



Ref: SSFL/Stock Exchange/2019-20/14

Date: October 31, 2019

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

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

Scrip Code: 1. Equity-542759

2. Debt- 956818, 956928, 956949,
957066, 957105, 957126, 957972 &
958432

Symbol: SPANDANA

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on 31st October, 2019.

This is to inform you that pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [SEBI (LODR)] the Board of Directors at its meeting held on Thursday, 31st October, 2019, has inter-alia considered and approved Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half-year ended 30th September, 2019.

Further, please find enclosed herewith the following documents:

- (i) The copies of the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half-year ended September 30, 2019;
- (ii) The Limited Review Report issued by Statutory Auditors of the Company i.e., M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (FRN No.301003E/E300005).
- (iii) Disclosure pursuant to Regulations 52(4) of the SEBI(LODR);
- (iv) Certificate from Debenture Trustee, Catalyst Trusteeship Limited, as required under Regulation 52(5) of the SEBI(LODR);
- (v) Statement pursuant to Regulations 52(7) of the SEBI (LODR).

The meeting commenced at 12:00 Noon and concluded at 04:25 p.m.

We request you to kindly take on record the aforesaid information.

Thanking you.

For Spandana Sphoorty Financial Limited

Rakesh Jhinjharia
Rakesh Jhinjharia
Company Secretary
Membership No.: F8325



Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Plot No.31 & 32, Ramky Selenium Towers, Tower A,
Ground Floor, Financial Dist, Nanakramguda, Hyderabad - 500 032.

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Spandana Sphoorty Financial Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Spandana Sphoorty Financial Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 8 of the Statement, which describes an uncertainty arising from an observation made by the Reserve Bank of India ("RBI") with regards to adherence to the pricing guidelines issued under RBI Master Directions DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended ("Master Directions") and management's response thereto supported by external legal advice confirming compliance with the Master Directions. Pending outcome of the management's response to the RBI, no provision has been made in these unaudited standalone financial results. Our conclusion on the Statement is not modified in respect of the above matter.
6. We have not audited or reviewed the comparative financial information appearing in the Statement for the corresponding quarter ended September 30, 2018 and the preceding quarter ended June 30, 2019 which have been presented solely based on the information compiled by the Management and has been approved by the Board of Directors. Further, we report that the figures for the quarter ended September 30, 2019 represent the derived figures between the reviewed figures in respect of the period from April 1, 2019 to September 30, 2019 and the figures for the quarter ended June 30, 2019, which were not subjected to our audit or review.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Spandana Sphoorty Financial Limited

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7. We have audited the standalone financial results of the Company for the corresponding period from April 1, 2018 to September 30, 2018 prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016, on which we had issued an unmodified audit opinion dated November 14, 2018.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005



per Viren H. Mehta
Partner
Membership No.: 048749
UDIN: 19048749AAABCS2346

Hyderabad
October 31, 2019

SPANDANA SPHOORTY FINANCIAL LIMITED

(CIN: L65929TG2003PLC040648)

Regd. Office: Plot No:- 31 & 32, Ramky Selenium Towers, Tower A, Ground Floor,

Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032.

Phone No. : 040-4812 6666, Website: www.spandanaindia.com

Statement of Unaudited Standalone Financial Results for the Quarter and Half year ended September 30, 2019

