



தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPHOORTY FINANCIAL LIMITED

G.Rh
CT 758866

G. ராம்குமாரிசுவாமி
முத்திரைத்தாள் நிற்பகையாளர்
L.No. 7/VLR/2021
No. 79, யாரீயம்மன் கோவில் சி. 5,
அடுக்கம்பாளையே, வேலூர் - 632 001

03/01/23

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

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 16.03.2023

For Spandana Sphoorty Financial Limited
Red. Khanna
Authorized Signatory

For Catalyst Trusteeship Limited
Marudh . V.S.
Authorized Signatory



தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPOORTY FINANCIAL LIMITED

G.Rh
CT 758865
G. ராமலக்ஷ்மிமொரன்
முத்திகரத்தாள் கிற்பகையாள்
L.No. 71VLR/2021
No. 79, மாரியம்மன் கோவில் தெரு,
செங்கமபாளையம், வேலூர் - 632 007

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Executed by M/s SPANDANA SPOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 16.03.2023

For Spandana Spooroty Financial Limited

red. bhary

Authorised Signatory

For Catalyst Trusteeship Limited

maru R.V.S.
Authorised Signatory



தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPHOORTY FINANCIAL LIMITED

CT 758864
ச. ராமலக்ஷ்மிநாயகர்
முத்திரைத்தாள் சிறப்பகையாளர்
L.No. 7/VLR/2021
No. 79, ஹரியம்மன் கோவில் தெரு,
அடுக்கம்பாறை, வேலூர் - 632 001

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

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 16.03.2023

03/01/23
For Spandana Sphoorty Financial Limited
K. S. Srinivasan
Authorised Signatory

For Catalyst Trusteeship Limited

Amare E. V. S.
Authorised Signatory



தமிழ்நாடு தமிழ்நாடு TAMILNADU

SPANDANA SPHOORTY FINANCIAL LIMITED

G.Rh
CT 758863
G. ராமச்சந்திரன்
முதுவாரத்தான் நிற்புணையாளர்
L.No 7/VLR/2021
No. 79, மாரியம்மன் கோவில் தெரு.
சூடுக்கம்பாளையம், வேலூர் - 632 001

03/01/23

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DEBENTURE TRUST DEED

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 16.03.2023

For Spandana Sphoorty Financial Limited
A. S. S. S.
Authorised Signatory

For Catalyst Trusteeship Limited
A. S. S. S.
Authorised Signatory



03/01/23

தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPHOORTY FINANCIAL LIMITED

G.Rh
CT 758827

G. ராமச்சாரிஹரன்
முத்தலாத்தாள் வீடுபலையாள்
L.No. 7/VLR/2021
No. 76, மாளியம்மாள் கோவில் தெரு,
சுடுக்கம்பாளையம், வேலூர் - 632 001

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

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

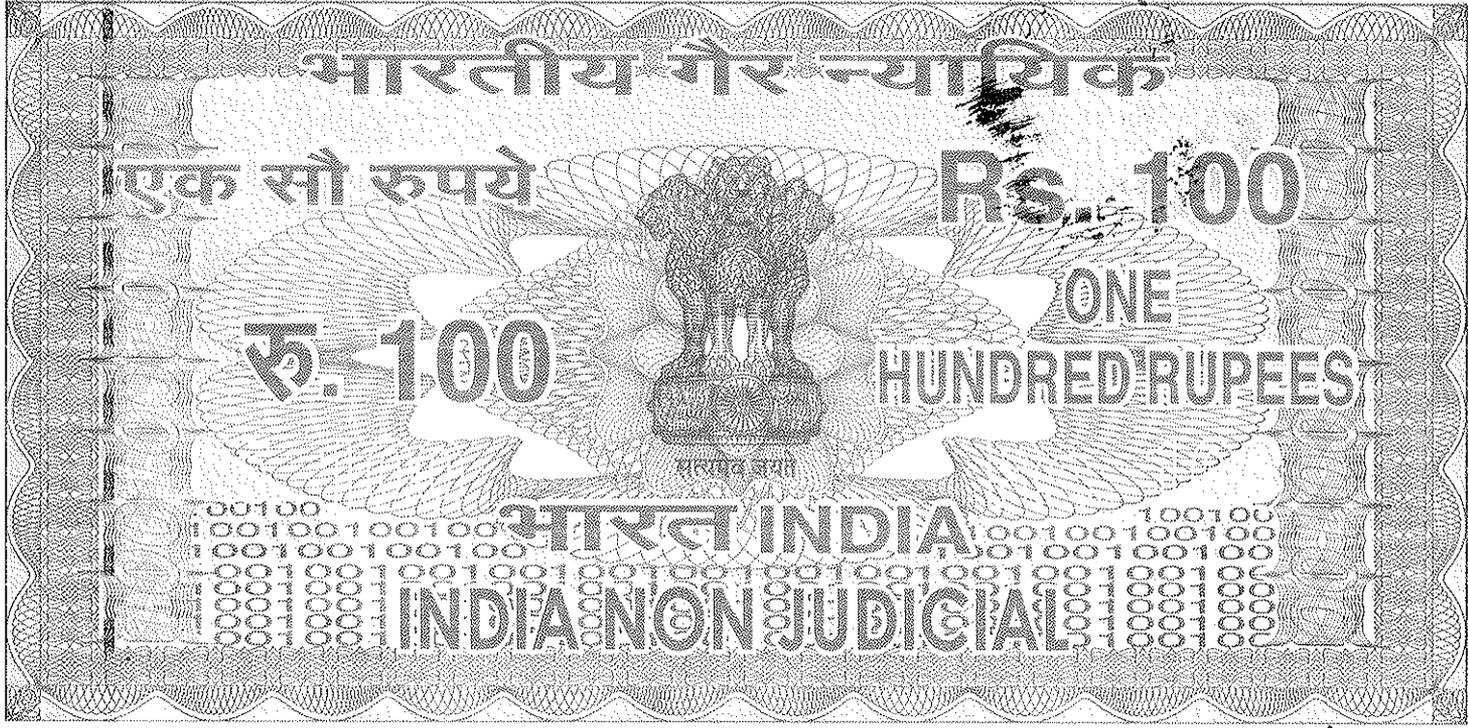
Dated: 16.03.2023

For Spandana Sphoorty Financial Limited

Ush. Khanna
Authorised Signatory

For Catalyst Trusteeship Limited

Manoj P.V.S.
Authorised Signatory



03/01/23

தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPHOORTY FINANCIAL LIMITED

G.Rh
CT 758826

ச.ராமச்சந்திரன்
முத்தகாரத்தான் வீற்பகலையாளர்
L.No. 7/VLR/2021
No. 79, யாரியம்மன் கோவில் தெரு,
செங்கமங்கலம், வேலூர் - 632 001

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

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 16.03.2023

For Spandana Sphoorty Financial Limited
Devi Charan
Authorised Signatory

For Catalyst Trusteeship Limited
Janardhan E. V.S.
Authorised Signatory



03/01/23 தமிழ்நாடு தமில்நாடு TAMILNADU

G. Kh
CT 758825
செ. ராமச்சந்திரன்
முத்திரைத்தாள் வீடுபலகையாளர்
L.No. 7/VLR/2021
No. 76, மாரியம்மன் கோவில் தெரு,
சூடுக்கம்பாளையம், வேலூர் - 632 001

SPANDANA SPHOORTY FINANCIAL LIMITED

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

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

Dated: 16.03.2023

For Spandana Sphoorty Financial Limited

vel. shanmugam
Authorised Signatory

For Catalyst Trusteeship Limited

Marudh. V. S.
Authorised Signatory



03/01/23 தமிழ்நாடு தமில்நாடு TAMILNADU

G.Rh
CT 758824
ச. நாராயணன் ஶ்ரீராம்
சுதந்திரத்தான் சிறப்பகையாளர்
C.No. 7/VLR/2021
No. 79, மாநியம்மன் கோவில் தெரு,
குடுகம்பாறை, வேலூர் - 632 001

SPANDANA SPHOORTY FINANCIAL LIMITED

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

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTESHIP LIMITED

Dated: 16.03.2023

For Spandana Sp. (Pvt) Financial Limited
sel. charan
Authorized Signatory

For Catalyst Trusteeship Limited

marvel E.V.S.
Authorized Signatory



தமிழ்நாடு தமில்நாடு TAMILNADU

03/01/23

SPANDANA SPHOORTY FINANCIAL LIMITED

CT 758823

சுத்தியுத்தர்தான் எதிர்ப்பகையாளர்
L.No. 7/VLR/2021
No. 79, மாரியம்மன் கோவில் தெரு,
திருச்சம்பாளைய, வேலூர் - 632 001

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

Executed by M/s SPANDANA SPHOORTY FINANCIAL LIMITED

To

CATALYST TRUSTEESHIP LIMITED

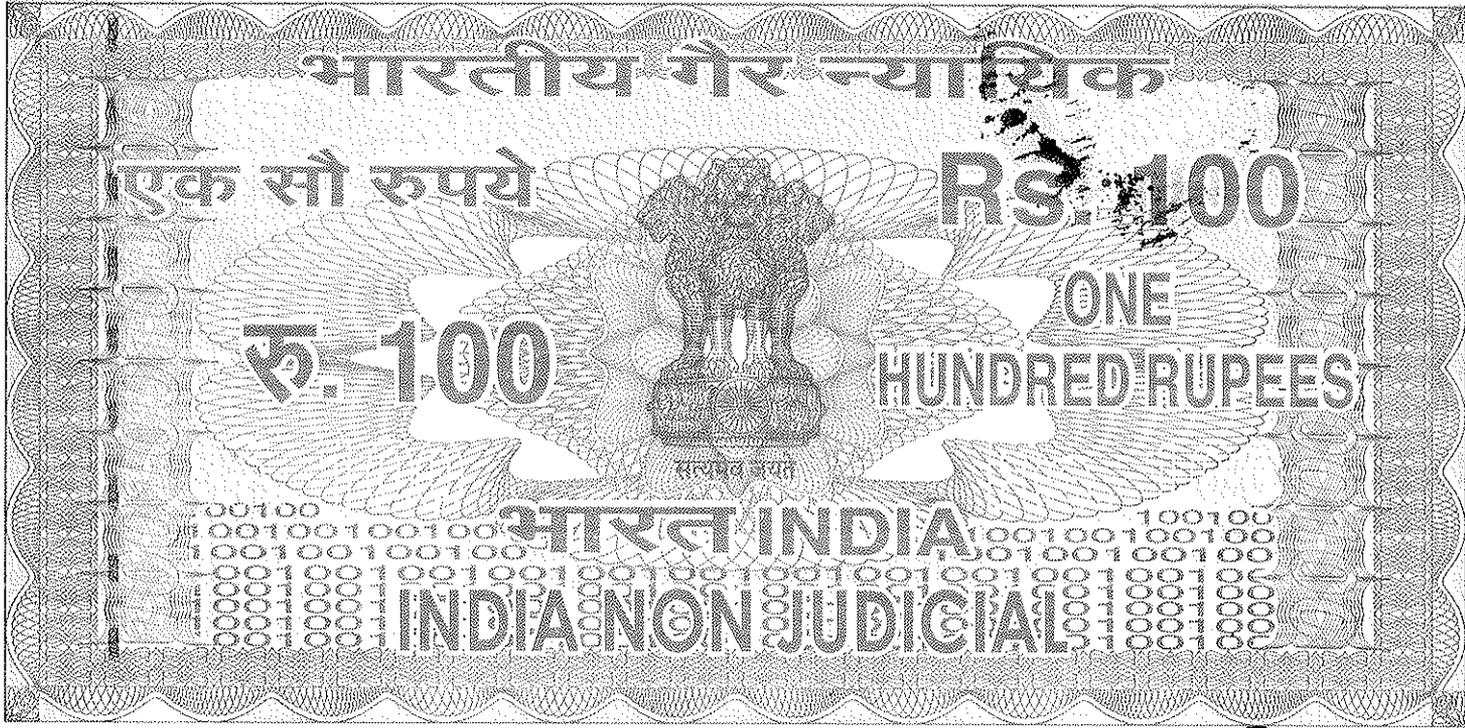
Dated: 16.03.2023

For Spandana Sphoorty Financial Limited
Ud. Sharma

Authorised Signatory

For Catalyst Trusteeship Limited

Immanuel E.V.S.
Authorised Signatory



03/01/23
தமிழ்நாடு தமில்நாடு TAMILNADU

SPANDANA SPOORTY FINANCIAL LIMITED

G.Rh
CT 758822
G. ராஜ்மாரிமுறரன்
முத்தாரத்தான் வீற்பகையாளர்
L.No. 7/MLR/2021
No. 75, 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: 16.03.2023

For Spandana Spoority Financial Limited

P. S. S. S.

Authorised Signatory

For Catalyst Trusteeship Limited

James E. V. S.

Authorised Signatory

DEBENTURE TRUST DEED

This **DEBENTURE TRUST DEED** (hereinafter referred to as the "**Deed**") is made at Chennai on this 16th day of March, 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, TSIIC, 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**" / "**Issuer**", 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**;

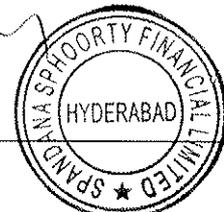
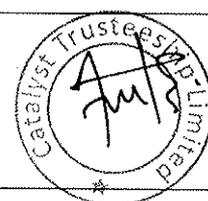
AND

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 12,500 (Twelve Thousand and 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. 125,00,00,000/- (Rupees One Hundred 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 March 16, 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)
 	 

- C. 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 March 10, 2023.
- D. The Debentures are being issued in dematerialised form and are subject to the provisions of the Depositories Act, 1996 and rules 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.
- E. 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 "IND A" with 'stable' outlook to the Debenture issuance of the Company *vide* its letter dated March 09, 2023.
- F. The Debentures are to be listed on 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.
- G. 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 08, 2023 (bearing reference number CL/DEB/22-23/1672) 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.
- H. The Debenture Trustee and the Company have entered into a 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 to be created by the Company in favour of the Debenture Trustee to secure the payment and other obligations of the Company in respect of the issuance of the Debentures, for the benefit of the Debenture Holder(s).
- I. 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*).
- J. Accordingly, the Debenture Trustee has called upon the Company to execute a deed being these

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

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.

