

## ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

## SES SERVICES

**E-BRSR Tool:** Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

**Contact for Demo –** [esgdata@sesgovernance.com](mailto:esgdata@sesgovernance.com)

### SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

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### Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

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### ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

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### Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

### E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

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## Proxy Advisory Report (Addendum)

## Spandana Sphoorty Financial Ltd

## COMPANY INFORMATION

**BSE CODE:** 542759

**NSE SYMBOL:** SPANDANA

**ISIN:** INE572J01011

**Industry:** Microfinance Institutions

**Email:** [shareholders@spandanaspchoorty.com](mailto:shareholders@spandanaspchoorty.com)

**Phone:** +9140-45474750

**Registered Office:** Wing B, 16<sup>th</sup> Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIC, Raidurg Panmaktha, Hyderabad, Rangareddi, Telangana – 500081

## MEETING DETAILS

**Meeting Type:** AGM

**Meeting Date:** 16<sup>th</sup> September, 2025 at 03:00 P.M

**Venue / Mode of Meeting:** Video Conferencing (VC) facility or other audio visual means (OAVM)

**Notice Date:** 8<sup>th</sup> August, 2025

**Notice:** [Click here](#)

**Annual Report:** [FY 2024-25](#)

**SES PA Report:** [Report](#)

## E-VOTING DETAILS

**e-Voting Platform:** [KFintech](#)

**Cut-off Date:** 9<sup>th</sup> September, 2025

**Remote E-voting:**

- **Start:** 12<sup>th</sup> September, 2025
- **Ends:** 15<sup>th</sup> September, 2025

**ADDENDUM REPORT RELEASE DATE:** 12<sup>th</sup> September, 2025

**Research Analyst:** Pragati Puthran

**Conflict Disclosure:** SES - No Conflict | Analyst - No Conflict



## ADDENDUM

There is no change in SES Recommendations on any of the resolution. However, shareholders may take a note of the Company's clarification, SES's comments thereon.

### BACKGROUND

SES as per its policy, had emailed its PA Report ([Weblink](#)) to the Company on 2<sup>nd</sup> September, 2025 in respect of the AGM of the Company. Post release of PA Report, SES received an email from the Company on 4<sup>th</sup> September, 2025. The Company, through the email, provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the email of the Company dated 4<sup>th</sup> September, 2025 (as per SES policy framed to comply with SEBI Circular dated 3<sup>rd</sup> August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients as it is, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

### SES COMMENTS TO COMPANY'S RESPONSE

*Ms. Mitra was first appointed as an Independent Director of the Company for the period from November 20, 2012 to November 01, 2016, under the provisions of the Companies Act, 1956.*

*Subsequent to the notification of the Companies Act, 2013, her first term under the new Act commenced with her appointment for a period of five years from May 04, 2017 to May 03, 2022. Thereafter, she was re-appointed for a second term of five years, which will continue until May 03, 2027.*

...

*Accordingly, Ms. Mitra's initial tenure (2012–2016) is not considered a term under the Companies Act, 2013. Therefore, her current term does not exceed the limit of two consecutive terms of five years each as prescribed under the Companies Act, 2013.*

#### SES Comment:

SES in its PA Report, had highlighted a compliance concern regarding the office of Ms. Abanti Mitra as an Independent Director of the Company. However, the Company, in its response, clarified that her earlier appointment was made under the provisions of the Companies Act, 1956, and that her first term has been considered from 2017 under the revised Act (i.e. under Companies Act, 2013).

In this regard, SES would like to reiterate that the Ministry of Corporate Affairs (MCA), through its General Circular No. 14/2014 issued clarifications on the transition and appointment of Independent Directors appointed prior to 1<sup>st</sup> April, 2014.