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-19 (Unaudited)	30-Jun-19 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-19 (Unaudited)	30-Sep-18 (Audited)	March 31, 2019 (Audited)
	Revenue from Operations						
(a)	Interest Income	2,967.77	2,716.69	2,497.11	5,684.46	4,728.28	9,914.42
(b)	Commission Income	56.47	46.20	41.61	102.67	76.26	147.59
(c)	Net gain on fair value changes	482.86	147.18	26.63	630.04	48.04	265.70
(d)	Others	19.12	11.80	7.20	30.92	13.95	35.10
I	Total Revenue from operations	3,526.22	2,921.87	2,572.55	6,448.09	4,866.53	10,362.81
II	Other income	79.22	66.89	0.35	146.11	0.68	54.27
III	Total Income (I+II)	3,605.44	2,988.76	2,572.90	6,594.20	4,867.21	10,417.08
	Expenses						
(a)	Finance cost	991.04	883.21	889.83	1,874.25	1,700.45	3,564.71
(b)	Impairment on financial instruments	210.24	228.79	128.85	439.03	149.26	454.17
(c)	Employee benefits expense	394.66	390.36	320.79	785.02	603.63	1,299.89
(d)	Depreciation and amortization expense	23.67	19.25	18.64	42.92	31.24	69.19
(e)	Other expenses	112.72	80.47	79.63	193.19	142.65	335.31
IV	Total expenses (IV)	1,732.33	1,602.08	1,437.74	3,334.41	2,627.23	5,723.27
V	Profit before tax (III-IV)	1,873.11	1,386.68	1,135.16	3,259.79	2,239.98	4,693.81
	Tax expense:						
	Current tax	-	-	-	-	-	3.48
	Deferred tax	1,448.10	480.88	399.35	1,928.98	786.91	1,602.85
VI	Income tax expense (VI)	1,448.10	480.88	399.35	1,928.98	786.91	1,606.33
VII	Profit for the period / year (V-VI)	425.01	905.80	735.81	1,330.81	1,453.07	3,087.48
VIII	Other Comprehensive Income						
	Items that will not be reclassified subsequently to profit or loss						
(a)	Re-measurement gains (losses) on defined benefit plans	(11.41)	(0.56)	(1.37)	(11.97)	(1.95)	(3.07)
	Income tax effect	2.82	0.20	0.48	3.01	0.68	1.07
(b)	Items that will be reclassified subsequently to profit or loss						
	Fair Value gain on loan portfolio	(73.92)	(319.40)	-	(393.32)	-	688.80
	Income tax effect	(12.62)	111.61	-	98.99	-	(240.69)
IX	Total comprehensive income for the period /year (VII+VIII)	329.88	697.65	734.92	1,027.52	1,451.80	3,533.59
X	Earnings per share (equity share, par value of Rs.10 each) Computed on the basis of total profit for the period year						
	Basic* (Rs.) (EPS)	6.85	15.19	12.34	21.88	25.47	52.92
	Diluted* (Rs.) (DPS)	6.80	15.05	12.34	21.68	25.46	52.81

* EPS and DPS are not annualised



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Phone No. : 040-4812 6666, Website: www.spandanaindia.com

Statement of Unaudited Standalone Financial Results for the Quarter and Half year ended September 30, 2019

Notes:

1. Disclosure of standalone assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended as at September 30, 2019;

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	As at	
		September 30, 2019	March 31, 2019
		(Unaudited)	(Audited)
ASSETS			
(1)	Financial assets		
(a)	Cash and cash equivalents	7,769.22	1,454.07
(b)	Bank balances other than cash and cash equivalents	1,882.91	2,028.09
(c)	Trade receivables	157.77	35.49
(d)	Loan portfolio	43,991.85	41,653.89
(e)	Investments	646.76	646.35
(f)	Other financial assets	1,729.10	861.35
	Total financial assets	56,177.61	46,679.24
(2)	Non-financial assets		
(a)	Current tax assets (net)	99.09	83.37
(b)	Deferred tax assets (net)	213.23	1,998.36
(c)	Property, plant and equipment	171.39	70.86
(d)	Intangible assets	17.18	21.53
(e)	Other non-financial assets	82.12	127.01
	Total non-financial assets	583.01	2,301.13
	Total assets	56,760.62	48,980.37
LIABILITIES AND EQUITY			
LIABILITIES			
(1)	Financial liabilities		
(a)	Debt securities	11,770.54	13,719.64
(b)	Borrowings (other than debt securities)	19,499.80	15,529.89
(c)	Subordinated liabilities	201.54	201.56
(d)	Other financial liabilities	1,267.97	435.21
	Total financial liabilities	32,739.85	29,886.30
(2)	Non-financial liabilities		
(a)	Current tax liabilities (net)	3.48	3.48
(b)	Provisions	16.21	3.42
(c)	Other non-financial liabilities	324.66	223.43
	Total non-financial liabilities	344.35	230.33
(3)	EQUITY		
(a)	Equity share capital	641.77	596.34
(b)	Other equity	23,034.65	18,267.40
	Total equity	23,676.42	18,863.74
	Total liabilities and equity	56,760.62	48,980.37



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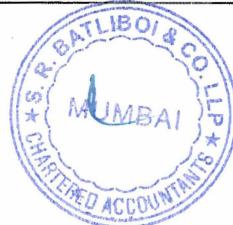
Statement of Unaudited Standalone Financial Results for the Quarter and Half year ended September 30, 2019

Notes:

2. Disclosure of standalone statement of cashflow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended for the half year ended September 30, 2019:

(Rupees in millions unless otherwise stated)