- K. 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:

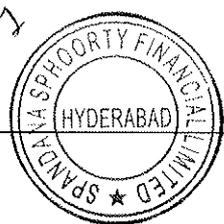
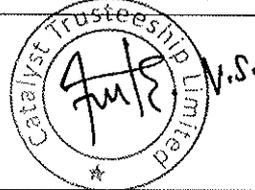
1. PART A: STANDARD TERMS

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;
- (c) subject to the terms and provisions of this Deed, to take such other action in connection

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

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

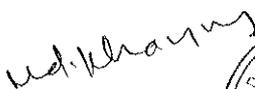
The remuneration of the Debenture Trustee shall be as per the terms of the consent letter executed between the Debenture Trustee and the Company *vide* its letter dated March 08, 2023 (bearing reference number no. CL/DEB/22-23/1672).

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 and the Debenture Holders 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 obtaining the written consent of the Majority Debenture Holder(s).

1.1.4 Removal

The Debenture Holder(s) may for sufficient cause, after giving not less than 30 (Thirty) Business Days' notice in writing to the Company, remove the Debenture Trustee if so approved by the Majority Debenture Holders and nominate an entity competent to act as their trustee and require the Company to appoint such entity as the Successor Trustee. The 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.

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

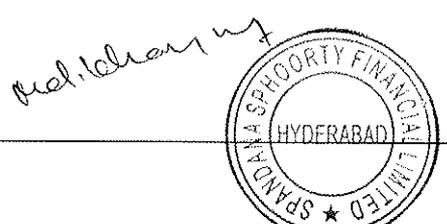
1.1.5 Successor Trustee as the Debenture Trustee

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 12,500 (Twelve Thousand and 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. 125,00,00,000/- (Rupees One Hundred Twenty Five Crores only), which Debentures are proposed to be issued on private placement basis at par.
- (b) The Company covenants with the Debenture Trustee that it shall pay to the Debenture Holder(s), the applicable coupon/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 Optional Accelerated 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 and the Placement Memorandum. 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 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.
- (d) 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 Placement Memorandum 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).

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

1.2.2 End- Use/ Purpose

The proceeds from the Debentures shall be utilized by the Company towards the on-lending to its customers.

The Company shall not use (or permit or authorise any Person or entity to use) the proceeds of the Debentures (directly or indirectly):

- (a) Real Estate Business, capital market investment and purchase of land;
- (b) extending loans or making any inter-corporate deposits to/in subsidiary/associate company(ies);
- (c) any speculative/other purposes specifically restricted by RBI and other regulatory bodies and updated from time to time;
- (d) bill discounting or rediscounting of bills;
- (e) repayment of any loans from directors/Promoters.

In this context, the expression, "Real Estate Business" shall have the same meaning as assigned to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended from time to time.

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 NSE within the period prescribed under the law and/or the Placement Memorandum, as the case may be, and do all necessary compliances to get the Debentures listed on the stock exchanges as mentioned in the Placement Memorandum.
- (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 NSE and shall further ensure that all government

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

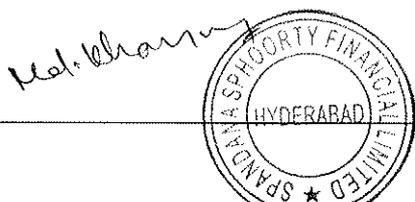
1.2.6 Repayment/ Redemption

The Debentures shall be taken as fully redeemed on payment of the outstanding amounts by the Company on the Maturity Date or earlier (including upon the occurrence of an Event of Default or subject to the exercise of Optional Accelerated Redemption). 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 (if any).

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

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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 5 (Five) calendar Days from the relevant Deemed Date of Allotment.

(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 on each Coupon Payment Date. The illustration of cashflows is provided under **Schedule I** of this Deed.

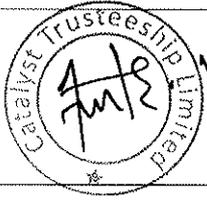
(d) **Computation of Coupon:**

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) Payment default in respect of any interest and principal due and payable in connection with the Debentures on the respective Due Dates, breach of any covenants or any other Event of Default, the Company shall pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon Rate on the outstanding principal from the date of the occurrence of the default or Event of Default until such default or Event of Default is cured or the Debentures are redeemed pursuant to such default or Event of Default, as applicable;
- (ii) 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 annum over and above the Coupon Rate on the Debenture Outstandings on the respective Due Dates, from the Deemed Date of Allotment till the listing of Debentures;
- (iii) In case the Security Cover falls and the Company has not restored the Security Cover within the time period provided in the Transaction Documents, the

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Company shall be liable to pay an additional interest at the rate of 2% (Two Percent) per annum, over and above the Coupon Rate from the date on which the Security Cover falls until the date on which it is reinstated in terms of the Transaction Documents; and

- (iv) Delay in registration and perfection of security for Debentures within a period of 30 (Thirty) calendar days from the Deemed Date of Allotment of Debentures, the Company shall pay default interest at the rate of 2% (Two Percent) per annum over and above the Coupon Rates on the Debenture Outstandings on the respective Due Dates, from the date of the occurrence of the default until the default is cured or the Debentures are redeemed pursuant to such default, as applicable.

The default interest payable in terms of this Clause is hereinafter collectively referred to as the "Default Interest". 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" means any day of the week (excluding Saturday, Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai.

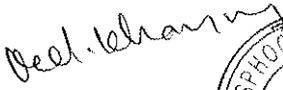
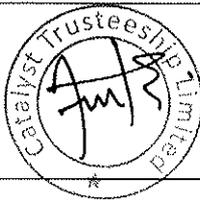
If any Due Date (i.e., any Coupon Date/s or any other due date/s other than the Redemption Date) falls on a day which is not a Business Day, the payment to be made on such due date shall be made on the immediately succeeding Business Day.

In the event that the Maturity Date (also being the last Coupon Payment 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 of Default or subject to the exercise of Optional Accelerated Redemption) subject to adjustments on account of business day convention, in the manner set out in **Schedule I** of this Deed.

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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')

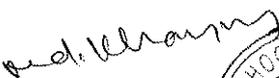
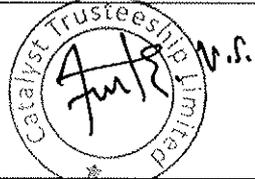
- (a) Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holders at the office of the Registrar and Transfer 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
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

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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

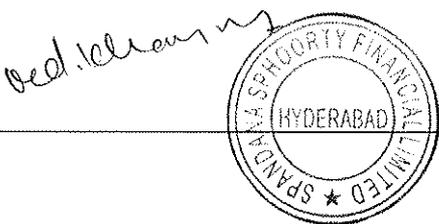
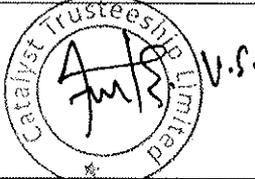
The Debenture Trustee shall not be affected by any notice, express or implied of the right, title or claim of any person to such monies due in respect of the Debentures, other than the Debenture Holder(s).

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

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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

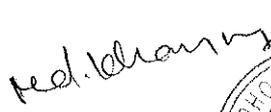
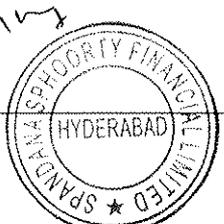
Any monies which under the trust or powers herein contained ought to be invested by the Debenture Trustee may be invested in the name of the Debenture Trustee or under the legal control of the Debenture Trustee in any of investments authorised by Applicable Law for the investment of trust monies with 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 Holder or member of the Company at his request within, 7 (seven) days of making such request, on payment of the fees prescribed.

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1.3.11 Nominee Director

The Debenture Trustee shall have a right to appoint a nominee Director on the Board of Directors of the Company (hereinafter referred to as "**the Nominee Director**") in accordance with the provisions of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, and such Nominee Director shall be appointed at the earliest and not later than 1 (One) month from the date of receipt of intimation by the Company but not limited in the event of:

- (a) 2 (Two) consecutive defaults in payment of interest to the Debenture Holder(s); or
- (b) Any default on the part of the Company in redemption of the Debentures; or
- (c) Any default in the creation of Security.

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The Company shall take steps to amend its Articles of Association for the purpose if necessary.

1.4 SECURITY

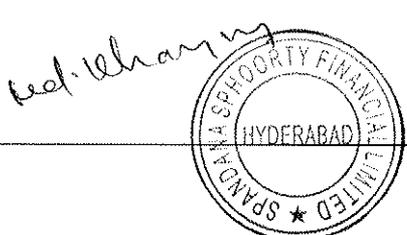
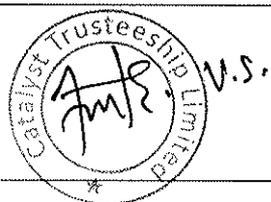
1.4.1 The security to be provided by the Company as security for the discharge of the Secured Obligations shall consist of a first ranking exclusive and continuing charge created by way of hypothecation over the Hypothecated Assets, both present and future, in favour of the Debenture Trustee, under or pursuant to the Deed of Hypothecation (hereinafter referred to as the "**Security**").

1.4.2 The Company shall perfect the charge over the Hypothecated Assets by filing CHG-9 form with the relevant Registrar of Companies ("**ROC**") 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 in accordance with the terms of the Deed of Hypothecation.

1.4.3 The charge over the Hypothecated Assets shall at all times be at least 1.2 (One Decimal Point Two) time of the outstanding Principal Amounts along with accrued Coupon and any other amounts due 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 of the Hypothecated Assets reflected in the books of accounts of the Company.

1.4.4 The Company undertakes and confirms that all Security is created and shall be created in compliance with all Applicable Laws.

1.4.5 The Company undertakes that at any time the Hypothecated Assets or any part thereof becomes overdue (i.e, such loans in respect of which any amount is overdue for more than 15 (Fifteen)

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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.

1.4.6 In the event the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) requires the additional security created pursuant to Clause 1.4.5 above to be 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 15 (Fifteen) calendar days from the date of such security being created.

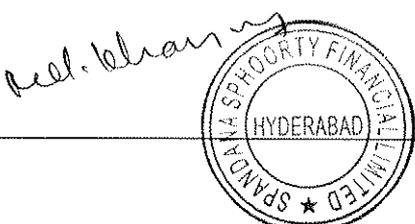
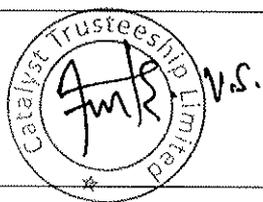
1.4.7 The Company shall not, until all payments have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full, create any further charge or encumbrance over the Hypothecated Assets, except as created in favour of the Debenture Trustee for the benefit of the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

1.4.8 Security Cover

- (a) 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.
- (b) The Company shall monitor the Security Cover on a monthly basis and provide a certificate from the management of the Company certifying the maintenance of the Security Cover.
- (c) The Company shall on a monthly basis, provide a list, to the Debenture Trustee and the Debenture Holders, of specific loan Receivables / 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**").

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 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.

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1.4.10 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;

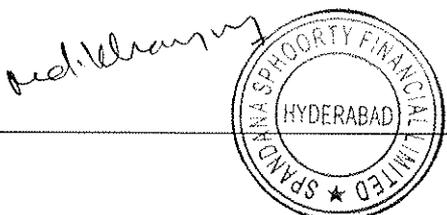
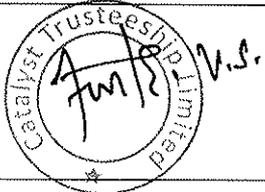
and it shall, in the first place, by and out of the said monies reimburse itself and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including its remuneration 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.

1.4.11 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.

1.4.12 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.

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1.4.13 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.

1.4.14 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.

1.4.15 First Recourse Enforcement

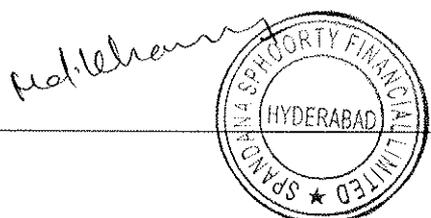
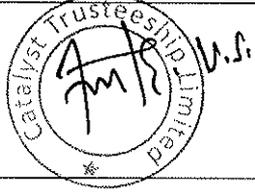
The Security or any part thereof may be enforced without the Debenture Trustee first being obligated or having to take recourse to any other security or right or taking any other steps or proceedings against the Company, or any other Person, or may be enforced for any balance due after resorting to any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

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.

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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, the circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, and the SEBI circular dated May 19, 2022 bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67, 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.

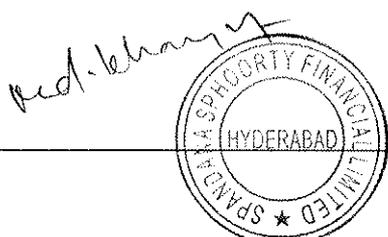
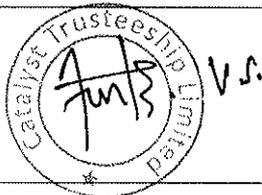
1.6 REPRESENTATIONS AND WARRANTIES

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 as a company as well as a non-banking finance company;
- (ii) The Company has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted;
- (iii) The Company is in compliance with all Applicable Law for the performance of its obligations with respect to this Issue.
- (iv) All consents, and actions of, filings with and notices to any Governmental Authority as may be required to be obtained by the Company in connection with the Issue has been obtained and is in full force and effect.
- (v) It has the power to issue the Debentures and enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

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(b) **Validity and admissibility in evidence:**

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) for it to carry on its business have been obtained or effected and are in full force and effect.

(c) **Compliance**

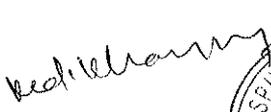
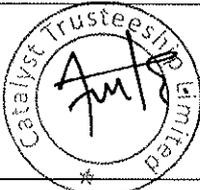
- (i) The Company is in compliance with Applicable Law for the performance of its obligations with respect to this Issue.
- (ii) The Company represents that all consents, and actions of, filings with and notices to any Governmental Authority as may be required to be obtained by the Company in connection 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.
- (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

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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. The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

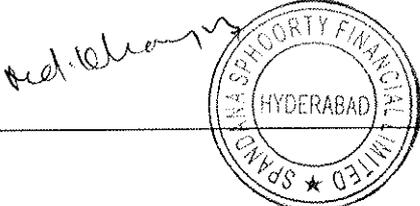
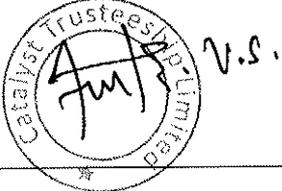
(h) **Taxation Matters**

(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.

