



Ref: SSFL/Stock Exchange/2019-20/37
Date: January 28, 2020

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: 542759

Symbol: SPANDANA

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on January 28, 2020.

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 Tuesday, January 28, 2020, has inter-alia considered and approved Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 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 nine months ended December 31, 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).

The meeting commenced at 12:00 Noon and concluded at 04:45 p.m.

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

Thanking you.

For Spandana Sphoorty Financial Limited


Rakesh Jhinjharis
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.

Ph : +91 40 48126666, Fax : 040-44386640

contact@spandanaindia.com, www.spandanaindia.com

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 Spoorthy Financial Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Spandana Spoorthy Financial Limited (the "Company") for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the 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 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 5 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 December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 which has been presented solely based on the information compiled by the Management and has been approved by the Board of Directors.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005**per Viren H. Mehta**
Partner
Membership No.: 048749

UDIN: 20048749AAAAAJ7380

Mumbai
January 28, 2020



SPANDANA SPIOORTY 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 nine months ended December 31, 2019

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from Operations						
(a)	Interest Income	2,862.15	2,967.77	2,676.03	8,546.61	7,404.30	9,914.42
(b)	Commission Income	81.55	56.47	38.20	184.22	114.46	147.59
(c)	Net gain on fair value changes	468.27	482.86	180.00	1,098.31	228.04	265.70
(d)	Others	23.65	19.12	11.19	54.57	25.14	35.10
I	Total Revenue from operations	3,435.62	3,526.22	2,905.42	9,883.71	7,771.94	10,362.81
II	Other income	84.69	79.22	20.35	230.80	21.04	54.27
III	Total Income (I+II)	3,520.31	3,605.44	2,925.77	10,114.51	7,792.98	10,417.08
	Expenses						
(a)	Finance cost	844.44	991.04	977.43	2,718.69	2,677.88	3,561.71
(b)	Impairment on financial instruments	415.44	210.24	92.20	854.47	241.46	454.17
(c)	Employee benefits expense	409.99	394.66	333.13	1,195.01	936.77	1,299.89
(d)	Depreciation and amortization expense	21.76	23.67	17.97	64.68	49.22	69.19
(e)	Other expenses	117.87	112.72	93.43	311.06	236.08	335.31
IV	Total expenses	1,809.50	1,732.33	1,514.16	5,143.91	4,141.41	5,723.27
V	Profit before tax (III-IV)	1,710.81	1,873.11	1,411.61	4,970.60	3,651.57	4,693.81
	Tax expense:						
	Current tax	246.13	-	-	246.13	-	3.48
	Deferred tax	203.51	1,448.10	487.52	2,132.48	1,274.43	1,602.85
VI	Income tax expense	449.64	1,448.10	487.52	2,378.61	1,274.43	1,606.33
VII	Profit for the period / year (V-VI)	1,261.17	425.01	924.09	2,591.99	2,377.14	3,087.48
VIII	Other Comprehensive Income						
(a)	Items that will not be reclassified subsequently to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	(1.51)	(11.41)	(0.74)	(13.48)	(2.70)	(3.07)
	Income tax effect	0.38	2.82	0.26	3.39	0.94	1.07
(b)	Items that will be reclassified subsequently to profit or loss						
	Fair Value gain on loan portfolio	(27.22)	(73.92)	664.33	(420.54)	664.33	688.80
	Income tax effect	6.85	(12.62)	(232.14)	105.84	(232.14)	(240.69)
IX	Total comprehensive income for the period / year (VII+VIII)	1,239.67	329.88	1,355.80	2,267.20	2,807.57	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)	19.65	6.85	15.50	41.84	41.04	52.92
	Diluted* (Rs.) (DPS)	19.50	6.80	15.48	41.49	40.98	52.81

* EPS and DPS for the interim periods are not annualised



Spandana Sphoorty Financial Limited
 CIN: L65929TG2003PLC040648
 Plot No 31 & 32, Ramky Selenium Towers, Tower A,
 Ground Floor, Financial Dist, Nanakramguda, Hyderabad - 500 032
 Ph: 040 4812 6666, Fax: 040 4812 6667
www.spandanaindia.com





SPANDANA SPHOORTY FINANCIAL LIMITED

(CIN: L65929TG2003PLC040648)

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

Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032.