Particulars	Half year ended		Year ended
	30-Sep-19	30-Sep-18	March 31, 2019
	(Unaudited)	(Unaudited)	(Audited)
Cash flow from operating activities			
Profit before tax	3,259.79	2,239.96	4,693.81
Adjustments for:			
Interest on income tax	-	-	1.15
Depreciation and amortization	42.92	31.24	69.19
Share based payment to employees	20.20	10.92	41.14
Provision for gratuity	4.24	1.64	3.95
Net gain on derecognition of property, plant and equipment	-	(0.03)	(0.03)
Impairment on financial instruments	439.03	149.26	454.17
Net gain on fair value changes	(16.31)	(48.04)	(109.57)
Other provisions and write offs	17.63	7.67	23.61
Operating profit before working capital changes	3,767.50	2,392.62	5,177.42
Movements in working capital :			
Increase / (decrease) in other financial liabilities	832.80	1,060.71	290.10
Increase / (decrease) in provisions	(3.42)	(5.56)	(7.50)
Increase / (decreases) in other non financial liabilities	101.23	28.69	43.12
(Increase) / decrease in bank balances other than cash and cash equivalents	145.18	(683.55)	(995.63)
(Increase) / decrease in trade receivables	(122.28)	(13.66)	(9.95)
(Increase) / decrease in loan portfolio	(3,170.30)	(8,456.42)	(10,522.94)
(Increase) / decrease in other financial assets	(885.38)	(497.47)	(225.23)
(Increase) / decrease in other non financial assets	44.90	(105.64)	(111.54)
Cash used in operations	710.23	(6,280.28)	(6,362.15)
Income taxes paid	(15.73)	(101.29)	(135.61)
Net cash used in operating activities (A)	694.50	(6,381.57)	(6,497.76)
Cash flow from investing activities			
Purchase of property, plant and equipment	(139.10)	(41.38)	(69.07)
Purchase of intangible assets	-	(3.72)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.05	0.08
Purchase of investments	(23,806.24)	(32,715.13)	(67,585.20)
Sale of investments	23,822.54	32,763.18	67,694.76
Investment in subsidiary	-	-	(625.35)
Net cash used in investing activities (B)	(122.80)	3.00	(592.78)
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)	3,889.14	501.00	501.00
Balance subscription of optionally convertible redeemable preference shares (all series)	-	532.31	532.31
Proceeds from issue of Share Warrants (including securities premium)	-	-	349.03
Dividend paid on compulsory convertible preference shares (all class)	-	(0.13)	(0.13)
Debt securities (net)	(1,949.10)	1,595.00	3,572.51
Borrowings (other than debt securities) (net)	3,969.91	5,958.24	2,564.81
Subordinated liabilities (net)	(0.02)	(0.12)	0.01
Share issue expenses	(166.48)	-	-
Net cash from financing activities (C)	5,743.45	8,935.33	7,519.54
Net increase / (decrease) in cash and cash equivalents (A + B + C)	6,315.15	2,556.76	429.00
Cash and cash equivalents at the beginning of the period /year	1,454.07	1,025.07	1,025.07
Cash and cash equivalents at the end of the period /year	7,769.22	3,581.83	1,454.07



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Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2019

Notes:

- 3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 31, 2019, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 4 During the quarter ended September 30, 2019 the Company has completed the Initial Public Offer (IPO) of its equity shares, comprising a fresh issue of 45,43,385 equity shares having a face value of Rs.10 each at an offer price of Rs.856 per share aggregating Rs.3.889 million by the Company and an offer for sale of 93,56,725 equity shares by existing shareholders aggregating Rs.8.009 million. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE Limited on August 19, 2019.
- 5 The Company operates in a single business segment i.e., lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in single geographic segment, i.e domestic.
- 6 Effective April 1, 2019 the Company has adopted INDAS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach. Based on the same and as permitted under the specific transitional provisions in the standard, the Company has not restated the comparative information.
On transition, the adoption of the new standard resulted in recognition of right-of-use asset and a corresponding lease liability of Rs.114.27 million. The effect of this adoption is not material to the profit and earnings per share for the period.
- 7 Pursuant to the Taxation Laws (Amendment) Ordinance 2019, promulgated on September 20, 2019, the Company has decided to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. As a result, the charge on account of remeasurement of deferred tax assets and reversal of MAT credit entitlement during the quarter ended September 30, 2019 aggregates to Rs.806.29 million.
- 8 RBI has conducted annual inspection of the Company for FY18 and shared its concerns vide letter dated March 28, 2019. One of the supervisory concerns mentioned in their letter is that the Company overcharged interest rate to the extent of 0.66% on the loans disbursed during the quarter ending September 2017, violating pricing guidelines prescribed under paragraph 54 of the Master Directions DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended, (the 'Master Directions'). The RBI has further advised the Company to initiate the refund process.
The Company is of the opinion that the pricing of qualifying loans is very much in line with para 54 of the Master Directions. Three independent legal opinions have been obtained substantiating that the Company's method of determining the pricing of qualifying MFI loans is in compliance with the Master Directions. The Company submitted its response to RBI to this effect on May 31, 2019.
- 9 The comparative financial results pertaining to the corresponding quarter ended June 30, 2019 and quarter ended September 30, 2018 have not been subjected to a limited review or audit by our statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.
- 10 Previous year/periods figures have been regrouped/rearranged wherever necessary to conform with current period's classification.