(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) **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 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.

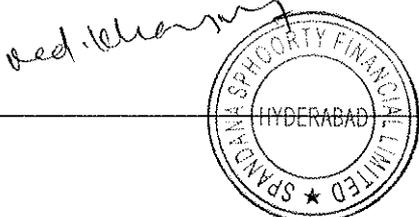
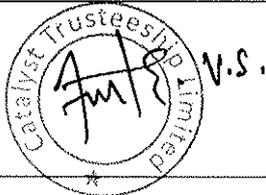
Spandana Sphoorty Financial Limited (as the Company)	Catalyst Trusteeship Limited (as Debenture Trustee)
	

The Transaction Documents executed or to be executed constitute, and will constitute legal, valid and enforceable security interests in favour of inter alios the Debenture Trustee and for the benefit of the Debenture Holder(s) on all the assets thereby secured, prior and superior to all other security interest (unless otherwise specified) and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such Security have been obtained.

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 and on each day until the Final Settlement Date:

- (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:
 - (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.

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

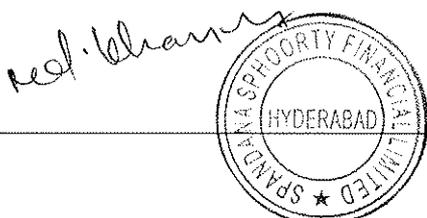
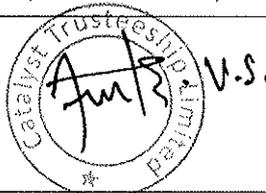
- (g) All information set forth in this Deed, and all information furnished and/or to be furnished by the Debenture Trustee to the Debenture Holder/s is true and correct and was/is not misleading whether by reason of omission to state a material fact or otherwise.
- (h) The Debenture Trustee is eligible 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 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 30 (Thirty 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;

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- (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 statutory auditor of the Company, certifying that the Company is in compliance with all the financial covenants provided by the Company as specified in Clause 2.7.4 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) Provide to the Debenture Trustee such information regarding details of any change in the accounting policy of the Company, within 30 (Thirty) days of the end of the respective quarter; and
 - (XI) Any other information as may be required by the Debenture Trustee in relation 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;

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- (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**

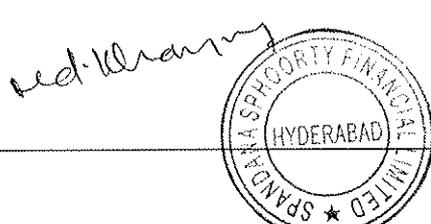
- (i) The Company shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its duly audited annual accounts, within 120 (One Hundred and Twenty) days from the close of its accounting year.
- (ii) The Company shall furnish to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its provisional quarterly financials, within 45 (Forty Five) days from the close of each of its accounting quarters;
- (iii) All information/documents required to be submitted by the Company to RBI on an annual basis in respect of such Financial Year.

(e) 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 in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218 and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 and the SEBI circular dated May 19, 2022 and bearing number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67, each as amended, replaced or modified from time to time.

(f) Monitoring of 'security created' / 'assets on which charge is created by the Debenture Trustee

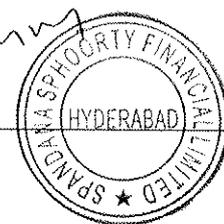
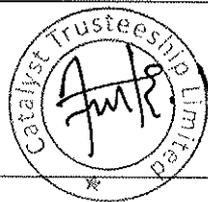
As per SEBI Circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23) and in compliance with the SEBI circular dated May 19, 2022 the Issuer to comply with additional disclosures as mentioned below and such other disclosure as may be applicable from time to time:

(i) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), within 15 (Fifteen) calendar days from the end of each month, a certificate from the authorized signatory of the Company (duly authorized by the board of directors of the Company) listing the Hypothecated Assets and the value

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thereof, on the letter head of the Company along with a MS Excel version of such details;

- (ii) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), within 45 (Forty Five) calendar days from the close of each quarter, a certificate from the statutory auditor of the Issuer certifying the value of book debts / receivables of the Company, confirming the list of the Hypothecated Assets and the value of such Hypothecated Assets;
 - (iii) The Company shall within 45 (Forty 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 60 (Sixty) days from the end of such Financial Year, submit to the Debenture Trustee, a security cover certificate in respect of the Secured Property in the applicable format prescribed under Annexure A of the SEBI circular dated November 12, 2020 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23) and in compliance with the SEBI circular dated May 19, 2022 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67) to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines stipulated under Applicable Law.
- (g) The Company hereby, in addition to the information covenants set out in Clause 2.7.2(a) herein, undertakes to provide / cause to be provided information in writing in respect of the following promptly and no later than 5 (Five) Business Days from the occurrence of such event (unless otherwise specifically provided):
- (i) provide to the Debenture Trustee such information regarding details of any change in shareholding pattern/ structure of the Company;
 - (ii) promptly notify the Debenture Trustee of any changes in the composition of its board of directors of the Issuer;
 - (iii) provide to the Debenture Trustee such information regarding the details of any change in the senior management officers of the Company i.e. any chief financial officer, chief executive officer, officer, chief operating officer, chief risk officer or any other officer of the Company holding such equivalent post;
 - (iv) inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets;
 - (v) inform the Debenture Trustee before declaring or distributing any dividend, unless the Company has paid the amounts then due and payable on the Debentures;

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- (vi) notify the Debenture Trustee of the resignation of the statutory auditor of the Company and provide the resignation letter;
 - (vii) provide/ submit information in relation to litigation, arbitration, investigation or administrative proceedings and/or any notice received in this regard by the Company;
 - (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; and
 - (ix) notify the Debenture Trustee in writing of any change to the constitutional documents of the Company.
- (h) 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.
- (i) 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 November 12, 2020 bearing reference no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 and in compliance with the SEBI circular dated May 19, 2022 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67) 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

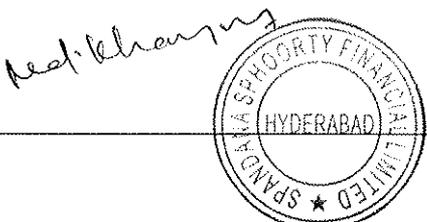
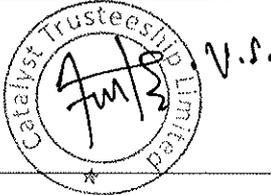
The Company undertakes and covenants that, in addition to the affirmative covenants set out in Clause 2.6.1 herein, the Company shall (except as may otherwise be previously agreed in writing by the Debenture Trustee) until the Final Settlement Date:

(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

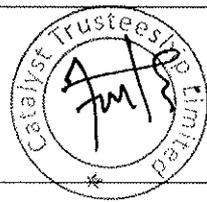
The Company shall diligently preserve its corporate existence and status and its license to conduct business as a non-banking financial company and any other rights, licenses

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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.

(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 asset cover in the manner as may be specified by SEBI from time to time.
 - (ii) The Company shall at their sole cost and expense permit the Debenture Trustee, as the representative of the Debenture Holders, to enter into its premises and inspect and make copies of the books of record and accounts of the Company.
 - (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 Secured 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 appoint the person nominated by the Debenture Trustee in terms of clause (e) of sub-regulation (i) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a director on its Board of Directors at the earliest and not later than one month from the date of receipt of nomination from the Debenture Trustee as to appointment of Nominee Director.

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- (h) The Company shall comply with the requirements of the SEBI circular dated March 29, 2022 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 38), 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 2.8 (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 its and all rights hereunder as contained in this Deed:

1.8.1 Payments

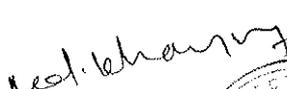
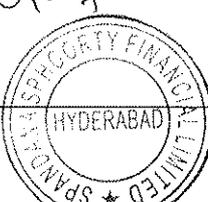
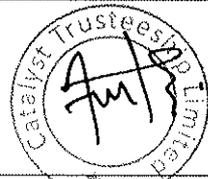
If the Company defaults in making payment/ repayment of the coupon/interest/premium and/or the Redemption Amount on the respective Due Dates in full or in part.

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)).

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) Failure of the Company to maintain the security cover or top up the receivables within the timelines stipulated under the Deed of Hypothecation or any other Transaction Documents;
- (c) Failure of the Company to submit the Monthly Hypothecated Asset Report in terms of the Deed of Hypothecation setting out the details of the receivables which are free from encumbrance and meet the eligibility criteria.
- (d) 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.

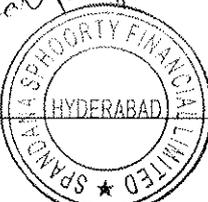
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1.8.4 Cessation of business

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

1.8.5 Insolvency Proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken (including the making of an application, the presentation of a petition, the filing of a notice or the passing of a resolution), in relation to:
- A. the suspension of payments, a moratorium of any indebtedness, winding-up, insolvency, dissolution, administration or reorganisation of the Company with an intention of winding up or liquidating or declaring insolvent the Company (by way of voluntary arrangement, scheme of arrangement or otherwise); or
 - B. a composition, compromise, assignment or arrangement with any creditor of the Company; or
 - C. enforcement of assets of the Company; or
 - D. the appointment of a liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets, and such appointment has not been vacated or has not been challenged by the Company; or
 - E. any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any events listed in paragraphs (A), (B), (C) and (D) above.
- (b) In the event that an application for corporate insolvency resolution process of the Company is filed or any form of communication indicating an intention to file such application is issued or any creditor of the Company takes any steps requesting the filing of such application, in each case, by the appropriate regulator (i.e. the Reserve Bank of India), under the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019;
- (c) Commencement of a composition, compromise, assignment, restructuring or arrangement with any creditor of the Company or any of its Subsidiaries;
- (d) If a petition is filed for the winding up of the Issuer under the Companies Act, 2013;

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

- (e) If the Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect (including by passing any resolution of the board or the shareholders of the Company) or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property;

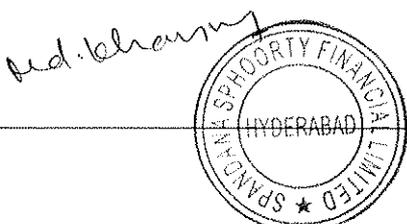
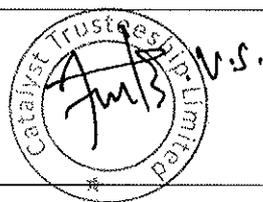
1.8.6 Seizure

- (a) The Company suspends or ceases to carry on or dispose of (or threatens to suspend or cease to carry on or to dispose of) all or a material / substantial part of its business;
- (b) Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the security) of the Issuer or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations;
- (c) Any expropriation, attachment, sequestration, distress or execution affects any asset(s) of the Issuer or any affiliate;
- (d) Any material act of fraud, embezzlement, misstatement, misappropriation, or siphoning off of the Company/Promoter funds or revenues or any other act having a similar effect being committed by the management of the Issuer/ Promoter;

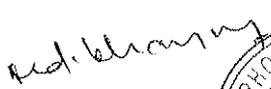
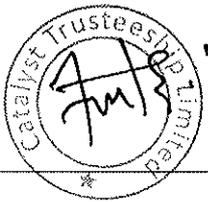
1.9 CONSEQUENCES OF AN EVENT OF DEFAULT

On and at any time after the occurrence of an Event of Default, and upon the expiry of the cure period provided to the Company, if any, the Debenture Trustee shall if so directed by any of the Debenture Holder(s):

- 1.9.1 declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable;
- 1.9.2 accelerate the redemption of the Debentures i.e. declare that all or part of the obligations of the Company be immediately due and payable;
- 1.9.3 enforce the charge over the Hypothecated Assets in accordance with the terms of the Deed of Hypothecation;
- 1.9.4 exercise any other right that the Debenture Trustee and/or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law without intervention of the Court;

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- 1.9.5 on and from the occurrence of an Event of Default, any Secured Property and any amount collected by the company from the underlying 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);
- 1.9.6 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;
- 1.9.7 subject to the Applicable Law, the Majority Debenture Holders shall have the option to buy the Hypothecated Assets or cause the Hypothecated Assets to be securitized (in whole or in part) and sold to a Special Purpose Vehicle ("SPV") at a future date against the amounts outstanding under the Debentures;
- 1.9.8 appoint Nominee Director on the board of directors of the Company in accordance with Applicable Laws;
- 1.9.9 disclose the details of the Company to TransUnion CIBIL Limited ("CIBIL") or and/or any other agency so authorized by the Reserve Bank of India in any such manner that deem fit to the Debenture Trustee (acting on instructions of the Majority Debenture Holders);
- 1.9.10 publish the names of the Directors in RBI / CIBIL list;
- 1.9.11 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 pursuant to the SEBI Circular dated October 13, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/203), as amended, modified or replaced from time to time and in relation to Recovery Expense Fund pursuant to the circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 issued by SEBI and the circular bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67 dated May 19, 2022 issued by SEBI, each, 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.
- 1.9.12 Until the happening of any of the Event(s) of Default set out in Clause 1.8 and Clause 2.8.1 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 2.8.1 or upon the happening of any of such Event(s) of Default coming to

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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, 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 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

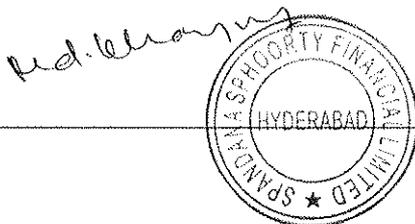
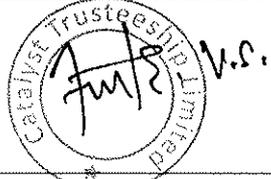
Neither the Debenture Trustee nor any agent of the Debenture Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company or with itself in the ordinary course of business of the Debenture Trustee or from undertaking any banking, financial or agency 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.