The Clarifications on Rules prescribed under the Companies Act, 2013 – Matters relating to appointment and qualifications of directors and Independent Directors, which came into effect from 1<sup>st</sup> April, 2014 [Link](#), are disclosed below:

*(ii) Section 149: Appointment of 'IDs': Clarification has been sought if 'IDs' appointed prior to April 1, 2014 may continue and complete their remaining tenure, under the provisions of the Companies Act, 1956 or they should demit office and be re-appointed (should the company so decide) in accordance with the provisions of the new Act.*

*The matter has been examined in the light of the relevant provisions of the Act, particularly section 149(5) and 149(10) & (11). Explanation to section 149(11) clearly provides that any tenure of an 'ID' on the date of commencement of the Act shall not be counted for his appointment/holding office of director under the Act. In view of the **transitional period of one year provided under section 149(5)**, it is hereby clarified that it would be necessary that if **it is intended to appoint existing IDs' under the new Act**, such **appointment shall be made expressly under section 149(10)/(11)** read with Schedule IV of the Act **within one year from 1<sup>st</sup> April, 2014**, subject to compliance with eligibility and other prescribed conditions.*

As per the above circular, the Company was provided one-year transition period from 1<sup>st</sup> April, 2014, i.e., by 31<sup>st</sup> March, 2015 to appoint Independent Directors who were originally appointed under the Companies Act, 1956, if it intended to continue their tenure under the Companies Act, 2013.



In the present case, Ms. Mitra was first appointed as an Independent Director w.e.f. 20<sup>th</sup> November, 2025 to 1<sup>st</sup> November, 2016 under the provisions of the Companies Act, 1956. However, section 149(11) Companies Act, 2013, clearly provides that any tenure of an 'ID' on the date of commencement of the Act shall not be counted for his appointment/holding office of director under the Act.

If the Company intended to continue Ms. Mitra as an Independent Director under the Companies Act, 2013, it was required to formally appoint her under Section 149 of the Companies Act 2013 on or before 31st March 2015. No such appointment was made within the prescribed transition period. Moreover, she ceased to be a Director in 2016 and was reappointed on 4<sup>th</sup> May 2017 without observing the mandatory three-year cooling-off period as stipulated under Section 149 of the Companies Act, 2013.

Therefore, office of Ms. Abanti Mitra as an Independent Director is not compliant with the provisions of the Companies Act, 2013.

**Hence, there is no change in SES Observation on non-compliance w.r.t. Section 149 of Companies Act, 2013.**

**COMPANY'S EMAIL**

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*Dear Team,*

*In response to your observation regarding the tenure of Independent Director, Ms. Abanti Mitra, kindly note the following:*

*Ms. Mitra was first appointed as an Independent Director of the Company for the period from November 20, 2012 to November 01, 2016, under the provisions of the Companies Act, 1956.*

*Subsequent to the notification of the Companies Act, 2013, her first term under the new Act commenced with her appointment for a period of five years from May 04, 2017 to May 03, 2022. Thereafter, she was re-appointed for a second term of five years, which will continue until May 03, 2027.*

*For reference, the Companies Act, 2013, under Chapter XI: Appointment and Qualifications of Directors, Section 149, provides the following clarification:*

*“Explanation—For the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections.”*

*Accordingly, Ms. Mitra’s initial tenure (2012–2016) is not considered a term under the Companies Act, 2013. Therefore, her current term does not exceed the limit of two consecutive terms of five years each as prescribed under the Companies Act, 2013.*

*You are requested to take note of the above and issue an addendum to this effect to your report and share a copy for our records.*

*Please feel free to contact the undersigned for any further clarification.*

*Regards,*

*\*\**

## Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

## Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

## CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

## Disclaimer

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This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

## Concern terminology

**NC – Compliance Concern:** The Company has not met statutory compliance requirements

**FC – Fairness Concern:** The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

**GC – Governance Concern:** SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

**TC - Disclosures & Transparency Concern:** The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

## Company Information



Stakeholders Empowerment Services

SEBI Reg. No. INH000000016  
CIN No. -

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## Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.