For and on behalf of the Board of Directors of
SPANDANA SPHOORTY FINANCIAL LIMITED

Place: Hyderabad

Date: October 31, 2019



Padmaja Gangireddy
Managing Director

S.R. BATLIBOI & CO. LLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Spandana Sphoorty Financial Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Spandana Sphoorty Financial Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - (i) Criss Financial Holdings Limited (subsidiary)
 - (ii) Caspian Financial Services Limited (subsidiary)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 9 of the Statement, which describes an uncertainty arising from an observation made by the Reserve Bank of India ("RBI") with regards to adherence to the pricing guidelines issued under RBI Master Directions DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended ("Master Directions") and management's response thereto supported by external legal advice confirming compliance with the Master Directions. Pending outcome of the management's response to the RBI, no provision has been made in these unaudited consolidated financial results. Our conclusion on the Statement is not modified in respect of the above matter.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Spandana Sphoorty Financial Limited

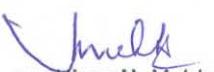
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7. The accompanying Statement includes unaudited financial results and other unaudited financial information of a subsidiary (Criss Financial Holdings Limited) whose financial results reflect Group's share of total assets of Rs.115.15 crore as at September 30, 2019, Group's share of total revenues of Rs.7.04 crore and Rs.13.74 crore, Group's share of total net profit after tax of Rs.3.22 crore and Rs.6.04 crore, Group's share of total comprehensive income of Rs.3.21 crore and Rs.6.02 crore, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash inflows of Rs.3.02 crore for the period from April 1, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by its independent auditors. The independent auditor's report on the financial results of this entity has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on the report of such auditor and procedures performed by us as stated in paragraph 3 above.
8. The accompanying Statement of unaudited consolidated financial results include unaudited financial results and other unaudited financial information in respect of a subsidiary (Caspian Financial Services Limited), which have not been audited/ reviewed by its auditors, whose financial results reflect Group's share of total assets of Rs.2.15 crore as at September 30, 2019, Group's share of total revenues of Rs.0.03 crore and Rs.0.07 crore, Group's share of total net profit after tax of Rs.0.02 crore and Rs.0.06 crore, Group's share of total comprehensive income of Rs.0.02 crore and Rs.0.06 crore, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash outflows of Rs.2.11 crore for the period from April 1, 2019 to September 30, 2019, as considered in the Statement. These unaudited financial results and other unaudited financial information have been certified and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this subsidiary is based solely on such unaudited financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in para 7 and 8 above is not modified with respect to our reliance on the work done and the report of the other auditors and the financial results certified by the Management.

9. We have not audited or reviewed the comparative financial information appearing in the Statement for the corresponding quarter and six months ended September 30, 2018 and the preceding quarter ended June 30, 2019 which have been presented solely based on the information compiled by the Management and has been approved by the Holding Company's Board of Directors. Further, we report that the figures for the quarter ended September 30, 2019 represent the derived figures between the reviewed figures in respect of the period from April 1, 2019 to September 30, 2019 and the figures for the quarter ended June 30, 2019, which were not subjected to our audit or review.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005


per Viren H. Mehta
Partner
Membership No.: 048749
UDIN: 19048749AAABCT1876

Hyderabad
October 31, 2019

SPANDANA SPHOORTY FINANCIAL LIMITED

(CIN: L65929TG2003PLC040648)

Regd. Office: Plot Nos: 31 & 32, Rankey Selenium Towers, Tower A, Ground Floor,
 Financial Dist, Namarangpeta, Hyderabad, Telangana - 500032.