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1.13 ROLE AND RESPONSIBILITY OF THE DEBENTURE TRUSTEE

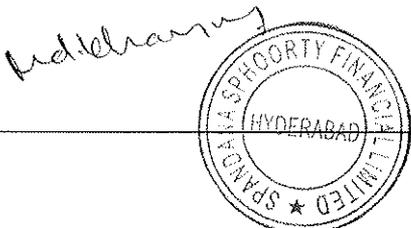
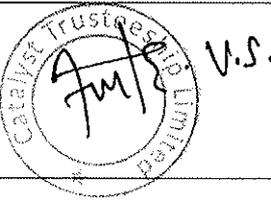
In addition to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything contained in these presents or of any statute limiting the liability of the Debenture Trustee, IT IS EXPRESSLY DECLARED as follows:

- 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 perform all such acts and duties as are set out in the other Transaction Documents;
- 1.13.3 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;
- 1.13.4 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 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 asset cover (in this case being the Security Cover) as per the terms of the Placement Memorandum and/or this Deed along with the financial results of the Company in the manner and format as specified by SEBI;
- 1.13.5 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);
- 1.13.6 The Debenture Trustee shall ascertain and satisfy itself that: (i) the interest 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 the Maturity Date;
- 1.13.7 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
- 1.13.8 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

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Debenture Holder(s);

- 1.13.9 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;
- 1.13.10 The Debenture Trustee shall act only on the instructions of the Debenture Holder(s) and in accordance with this Deed and the other Transaction Documents;
- 1.13.11 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;
- 1.13.12 The Debenture Trustee may accept, without inspection, inquiry or requisition, such title as the Company may have to the Hypothecated Assets;
- 1.13.13 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;
- 1.13.14 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;
- 1.13.15 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;
- 1.13.16 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;
- 1.13.17 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

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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.

1.13.18 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).

1.13.19 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 April 13, 2022 (bearing reference number: SEBI/HO/DDHS/P/CIR/2021/613), each as amended from time to time.

1.14 MODIFICATIONS TO THESE PRESENTS

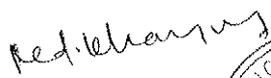
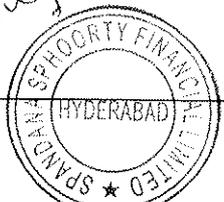
The Company shall concur with the Debenture Trustee in making any modifications in these presents which in the opinion of the Debenture Trustee shall be expedient to make provided that once a modification has been approved by consent in writing of the Majority Debenture Holder(s), the Debenture Trustee 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.

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 2 (Two) Business Days' prior

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written Notice.

1.16.2 Notice by the Parties to each other and the Debenture Holder(s) shall be deemed effectively given and received upon delivery in person, or 1 (One) Business Day after delivery by recognised overnight courier service, if sent for next business day delivery or on receipt by the sender of a transmission report showing successful transmission if sent by facsimile transmission or 5 (Five) Business Days after deposit via certified or registered mail, return receipt requested, or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 48 (Forty Eight) hours of sending such email) in each case addressed as below:

(a) **The Company**

SPANDANA SPOHORTY 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

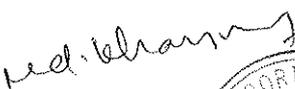
1.16.3 Any notice given under or in connection with this Deed must be in English.

1.16.4 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.

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

1.17 **WAIVER**

Any term or condition of this Deed may be waived at any time by the Party that is entitled to the benefit thereof, subject to the condition that Debenture Trustee for this purpose shall act with the consent of Majority Debenture Holder(s), provided such term or condition can be waived. No failure or delay on the part of the Debenture Trustee or the Receiver in exercising any power,

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right or remedy under this Deed shall be construed as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. Such waiver must be in writing and must be executed by an authorised officer of such Party. A waiver on one occasion will not be deemed to be a waiver of the same or any other breach or non-fulfillment on a future occasion. All remedies and benefits, either under this Deed, or by law or otherwise afforded, will be cumulative and not alternative and without prejudice to the other remedy or benefit, as the case may be.

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.

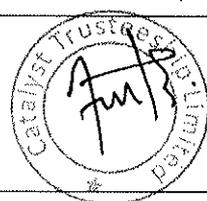
1.18.2 Limitation on Rights of Others

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.

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.

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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**

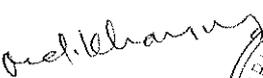
1.21.1 The Debentures and this Deed are governed by and shall be construed in accordance with the Applicable Laws of India.

1.21.2 The Parties agree that subject to Clause 1.21.3, any disputes which may arise out of or in connection with the Transaction Documents shall be subject to the exclusive jurisdiction of the courts at Chennai and that accordingly, any suit, action or proceedings ("**Proceedings**") arising out of or in connection with the Transaction Documents may be brought before such courts.

1.21.3 If any dispute, controversy or claim between the Parties arises, the affected Party shall serve on the other Party, a notice providing the details of the dispute. The Parties shall use all reasonable endeavours to negotiate with a view to resolving the dispute amicably. If the Parties are unable to resolve the dispute amicably, the dispute shall be referred to arbitration of a sole arbitrator to be mutually appointed by the Parties in accordance with the Arbitration and Conciliation Act, 1996, as amended / supplemented from time to time. The seat of the arbitration proceedings will be Chennai.

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.

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1.21.6 For the avoidance of doubt, the Debenture Trustee and Debenture Holders shall be entitled to enforce their rights under the Transaction Documents including, their rights in relation to the Hypothecated Assets and to seek any and all remedies under Applicable Law prevailing in India from time to time including, without limitation, the remedies under the SARFAESI Act.

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.

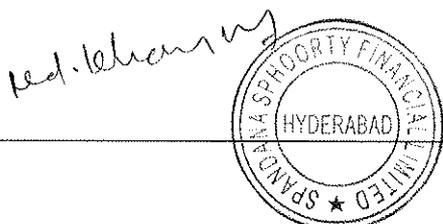
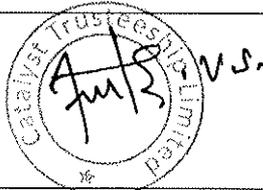
1.23 APPROPRIATION OF PAYMENTS

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:

- (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(c);
- (d) Fourthly, towards interest at the Coupon Rate; and
- (e) Lastly, towards the redemption of the Debentures due and payable under this Deed.

1.24 COSTS AND EXPENSES

- (a) 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; and
- (b) All fees, costs and expenses incurred in connection with the enforcement of any rights hereunder and/or under any other Transaction Documents including any cost incurred in the assertion or defence of the rights of the Debenture Trustee as such for itself and

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for the benefit of the Debenture Holders, for the protection and preservation of whole or any part of the Security and for the demand, realisation and recovery of the Debenture Outstandings 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.

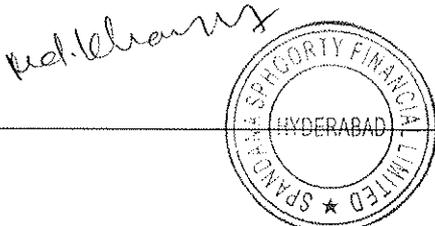
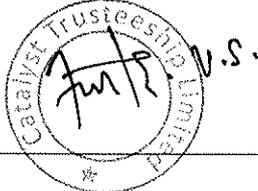
1.25 INDEMNITY

The Company shall within 2 (Two) Business Days of any demand being made by the Debenture Trustee, indemnify or hold harmless the Debenture Holders and the Debenture Trustee and each of their attorneys, agents, directors, officers, representatives and advisors, on a joint and several basis, against any cost, loss or liability, obligations, damages, judgments, costs, expenses (including, without limitation, advisors' fees), claims, fines, penalties, proceedings, actions or demands, of any kind or nature whatsoever arising out of or related to or incurred by the Debenture Holders and / or the Debenture Trustee and each of their attorneys, agents, directors, officers, representatives and advisors as a result of occurrence of an Event of Default.

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

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(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.

1.27 PLACEMENT MEMORANDUM

The Parties hereby agrees, confirms and undertakes that the Placement Memorandum shall form an integral part of this Deed and it shall be obligatory on the part of the Company and/or Debenture Trustee to comply all the terms and conditions of the Placement Memorandum.

1.28 THIS DEED TO PREVAIL

1.28.1 Notwithstanding anything contained in this Deed, it is hereby expressly agreed by and between the parties that:

1.28.2 in the event of any repugnancy or inconsistency in this Deed and the provisions of the Placement Memorandum, the provisions of this Deed will prevail;

1.28.3 in the event of any repugnancy or inconsistency in this Deed and the provisions of any security document or undertaking that the Company may enter into with or executed in favour of the Debenture Trustee, as the case may be, the provisions of security documents or undertaking that the Company may enter into with or executed in favour of Debenture Trustee, will prevail for all purposes and to all intents.

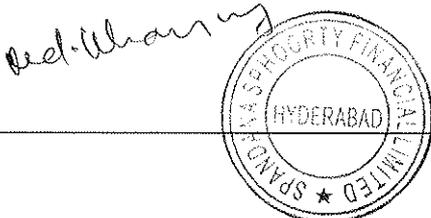
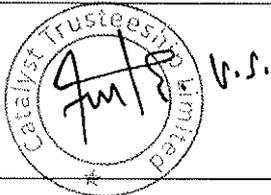
2. PART B: DETAILS SPECIFIC TO ISSUE

2.1 TENURE OF THE DEBENTURES

The Debenture being issued pursuant to the terms of this Deed are issued for a tenor of 24 (Twenty Four) months and may be redeemed by the Company upon maturity or earlier pursuant to the occurrence of Event of Default or pursuant to exercise of Optional Accelerated Redemption.

2.2 PREPAYMENT

Unless otherwise specified in this Deed, the Issuer shall not redeem the Debentures or any part thereof at any time (other than on the scheduled Due Dates or pursuant to the exercise of the

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acceleration on occurrence of Event of Default or pursuant to exercise of Optional Accelerated Redemption) ("**Prepayment**") prior to the Final Settlement Date.

Notwithstanding anything contained herein, the Company upon obtaining prior consent of the Majority Debenture Holder(s), shall have the option at any time prior to the Maturity Date to repurchase a part or all of the Debentures from the secondary markets or otherwise.

2.3 STEP- UP COUPON

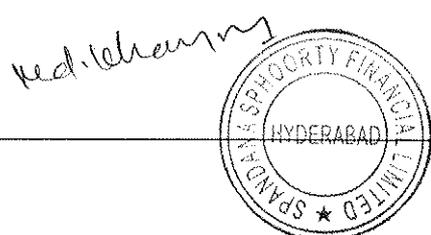
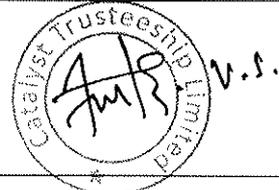
In the event there is any downgrade in the current rating of Debentures and/or the Issuer, the Coupon Rate for the balance period shall increase by 0.25% for each notch of rating downgrade ("**Step-Up Coupon**").

The Step-Up Coupon shall be payable on each Coupon Payment Dates during the period starting from the date of downgrade in rating, on the outstanding principal amount of the Debentures. In case, the Company is rated by more than 1 (One) credit rating agency duly licensed by SEBI, then the lowest of the ratings (for long term borrowings) shall be considered for calculation for the purpose of this Clause 2.3.

2.4 OPTIONAL ACCELERATED REDEMPTION

2.4.1 Without prejudice to the rights of the Debenture Holders under Clause 1.9 (Consequences of Event of Default) of Part A of this Deed, each of the Debenture Holders shall have the right but not an obligation to require the Company to redeem the Debentures along with accrued Coupon upon the occurrence of any of the below mentioned without declaring an Event of Default ("**Optional Accelerated Redemption Events**") as determined by the Debenture Trustee in its sole discretion ("**Optional Accelerated Redemption**")

- (a) Breach of any of the covenants as mentioned in the Rating Covenant, Holding and Management Covenant or Financial Covenant;
- (b) Occurrence of Material Adverse Effect;
- (c) If the Issuer prepays any loans or redeem debentures voluntarily or mandatorily before its stated maturity such that it leads to a negative mismatch on cumulative basis in any of the buckets of ALM statement up to the residual tenure of the Debentures after incorporating all the liabilities of the Company including Put Options/interest reset on liabilities. It is hereby clarified that any unutilized/undrawn bank lines shall not be taken into account while testing the occurrence of this Optional Accelerated Redemption Event;
- (d) Any legal or regulatory decision resulting in suspension/revocation of the non banking finance company license of the Issuer.

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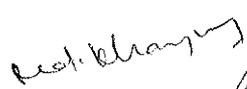
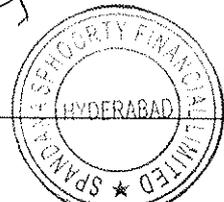
- 2.4.2 Upon the exercise of the Optional Accelerated Redemption by the Debenture Holder/ Debenture Holders, the Debenture Trustee shall issue a notice to the Company for redemption of all amounts outstanding in relation to the Debentures (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable)) (the date of sending the notice shall hereinafter be referred to as "**Optional Accelerated Redemption Notice Date**").
- 2.4.3 The Company shall be required to make payment of the outstanding Redemption Amount as on the date of payment to the Debenture Holder(s) exercising Optional Accelerated Redemption within 7 (Seven) calendar days of from the Optional Accelerated Redemption Notice Date. Provided that if the Issuer fails to redeem the Debentures and pay all outstanding amount to such Debenture Holder(s) within the said specified time period, the Issuer shall pay interest at the rate of 15% (Fifteen Percent) per annum for the period of delay i.e. Coupon Rate shall be deemed to have increased to 15% (Fifteen Percent) per annum. It is hereby clarified that the Default Interest shall not be separately paid over and above the Coupon Rate in the event the Issuer fails to redeem the Debentures.
- 2.4.4 It is hereby further clarified that each of the Debenture Holders are entitled to exercise Optional Accelerated Redemption and the issue of notice for exercising the Optional Acceleration Redemption by the Debenture Holder/s shall not be dependent upon the consent of the Majority Debenture Holders. To enable the Debenture Holders to exercise the Optional Accelerated Redemption, the Company shall inform the Debenture Trustee regarding occurrence of Optional Accelerated Redemption Event immediately and in no event later than 1 (One) calendar day from the date of occurrence of any Optional Accelerated Redemption Event.

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 1.6.1 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**

- (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

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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 winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets.
- (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 Event of Default

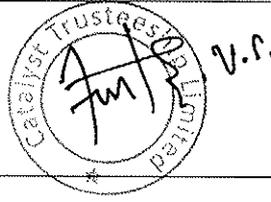
The Company hereby represents that there is no Event of Default (as defined below) that has currently occurred or is continuing as on the date hereof. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its assets or which might have a Material Adverse Effect.

2.5.4 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.