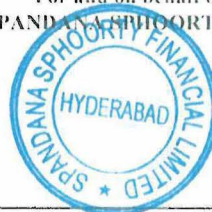
Phone No. : 040-4438 6666, Fax No.: 040-4438 6648, Website: www.spandanaindia.com

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2019

Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on January 28, 2020, respectively and subjected to limited review by statutory auditors in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 During the quarter ended September 30, 2019 the Company had 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.
- 3 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.
- 4 The Company has received an income tax assessment-cum-demand order for financial year 2016-17, inter alia raising a demand of Rs.423.08 million (excluding interest) under section 69A read with section 115B3E of the Income Tax Act, 1961. The Company is in the process of filing an appeal with the Commissioner of Income Tax (Appeals) against the order and, based on the expert opinions obtained, is confident that the matter will be decided in its favour. Accordingly, the aforesaid amount has been considered as a contingent liability as at December 31, 2019.
- 5 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. Accordingly, the Company has submitted its response to RBI to this effect. The latest response received from RBI vide letter dated December 30, 2019, listing the pending points does not include this concern.
- 6 The comparative financial results pertaining to the corresponding quarter ended December 31, 2018 and nine months ended December 31, 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.
- 7 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



Padmaja Gangireddy
Managing Director

Place: Hyderabad

Date: January 28, 2020



Spandana Sphoorty Financial Limited

CIN - L65929TG2003PLC040648

Plot No 31 & 32, Ranky Selenium Towers, Tower A,

Ground Floor, Financial Dist, Nanakramguda, Hyderabad - 500 032

Ph: +91 40 44386666 Fax: 040 44386640

www.spandanaindia.com | www.spandanaindia.com

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 December 31, 2019 and year to date from April 1, 2019 to December 31, 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 6 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") in relation to the Holding Company and its 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.
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 revenues of Rs.79.85 million and Rs.217.31 million, Group's share of total net profit after

tax of Rs.34.81 million and Rs.95.21 million and Group's share of total comprehensive income of Rs.34.87 million and Rs.95.08 million, for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, as considered in the Statement, which have been reviewed by its independent auditors. The independent auditors' 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 revenues of Rs.0.20 million and Rs.0.89 million, Group's share of total net profit after tax of Rs.0.15 million and Rs.0.71 million and Group's share of total comprehensive income of Rs.0.15 million and Rs.0.71 million, for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, 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 ended December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 which has been presented solely based on the information compiled by the Management and has been approved by the Holding Company's Board of Directors.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Viren H. Mehta**

Partner

Membership No.: 048749

UDIN: 20048749AAAAAK5526

Mumbai

January 28, 2020



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 Consolidated Financial Results for the quarter and nine months ended December 31, 2019

(Rupees in millions unless otherwise stated)