Phone No. : 040-4812 6666, Website: www.spandanaindia.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2019

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	Quarter ended			Half year ended		Year ended (Audited)
		30-Sep-19 (Unaudited)	30-Jun-19 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-19 (Unaudited)	30-Sep-18 (Unaudited)	
	Revenue from Operations						
(a)	Interest Income	3,023.67	2,773.12	2,497.16	5,796.79	4,728.69	9,978.74
(b)	Commission Income	58.73	49.22	41.61	107.94	76.26	150.12
(c)	Net gain on fair value changes	483.19	147.54	26.87	630.73	48.28	266.76
(d)	Others	19.12	11.80	7.20	30.92	13.95	35.34
I	Total Revenue from operations	3,584.71	2,981.68	2,572.84	6,566.38	4,867.18	10,430.96
II	Other income	79.27	66.92	0.35	146.19	0.68	54.33
III	Total Income (I+II)	3,663.98	3,048.60	2,573.19	6,712.57	4,867.86	10,485.29
	Expenses						
(a)	Finance cost	996.44	892.48	889.84	1,888.92	1,700.46	3,578.65
(b)	Impairment on financial instruments	210.26	228.81	128.85	439.07	149.26	453.00
(c)	Employee benefits expense	403.40	398.38	320.79	801.78	603.63	1,310.46
(d)	Depreciation and amortization expense	23.85	19.45	18.64	43.30	31.24	69.66
(e)	Other expenses	115.26	82.44	79.63	197.69	142.67	338.80
IV	Total expenses (IV)	1,749.21	1,621.56	1,437.75	3,370.76	2,627.26	5,750.57
V	Profit before tax (III-IV)	1,914.77	1,427.04	1,135.44	3,341.81	2,240.60	4,734.72
	Tax expense:						
	Current tax	9.09	11.95	(0.01)	21.04	0.08	12.88
	Deferred tax	1,448.28	480.66	399.35	1,928.94	786.91	1,602.84
VI	Income tax expense (V)	1,457.37	492.61	399.34	1,949.98	786.99	1,615.72
VII	Profit for the period / year (V-VI)	457.40	934.43	736.10	1,391.83	1,453.61	3,119.00
VIII	Other Comprehensive Income						
(a)	Items that will not be reclassified subsequently to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	(11.54)	(0.68)	(1.37)	(12.22)	(1.95)	(2.94)
	Income tax effect	2.84	0.23	0.48	3.07	0.68	1.03
(b)	Items that will be reclassified subsequently to profit or loss						
	Fair Value gain on loan portfolio	(73.92)	(319.40)	-	(393.32)	-	688.80
	Income tax effect	(12.62)	111.61	-	98.99	-	(240.69)
IX	Total comprehensive income for the period /year (VII+VIII)	362.16	726.19	735.21	1,088.35	1,452.34	3,565.20
X	Earnings per share (equity share, par value of Rs.10 each) Computed on the basis of total profit for the period/year						
	Basic* (Rs.) (EPS)	7.38	15.67	12.34	22.88	25.48	53.46
	Diluted* (Rs.) (DPS)	7.31	15.52	12.34	22.68	25.47	53.35

* EPS and DPS are not annualised



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Phone No. : 040-4812 6666, Website: www.spandanaindia.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2019

Notes:

1. Disclosure of consolidated assets and liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended as at 30 September 2019.

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	As at	
		September 30, 2019	March 31, 2019
		(Unaudited)	(Audited)
ASSETS			
(1)	Financial assets		
(a)	Cash and cash equivalents	7,810.29	1,486.12
(b)	Bank balances other than cash and cash equivalents	1,886.83	2,031.86
(c)	Trade receivables	156.69	35.49
(d)	Loan portfolio	45,075.84	42,677.59
(e)	Investments	22.49	1.00
(f)	Other financial assets	1,319.71	604.47
	Total financial assets	56,271.85	46,836.53
(2)	Non-financial assets		
(a)	Current tax assets (net)	99.09	83.37
(b)	Deferred tax assets (net)	214.77	1,999.79
(c)	Property, plant and equipment	172.06	71.74
(d)	Intangible assets	17.74	22.21
(e)	Goodwill	173.74	173.74
(f)	Other non-financial assets	86.90	129.69
	Total non-financial assets	764.30	2,480.54
	Total assets	57,036.15	49,317.07
LIABILITIES AND EQUITY			
(1)	LIABILITIES		
(a)	Financial liabilities		
(b)	Debt securities	11,770.54	13,719.64
(c)	Borrowings (other than debt securities)	19,623.61	15,754.79
(d)	Subordinated liabilities	203.03	202.94
(e)	Other financial liabilities	1,295.64	444.85
	Total financial liabilities	32,892.82	30,122.22
(2)	Non-financial liabilities		
(a)	Current tax liabilities (net)	23.56	62.83
(b)	Provisions	16.65	3.59
(c)	Other non-financial liabilities	326.02	224.85
	Total non-financial liabilities	366.23	291.27
(3)	EQUITY		
(a)	Equity share capital	641.77	596.34
(b)	Other equity	23,124.63	18,298.02
(c)	Equity attributable to shareholders of the company	23,766.40	18,894.36
(d)	Non controlling interest	10.70	9.22
	Total equity	23,777.10	18,903.58
	Total liabilities and equity	57,036.15	49,317.07