2.5.5 No Immunity

Neither the Company, nor any of its assets are entitled to immunity from suit, execution,

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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.

2.5.6 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.

2.5.7 Illegality

It is not illegal or unlawful for the Company to perform any of its obligations under the Transaction Documents.

2.5.8 Nature of Representations and Warranties

Each of the representations and warranties set out above shall be true and accurate as on the Deemed Date of Allotment.

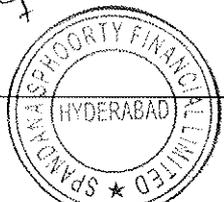
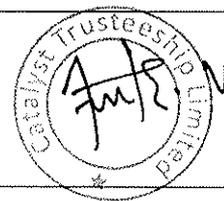
2.6 ADDITIONAL COMPANY'S COVENANTS

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.

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- (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 periodically of its compliance.
- (iii) 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.

(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.

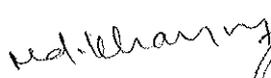
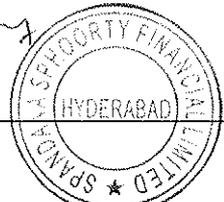
The Company shall cooperate with the Debenture Trustee/ Debenture Holders in connection with any assistance the Debenture Trustee/ Debenture Holders may require for the purpose of submitting information in relation to the Debentures and the Transaction Documents to any relevant information utility in accordance with the IBC, and to confirm or authenticate all filings and information sought to be uploaded, and update or modify or rectify any errors in such financial information submitted.

(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

- (i) The Company shall utilise the monies received towards subscription of the Debentures for on lending purpose (the "Purpose").
- (ii) The Company undertakes that no part of the proceeds of the Debentures received from the Applicants / Debenture Holder(s) shall be utilized by the Company directly or indirectly towards:
 - A. Real estate business, capital market investment and purchase of land;
 - B. Extending loans or making any inter-corporate deposits to/in subsidiary/associate company(ies);
 - C. Any speculative/other purposes specifically restricted by RBI and other

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regulatory bodies and as updated from time to time;

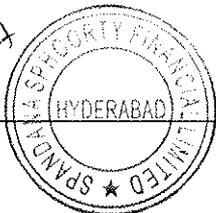
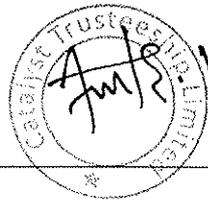
- D. Bill discounting or rediscounting of the bills;
- E. Repayment of any loans from directors/Promoters.

- (iii) 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).

(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

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SEBI/RBI, each as amended, modified or supplemented from time to time;

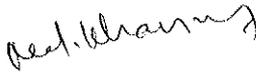
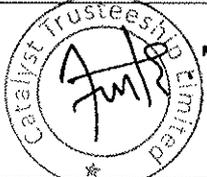
(f) Security

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;
- (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) The Company is not aware of any document, judgment or legal process or defects affecting the title, ownership of the Security which has remained undisclosed and/or which may have Material Adverse Effect on the Debenture Holders;
- (v) Notwithstanding the above, the Company shall from time to time take all the necessary and requisite actions, including the making of all filings with the relevant authorities, such as the Registrar of Companies, in order to perfect the security over the Hypothecated Assets created or modified (by way of addition or substitution or replacement of receivables, as provided for in the Deed of Hypothecation) by the Company, within the time period stipulated in the Deed of Hypothecation or acceptable to the Debenture Trustee. The Company shall submit the requisite proof of such perfection of security to the Debenture Trustee.

(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

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 	 <i>V.S.</i>

used for money laundering or any illegal purposes.

(h) **Insurance**

The Company shall procure adequate insurance policies in respect of the insurable assets comprised in the security and shall keep the security in proper condition.

(i) **Financial Terms and Conditions**

The Company shall comply with each financial terms and conditions set out in the Transaction Documents until the Final Settlement Date.

(j) **Promoter Debt**

The Company hereby agrees and undertakes that the Promoter Debt shall at all times be contractually subordinated (in ranking and payment) to the Secured Obligations and at any time after the occurrence of an Event of Default/ Optional Accelerated Redemption Event no payments shall be made in respect of the Promoter Debt except with the express prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

(k) **Terms and Conditions of the Placement Memorandum**

The Company shall at all times during the term of these presents comply with any other covenant or undertaking set out in the Placement Memorandum.

(l) The Company shall comply with any monitoring and/or servicing requests from the Debenture Trustee.

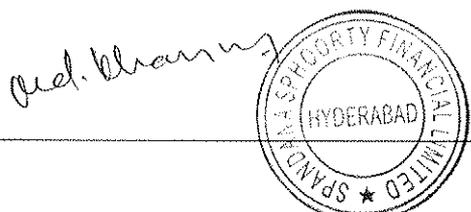
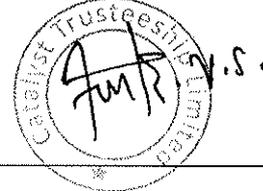
(m) The Company shall ensure that the claims of the Debenture Holders shall be akin to the claims of senior, secured investors / lenders and shall rank pari passu to all senior, secured indebtedness of the Issuer;

2.6.2 **Information Covenants**

(a) **Event Based Reporting**

The Company shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events forthwith upon occurrence of such event:

(i) Any Event of Default, breach of warranties or covenants set out in transaction documents of any Financial Indebtedness of the Company;

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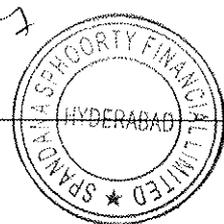
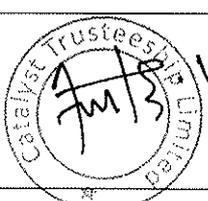
- (ii) default in any Financial Indebtedness/ obligations to any creditors;
- (iii) Any application or petition filed for the dissolution or re-organization of the Company;
- (iv) Occurrence of any Event of Default or potential Event of Default; and
- (v) Occurrence of other events such breach of warranties or covenants set out in Transaction Documents of any indebtedness of the Company, any legal proceeding / notice instituted against / received by the Company, default in any indebtedness / obligations to any creditors, any Material Adverse Change and such other material events as set out in the Transaction Documents.

Notwithstanding anything contained herein, any prepayment of Financial Indebtedness by the Issuer or any notice received for prepayment of any Financial Indebtedness of the Company that would lead to a negative mismatch on cumulative basis in any of the buckets till one year of the ALM of the Company is to be reported within 1 (One) Calendar Day from the occurrence of such event;

(b) Notification to the Debenture Trustee

The Company shall provide / cause to be provided information in writing in respect of the following promptly on the occurrence of such event (unless otherwise specifically provided):

- (i) notify the Debenture Trustee in writing of any notice of any application or petition for insolvency and/or winding up having been made or receipt of any statutory notice of insolvency and/or 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) 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 respect;
- (iii) provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee may reasonably request in relation to the payments due to be made on the Debentures;
- (iv) notify the Debenture Trustee promptly of any revision in the rating provided by the rating agency in the Issue;

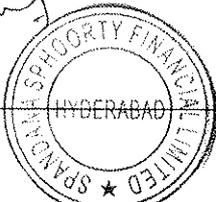
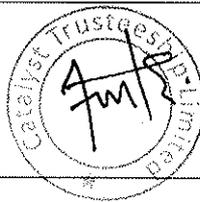
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- (v) inform the Debenture Trustee promptly about any failure to create, perfect and maintain the Security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets.
- (vi) The Company agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:
 - A. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - B. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/holders of debt securities; and
 - C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.

(c) **Furnishing Information to the Debenture Trustee**

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 5 (Five) calendar days from the date of request made by the Debenture Trustee (unless otherwise specifically provided):

- (i) Submit to the Debenture Holder (*in a format which shall be provided by the Debenture Holder from time to time*) such other information relevant to the Issue that the Debenture Holder may reasonably request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder, subject to such information being available with the Company.
- (ii) Submit to the Debenture Trustee, if so requested, a statement that the assets of the Company which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.
- (iii) 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.

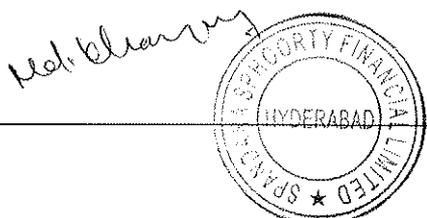
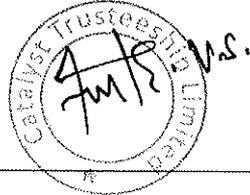
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- (iv) Furnish quarterly report to the Debenture Trustee containing the following particulars:
- A. updated list of the names and addresses of the Debenture Holders;
 - B. Details of the Coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof;
 - C. The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company, and those grievances not yet solved to the satisfaction of the Debenture Holder(s) and the reasons for the same;
 - D. 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 periodically of its compliance;
- (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.

(d) **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) MIS on operations, details on Financial Indebtedness, Static Portfolio Cuts, Portfolio at Risk data, Restructured Portfolio, Monthly collection and monthly collection efficiency, Monthly disbursement data, in the format acceptable to the Debenture Holder;
- (iii) PAR & write-off report quarterly in the format acceptable to the Debenture Holder;
- (iv) the Company shall issue in favour of the Debenture Trustee and the Debenture Holder(s), a certificate signed by a director of the Company or the chief financial officer of the Company ("Compliance Certificate") certifying the compliance by the Company of each of the financial covenants;
- (v) the list of directors on the Board of Directors of the Company;
- (vi) the shareholding pattern of the Company;
- (vii) the debt profile of the Company (including, without limitation, the non-convertible debentures issued by the Company);
- (viii) the Asset Liability Management ("ALM") statement of the Company for the relevant quarter;
- (ix) the liquidity position of the Company at the end of such quarter, in a format

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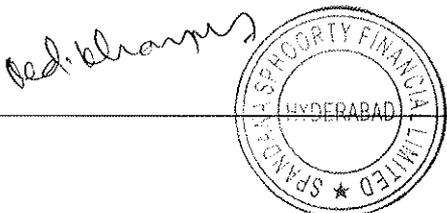
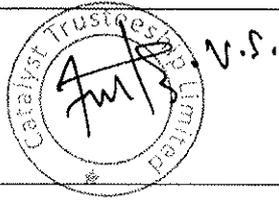
- (x) acceptable to the Debenture Holders; and certified copy of the filings / returns filed by the Company with RBI for and during such quarter.

(e) **Half-Yearly Certificate**

The Issuer shall submit a certificate from its statutory auditor to the Debenture Trustee on half-yearly basis giving the value of receivables / book debts comprising the Hypothecated Assets along with the half-yearly financial results.

(f) **Miscellaneous**

- (i) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), a certificate from the authorized signatory of the Company (duly authorized by the board of directors of the Company) certifying the debt profile of the Company (including, without limitation, the guarantee obligations of the Company) in a format acceptable to the Debenture Trustee: (a) for the half-year period ended March 31st of a Financial Year by April 15th of the immediately succeeding Financial Year; and (b) for the half-year period ended September 30th of a Financial Year by October 15th of such Financial Year, until the Final Settlement Date;
- (ii) The Company shall provide written intimation to the Debenture Trustee and the Debenture Holders prior to entering into any transaction of merger, acquisition, restructuring, amalgamation, de-merger scheme of arrangement or compromise with its creditors or shareholders (including, without limitation, any such transaction proposed to be entered into subsequent to the receipt of banking license from the RBI or receipt of approval from the RBI to acquire an existing bank);
- (iii) The Company shall forthwith intimate the Debenture Trustee and the Debenture Holders, in writing, upon receipt by the Company of a banking license from RBI and/ or the approval from RBI for acquisition of an existing bank and shall provide a certified copy of such approval/ license and such other documents as the Debenture Trustee and the Debenture Holders may require in this regard;
- (iv) The Company shall keep the Debenture Trustee informed of all the orders, directions or notices of any court or tribunal affecting or likely to affect the assets (or any part thereof) of the Company;
- (v) The Company shall forthwith provide to the Debenture Trustee the details of any litigation, arbitration or administrative proceedings filed or initiated against the Company;

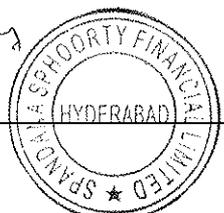
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- (vi) The Company shall inform the Debenture Trustee about any change in nature and conduct of business by the Company prior to effecting any such change;
- (vii) The Company shall forthwith provide a written intimation to the Debenture Trustee of any event which constitutes an Event of Default or which may with the expiry of time be classified as an Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;
- (viii) The Company shall submit to the Debenture Trustee such other information as may be required by the Debenture Trustee for the effective discharge of its duties and obligations hereunder, including copies of reports, balance sheets, profit and loss account etc.
- (ix) 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 in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218 and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 and the SEBI circular dated May 19, 2022 and bearing number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67, each as amended, replaced or modified from time to time

2.6.3 Financial Covenants

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

- (a) The ratio of Total Gross Debt to Equity of the Company shall be less than 4 (Four) times;
- (b) Capital Adequacy Ratio of at least 20% (Twenty Percent) or as per applicable RBI regulations, whichever is higher and in the said Capital Adequacy Ratio, Tier 1 Capital shall be at least 15% (Fifteen Percent);
- (c) Gross NPA of the Company shall not exceed 7% (Seven Percent) of the Gross Loan Portfolio for the Financial Year ending in 2023 and 5% (Five Percent) thereafter;
- (d) Net NPA of the Company shall not exceed 3.5% (Three Decimal Point Five Percent) of Gross Loan Portfolio for the Financial Year ending in 2023 and 3% (Three Percent) thereafter;

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- (e) The after-tax net income (excluding extraordinary income) of the Company shall remain positive. The said covenant to be tested on quarterly and on annual basis starting from March 31, 2023 and every quarter thereafter;
- (f) The Company shall maintain minimum liquidity amount (after including put option/interest reset) in the form of unencumbered cash and cash equivalents which is enough to meet its liabilities for next 45 (Forty Five) days at anytime during the tenure of the Debenture;
- (g) The share of off-balance sheet portfolio of loans of the Company shall not exceed 30% (Thirty Percent) of the Gross Loan Portfolio;
- (h) There shall not be any negative mismatches on cumulative basis in any of the buckets till the next one year of ALM statement after incorporating all the liabilities of the Company incorporating put options/ reset options etc (in any form). The asset will also include all the unencumbered Cash and Cash equivalent maturing across all the buckets of the ALM as part of the opening asset balance. Unutilized/undrawn bank lines and cash credit limits shall not be taken into account while testing the same. Further, only contractual maturities of loan assets will be considered without taking any prepayment assumption and in respect of liabilities, any put option or open ended interest reset option without any linkage to benchmark for all capital market debt instrument will be considered as maturity.