Sr.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from Operations						
(a)	Interest Income	2,919.53	3,023.67	2,681.76	8,716.31	7,410.45	9,978.74
(b)	Commission Income	88.41	58.73	38.33	196.36	114.60	150.12
(c)	Net gain on fair value changes	468.48	483.19	180.48	1,099.21	228.76	266.76
(d)	Others	23.65	19.12	11.19	54.57	25.14	35.34
I	Total Revenue from operations	3,500.07	3,584.71	2,911.76	10,066.45	7,778.95	10,430.96
II	Other income	84.73	79.27	20.35	230.92	21.04	54.33
III	Total Income (I+II)	3,584.80	3,663.98	2,932.11	10,297.37	7,799.99	10,485.29
	Expenses						
(a)	Finance cost	849.20	996.44	978.20	2,738.11	2,678.66	3,578.65
(b)	Impairment on financial instruments	415.45	210.26	92.16	854.53	241.42	453.00
(c)	Employee benefits expense	419.52	403.40	333.79	1,221.30	937.42	1,310.46
(d)	Depreciation and amortization expense	21.96	23.85	17.99	65.27	49.23	69.66
(e)	Other expenses	120.67	115.26	93.66	318.37	236.33	338.80
IV	Total expenses	1,826.80	1,749.21	1,515.80	5,197.58	4,143.06	5,750.57
V	Profit before tax (III-IV)	1,758.00	1,914.77	1,416.31	5,099.79	3,656.93	4,734.72
	Tax expense:						
	Current tax	258.14	9.09	0.13	279.18	0.21	12.88
	Deferred tax	203.74	1,448.28	487.51	2,132.68	1,274.42	1,602.84
VI	Income tax expense	461.88	1,457.37	487.64	2,411.86	1,274.63	1,615.72
VII	Profit after tax (V-VI)	1,296.12	457.40	928.67	2,687.93	2,382.30	3,119.00
VIII	Profit attributable to non-controlling interest	0.86	0.79	0.11	2.34	0.11	0.76
IX	Profit for the period / year (VII-VIII)	1,295.26	456.61	928.56	2,685.59	2,382.19	3,118.24
X	Other Comprehensive Income						
(a)	Items that will not be reclassified subsequently to profit or loss						
	Re-measurement gains/(losses) on defined benefit plans	(1.43)	(11.54)	(0.74)	(13.65)	(2.70)	(2.94)
	Income tax effect	0.36	2.84	0.26	3.43	0.94	1.03
(b)	Items that will be reclassified subsequently to profit or loss						
	Fair Value gain on loan portfolio	(27.22)	(73.92)	664.33	(420.54)	664.33	688.80
	Income tax effect	6.85	(12.62)	(232.14)	105.84	(232.14)	(240.69)
XI	Total comprehensive income for the period / year (VII+X)	1,274.68	362.16	1,360.38	2,363.01	2,812.73	3,565.20
XII	Profit attributable to:						
	Owners of the company	1,295.26	456.61	928.56	2,685.59	2,382.19	3,118.24
	Non-controlling Interests	0.86	0.79	0.11	2.34	0.11	0.76
XIII	Total comprehensive income attributable to:						
	Owners of the company	1,273.82	361.37	1,360.27	2,360.67	2,812.62	3,564.44
	Non-controlling Interests	0.86	0.79	0.11	2.34	0.11	0.76
XIV	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)	20.20	7.38	15.57	43.39	41.13	53.46
	Diluted* (Rs.) (DPS)	20.04	7.31	15.56	43.03	41.07	53.35

* EPS and DPS for the interim periods are not annualised



Spandana Sphoorty Financial Limited

(CIN: L65929TG2003PLC040648)

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

Financial Dist, Nanakramguda, Hyderabad, Telangana - 500032

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





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. : 040-4438 6666, Fax No.: 040-4438 6648, Website: www.spandanaindia.com

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2019

Notes:

1 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	100.00%	Subsidiary
Criss Financial Holdings Limited	97.54%	Subsidiary

2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on January 28, 2020, respectively and subjected to limited review by statutory auditors in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3 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.

4 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.

5 The Holding Company has received an income tax assessment-cum-demand order for financial year 2016-17, inter alia raising a demand of Rs 423.08 million (excluding interest) under section 69A read with section 115B3E of the Income Tax Act, 1961. The Holding Company is in the process of filing an appeal with the Commissioner of Income Tax (Appeals) against the order and, based on the expert opinions obtained, is confident that the matter will be decided in its favour. Accordingly, the aforesaid amount has been considered as a contingent liability as at December 31, 2019.

6 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. Accordingly, the Holding Company has submitted its response to RBI to this effect. The latest response received from RBI vide letter dated December 30, 2019, listing the pending points does not include this concern.

7 The comparative financial results pertaining to the corresponding quarter ended December 31, 2018 and nine months ended December 31, 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.

8 Previous year / periods figures have been regrouped / rearranged wherever necessary to conform with current period's classification.

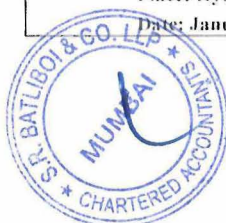
For and on behalf of the Board of Directors of
SPANDANA SPHOORTY FINANCIAL LIMITED



(Signature)
Padma Gangireddy
Managing Director

Place: Hyderabad

Date: January 28, 2020



Spandana Sphoorty Financial Limited

CIN: L65929TG2003PLC040648

Plot No 31 & 32, Ramky Selenium Towers, Tower A,

Ground Floor, Financial Dist, Nanakramguda, Hyderabad - 500032.

Ph: 040 4438 6666 Fax: 040 4438 6648

Website: www.spandanaindia.com