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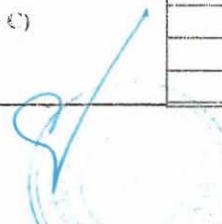
Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2019

Notes:

2. Disclosure of consolidated statement of cashflow as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended for the half year ended 30 September 2019:

(Rupees in millions unless otherwise stated)

Particulars	Half year ended		Year ended
	30-Sep-19	30-Sep-18	March 31, 2019
	(Unaudited)	(Unaudited)	(Audited)
Profit before tax	3,341.81	2,240.60	4,734.72
Adjustments for:			
Interest on income tax	0.01	-	3.15
Depreciation and amortization	43.30	31.24	69.66
Share based payment to employees	20.61	10.92	41.25
Provision for gratuity	4.36	1.64	4.01
Net (gain)/ loss on derecognition of property, plant and equipment	-	(0.03)	0.37
Impairment on financial instruments	439.07	149.26	453.00
Net gain on fair value changes	(17.00)	(48.28)	(110.63)
Other provisions and write offs	17.66	7.67	23.51
Operating profit before working capital changes	3,849.82	2,393.02	5,219.04
Movements in working capital :			
Increase / (decrease) in other financial liabilities	850.86	1,060.70	285.30
Increase / (decrease) in other non financial liabilities	101.18	28.69	42.73
Increase / (decrease) in provisions	(3.52)	(5.50)	(7.68)
(Increase) / decrease in bank balances other than cash and cash equivalents	145.03	(683.58)	(977.74)
(Increase) / decrease in trade receivables	(121.19)	(13.66)	(10.46)
(Increase) / decrease in other financial assets	(732.90)	(497.47)	31.63
(Increase) / decrease in loan portfolio	(3,230.65)	(8,456.42)	(10,070.52)
(Increase) / decrease in other non financial assets	42.79	(105.64)	(109.85)
Cash used in operations	901.42	(6,279.86)	(5,597.55)
Income taxes paid	(76.05)	(101.36)	(135.88)
Net cash generated/ (used) in operating activities (A)	825.37	(6,381.22)	(5,733.43)
Cash flow from investing activities			
Purchase of property, plant and equipment	(139.16)	(41.38)	(69.56)
Purchase of intangible assets	-	(3.72)	(8.00)
Proceeds from derecognition of property, plant and equipment	-	0.05	0.08
Purchase of investments	23,848.34	(32,735.73)	(67,585.20)
Proceeds from sale of investments	23,843.84	32,763.18	67,695.83
Investment in subsidiary (net of cash acquired)	-	-	(360.95)
Net cash generated/ (used) in investing activities (B)	(143.66)	(17.60)	(327.80)
Cash flows from financing activities			
Proceeds from issue of equity shares (including securities premium)	3,889.14	501.00	501.00
Balance subscription of optionally convertible redeemable preference shares (all series) (including securities premium)	-	532.31	532.31
Proceeds from issue of share warrants (including securities premium)	-	349.03	349.03
Dividend paid on compulsory convertible preference shares (all class)	-	(0.13)	(0.13)
Debt securities (net)	(1,949.10)	1,595.00	3,572.51
Borrowings (other than debt securities) (net)	3,868.81	5,958.24	1,664.56
Subordinated liabilities (net)	0.09	(0.12)	(117.29)
Share issue expenses	(166.48)	-	-
Net cash generated/ (used) from financing activities (C)	5,642.46	8,935.33	6,501.99
Net increase / (decrease) in cash and cash equivalents (A + B + C)	6,324.17	2,536.51	440.76
Cash and cash equivalents at the beginning of the period / year	1,486.12	1,045.36	1,045.36
Cash and cash equivalents at the end of the period / year	7,810.29	3,581.87	1,486.12



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Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2019