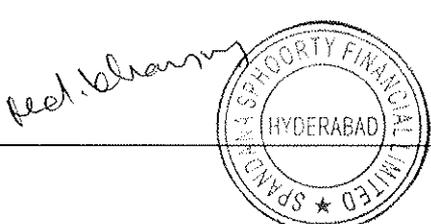
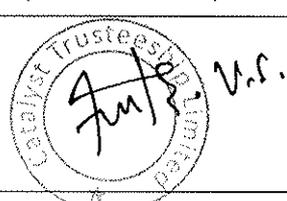
Save and except as set out above, all financial covenants will be tested on quarterly basis i.e., as on 31 March, 30 June, 30 September and 31 December every year, starting from March 31, 2023 ("**Reporting Quarter**") on consolidated balance sheet until the Final Settlement Date. The compliance with the financial covenants shall be certified by an independent chartered accountant within 45 (Forty-Five) calendar days from the end of each Reporting Quarter.

The Company shall supply to the Debenture Trustee, within 45 (forty five) days from the end of each Financial Quarter, a Compliance Certificate setting out (in reasonable detail), computations as to compliance with the relevant covenants set out in this Clause as at the date as at which those financial statements were drawn up.

For the purpose of this Clause 2.6.3 (Financial Covenants) of this Deed, the following terms shall have the meaning ascribed to them as provided below:

"Capital Adequacy Ratio" / "CAR" means the capital adequacy ratio for non-banking financial institutions as defined by the Reserve Bank of India from time to time.

For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Borrower on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Borrower on loans originated on

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behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.

"Total Gross Debt" shall include the following:

- (i) All Long-Term Borrowings, including ineligible portion of subordinated debt in form of Tier II Capital including current maturities
- (ii) All Short-Term Borrowing
- (iii) Financial guarantees provided, if any
- (iv) Letter of comfort / shortfall undertaking provided by the Issuer, if any.

"Equity" shall include the following:

- (i) Equity share issued by the Issuer
- (ii) Compulsorily convertible preference share issued by the Issuer
- (iii) Reserve and surplus of the Issuer
- (iv) Subordinated debt in form of Tier II capital to the extent eligible for inclusion in Tier II capital as on the latest quarter end (i.e. subject to discounting as provided in the NBFC Direction); and
- (v) Any other instrument or securities issued by the Company which are classified as 'equity' as per IND AS.

"Gross NPA" shall mean principal and interest overdue for 90 days or more or any restructured loans (excluding the restructured loans under COVID-19 restructuring).

"Gross Loan Portfolio" shall include on balance sheet portfolio including securitization portfolio.

"Off Balance Sheet Portfolio" shall mean portfolio which are directly assigned to other banks and financial institutions.

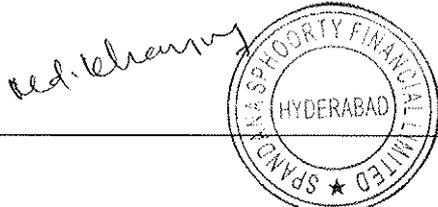
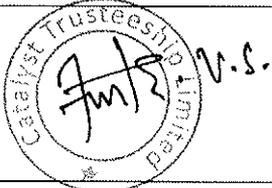
"PAT" shall be profit after tax and shall include one-time / exceptional item (profit or loss) in its computation.

"Net NPA" of the Company shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs.

2.6.4 Holding and Management Covenants

The Company covenants with the Debenture Trustee that the Company shall comply with the following holding and management covenants:

- (a) The Company shall ensure that there is no Change of Control in the Company until the Final Settlement Date;

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- (b) The Company shall ensure that Kedaara Capital has the Management Control of the Company along with a board representation at all times until the Final Settlement Date;
- (c) The Company shall ensure that Mr. Shalabh Saxena, the Managing Director and Chief Executive Officer and Mr. Ashish Damani, the Chief Financial Officer shall continue to be designated as the key managerial personnel of the Company; and
- (d) The Company shall continue to maintain the current composition of the board, with an exception for the appointment of Independent director.

In the event that any of the above-mentioned conditions ceases to exist, the Company shall intimate the Debenture Holders within 3 (Three) calendar days of occurrence of the event(s) and/or the Debenture Holders shall have the right to call for Optional Accelerated Redemption as set out under Clause 2.4 of this Deed.

2.6.5 Rating Covenants

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

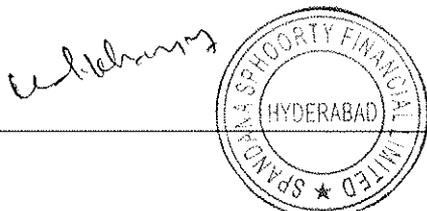
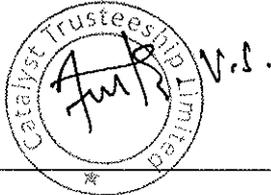
- (a) The Company shall ensure to maintain a minimum credit rating of 'A' of the Company/Debentures from any credit rating agency;
- (b) The Company shall ensure that there is no suspension of the credit rating of the Issuer and/or the Debentures due to the Company not cooperating with the credit rating agency.

In case, the Company is rated by more than 1 (One) credit rating agency duly licensed by SEBI, then the lowest of the ratings (for long term borrowings) shall be considered for calculation for the purpose of this Clause 2.6.5.

It is hereby clarified that in the event the credit rating assigned to the Debentures is suspended or withdrawn or remarks such "Issuer Not Cooperating" is provided/affixed to the existing credit rating of the Debentures and/or the credit rating assigned to the Debentures is downgraded below 'A' by any credit rating agency, the same shall be construed as breach of the Rating Covenant.

2.6.6 Negative Covenants

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:

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(a) **Purchase, Redemption of Share Capital and Buyback**

- (i) 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;
- (ii) The Issuer will ensure that prior to the Final Redemption Date, there will be no sale, disposal or transfer in any matter whatsoever of the equity shares held by the Promoter in the Company to anyone, nor will the Promoter encumber (in any manner whatsoever) the equity shares held by the Promoter in the Company.

(b) **Payment of dividend**

The Company shall not declare or pay any dividend to its shareholders during any Financial Year unless:

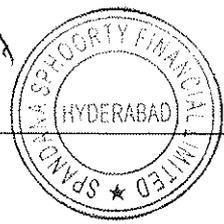
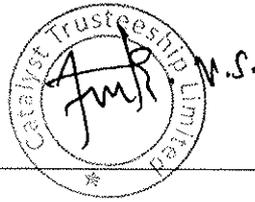
- (i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);
- (ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;
- (iii) the Company is in compliance with the Financial Covenants; and
- (iv) it has paid all the dues to the Debenture Holder(s)/Debenture Trustee upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefore;

(c) **Arrangement**

The Company shall enter into any compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.

(d) **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.

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(e) **Constitutional Documents**

The Company shall not make any amendments to its constitutional documents (except increase in authorised share capital clause of the memorandum of association of the Company) in a manner which could have a Material Adverse Effect.

(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.

(h) **Diversification**

- (i) The Company shall not change the nature of its business from that which is permitted to be undertaken by the Company as a 'Non-Banking Financial Company' by the RBI;
- (ii) The Company shall not undertake any new business outside financial services or any diversification of its business outside financial services.

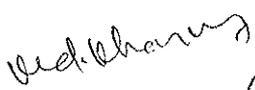
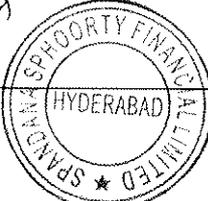
(i) **Statutory Auditors**

Change its statutory auditors, save and except as required by Applicable Law;

(j) **Change in Financial Year**

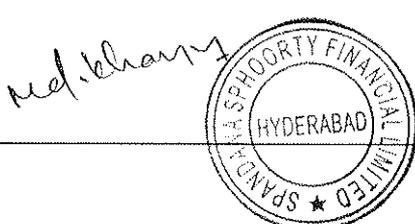
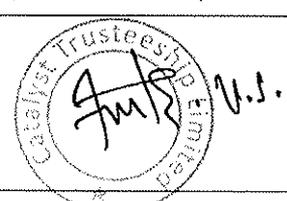
The Company shall not change the Financial Year unless required by the Applicable Law.

- (k) The Company shall not acquire any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the

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aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 1% (One percent) of the equity share capital of the Company;

- (l) The Company shall not acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture);
- (m) The Company shall not:
 - (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;
 - (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person other than in the ordinary course of business on an arms' length basis and in compliance with applicable;
 - (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.
- (n) The Company shall not appoint or continue to the appointment of any person classified as or who is director of a company classified as a wilful defaulter as a director and/ or a key managerial person of the Company;
- (o) The Company shall not enter into any contractual obligation which may adversely affect the financials standing;
- (p) The Company shall not sell, transfer, or otherwise dispose of in any manner whatsoever any Loan Assets of the Company, other than any securitization/ direct assignment transaction undertaken by the Company in the ordinary course of its business in terms of the RBI master direction dated September 1, 2016 titled 'Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016' or any amendment, supplement or restatement thereto. It is clarified that, a securitization/ direct assignment representing an exit of line of business will not be construed as being in the ordinary course of business of the Company and the Company shall not be permitted to effect the same except after obtaining the prior written consent of the Debenture Trustee;
- (q) The Company shall not voluntarily prepay any financial indebtedness of the company,

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which would lead to a mismatch in the ALM, after incorporating all the liabilities of the Company including Put Options, resets etc. (in any form) & excluding unutilized bank lines, on the proposed day of prepayment;

- (r) The Company shall not repay (except by way of equity conversion) unsecured loans from Promoters/ related parties/ inter-corporate deposits, wherein the breach of covenant is subsisting;
- (s) The Promoters of the Company shall not pledge any shares held by them which may potentially change management control (if pledge is enforced).

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.

2.8 EVENTS OF DEFAULT

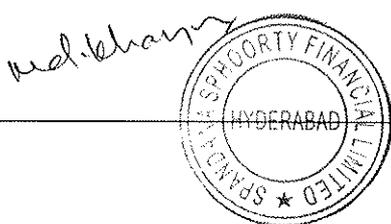
In addition to the Events of Default sets out in Clause 1.8 herein, the following event shall constitute an Event of Default:

2.8.1 Breach of covenants / obligations

- (a) The breach of any terms, covenants (including, without limitation, negative covenants, affirmative covenants, reporting covenants) or obligation under the Transaction Documents;
- (b) The Company fails to share any information within 5 (five) calendar days upon the request by the Debenture Holder.

2.8.2 Transaction Documents

- (a) This Deed or any other Transaction Documents in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company;
- (b) 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 or the security over

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the Hypothecated Assets is in jeopardy;

- (c) It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable;
- (d) Any of the Transaction Documents are claimed by the Company, or any of the security providers, not to be in full force and effect;
- (e) The Company repudiates any of the Transaction Documents, or evidence an intention to repudiate any of the Transaction Documents;
- (f) The non-satisfaction of the Conditions Precedent or any other conditions that may be prescribed under the Transaction Documents.

2.8.3 End Use

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

2.8.4 Applicable Law

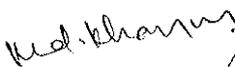
- (a) The Company fails to comply with Applicable Law in relation to the issue or the security interest created in relation therewith;
- (b) The other security providers fail to comply with the Applicable Law in relation to the security interests made available by them.

2.8.5 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.

2.8.6 Delisting of the Debentures

The Debentures cease to be listed on 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).

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2.8.7 Payments

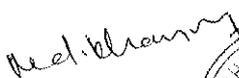
- (a) Any Event of Default shall arise if the Company /any of the Promoters/ the subsidiaries or holding Company(ies) of the Company:
- (i) defaults in any payment of Financial Indebtedness beyond the due date, provided in the instrument or agreement under which such Financial Indebtedness was created; or
 - (ii) breach in the observance or performance of any covenant or any agreement or any condition relating to any Financial Indebtedness the effect of which is default or any other event or any condition which is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or
 - (iii) any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.

Provided that if the above-mentioned Event of Default is capable of being remedied in the sole discretion of the Debenture Holders, the Majority Debenture Holders may provide a cure period as deemed appropriate to them;

- (b) The failure of the Company to redeem the Debentures in terms of the Transaction Documents upon exercise of the Optional Accelerated Redemption Option and failure to make payment of the aggregate amounts outstanding in relation to the Debentures hereof within stipulated timelines;
- (c) The Company is presumed or deemed to be unable or admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness.

2.8.8 Other Defaults

- (a) any revocation or suspension of the Company's organizational status or any licenses or franchise by any government agency or authority after the Company has exhausted all remedies and appeals relating thereof;
- (b) surrender, revocation or suspension of the Company's certificate of registration as a non-banking financial company by the Reserve Bank of India provided that this shall not

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apply where such certificate of registration is surrendered pursuant to obtaining a banking license;

- (c) Failure of the Company to meet standards in successive discretionary audit conducted by the Debenture Trustee/Debenture Holders;
- (d) The Company has taken or suffered to be taken any action for reorganization of its capital or any rearrangement, merger or amalgamation without prior approval of the Debenture Holders in terms hereof;
- (e) The Promoters and/or the directors/ or the key managerial personnel of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoters and/or the directors and/ or the key managerial personnel of the Issuer, including any accusations, charges and/or convictions of any offence relating to bribery or being declared a willful defaulter;
- (f) Any order/ judgement passed by any of the regulatory authorities against any of the Promoter / Promoter Group /Company resulting in debarment of the Promoter / Promoter Group/Company for raising funds from the financial markets;
- (g) The Company commences negotiations with one or more of its lenders/ debenture trustees/ debenture holders with a view to rescheduling any of its indebtedness or failure or inability of the Issuer to pay its debts as they mature;
- (h) Erosion of 50% or more of the Company's net worth from the current Net Worth.
- (i) Such other Event of Defaults as may be determined by the Debenture Holders and set out in the Debenture Trust Deed.

