenture Trustee shall sign the minutes on behalf of the chairman and such signed minutes shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made.
27. Notwithstanding anything herein contained, it shall be competent to all the Debenture Holder(s) to exercise the rights, powers and authorities of the Debenture Holder(s) under this Deed by a letter or letters signed by or on behalf of the Debenture Holder(s) without convening a meeting of the Debenture Holder(s) as if such letter or letters constituted a resolution or Majority Debenture Holders, as the case may be, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.

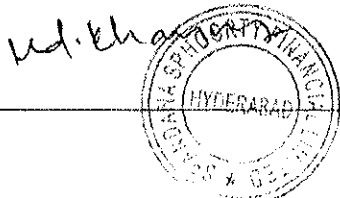
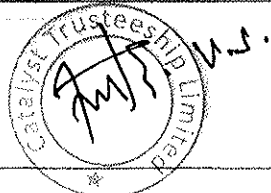
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SCHEDULE III

PART A: CONDITIONS PRECEDENT


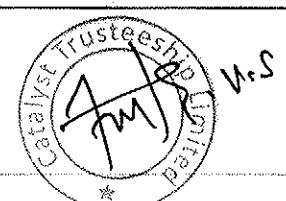
The Company shall have fulfilled each of the following conditions precedent prior to issuance of the Debentures, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee (subject to any waiver by the Debenture Trustee), including providing the documents referred to herein below, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee:

- (a) A certified true copy of the constitutional documents of the Issuer (being its memorandum and articles of association and certificate of incorporation) should have been submitted to the Debenture Trustee.
- (b) The Company shall have submitted to the Debenture Trustee, a certified true copy of the certificate of registration as a Non-Banking Financial Company.
- (c) A copy of a resolution of the shareholders of the Company should have been submitted to the Debenture Trustee in relation to approval under Section 180(1)(a), Section 180(1)(c), Section 42 of the Companies Act, 2013 read with the applicable rules in relation to the private placement and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Act, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed and shall have submitted the certified copies of each of the aforesaid corporate approvals to the Debenture Trustee and the Debenture Holders.
- (d) A certified true copy of the resolution of the Board of Directors of the Company and the resolution passed by the Management Committee of the Board of Directors, under Section 179 of the Companies Act, 2013 authorizing the issue of Debentures as also execution and delivery of the Transaction Documents in that behalf.
- (e) The Company shall have obtained the governmental approvals (if any) and issued the corporate authorizations (including board / committee resolution permitting the issuance of the Debentures and the listing of the Debentures), as applicable, and shall have submitted the certified copies of each of the aforesaid authorizations to the Debenture Trustee and the Debenture Holders;
- (f) A copy of a resolution of the board of directors of the Company or any committee thereof should have been submitted to the Debenture Trustee:
 - i) Authorising the Company to issue Debentures;
 - ii) Authorising the Company, for creation/ declaration of trust, appointment of the Debenture Trustee and issue of Debentures in accordance with the terms hereof;
 - iii) Authorising the creation of the security interest;
 - iv) Authorising a specified person, on its behalf, to sign and/or execute and/or stamp and/or

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get registered and/or despatch all documents and/or notices required so to be done, under or in relation to the issuance of the Debentures;