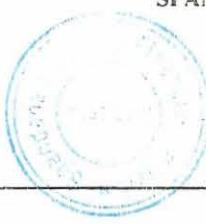
Notes:

- 3 The consolidated financial results include results of the following companies:

Name of the Company	% Shareholding and voting power of Spandana Sphoorty Financial Limited	Consolidated as
Caspian Financial Services Limited	100%	Subsidiary
Criss Financial Holdings Limited	97.54%	Subsidiary

- 4 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 31, 2019, in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 5 During the quarter ended September 30, 2019 Spandana Sphoorty Financial Limited (Holding Company) has completed the Initial Public Offer (IPO) of its equity shares, comprising a fresh issue of 45,43,385 equity shares having a face value of Rs.10 each at an offer price of Rs.856 per share aggregating Rs.3.889 million by the Holding Company and an offer for sale of 93,56,725 equity shares by existing shareholders of the Holding Company aggregating Rs.8.009 million. Pursuant to the IPO, the equity shares of the Holding Company have got listed on BSE Limited and NSE Limited on August 19, 2019.
- 6 The Group operates in a single business segment i.e., lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in single geographic segment, i.e domestic.
- 7 Effective April 1, 2019 the Group has adopted INDAS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach. Based on the same and as permitted under the specific transitional provisions in the standard, the Group has not restated the comparative information. On transition, the adoption of the new standard resulted in recognition of right-of-use asset and a corresponding lease liability of Rs.114.27 Million. The effect of this adoption is not material to the profit for the period and earnings per share.
- 8 Pursuant to the Taxation Laws (Amendment) Ordinance 2019, promulgated on September 20, 2019, the Group has decided to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. As a result, the net charge on account of remeasurement of deferred tax assets and reversal of MAT credit entitlement during the quarter ended September 30, 2019 aggregates to Rs.808.11 million.
- 9 RBI has conducted annual inspection of Spandana Sphoorty Financial Limited (Holding Company) for FY18 and shared their concerns vide its letter dated March 28, 2019. One of the supervisory concerns mentioned in their letter is that the Holding Company overcharged interest rate to the extent of 0.66% on the loans disbursed during the quarter ending September 2017, violating pricing guidelines prescribed under paragraph 54 of the Master Directions DNBR, PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended, (the 'Master Directions'). The RBI has further advised the Holding Company to initiate the refund process. The Holding Company is of the opinion that the pricing of qualifying loans is very much in line with para 54 of the Master Directions. Three independent legal opinions have been obtained substantiating that the Holding Company's method of determining the pricing of qualifying MFI loans is in compliance with the Master Directions. The Holding Company submitted its response to RBI to this effect on May 31, 2019.
- 10 The comparative financial results pertaining to the corresponding quarter ended June 30, 2019, quarter ended September 30, 2018 and half year ended September 30, 2018 have not been subjected to a limited review or audit by our statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the group's affairs.
- 11 Previous year/periods figures have been regrouped/rearranged wherever necessary to conform with current period's classification.

For and on behalf of the Board of Directors of
SPANDANA SPHOORTY FINANCIAL LIMITED



Place: Hyderabad
Date: October 31, 2019

Padmaja Gangireddy
Managing Director



Ref: SSFL/BSE/2018-19/064

Date: October 31, 2019

Scrip Code: 956818, 956928, 956949, 957066, 957105, 957126, 957972 & 958432

To
Manager
Listing Department
BSE Limited,
Department of Corporate Services
P. J. Towers, 25th Floor, Dalal Street,
Mumbai - 400001

Dear Sir,

Sub: Information Required under Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

This is to inform you that the details /information/ documents as required to be given pursuant to the provisions of the Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the half-year ended 30th September, 2019 on standalone basis, are given herein:

(a) Credit Rating and Changes in Credit Rating (if any):

Rating Agency	Term	Credit Rating (as on 30 th September, 2019)
ICRA Limited	Long term	[ICRA]A- (Stable)

(b) Asset cover available: Non Banking Financial Companies registered with the Reserve Bank of India are not required to disclose the said requirements

(c) Debt equity ratio: 1.33 times

(d) Previous due date for the payment of interest / repayment of principal of non convertible debt securities:

Security Description	ISIN	Previous due dates for payment of Interest/repayment of Principal	Type of Payment
12.30% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07026	15/04/2019 15/05/2019 17/06/2019 15/07/2019 16/08/2019 16/09/2019	Paid (Interest) Paid (Interest) Paid (Interest) Paid (Interest) Paid (Interest) Paid (Interest)
14.00% Secured, Rated, Listed, Redeemable, Transferable, Non-	INE572J07034	18/09/2019	Paid (Interest)