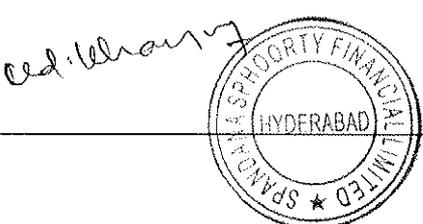
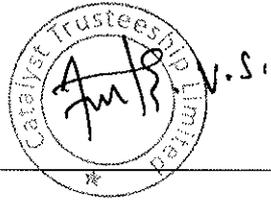
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3 PART C: DEFINITIONS AND CONSTRUCTION

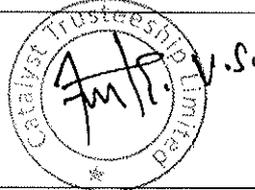
3.1 Definitions

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

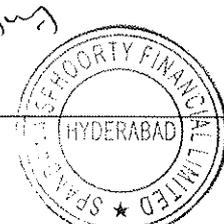
- 3.1.1 **"Act"** shall mean the Companies Act, 1956, or where applicable the notified provisions of the Companies Act, 2013 ("**2013 Act**"), as may be amended from time to time;
- 3.1.2 **"Applicable Law"** shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof;
- 3.1.3 **"Asset Cover" / "Security Cover"** shall mean the security cover to be provided by the Hypothecated Assets as will be more particularly identified in the Placement Memorandum and the Deed of Hypothecation;
- 3.1.4 **"Beneficial Owner(s)"** shall mean the Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository;
- 3.1.5 **"Business Day"** shall mean any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) on which banks are normally open for business in Mumbai) and "**Business Days**" shall be construed accordingly;
- 3.1.6 **"CDSL"** shall have the meaning assigned to such term in Recital E above;
- 3.1.7 **"Change of Control"** shall mean the occurrence of one or more of the following events:
- (a) Kedaara Capital, ceases directly to:
- (i) own (i) unencumbered 40% (forty per cent.) of the fully paid up equity share capital of the Company on a fully diluted basis till 18th month from the Deemed Date of Allotment; and (ii) unencumbered 26% (twenty six per cent.) of the fully paid up equity share capital of the Company on a fully diluted basis after 18 months from the Deemed Date of Allotment until the Final Settlement Date;
- (ii) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or

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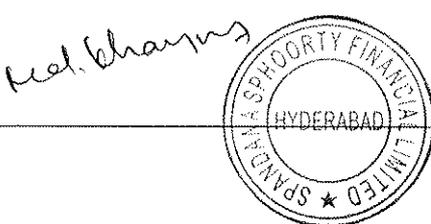
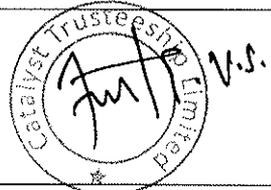
- (iii) give directions with respect to operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply;
- (b) Kedaara Capital ceases to be a 'promoter' (as defined under the Companies Act) of the Company.
- 3.1.8 **"Conditions 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;
- 3.1.9 **"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;
- 3.1.10 **"Control"** means with respect to the Company, the ability of the Promoter to directly manage and direct the business, functions and operations of the Company;
- 3.1.11 **"Coupon"** shall mean the coupon payable on the Debentures on the Coupon Payment Date(s), at the Coupon Rate;
- 3.1.12 **"Coupon Payment Date(s)"** shall mean the payment dates as specified in Clause 1.2.7(c) to this Deed;
- 3.1.13 **"Coupon Rate"** shall subject to Step-up Coupon set out in Clause 2.3, mean 10.50% (Ten Decimal Point Five Zero Percent) per annum payable monthly 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;
- 3.1.14 **"Debentures"** shall have the meaning assigned to the term in Recital A above;
- 3.1.15 **"Debenture Holder(s)"** shall initially mean, the persons to whom the Information 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;
- 3.1.16 **"Deed(s) of Hypothecation"** shall mean the unattested deed of hypothecation executed on March 16, 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;
- 3.1.17 **"Deemed Date of Allotment"** shall mean the date on which the Debentures are deemed to be allotted to the Debenture Holder(s) which date is identified in the Placement Memorandum;

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- 3.1.18 **"Default Interest"** shall have the meaning assigned to the term in Clause 1.2.7(e) to this Deed;
- 3.1.19 **"Depository"** shall mean the depository(ies) with whom the Company has made arrangements for dematerialising the Debentures, being CDSL and NSDL respectively;
- 3.1.20 **"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 Optional Accelerated Redemption, in accordance with the terms of the Placement Memorandum;
- 3.1.21 **"Event(s) of Default"** shall mean the events of default as set out in Clause 1.8 and Clause 2.8 hereof and shall, in relation to the Debenture Holders of Debentures, additionally mean any event or circumstances described as an event of default under the Placement Memorandum;
- 3.1.22 **"Financial Covenant"** shall mean the financial covenants as set out under Clause 2.6.3 of Part B of this Deed;
- 3.1.23 **"Financial Indebtedness"** shall mean any indebtedness for or in respect of:
- (a) monies borrowed;
 - (b) any amount availed of by acceptance of any credit facility;
 - (c) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments;
 - (d) 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;
 - (e) 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);
 - (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
 - (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);

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- (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.
- 3.1.24 **"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 and the Debenture Holders have provided a written confirmation of the same to the Company (with a copy marked to the Debenture Trustee);
- 3.1.25 **"Financial Year"** shall mean the financial year of the Company used for the purposes of accounting;
- 3.1.26 **"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;
- 3.1.27 **"Holding and Management Covenant"** shall mean holding and management covenants as set out under Clause 2.6.4 of Part B of this Deed;
- 3.1.28 **"Hypothecated Assets"** shall have the meaning assigned to the term in the Deed of Hypothecation;
- 3.1.29 **"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 or re-enactment thereof;
- 3.1.30 **"IND AS"** means the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Issuer.
- 3.1.31 **"Placement Memorandum"** shall have the meaning assigned to the term in Recital B above;
- 3.1.32 **"Issue"** shall have the meaning assigned to the term in Recital A above;
- 3.1.33 **"Issue Closing Date"** shall mean March 16, 2023;
- 3.1.34 **"Kedaara Capital"** shall mean all the existing and past investment entities/funds of Kedaara

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group but not limited to Kangchenjunga Limited and Kedaara Capital Fund III LLP.

3.1.35 **"Majority Debenture Holder(s)"** shall mean Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding;

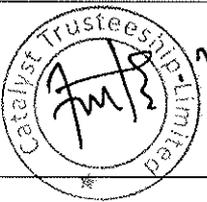
3.1.36 **"Management Control"** shall in relation to any entity, mean:

- (a) the right to appoint the majority of directors of such entity; and
- (b) to control the management of such entity or policy decisions are exercisable by a person or persons acting individually or in concert, directly or indirectly, by virtue of their shareholding or management rights or shareholders agreements or voting agreements.

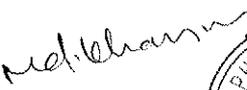
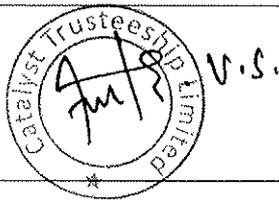
3.1.37 **"Material Adverse Effect"** shall mean, with respect to the Company, the effect or consequence of an event, circumstance, occurrence or condition including but not limited to change in credit rating/ outlook/ opinion, change in the statutory auditor of the Company other than mandatory required by law, change in senior management team, change in Board of Directors' member which has caused, as of any date of determination, or any other circumstances which could reasonably be expected to cause a material and adverse effect on:

- (i) the financial condition, business or operation of the entity which in the opinion of the Debenture Holder is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; or
- (ii) on the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; or
- (iii) the ability of the entity to perform its obligations under the Transaction Documents; or
- (iv) the legality, validity or enforceability of any of the Transaction Documents; or
- (v) the international capital or loan market; or
- (vi) the political, financial or economic condition of Republic of India; and shall also mean and include any event whether domestic or international, which in the opinion of the Debenture Trustee could have an adverse effect.

3.1.38 **"Maturity Date"** shall mean the date falling at the end of 24 (Twenty Four) months from the Deemed Date of Allotment being March 17, 2025 subject to exercise of Optional Accelerated Redemption or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable whether at such stated maturity date or either by declaration of acceleration, or otherwise;

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- 3.1.39 "Nominee Director" shall have the meaning assigned to the term in Clause 1.3.11 to this Deed;
- 3.1.40 "NSDL" shall have the meaning assigned to the term in Recital D above;
- 3.1.41 "NSE" shall have the meaning assigned to such term in Recital F above;
- 3.1.42 "Optional Accelerated Redemption Notice Date" shall have meaning assigned to the term in Clause 2.4.2 of Part B of this Deed;
- 3.1.43 "Optional Accelerated Redemption Event" shall have meaning assigned to the term in Clause 2.4.1 of Part B of this Deed;
- 3.1.44 "Optional Accelerated Redemption" shall have the meaning assigned to the term in Clause 2.4.1 of Part B of this Deed;
- 3.1.45 "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 the Placement Memorandum and shall include principal amounts, interest and other amounts, if any, in respect of the Debentures as per this Deed;
- 3.1.46 "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;
- 3.1.47 "Principal Payment Date(s)" shall mean the payment date(s) as specified in Clause 1.2.9 and Schedule I to this Deed;
- 3.1.48 "Proceedings" shall have the meaning assigned to the term in 1.21 (*Disputes and Governing Law*) of this Deed;
- 3.1.49 "Promoter" shall collectively mean (i) Padmaja Gangireddy; (ii) Kangchenjunga Limited; (iii) VijayaSivarami Reddy Vendidandi; (iv) Kedaara Capital Fund III LLP; and (v) any other Person who is considered as a 'promoter' (as defined under the Companies Act) of the Company.
- 3.1.50 "Promoter Debt" shall mean all existing and future Financial Indebtedness availed of by the Company from the Promoters. The details of the existing Financial Indebtedness availed of from the Promoters are set out in Schedule IV to this Deed.
- 3.1.51 "Purpose" / "End-Use" means the purpose for which the Company is issuing the Debentures as more particularly detailed in the Placement Memorandum;
- 3.1.52 "RBI" shall mean the Reserve Bank of India;

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- 3.1.53 **"Rating Agency"** shall mean India Ratings and Research Private Limited, a company existing under the Companies Act, 2013 and Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051;
- 3.1.54 **"Rating Covenants"** shall mean the rating covenants as set out under Clause 2.6.5 of Part B of this Deed;
- 3.1.55 **"Receivables"** shall have the meaning assigned to it in the Deed of Hypothecation;
- 3.1.56 **"Record Date"** shall mean in relation to any Due Date, the day falling 7 (Seven) Calendar Days prior to such Due Date;
- 3.1.57 **"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 Optional Accelerated Redemption) to be calculated in the manner set out in this Deed and shall include principal amounts, Coupon and other amounts, if any, in respect of the Debentures as per this Deed;
- 3.1.58 **"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;
- 3.1.59 **"Registrar & Transfer Agent"** shall mean Kfin Technologies Private Limited, a company incorporated under Companies Act, 2013 and having its registered office at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi, Telengana - 500032;
- 3.1.60 **"Repay"** shall include **"Redemption"** and vice-versa and **"repaid"**, **"repayable"**, **"repayment"**, **"redeemed"**, **"redeemable"** and **"redemption"** shall be construed accordingly;
- 3.1.61 **"Rs."** or **"Rupees"** shall mean Indian Rupee, the lawful currency of India;
- 3.1.62 **"SEBI"** shall mean the Securities and Exchange Board of India;
- 3.1.63 **"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;
- 3.1.64 **"Secured Obligations"** shall mean all obligations at any time due, owing or incurred by the Company to the Debenture Trustee and the Debenture Holder(s) in respect of the Debentures

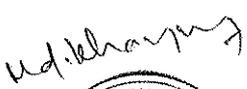
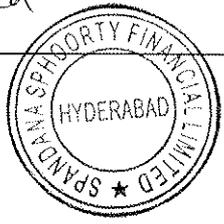
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and shall include the obligation to redeem the Debentures in terms thereof together with the coupon/interest/premium accrued thereon, Default Interest, if any, accrued thereon, any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Company in respect of the Debentures under the Transaction Documents;

- 3.1.65 **"Security"** shall mean the security created in favour of the Debenture Trustee for the purpose of the issuance of Debentures, the details of which are provided in Clause 1.4 (*Security*) hereto;
- 3.1.66 **"Successor Trustee"** shall have the meaning assigned to the term in Clause 1.1.5 (*Successor Trustee as the Debenture Trustee*) of this Deed;
- 3.1.67 **"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
- 3.1.68 **"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, the Power of Attorney, letter appointing Debenture Trustee, 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;
- 3.1.69 **"Debenture Trustee Agreement"** shall mean the trustee agreement entered into by and between the Company and the Debenture Trustee dated March 11, 2023;

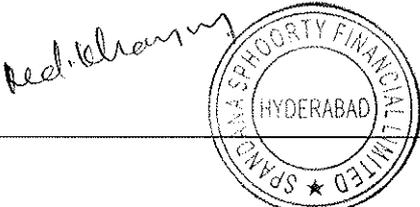
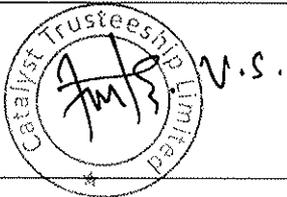
3.2 Construction

- 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;

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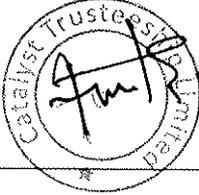
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- 3.2.5 unless the context otherwise requires, all references in this Deed, to the Debenture Trustee shall be deemed to refer to the Debenture Trustee (acting on behalf of, for the benefit of and in trust for the Debenture Holder(s));
- 3.2.6 All references 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, 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", reasonableness 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.