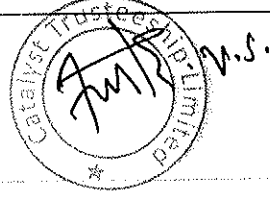
- (g) Letter of consent for appointment of Debenture Trustee as debenture trustee in relation to the Debenture Trustee;
- (h) The Company shall have executed the Debenture Trustee Agreement, the Debenture Trust Deed, the Deed of Hypothecation and have issued the Placement Memorandum (including Form PAS-4) on or prior to the Deemed Date of Allotment, in a form and manner satisfactory to the Debenture Trustee shall have taken place;
- (i) The Company shall have submitted to the Debenture Trustee and the Debenture Holder(s), the rating letter, rating rationale and detailed press release from the Rating Agency within a minimum credit rating of "IndRa A/Stable A" (pronounced as "India Rating Single A") with a "stable" outlook;
- (j) The Company shall have submitted to the Debenture Trustee and the Debenture Holders, all required documents for the purpose of satisfying its respective know your customer requirements;
- (k) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or audited financial half-year;
- (l) The Company shall have provided a certificate to the Debenture Trustee (including board resolution permitting the Company for listing of Debentures), confirming that issuance and allotment of the Debentures would not cause any borrowing, or similar limit binding on the Company to be exceeded;
- (m) The Company shall provide such other undertaking as may be required by the Debenture Trustee and the Debenture Holder(s);
- (n) The Company shall ensure that all necessary approvals have been obtained for the Issue;
- (o) The Company shall have submitted due diligence certificate issued by the Debenture Trustee to NSE in accordance with the SEBI circular dated March 31, 2023 (bearing reference no SEBI/HO/DDHS/P/CIR/2023/50) as amended, replaced or modified from time to time, in relation to the Hypothecated Assets;
- (p) The Company shall have submitted any other documents that may be requested by the Debenture Trustee and/or the Debenture Holders;
- (q) The creation of security over the Hypothecated Assets;
- (r) The Company shall have submitted the list of Identified Loans in order to create the security as required under the Deed of Hypothecation;

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- (s) Receipt by the Debenture Trustee of copy of in-principle approval obtained by the Company from the NSE, for listing the Debentures on the NSE;
- (t) Receipt by the Debenture Trustee of Certified copy of the depository arrangements made by Company with NSDL and CDSL for issue of Debentures in dematerialized form;
- (u) The Debenture Holders shall have received the Upfront fees.

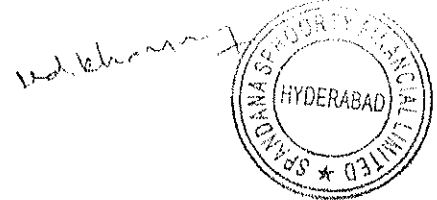
PART B: CONDITIONS SUBSEQUENT

1. On or prior to the utilisation of the subscription monies by the Company in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies;
2. Credit of demat account(s) of the allottee(s) by number of Debentures allotted within 2 (Two) Business Days from the Deemed Date of Allotment.
3. Filing of the relevant forms with the Registrar of Companies ("ROC") for the perfection of charge over the Hypothecated Asset within and no later 30 (Thirty) calendar days from the Deemed Date of Allotment.
4. Within 1 (One) Business Day from the Deemed Date of Allotment, the Company shall provide to the Debenture Trustee, a certified true copy of the Board of Directors of the Company allotting the Debentures.
5. Complete the listing of Debentures on the wholesale debt market of the NSE within 3 (Three) Business Days from the Deemed Date of Allotment and obtain the listing approval from the NSE in respect of listing of Debentures.
6. Execution of any other documents as customary for transaction or required as per SEBI guidelines / Companies Act, 2013 (as applicable).

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| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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IN WITNESS WHEREOF the signature of the Company has hereunto affixed and the Debenture Trustee has caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

SIGNED AND DELIVERED by **SPANDANA SPHOORTY FINANCIAL LIMITED** the within-named Company by the hand of Mohammed Khayyum pursuant to the board resolution dated 04-APR-2023, 202__ in the presence of: -



1.

2.

SIGNED AND DELIVERED by **CATALYST TRUSTEESHIP LIMITED**, the within-named Debenture Trustee by the hand of V.S. AMARNATH, its Authorised Signatory who has subscribed his signature hereto in token thereof in the presence of:-

For Catalyst Trusteeship Limited
Amarnath V.S.
Authorised Signatory

1.

2.

| Spandana Sphoorty Financial Limited (as the Company) | Catalyst Trusteeship Limited (as Debenture Trustee) |
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| <i>Mohammed Khayyum</i> | <i>V.S.</i> |