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contact@spandanaindia.com, www.spandanaindia.com





SPANDANA

200 (Two Hundred) Fully paid up Listed Senior Unsecured Dematerialised Non-Convertible Debentures	INE572J08016	26/09/2019	Fully redeemed by exercise of put-option
13.35% Partly Paid, Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07091	28/06/2019 30/09/2019	Paid (Interest and Amortization)
12.30% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07059	15/04/2019 15/05/2019 17/06/2019 15/07/2019 16/08/2019 16/09/2019	Paid (Interest) Paid (Interest) Paid (Interest) Paid (Interest) Paid (Interest) Paid (Interest)
13.15% Rated Secured Listed Redeemable Non-Convertible Debentures	INE572J07067	30/04/2019	Paid (Interest)
12.45% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures of Re. 10,00,000/- each	INE572J07083	31/05/2019 31/08/2019 27/09/2019	Paid(Interest and Amortization) Paid(Interest and Amortization) Pre-mature full redemption
820 (Eight Hundred and Twenty) Secured, Rated, Listed, Redeemable, Transferable Non-convertible Debentures	INE572J07109	07/06/2019	Paid (Interest)

(e) Details of next due dates falling during the 2nd half year of FY 2019-20 for the payment of interest/repayment of principle of non-convertible debentures

Security Description	ISIN	Next due dates for payment of Interest/repayment of Principal	Type of Payment
14.00% Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures	INE572J07034	18/03/2020	(Interest)
13.50% Fully Paid, Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07091	03/10/2019 27/12/2019 27/03/2020	Pre-mature redemption of 2500 Debentures (Interest and Amortization) (Interest and Amortization)
13.15% Rated Secured Listed Redeemable Non-Convertible Debentures	INE572J07067	31/10/2019	(Interest)
820 (Eight Hundred and Twenty) Secured, Rated, Listed,	INE572J07109	09/12/2019	(Interest)





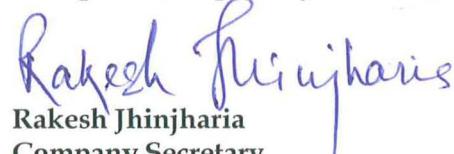
Redeemable, Transferable Non-convertible Debentures			
12.30% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07026	15/10/2019	Pre-mature full redemption
12.30% Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures	INE572J07059	15/10/2019	Pre-mature full redemption

- (f) **Debt service coverage ratio:** Non Banking Financial Companies registered with the Reserve Bank of India are not required to disclose the said requirements
- (g) **Interest service coverage ratio:** Non Banking Financial Companies registered with the Reserve Bank of India are not required to disclose the said requirements
- (h) **Debenture redemption reserve:** Non Banking Financial Companies registered with the Reserve Bank of India are not required to create Debenture Redemption Reserve in case of Privately Placed Debentures.
- (i) **Net worth of the Company as on 30.09.2019:** Rs.2,36,764.25 Lakhs.
- (j) **Net Profit After Tax:** Rs. 13,308.13 Lakhs.
- (k) **Earnings Per Share:** (i) Basic: 21.88 per share
(ii) Diluted: 21.68 per share

You are requested to kindly take the same on record

Thanking you

For Spandana Sphoorty Financial Limited


Rakesh Jhinjharia
Company Secretary
Membership No.: F8325





CTL/DEB/19-20/Noting Certificate/ 5912

October 31, 2019

To Whomsoever It May Concern,

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Spandana Sphoorty Financial Limited (“the Company”)** for the Half year ended September 30, 2019.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited

N. Chakravarthy

Authorised Signatory





Ref: SSFL/BSE/2018-19/065

Date: October 31, 2019

To
Manager
Listing Department
BSE Limited,
Department of Corporate Services
P. J. Towers, 25th Floor, Dalal Street,
Mumbai - 400001

Dear Sir,

Sub: Submission of statement under Regulation 52(7) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

This is to inform you that the proceeds of the amount raised from the issue of Non-Convertible Debentures (NCDs) have been utilized for the purpose as mentioned in the offer document/ Disclosure Documents and there are no material deviations in the utilizations of such proceeds as on 30th September, 2019.

We request you to take the above information on record.

Thanking you

For Spandana Sphoorty Financial Limited


Rakesh Jhinjharia

Company Secretary
Membership No.: F8325