<p>Spandana Sphoorty Financial Limited (as the Company)</p>	<p>Catalyst Trusteeship Limited (as Debenture Trustee)</p>
	

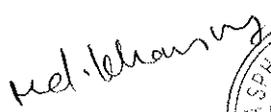
PART D: SCHEDULES AND ANNEXURES TO THE DEED

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)
 	 

SCHEDULE I
CASHFLOW SCHEDULE
Redemption Schedule

Period (Months)	Interest/Principal Payment Dates	No. Of Days for Interest	O/S Principal	Principal (Tranche 1)	Interest
0	17-03-2023			-1,250,000,000	
1	17-04-2023	31.00	(1,250,000,000)		11,147,260
2	17-05-2023	30.00	(1,250,000,000)		10,787,671
3	17-06-2023	31.00	(1,250,000,000)	156,250,000.00	11,147,260
4	17-07-2023	30.00	(1,093,750,000)		9,439,212
5	17-08-2023	31.00	(1,093,750,000)		9,753,853
6	17-09-2023	31.00	(1,093,750,000)	156,250,000.00	9,753,853
7	17-10-2023	30.00	(937,500,000)		8,090,753
8	17-11-2023	31.00	(937,500,000)		8,360,445
9	17-12-2023	30.00	(937,500,000)	156,250,000.00	8,090,753
10	17-01-2024	31.00	(781,250,000)		6,967,038
11	17-02-2024	31.00	(781,250,000)		6,967,038
12	17-03-2024	29.00	(781,250,000)	156,250,000.00	6,517,551
13	17-04-2024	31.00	(625,000,000)		5,558,402
14	17-05-2024	30.00	(625,000,000)		5,379,098
15	17-06-2024	31.00	(625,000,000)	156,250,000.00	5,558,402
16	17-07-2024	30.00	(468,750,000)		4,034,324
17	17-08-2024	31.00	(468,750,000)		4,168,801
18	17-09-2024	31.00	(468,750,000)	156,250,000.00	4,168,801
19	17-10-2024	30.00	(312,500,000)		2,689,549
20	17-11-2024	31.00	(312,500,000)		2,779,201
21	17-12-2024	30.00	(312,500,000)	156,250,000.00	2,689,549
22	17-01-2025	31.00	(156,250,000)		1,389,600
23	17-02-2025	31.00	(156,250,000)		1,389,600
24	17-03-2025	28.00	(156,250,000)	156,250,000.00	1,255,123

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

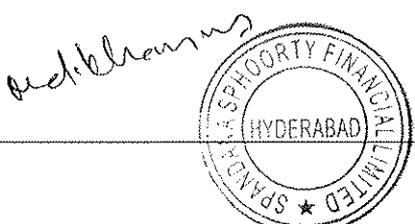
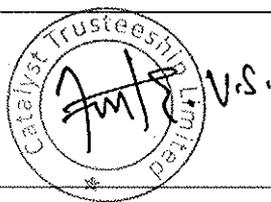
SCHEDULE II

PROVISIONS FOR THE MEETINGS OF THE DEBENTURE HOLDER(S)

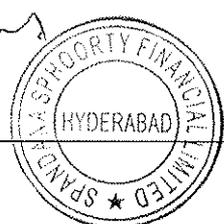
The following provisions shall apply to the meetings of the Debenture Holder(s):-

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 Information 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).

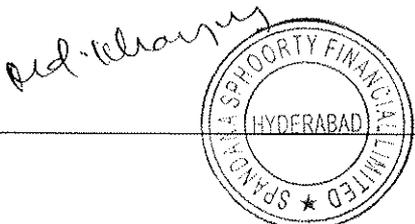
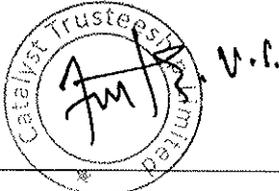
Any such meeting as per paragraph 1(i) or paragraph 1(ii) shall be held at such place in the city where the registered office of the Company is situated or at such other place as the Debenture Trustee shall determine.
2.
 - (i) A meeting of the Debenture Holder(s) may be called by giving not less than 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 thereat.
 - (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;

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

- (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.
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. (i) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every director and the manager, if any.
(ii) 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) 5 (five) Debenture Holder(s), personally present shall be the quorum for the meeting of the Debenture Holder(s) (provided that in the event that the number of Debenture Holder(s) shall be less than 5, then the quorum shall comprise of all of such lesser number of Debenture Holder(s) being present).
(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 Debenture Trustee shall nominate 2 (two) persons to attend each meeting one of which shall be nominated by the Debenture Trustee to act as the chairman of the meeting and in his absence the Debenture Holder(s) personally present at the meeting shall elect one of themselves to be the chairman thereof on a show of hands.
(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.

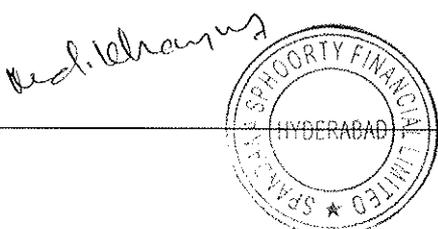
Spandana Sphoorty Financial Limited (as the Company)	Catalyst Trusteeship Limited (as Debenture Trustee)
 	 

- (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 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

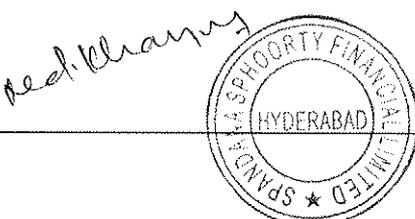
Spandana Sphoorty Financial Limited (as the Company)	Catalyst Trusteeship Limited (as Debenture Trustee)
	

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.
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.

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- (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 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 remove the existing Debenture Trustee and to appoint new Debenture Trustee.
- (v) 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.

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

24. 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.
25. 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.
26. 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.

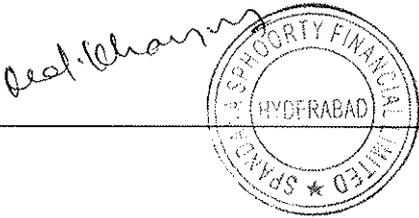
Spandana Sphoorty Financial Limited (as the Company)	Catalyst Trusteeship Limited (as Debenture Trustee)
 	 

SCHEDULE III

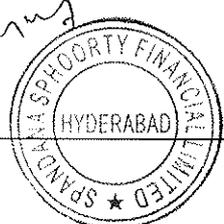
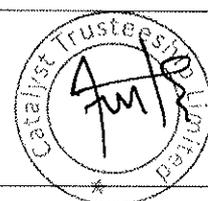
PART A: CONDITIONS PRECEDENT

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:

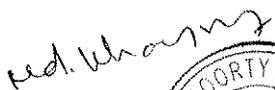
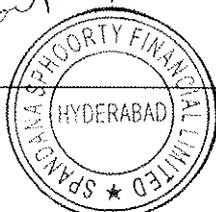
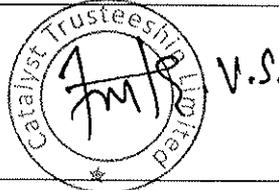
- (a) A certified true copy of the constitutional documents of the Issuer (being its memorandum and articles of association and certificate of incorporation) should have been submitted to the Debenture Trustee.
- (b) The Company shall have submitted to the Debenture Trustee, a certified true copy of the certificate of registration as a non-banking financial company.
- (c) The Company shall be in receipt of due diligence certificate (Annexure A) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218);
- (d) 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.
- (e) 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.
- (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, 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 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;

Spandana Sphoorty Financial Limited (as the Company)	Catalyst Trusteeship Limited (as 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) prior to the Deemed Date of Allotment;
- (i) The Company shall have submitted certificate from an independent chartered accountant certifying that the list of receivables to be hypothecated are as per the eligibility criteria mentioned in the Deed of Hypothecation;
- (j) The Company shall have submitted to the Debenture Trustee duly completed certified/ self-attested KYC Documents of the Issuer and the authorized signatories of the Issuer;
- (k) The Company shall have submitted the list of Initial Hypothecated Assets in order to create the security as required under the Deed of Hypothecation;
- (l) Receipt of the rating letter, rating rationale and detailed press release from the Rating Agency in relation to the Debentures;
- (m) Receipt of the letter of consent for appointment of the Debenture Trustee as debenture trustee in relation to the Debenture;
- (n) 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;
- (o) Receipt by the Debenture Trustee of Certified copy of the depository arrangements made by Company with NSDL and CDSL for issue of Debentures in dematerialized form;
- (p) The Company shall submit certified true copy of the Tripartite Agreement executed between the Registrar and Transfer Agent, Depository and the Issuer;
- (q) The Company shall have provided a certificate to the Debenture Trustee (including board resolution permitting the Company for listing of the securities) certifying that the issuance and allotment of the Debentures shall not result in the Company exceeding the prescribed limits of borrowing or similar limit binding;
- (r) The Company to provide a management undertaking that all the Financial Indebtedness of the Issuer are standard as on date, the Issuer has not defaulted in making any payments in respect thereto and the Issuer has obtained all regulatory and statutory consents to issue Debentures;
- (s) The Company shall submit a certificate issued by an independent chartered accountant, prior to the Deemed Date of Allotment, certifying that there are no proceedings or claims for the recovery of any Tax pending against the Issuer including, without limitation, any income tax proceedings requiring it to obtain the consent of the Assessing Officer under Section 281(1) of the Income Tax Act, 1961 for the purpose of creating security interest in respect of the Secured Property;

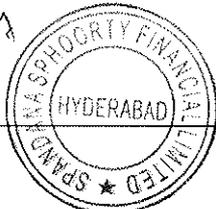
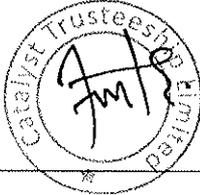
Spandana Sphoorty Financial Limited (as the Company)	Catalyst Trusteeship Limited (as Debenture Trustee)
 	 

- (t) The Issuer to submit to the Debenture Trustee undated cheques issued by the Issuer towards all instalments of principal payment, in favour of the Debenture Trustee;
- (u) The Company shall submit a certificate issued by the independent chartered accountant, prior to the Deemed Date of Allotment confirming that: (A) issuance of the Debentures would not cause any borrowing, or similar limit binding on the Issuer to be exceeded; (B) execution of the relevant Security Documents and creation of the security interests, would not breach any limits under the constitutional documents of the Issuer, the terms of any other contractual arrangements entered into by the Issuer or any limits prescribed by the shareholders or board of directors of the Issuer;
- (v) The Company shall provide confirmation with respect to the creation of ISIN;
- (w) The Company shall have obtained a draft enforceability opinion from the legal counsel;
- (x) The Company shall provide a certificate (signed by an authorized signatory/ KMP/ Company Secretary) confirming that:
- (i) there has been no change to any of the documents, confirmations, certificates resolutions and information delivered by it or in relation to it under Conditions Precedent to Debentures of the Debenture Trust Deed since the date of delivery;
 - (ii) each of the documents, confirmations, certificates, resolutions and information delivered by it or in relation to it under Conditions Precedent is correct, complete and in full force and effect as at a date no earlier than the date of the Debenture Trust Deed;
 - (iii) there are no restrictions on the borrowing powers of the Issuer as per its constitutional documents and corporate authorizations and it is authorized to raise funds by issue;
 - (iv) no default has occurred or is continuing or would result from the issuance and allotment of Debentures under the proposed Issue;
 - (v) no application has been made against the Issuer before an adjudicating authority under the IBC;
 - (vi) no execution or other legal process issued on a judgment, decree or order of any court in favour of a creditor of the Issuer remains unsatisfied in whole or in part, except as disclosed to the Debenture Holders;
 - (vii) no action has been taken or is pending (including the filing of documents with any court), no other steps have been taken by any Person and no legal proceedings have been commenced or are threatened or are pending for the winding up, liquidation, dissolution, administration or reorganisation of the Issuer; for the Issuer to enter into any composition or arrangement with its creditors generally; and for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer in respect of the Issuer or any of its property, undertaking or assets;
 - (viii) there is no Material Adverse Effect; and
 - (ix) no event equivalent to any of the foregoing has occurred in or under the laws of India

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

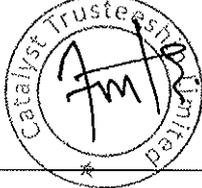
PART B: CONDITIONS SUBSEQUENT

1. 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.
2. 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.
3. 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.
4. Filing of the return of allotment (Form PAS-3) with the relevant Registrar of Companies within 15 (Fifteen) days from the Deemed Date of Allotment.
5. Complete the listing of Debentures on the NSE within 3 (Three) Business Days from the Deemed Date of Allotment.
6. Submit the End Use certificate within a period of 30 (Thirty) days from the Deemed Date of Allotment of Debentures.
7. The receipt of Due diligence certificate (Annexure B) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218).
8. The Company shall submit within 30 (Thirty) days from the end of each quarter, certificate from the statutory auditor certifying/stating that the loans hypothecated in favour of the Debenture Trustee have the Minimum Security Cover with overdue of less than 15 (Fifteen) days and loans have not been re-structured.
9. The Company shall submit within 45 (Forty-Five) days from the end of each quarter, report on product wise and sate wise portfolio with PAR details (in Microsoft excel format).
10. The Company shall submit a certificate from a chartered accountant within 30 (Thirty) days from the Deemed Date of Allotment indicating the details of the receivables hypothecated in favour of the Debenture Trustee confirming/certifying (i) the Security Cover and (ii) PAR of less than 15 days of non-restructured loans.
11. Within 10 (Ten) Business Days from the Deemed Date of Allotment, a capacity and enforceability legal opinion addressed to the Debenture Trustee from the legal counsel to the Debenture

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

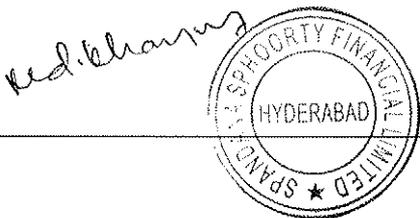
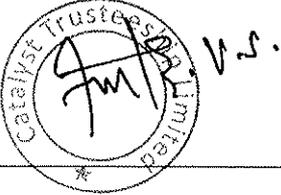
Holders, in relation to the Transaction Documents executed as conditions precedent to the allotment of the Debentures, in a form and substance satisfactory to the Debenture Trustee.

12. Execution of any other documents as customary for transaction or required as per SEBI guidelines.
13. The Debenture Trustee shall provide a CS completion letter to the Debenture Holder(s) stating that the Issuer has completed all the conditions subsequent in relation to the Debentures required under the Transaction Documents.

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

SCHEDULE IV - Existing Financial Indebtedness availed of from the Promoters

[Attached Separately]

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

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 Khayyam pursuant to the board resolution dated March 10, 2023 in the presence of: -

1. Akhilendra Shukla
2. Shreyashi Kabi

Mohammed Khayyam



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:-

- 1.
- 2.

For Catalyst Trusteeship Limited

V.S. Amarnath
Authorised Signatory

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